

URUGUAY

A land of enticing new opportunities



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Traditional and next generation sectors forge opportunities

With a small, but robust economy and big ambitions to become a world leader in clean energies, Uruguay is enticing investors

Combining strong fiscal fundamentals and political, social and economic stability with competitive advantages including world-class infrastructure, strategic location and modern mindset to trade and commerce, Uruguay has attracted record sums of foreign direct investment (FDI) to a diverse range of economic sectors in recent years.

Supported by a reassuring legal framework and a favorable tax support package provided by the pro-business government, the republic of 3.5 million people is a bastion of institutional and political stability in Latin America and continues to punch well above its weight. The high-esteem in which the country is held is reflected in its strong position in global rankings. Late last year, U.S. automobile giant Ford returned to Uruguay after 35 years with substantial investment in a state-of-the-art manufacturing complex.

"There are several factors that explain why Uruguay is an attractive destination for FDI, beyond the entire tax support package," explains Azucena Arbeleche, Minister of Economy and Finance. "We are among the strongest and most stable democracies with great civic engagement. Contracts are respected 100 percent. Uruguay has also set a strategic course—and this is perhaps a completely new element—in environmental matters. We have given a political priority to action against climate change."

"We are among the strongest and most stable democracies with great civic engagement. Contracts are respected 100 percent."

Azucena Arbeleche, Minister of Economy and Finance

Omar Paganini Herrera, Minister of Industry, Energy and Mining, echoes this upbeat view, noting while the booming export and agro-export sector remains the principal generator of foreign currency, Uruguay is now exploring its rich potential in high-tech sectors and clean energy solutions, like hydrogen production. "We have a thriving agro-industrial sector and sectors with a high technology aggregate, such as software, the application of life sciences—as seen during the pandemic in medical and veterinary areas—audiovisual production and green energies. All this positions us as a country with a very positive future."

Colleague Fernando Mattos Costa, Minister of Livestock, Agriculture and Fish-

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Montevideo is a very attractive, safe and cosmopolitan capital



Omar Paganini Herrera
Minister of Industry, Energy and Mining



Azucena Arbeleche
Minister of Economy and Finance



Tabaré Viera Duarte
Minister of Tourism

Banking major at the heart of the robust economy

Banco de la República Oriental del Uruguay (Banco Repùblica) is the leading player in the LatAm nation's modern banking sector and boasts over a million satisfied customers



Banco Repùblica is a dominant force in Uruguay's banking sector

Banco Repùblica is not only the largest and most successful banking institution in Uruguay, but one that truly understands its crucial role in the economic engine and substantial contribution to national fiscal well-being. In addition to extensive retail operations, the bank stands proudly at the core of many key infrastructure and investment projects, with the innovative and ambitious commercial and development bank thriving in tandem with the Uruguayan economy—one of the strongest in LatAm.

While competition in the sector has certainly heated up with the arrival of several top-tier banks in recent years, Banco Repùblica's outstanding reputation for trust and security, as well as extremely valuable experience from 126 years of operation, makes the state-owned giant the leading and most popular player in an increasingly competitive field. Having grown its customer base 50 percent since 2016 to 1.5 million customers, Banco Repùblica is putting a lot of focus on offering friendlier, cheaper and safer transactional solutions that enable its customers to feel financially included.

At the same time, notes Banco Repùblica's president, Salvador Ferrer, the financial services giant is perfectly positioned to provide strong support for investors who are mulling support for projects in the business-friendly nation. "Uruguay still has an important challenge in terms of infrastructure investments and the bank is prepared to be a very good partner for all

"Uruguay stands out in international analysis for total transparency, democratic values and respect for judicial and regulatory processes."

Salvador Ferrer, President, Banco Repùblica

players willing to invest in helping to solve this need for infrastructure, and without preference for any specific type of industry," the senior executive states. "We can provide long-term financing and have an excellent capacity to be a partner of any investor, whether they are buying a company, expanding or investing in a new project."

Uruguay has coped with the fiscal fall-out of the COVID-19 pandemic relatively well, although such positive developments do not surprise Ferrer, who is eager to highlight some of the fundamentals that make the country stand out from the crowd and enables the nation of just 3.5 million people to offer investors a solid platform for growth and steady returns. "Uruguay stands out in international analysis for non-existent/very low levels of corruption, total transparency, democratic values and respect for

judicial and regulatory processes," he explains. "These are some of the key factors that investors concentrate on a lot when deciding whether to invest in a country. This has allowed Uruguay to be the recipient of very strong international investments. In addition, Uruguay has a privileged position in being highly committed to sustainable development, and is a beautiful and welcoming country. Banco Repùblica is your ideal partner, at a personal or business level to accompany you in your financial decisions."



