



Uruguay

SOUTH AMERICA'S QUIET INVESTMENT POWERHOUSE

Uruguay has spent decades building something that is increasingly valuable in a volatile world: predictability. The South American country combines political stability, disciplined institutions and an open investment regime with a diversified export base that reaches far beyond its population of roughly 3.5 million. The IMF currently projects real GDP growth of 1.8% in 2026 and consumer-price inflation of 4.0%, while official data show the economy expanded 0.9% year-on-year in the first quarter and 0.8% from the previous quarter on a seasonally adjusted basis. By July, annual inflation stood at 4.27%, reinforcing a picture of moderate growth supported by comparatively stable prices and policy credibility.



Yamandú Orsi
President

That institutional continuity is one of Uruguay's strongest commercial assets. President Yamandú Orsi has repeatedly presented the country's democratic tradition and legal certainty as part of its economic proposition. In his March 2, 2026 address to Uruguay's General Assembly, Orsi described the country as "a beacon of democratic republicanism, legal certainty and institutional quality." For international companies, that reputation matters because long-term decisions depend not only on tax rates or market size, but on confidence that contracts, regulations and institutions will remain dependable across political cycles. Uruguay's peaceful transfers of power and strong rule-of-law culture have helped turn stability itself into a competitive advantage.

The investment framework is designed to make that stability usable. Uruguay XXI's 2026 investor guidance notes that national and foreign investment are treated as matters of national interest, with foreign investors receiving the same incentives as local investors. There is no tax discrimination against foreign capital and no restriction on transferring profits abroad. Incentives are available through the Investment Law, free zones, free-port and free-airport systems, industrial parks and other promotional regimes. The scale of foreign capital already embedded in the economy is significant: Uruguay XXI reported an FDI stock of US\$36.8 billion in 2024, equal to about 45% of GDP, with international investment spanning services, technology, logistics, industry, agribusiness and renewable energy.

Credit markets tell a similar story. Uruguay remains investment grade across the major international rating agencies, with the Ministry of Economy and Finance listing S&P at BBB+, Moody's at Baa1 and Fitch at BBB, all with stable outlooks. Uruguay XXI describes it as the only Mercosur country currently carrying an investment-grade sovereign rating. That distinction gives the country an important advantage when global companies compare locations in the region: investors are not being asked to trade institutional security for access to Latin American growth. Instead, Uruguay offers a relatively low-risk base from which companies can manage regional operations, finance

projects and build long-term strategies.

Its geographic position adds another layer to that proposition. Located between Brazil and Argentina and facing the Atlantic, Uruguay has developed itself as a regional platform for trade, logistics and services. The country's export economy remains central to its performance; Orsi told Parliament that goods exports exceeded US\$13.4 billion in 2025, the highest level of the previous decade. Uruguay also benefits from membership in Mercosur, while deeper links with Europe are opening additional possibilities. The Mercosur-European Union association agreement entered partial application on May 1, 2026, giving Uruguay a stronger platform for companies looking to connect South American production with European markets.

The investment story is also moving into higher-value sectors. Uruguay XXI's

2026 positioning highlights an electricity mix that has averaged more than 99% renewable generation in recent years, an increasingly important advantage for companies with decarbonization targets. Alongside established strengths in beef, dairy, grains, forestry and cellulose, the country has built capabilities in software, global business services, logistics, life sciences and technology. For investors, the combination is compelling: a sophisticated services economy can sit alongside export-oriented agriculture and industry, while clean electricity strengthens the case for data infrastructure, advanced manufacturing and new energy projects.

Recent corporate decisions show that the argument is translating into capital. In April 2026, Millicom's Tigo announced a US\$600 million investment plan for Uruguay following its acquisition of Telefónica Móviles del Uruguay, while Brazilian group JHSF announced a US\$400 million investment connected to its acquisition of the Enjoy Punta del Este complex. Speaking at Tigo's launch in Montevideo that month, Orsi called the transaction "a strong signal of confidence in Uruguay." Such projects reinforce the broader message that foreign companies see the country not simply as a small domestic market, but as a stable operating base with skilled people, modern infrastructure and access to larger regional opportunities.