Salvador Ferrer
President
Banco Repùblica

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125 years helping our people reach their dreams, giving access to financial services for all Uruguayans

BANCO REPÙBLICA

Uruguay develops strong sustainable forestry solutions

As an innovative business dedicated to the production of eucalyptus cellulose pulp, Montes del Plata is a socially and environmentally committed company



Montes del Plata is a key player in sustainable pulp production

Uruguay's rich natural resources make it an vital participant in the livestock and agricultural sectors, but the recent sustainable development of forestry materials has encouraged a diversification drive, with Montes del Plata establishing itself as a key manufacturer of eucalyptus cellulose pulp.

Founded 13 years ago by two global leaders in the forestry sector: Arauco (Chile) and Stora Enso (Finland/Sweden), Montes del Plata is a provider of wood pulp used in different types of paper—including tissue, packaging and cardboard—as well as sanitary products. From a modern and efficient industrial complex at Punta Pereira in the south-west department of Colonia, the company generates 1.4 million tonnes per year of bleached eucalyptus pulp for export to Europe and Asia. Montes del Plata's operations create about 1.5 percent of Uruguay's GDP.

"Uruguay's logistics expertise has evolved, as has the mechanization of forestry activities, hence the development of the forestry sector."

Diego Wollheim, CEO, Montes del Plata

"Uruguay's logistics expertise has evolved, as has the mechanization of forestry activities, hence the development of the forestry sector," says Diego Wollheim, CEO of Montes del Plata. "In addition to cellulose, we produce energy and our energy performance has improved year after year. Our plant generates clean and renewable energy through biomass. We consume everything necessary for the operation of the plant and the surplus is sent to the national network. The facility generates about a tenth of Uruguay's energy requirements. There are few countries that have renewables energy participation in the matrix at the level of Uruguay. This is a peculiarity of the country, together with the concepts that allowed investment like ours: seriousness as a country, institutionality, a country with a strong democratic character."

The senior executive highlights his company's streamlined logistics operations, which encompass one of the core principles of Montes del Plata: reducing environmental impacts and helping local communities. By splitting transportation activities at the plant evenly between barges and trucks, road congestion and vehicle emissions are reduced by roughly 50%. "Reducing the impact of traffic concentration is a very important aspect of the logistics design of the plant," he continues. "Our set up means many trucks have been taken off the road. We've worked closely with the Inter-American Development Bank for a decade, and have benefited from a very strong focus on social and environmental aspects, and also technology and corporate governance."

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A charming place full of history.

Montes
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colonia.gub.uy/turismo

Tourism blends the best of old and new Uruguay

From the cosmopolitan feel of the capital, Montevideo, to the famous Pampas lowlands dotted with gauchos, the safe and welcoming nation offers something special



Punta del Este boasts golden sands and a vibrant nightlife

Uruguay's tourism highlights are steeped in history and set in beautiful surroundings, with visitors' experiences enhanced by the country's excellent infrastructure, impressive connectivity to major cities and colorful array of cultural and natural delights. While the COVID-19 pandemic took its toll on the tourism sector, the industry has rebounded strongly amid an acclaimed vaccination program rolled out by the government.

Whether arriving by international airline or cruise liners, foreign visitors benefit from the peace of mind of vacationing in one of the safest countries in Latin America, with social and political unrest unheard of and crime rates just a fraction of some of the continent's most famous destinations.

"Crisis creates opportunities, many innovative tourism products have asserted themselves, grown, and matured since the pandemic."

Tabaré Viera Duarte, Uruguay's Minister of Tourism

Tourism. "These workers come not only from the region, but from Europe and North America. They are attracted to Uruguay by its quality of life, legal security, civil stability, healthcare and good digital communications."

The minister hailed the country's battle against COVID-19 and the success of its vaccination program which not only limited loss of life, but meant life could return to normal far sooner than in other nations. This included the reopening of its borders to foreign visitors ahead of schedule, meaning the financial impact on tourism industry participants was limited.

With the worst of the pandemic over, Uruguay is eager to boost investment in tourism-related infrastructure and activities, with its investment promotion law offering a simple, streamlined and efficient process with many tax incentives. "There are good business opportunities in the sector, particularly in the construction of new hotels," Viera Duarte notes. "Our aim is to continue developing tourism as an economic activity, as a productive activity, as an export activity, and as a generator of employment. In this sense, we are strategically working in synergy with the country's 19 departmental governments that each has its own tourism secretariat. This public-public sector approach is reinforced by a public-private sector mentality. Tourism chambers work with us to develop different tourism products, to adjust them seasonally and to diversify them."

"Every crisis creates opportunities, many innovative tourism products have asserted themselves, grown, and matured since the pandemic began. We now have mining tourism, nature tourism, adventure tourism, wine tourism, gastronomic tourism. Many have strengthened and now we face the challenge of keeping our internal market vigorous so they all grow and complement our traditional tourist offering: summer, sun and beaches."

**Small country,
great moments**

Uruguay Ministry of Tourism
www.mintur.gub.uy

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Ministry of Tourism

Maldonado: Jewel in crown is ideal meeting hotspot

Cosmopolitan and cool thanks to its popularity among high-end tourists and business executives, Uruguay's most famous resort region remains a magnet for travelers and investors

With a proud reputation as the most welcoming corner of Latin America due to a combination of modern infrastructure, favorable climate, stunning scenery, excellent hospitality, social and political stability and great connectivity to other countries and continents, the municipality of Maldonado has long been a popular choice for well-heeled tourists from around the world.

Home to the upscale beach resort of Punta del Este, as well as many smaller towns scattered along its sun-drenched coastline, the area is a haven for foreign visitors looking to blend fun and adventure with world-class dining experiences and high-end shopping. Each summer, more than 120 cruise liners filled with thousands of passengers glide into the area's famous bay. While the COVID-19 pandemic cut international arrival numbers considerably, such is Maldonado's popularity among domestic travelers that hotels, restaurants, bars and providers of tourist-oriented services benefited from increased spending by visitors during the short period that many international borders were closed.

"Punta del Este is known as the "Land of Encounters" as the city is a traditional meeting point for the business community of the southern Latin America region: the main businessmen from Argentina, Paraguay and southern Brazil have their headquarters here and summer homes," reveals



Enrique A. Behrens
Mayor of Maldonado



Punta del Este's population swells during the peak tourist season

Enrique Antía Behrens, Mayor of Maldonado. "In addition, we're just 30-60 minutes' flight time from those destinations. In summer, it's common for businessmen from those regions to come here and hold important meetings. This has generated a lot of development in the area."

Having punched above its weight in many economic sectors for many years, Uruguay is well known for making the most of its abundant natural resources, with the agricultural, forestry and livestock segments key drivers of the economy. In recent years, the tourism industry—spearheaded by Maldonado and its sustainable strategic development—has become an increasingly important source of economic growth.

Real estate sector goes from strength to strength

This trend has also been seen in the construction industry, particularly in new residential and commercial infrastructure related to the fast-growing tourism sector. "Construction in our region occupies a transcendent role," Maldonado's mayor continues. "In the last four years we have approved more than 2.3 million square meters of private work in different projects, including high-rise buildings, large complexes, country complexes and rural homes. This massive private investment has been vital as it not only generates wages for construction workers, but also for maintenance services, which is very important for us."

"With the pandemic having eased, there is a sign of continuity in management, which is due to confidence in the country and our area, and to a national and departmental plan for tax relief that we perform in parallel

Magical Maldonado entertains citizens and visitors alike



Whether arriving by plane or cruise liner, visitors can choose from a tourism offering including city, agritourism and ecotourism experience



Abundant resources, diverse topography and rich flora and fauna offer fertile soils for raising livestock, agricultural activities and forestry



Home to Uruguay's upscale tourist resort of Punta del Este, regional living standards are among the highest in Latin America



Trade agreements with Latin American countries and Mexico provide Uruguayan products with a potential market of around 400 million people

with the national government. Companies that are seen to aid national interest can take advantage of tax breaks and financial incentives.

"In turn, we also exempt such entities from real estate contributions, property tax, blueprint fees and various other deductions. The sum of the exemptions has allowed the economic issue of investment in the construction area to be positive. It has weighed in the range of 23-30 percent depending on the projects. They are high-quality homes because we have components from Argentina and Brazil." According to the popular public figure, the upbeat image generated by the strong growth of the region has created a snowball effect and made Maldonado an even more powerful magnet for domestic and foreign investment. This has created lucrative openings for businesses in a diverse range of industries. "People see a department that is growing and pushes other areas," he adds. "There is already an audiovisual free zone and a technological one in subdivisions that we had approved. There is also a new 40-hectare site that is very well located with access to all the essential services, which will boost growth too."

Trend of remote working opens doors to exciting opportunities

The rise of remote working in the wake of the pandemic has also been a catalyst for Maldonado's growing popularity, Antía Behrens notes, highlighting how many more have moved to the area permanently. "Many of our new residents came initially to spend the winter in Punta del Este, but liked it so much they found it hard to leave. They like the wood stoves, the neighborhood spirit, the walks, sporting events, and many other aspects.

"Punta del Este provides people with a high quality of life and all the essential services to connect with the world. There are people who have been doing it for years. In fact, we have a second fiber optic cable that came

directly from the United States, enters Uruguay through Punta del Este and gives us a significant connection speed. In addition, there is all the health and entertainment infrastructure."

"There are several companies that work with young people who have come to settle in the area on a trial basis; they are doing well and are waiting to advance in the free zone to integrate effectively. Maldonado had a bet in this sense because the dream for many people is to work for a while on the internet, then go ride a wave or a bicycle and have permanent contact with nature. Punta del Este allows all of this and much more."