Uruguay's attraction, then, lies in the way its advantages reinforce one another. Macroeconomic stability supports long-term planning; investment-grade credit ratings strengthen financial credibility; clear rules reduce entry risk; renewable energy improves the sustainability proposition; and trade links give a small country a much larger commercial reach. For foreign investors seeking a foothold in South America without taking on unnecessary institutional uncertainty, Uruguay offers a rare combination of openness and reliability. Orsi summarized that positioning directly when addressing more than 170 business leaders at a trade and investment seminar in Shanghai in February 2026: "I invite you to see Uruguay not only as a market, but as a strategic partner, a reliable platform and a gateway to South America."



IBF Negocios

A GATEWAY TO URUGUAY'S NEXT INVESTMENT CHAPTER

Uruguay has built one of Latin America's most attractive business stories around a simple promise: stability in a region where stability is often scarce. The IMF projects Uruguay's economy at about US\$96 billion in 2026, with real GDP growth of 1.8% and consumer price inflation of 4.0%, while the World Bank expects growth to average close to 1.9% between 2026 and 2028 and describes the country's macroeconomic framework as broadly stable. It is not the fastest-growing market in South America, but it is one of the most predictable. For investors looking beyond short cycles, Uruguay offers solid institutions, clear rules and a quality of life that strengthens its reputation as a safe base for regional business.

That context is important for Uruguay's private capital and investment sector. The market is still small compared with Brazil, Chile or Mexico, but it is becoming more visible. Uruguay XXI describes the country as a reliable and competitive destination for foreign investment, combining macroeconomic stability, clear rules, incentives and access to regional and international markets. Events such as Uruguay's first Private Capital Forum show a growing effort to connect local companies with family offices, private equity investors and international partners. In a country where many successful businesses are still privately owned, there is room for patient capital, professional management and consolidation.

IBF Negocios operates directly in that space. Led by CEO & Co-Founder Hugo Benedetti, the company has developed a model that sits between private equity, business development and family-office investing. Its focus is not to buy distressed assets or chase speculative returns. IBF looks for companies that are already working well, usually in strong sectors, and then uses its experience to improve management, create synergies, strengthen the financial model and help those companies move to the next level. The result is a conservative but active investment approach, built around cash generation, dividends and long-term value creation.

For Benedetti, 2026 is a demanding but promising year. "I would define 2026 as a growth year for IBF," he says. "We are looking at three or four very interesting companies to acquire, and at the same time we are attracting investors from Uruguay and from the region. We are offering a relatively new investment option for the country: investing in successful companies. Our strategy is conservative, but this year requires very intensive management, because Uruguay is growing slowly and each company needs close attention."

That focus on management is one of IBF's main selling points. The company does not ask investors to wait for a distant exit before seeing results. Its preferred companies are expected to generate cash from



Hugo Benedetti
CEO & Co-Founder

the start, with dividends forming the first layer of return. Value growth comes after that, through stronger operations, better financial discipline and consolidation. IBF's typical strategy is to acquire a strong company in a strong sector, then bring together similar businesses to create synergies, improve EBITDA and build a larger platform.

The model depends on disciplined selection and daily operational work. "This is not a business of speculation for us," Benedetti says. "We do not buy an average company simply to gain value in six or eight years. We acquire a successful company, review the business model, the economic model and the financial strategy, and then develop a plan to add value. The first rule is that cash is key. Dividends are key. Our businesses are cash machines working for the investors."

The broader opportunity, in Benedetti's view, is also tied to Uruguay itself. He believes the country has the right reputation internationally, but now needs a more ambitious growth agenda and stronger private-sector participation in attracting capital. "Uruguay's classic advantages are political stability, social stability and an economy that is quite in order," he says. "It is a good country to live in, especially if you have a good income. Uruguay is quieter and more stable than larger countries in the region. It is well seen from abroad, and we need to take advantage of that."

IBF also understands that reputation is part of the product. The company wants to be known internationally not only as a buyer of companies, but as a trusted local partner for investors seeking exposure to Uruguay and the wider region. Its corporate identity rests on reliability, trust and transparency, supported by a long track record and a clear way of doing business. It wants to be seen as an authority in Uruguay, with a model that is easy to understand, easy to communicate and backed by shared principles.

The next step is scale. IBF is already in contact with family offices from Latin America and Europe, including Brazil, Peru, Ecuador and Portugal, and it wants to expand its fundraising capacity so it can pursue larger companies and more ambitious consolidation opportunities. For international investors, the sales argument is clear: IBF offers access to a stable country, an experienced local team, existing deal flow and businesses expected to pay dividends from the beginning. In a market where trust matters as much as opportunity, IBF Negocios is positioning itself as a practical bridge between Uruguay's successful private companies and global capital.