"Punta del Este provides people with a high quality of life and all the essential services to connect with the world."

Enrique Antía Behrens, Mayor of Maldonado

With much of the global fleet of cruise liners now back in the water after strict travel restrictions that devastated the industry for a couple of years, the sector is set to move up a gear, with Maldonado well placed to capitalize on the rebound in demand. "Cruise tourism is a type of tourism that needs to be explored for future growth," Antía Behrens states. "We are thinking of investing in as specific port for cruise ships as this would also help attract international investors to the construction and tourism sectors."

"The Isla de Lobos project is a very punctual one with a small investment because you have to take great care of the sea lions' reserve. However, once the project starts, it will take a definitive place on the international tourism map; it's going to become Uruguay's version of the Galápagos Islands."



ANCAP keen to go green with renewables

The global transition to cleaner fuels has created a myriad of openings for Uruguay, with its rich wind and solar resources driving investment in ambitious green hydrogen projects

As the spearhead for Uruguay's seismic shift to sustainable energies, ANCAP is increasingly focused on next generation fuels as the company strives to put its valuable experience of hydrocarbons and derivatives to use in emerging commodities like carbon-free green hydrogen.

The state-owned energy company enjoys profitable interests in biofuel, cement and mineral resources, with its showcase asset being La Teja refinery—the only one in the country—that churns out fuels like gas, along with products such as lubricants and asphalt. These domestic assets are complemented by gas pipeline operations in Argentina, but ANCAP is now looking to lead the regional decarbonization drive through the adoption of new energies to become a key figure in clean generation and sustainable energy use.

As a signatory to the UN's Partnership for Action on Green Economy, the country is implementing a strategy that includes green growth practices and policies in key sectors to ensure green, sustainable and resource efficient development in accordance with the UN's 2030 goals. This focus on increasing technological competitiveness in the international sphere com-

"There are some very objective technical advantages that position Uruguay's renewable energy supply as a very attractive option."

Alejandro Stipanicic, President, ANCAP

prises innovative green technology pilots and projects, particularly in the field of green hydrogen—a clean, energy-rich commodity made purely via electrolysis using electricity from sources like solar and wind power.

According to ANCAP's president, Alejandro Stipanicic, the firm is keen to expand its portfolio beyond the traditional oil and gas business, as it regards electrification, hydrogen and storage as key enabling technologies for decarbonization. The senior executive believes hydrogen from Uruguay can be cost competitive with fuels for domestic use, and for export to create a sizeable revenue stream. He highlights key competitive advantages like the ease of access to ports, good road infrastructure and enviable electricity supply systems which should enable Uruguay to become an exporter of green hydrogen to overseas markets. Such step changes have occurred before.



Offshore wind turbines are a key part of a clean energy revolution



Alejandro Stipanicic
President, ANCAP

"The crossroads before us is one where we have 20-30 years to transform ourselves without ceasing to be what we are: in the next 20 years ANCAP has to continue producing quality fossil fuels at competitive prices, and at the same time it has to transform itself into a renewable energy company. That duality in a world full of restrictions and pressures is quite a challenge," Stipanicic explains.

"When you tell the story of ANCAP, you see the story of the transformation of the oil companies. What is most striking is how naturally oil companies reinvent themselves and convince themselves that they have to change. For example, 150 years ago coal was everything. Suddenly, the coal companies began to discover oil and began to exploit the oil fields. Then the oil began to be refined more and more and became more efficient and less polluting. In 1952, ANCAP introduced liquefied petroleum gas (LPG) that replaced kerosene, which was a fundamental part of Uruguayan families. ANCAP knew how to go through that transition."

"Then came the introduction of piped natural gas that replaced the petrochemical gas that was made with petrochemical naphtha from ANCAP and replaced LPG. More recently, biodiesel and ethanol are introduced as a supplement to gasoline. Today, we are working to promote the use of ethanol for fleets that want to be ecologically friendly and sustainable, biodiesel as a substitute for diesel without the need to change trucks or engines."

Uruguay's climate as well as its decades of social and political stability make the country a powerful magnet for major international investors searching for a reliable and transparent partner to develop clean energy infrastructure. "Our wind is not as intense as that of the Argentine Patagonia and our sun is not as intense as that of the Atacama desert in Chile," the senior executive continues. "However, although the intensity of the wind is not very high, its consistency throughout the year is very good. In addition, when we have little wind, we have sun. There are some very objective technical advantages that position Uruguay's renewable energy supply as a very attractive option."

"The wind utilization factor has to do with the number of hours of wind acceptable to generate electricity during the year. The wind utilization factor in the Uruguayan waters of more than 55 percent makes it a very interesting target for companies. The costs that we have developed with the Dutch port of Rotterdam in a project that was developed in 2020 indicate that the utilization factor of wind energy in Uruguay, added to the power that can be generated with wind energy in Uruguay, compensates the freight to Europe."



Zero-carbon green hydrogen projects offer huge export potential

According to Stipanicic this means the theoretical production cost of Uruguay's hydrogen is competitive when compared to that produced thousands of miles away in Europe. Another key point is European wind turbines only generate electrical energy for the electricity network, rather than excess power to run trucks, trains or ships. "With sustained economic growth leading to sustained growth in energy demand, if developed countries continue to renounce sources, the gap in time that must be replaced is becoming larger and more important," he says. "Very intense production is required, which makes demand grow, supply decreases and prices rise."

Fledgling hydrogen industry starts to take shape

Uruguay's government has taken a forward-looking, two-pronged approach to the development of green hydrogen infrastructure, with its comprehensive clean energy strategy incorporating both onshore and offshore projects. Recognized as one of the fuels most likely to replace traditional forms of energy, billions of dollars of investment is being ploughed into hydrogen projects worldwide by companies—including some of the globe's largest oil and gas players—and investors chasing a lucrative share of this emerging market. Uruguay's odds of tapping this sector are excellent given its natural resources, strategic location and strong standing in the world of business.

"ANCAP is a very solvent company with truly outstanding professionals, not only locally but also regionally."

Alejandro Stipanicic, President, ANCAP

"There is a world of molecules and a world of electrons," Stipanicic explains. "The world of electrons, electrical energy, is a fairly limited one, but industrial heating, industrial processes, some raw materials, need such large volumes that they have to come in molecules: in tangible liquid fuels and gases. The pivot between these two worlds is hydrogen. Hydrogen can be injected into natural gas pipelines and be a fuel in its own right. Hydrogen can mix with carbon dioxide from the environment to become methanol and that methanol can be used as fuel."

"Hydrogen can mix with nitrogen in the air and can transform ammonia—the fundamental base for nitrogen fertilizers. That ammonia can be transported in ships just like those that transport LPG today. That ammonia can be broken back into nitrogen that can be returned to the air and into

hydrogen for direct energy consumption. Hydrogen is a pivot between the world of molecules and the world of atoms, the world of electricity and the world of great energy consumption. Uruguay wants to produce hydrogen."

In a recent study performed by ANCAP in conjunction with the Washington DC-headquartered World Bank Group, Uruguay's annual wind power potential was assessed well above the republic's annual consumption, giving further weight to ANCAP's view that export openings are strong. Hydrogen exports of at least 100,000 tonnes per year from a series of offshore projects are already being targeted by company officials and government ministers. Talks with various overseas investors are also well advanced, as are discussions over how to overcome potential logistics hurdles through investment in new deep water port access. ANCAP plans to lead the nation's profound energy transformation with the help of foreign partners, particularly in the mobility and transportation sectors, Stipanicic notes.

"We are going to generate attractive conditions so that private individuals, at their own risk, can invest in the country, hand in hand with ANCAP and hand in hand with a country that has proven to be reliable and stable," he states. "ANCAP favors private investment in hydrogen production for use in Uruguay and elsewhere. Once the raw material is secured, it opens doors for participants in other sectors, such as a producer or co-producer of fertilizers. For instance, we could produce renewable fertilizer for our own agricultural production, or decide to sell the green hydrogen to international buyers."

"It is also important to note that ANCAP is in a very strong and solid financial position. We are a very solvent company with truly outstanding professionals, not only locally but also regionally. We rely on that wisdom of the organization to make better decisions."

National oil company committed to the energy transition

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Chemicals major EFICE creating a brighter future

Dedicated to the production of key chemicals like chlorine and caustic soda for many decades, the family-run business is now embarking on an ambitious expansion drive

An award-winning industry pioneer and household name given its contribution to national socio-economic development, EFICE's proud track record of success is set to achieve a new benchmark through the construction of one of the largest domestic investments in the country's history.

The dynamic firm has been celebrating milestones for nearly a century and owes much of its initial success to chemist Dr. Domingo Girbaldo. In 1925 he designed an electrolytic cell and using a motorcycle's dynamo produced chlorine in a garage borrowed from a friend, enabling water purification. Subsequently, together with his son in law, Héctor Alcorta—the grandfather of EFICE's current chairman and CEO, Néstor Gómez Alcorta—he started the first electrolytic factory in Latin America to produce chlorine at scale. This breakthrough made potable water possible across the country, and allowed Uruguay to be the first country in Latin America to eliminate deadly water-borne disease like cholera and typhoid. In 1955, while Héctor Alcorta was the chairman of the company, he decided to bring a whole plant from Europe. As such, he created EFICE and asked his son in law, Eng. Sadi Gómez Larcebó to travel to Europe to purchase a modern industrial plant to produce chlorine, caustic soda and its various derivatives.

Shipped across the Atlantic Ocean and put back together piece by piece, by Eng. Gómez Larcebó, the new plant's launch heralded the birth of EFICE in 1959. Under the guidance of Gómez Larcebó, EFICE continued to grow and develop its own technology. The company is now preparing to create another manufacturing milestone through the launch of Omega Project. Representing the largest industrial investments of national capital in Uruguayan history at approximately \$200 million, the project comprises a state-of-the-art chlorine-soda plant, featuring an industrial complex made up of more than twenty interconnected units. By utilizing the latest membrane cell technology, completely clean with the environment, the energy-efficient industrial complex will at least quadruple the output of chlorine-soda, for consumption in industrial chemicals for domestic and foreign customers. It will also double the enterprise's existing workforce of 150 employees to more than 300.

Benefits of the Omega Project to be felt across Uruguay and beyond
The Omega Project—which will provide one of the main raw materials (caustic soda) for pulp mills as Uruguay looks to become one of the world's largest producers of cellulose—will also boost employment and sales, with EFICE expecting average revenue of more than \$120 million per year.

One of the core components of Uruguay's high standard of living are decent salaries and taxes on businesses and individuals that fund quality



EFICE's ambitious Omega Project will boost output significantly

education and health care provision as well. However, the 1990s Mercosur commercial opening and the high cost-country have had an impact in the last 30 years, closing a large number of industries, which have been unable to compete with rivals in low-cost countries, says Gómez Alcorta. "To be competitive in these circumstances, innovation is the fundamental key," he explains. "Innovation is embedded very deeply in EFICE's DNA. From the very birth of this family business, there has been a demonstration of innovative spirit: my great-grandfather Girbaldo, in 1925, installing, with his own design, the first chlorine factory in South America. My grandfather Alcorta, in 1955, installing a state-of-the-art chlorine-soda plant acquired in Europe. My father when he designed new electrolytic cells in the 1960s and in the commercial aspect, establishing innovative strategic associations with companies in the region, generating synergies for all the actors."

"From the very birth of this family business almost a century ago, there has been a demonstration of innovative spirit."

Néstor Gómez Alcorta, Chairman and CEO, EFICE

The popular businessman continues: "For many years, EFICE has aimed to develop products derived from chlorine, with a precision focus on supplying the markets and sectors with the greatest activities, such as agriculture and livestock. In a volatile, uncertain, complex and ambiguous world, the ability to make decisions quickly in real time is imperative. The COVID-19 pandemic constituted a black swan event and before that was over, others arose in the shape of war in Ukraine and strict lockdowns in China that caused major disruption to many global markets. The characteristics of EFICE and Uruguay make it possible to put these strategies into practice and make us quite resilient to these very fast and deep changes."

The Omega Project has been designed so it can be built in three separate phases, which can be interconnected no matter how far into the future the third phase is commissioned. Once final approval of the credits for the first phase is granted, the plant will be built in Germany and—as nearly 70 years ago with the original unit—moved thousands of miles west to Uruguay. The construction of the new plant is expected to take place throughout 2023 and 2024, with a commissioning date penciled in for 2025. Once on-stream, EFICE estimates it will take 2-3 years more to develop a sufficient number of new products that use chlorine to make the leap to the second

phase. The third phase should jump off the drawing board 5-6 years later, and become a tangible reality.

"Our Research, Development and Innovation (R+D+i) Department has developed several products derived from chlorine, with a notable impact not only on water purification, waste water treatment but also on agricultural production," Gómez Alcorta reveals. "R+D+i developed products for agriculture use that have been very well received by farmers. The products include 'GrowTec' for cereal crops. The former interacts with the enzymes that regulate germination and plant growth, managing to increase crop yields by around 10 percent. At this time, we are already a long way down the road in the development of even more agricultural products. Another is 'ConverTec', which increases the productivity of beef and dairy cattle by 10 percent and has enjoyed explosive demand which exceeded all our expectations and projections, to such an extent that demand exceeded many times the production capacity of the pilot plant that we built to test the product.

"Such a plant is one of the latest additions to the Omega Project and will be constructed to a significantly big scale, so it can supply the Uruguayan market as well as export markets in Argentina and Brazil. In addition to being safe for animals, people and the environment, 'ConverTec' is simply a very important product as it increases the productivity of meat and milk," Gómez Alcorta continues. "There are no similar products on the market in the region and while such products can be found on sale in North America, they are significantly more expensive than ours."

Given its unmatched experience and expertise in water treatment and water quality technology and processes, EFICE is also a founding partner of the national Water Technology Center (CTAgua). Created some years ago, CTAqua is focused on improving the management and sustainable use of the country's water resources. Thanks to the collaboration between companies and academia, the center aims to generate synergies and develop projects for water treatment. Successes include the development of a practical, but very inexpensive system, to prevent phosphorus from reaching watercourses, thus preventing the formation of harmful cyanobacterial (blue/green algae) blooms that severely damage water ecosystems and cause fish, plants and people to suffocate."

Undoubtedly one of EFICE's most impressive traits is that its innovative products have always been developed in-house with Uruguayan brains. By building on this trend of self-development and self-sufficiency, the forward-thinking company is investing in Uruguay's future via its wealth of well-educated human resources. "Since the early days of my father, EFICE has always bet on its Human Capital," Gómez Alcorta adds. "The replicated cells

of Italian origin were built in EFICE's own workshops with EFICE personnel. Human capital has always been a very prominent factor at our company. A culture of permanent improvement in the knowledge of human capital, has been generated within the national workforce and in the development with national research capacities with Uruguayan brains. In Uruguay, there is intellectual capacity and creativity applied to the development of solutions that we must take advantage of, like EFICE has done throughout its history."

Another positive idiosyncratic feature is the length of service many EFICE employees enjoy, with no set retirement age. One workshop manager retired recently at 72, after clocking up an incredible half century on the payroll. The company's popularity with employees is reflected in the number of family members who join, meaning different generations of the same family are often working side by side or in close proximity to each other.

"As Uruguayan industrial entrepreneurs, we consider ourselves very proud to be at the forefront of EFICE, an outstanding company."

Néstor Gómez Alcorta, Chairman and CEO, EFICE

Strong relationships with trade unions mean conflict has never been an issue—despite the daily hazards associated with the handling of dangerous chemicals—a proud record that Gómez Alcorta intends to keep. "We have an open, frank and sincere dialogue with the two unions (company and chemical national unions)," he states. "The respective representatives each have no less than three meetings with me each year, at which we talk about everything, mainly the future, and we have cultivated an atmosphere of transparency and honesty. This allows us to work focused only on optimizing the daily operation tasks. Safety is a very important issue, especially in these types of factories that handle chemical products that can be dangerous."

Gómez Alcorta is certainly upbeat about the prospects for his firm and his country: "As Uruguayan industrial entrepreneurs, we are very proud to be at the forefront of EFICE, an outstanding company. Beyond the economic and profitability aspects that all companies must have to reinvest, we have always maintained our aim of collaboration, within everything that is within our reach, with the improvement of the environment. Although Uruguay is a small and mainly agricultural country, EFICE is proud to be at the heart of its industrial sector and betting on growth and the innovation of new products, thus spreading economic and health benefits to all the productive sectors, as well as to all the inhabitants of the nation."

EFICE's strong foundations provide it with a powerful platform for growth



2025 will mark the 75th anniversary of the launch of Uruguay's first chlorine factory at Ciudad del Plata



Diversified portfolio of chemicals includes chlorine and caustic soda as well as various industrial and agricultural solutions



Major investment in a state-of-the-art plant will see annual sales jump by \$120 million per year



Innovative new product lines will grow EFICE's reach nationally and internationally over the coming years

EFICE set for most exciting chapter in its proud history

Chairman and CEO, Néstor Gómez Alcorta, offers valuable insight into one of Uruguay's biggest success stories as his firm gears up for huge investment in the Omega Project

EFICE first unveiled plans for the extraordinary Omega Project in 2016, but how has the project evolved in those six years and what does the latest design include?

From 2016 to 2018, profound changes occurred in Uruguay's energy matrix. From the moment Uruguay began to have surplus energy several years ago, it no longer made sense to include a wind farm within the project, which represented a good portion of the original investment figure of \$300 million. When we announced our plans back in 2016, we received genuine interest from international multilateral credit organizations like the International Development Bank (IDB) and World Bank (WB). Because of the bureaucratic processes of the agencies, this process took a long time and we did not reach a successful outcome. However, we emerged from this lengthy process with an enormous amount of learning and experience in this type of financial structuring systems. Although our work with the IDB and WB did not bear fruit directly, it allowed us to successfully complete said financing process.

"Several products derived from chlorine and caustic soda have helped water purification and agricultural production."

Néstor Gómez Alcorta, Chairman and CEO, EFICE

Another positive aspect of the delay was the project ended up a lot stronger through the ability to add new products arising from the imagination and creativity of our staff. We added new interconnected plants within the industrial complex and have carried out important optimizations of the original layout, making it more flexible to optimize future growth. The period also allowed some of our new products to successfully reach the market, which gives greater weight and relevance to the actual project itself.

The Omega Project not only represents the largest ever national investment in Uruguay, but will now also be constructed in several phases?

Another important aspect that emerged in recent years is that we defined and established the Omega Project in three phases: I, II and III. Phase I is the phase we are currently embarking on, which means quadrupling the current production of our plant. We are thinking of phase

II in a few years, after phase I is operational, and it means doubling the production capacity of phase I. This will mainly depend on the development of more innovative products derived from chlorine, as this will mean production of chlorine and caustic soda can be increased through the addition of electrolysis equipment.

Phase III is more a stage that we envision in the longer term, but it would be similar to the prior phases in that it would create new products and double phase II in terms of production capacity. The important thing for phases II and III is that in the layout of phase I the spaces are mainly left to add new equipment to streamline the jump to phases II and III.

Without this forward planning, we wouldn't have the space on the site and would have little choice but to build a new plant next to it, which is much more expensive. Phases II and III are going to be a lot less costly in investment terms because we are looking well ahead and already planning for their implementation further down the line.

The project is certainly very ambitious and exciting and will raise your profile across Latin America and the world, but how long will it take to implement and complete these three phases?

Before the end of this year, we plan to finalize the financing of phase I, with this stage involving investment in the region of \$200 million. As soon as we have obtained the credit lines, the construction of the new plant will begin. During the first year, the construction of modules will be carried out in Europe, mainly in Italy and Germany. Once all the equipment has been built, it will be transported thousands of miles to Uruguay and assembly will commence. We estimate this process will take about a year.

We expect the construction of the new plant will take all of 2023 and 2024 and be operational in 2025. From that moment, we estimate that, in a period of approximately 2-3 years more, we will have developed a sufficient number of new products that use chlorine to make the subsequent leap to phase II. Phase III will be longer-term, about 5-6 years or so, but having it planned already is the sensible thing, so that it is less onerous after making this initial investment.

Although the Omega Project is not a very large project compared to industrial projects in other countries and continents that are designed on a global scale, it nevertheless represents a substantial sum of investment for Uruguay and also for EFICE. Indeed, it will comprise the largest investment by a domestic company in the country's history.

Your industrial products portfolio is already enviable, but what production and sales channels will the Omega Project create for EFICE as its various phases are commissioned?

In recent years, our R+D+i department has developed several products derived from chlorine and caustic soda, with a notable impact not only on water purification but also on agricultural production. At this time, there are already very advanced developments for the launch of other new products for agricultural purposes.

One of the latest additions to the Omega Project is a plant for the production of ConverTec. This will allow us to significantly ramp up production and serve markets in Brazil and Argentina as well as Uruguay. New presentations for the product are also in full development, so as to attack other niche market and to generate competitive advantages to enter more distant markets. The Omega Project will certainly help us with this goal.

Ingener energizes the economy via service excellence

Ensuring Uruguay's critical energy infrastructure stays online is all in a day's work for engineering experts Ingener, with the turnkey specialist going from strength to strength

Established nearly 25 years ago, dynamic maintenance services provider Ingener has certainly made impressive strides over the past quarter of a century to become a leading regional player in a highly competitive field. Through a core focus on the twin factors of innovation and outstanding customer service, the award-winning specialist founded by Omar Braga has grown into a successful multinational employing over 1,200 people and offering round the clock expertise in engineering, construction, and operation and maintenance for the service, energy and industrial sectors.

Domestic success has been repeated in regional markets that include Argentina, Bolivia and Paraguay, with the firm's industry-leading history allowing it to offer a comprehensive vision of projects through design and execution, commissioning and operation and maintenance. The enterprise's strong track record has seen it involved in more than 1,500 MW energy projects, including wind, solar and thermoelectric generation projects.

In addition, Ingener has helped build more than two dozen high and extra-high voltage substations and provides a broad range of solutions for high voltage interconnection works, electrical infrastructure, civil works, erection, commissioning and related services. With a vocation for association and open to partners from around the world, the Montevideo-headquartered firm is now at the vanguard of the clean energy revolution and stands proudly at the heart of Uruguay's efforts to transform its traditional energy matrix.

"Our company is one of technicians of professionals. We always have the customer in mind and have been growing for many years."

Daniel Vázquez, President, Ingener

"Our company is one of technicians, of professionals; this is our main capital. We always have the customer very much in mind and have been growing for many years," says Daniel Vázquez, president of Ingener. "We are also now a specialist in turnkey—EPC—projects, where even the engineering is solved for the client, fundamentally for high and extra-high voltage substations, which are the connections where the electricity network utilizes to supply the end user."

A determined push to renewable energy sources has seen Uruguay become a world leader in the use of non-fossil fuels, with Ingener perfectly positioned to take advantage of this much-admired revolution. "Uruguay



Ingener worked on the 50 MW Parque Eólico Melowind project

is now powered almost entirely by renewables," Vázquez confirms. "Ingener has been involved in these projects, and similar ones in countries like Argentina. We are proud of our role in Uruguay's infrastructure development and our work ensures that people forget such infrastructure is installed because it will work for as long as possible without any problems. We give customers exactly what they planned when they make important investments. We are passionate about getting into new things and working as a team."



Daniel Vázquez
President, Ingener

Engineering the energy transformation of the future

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