



POLITICS

► Trade agreement forged with the US

In the wake of an intense internal debate and strong opposition from fellow Southern Common Market (MERCOSUR) countries, **Uruguay has reached a commercial agreement with the United States.**

The Trade and Investment Framework Agreement (TIFA), signed Jan. 25, drew harsh criticism from the more radical sectors in the left-wing Broad Front governing coalition, which has historically condemned Washington's trade and foreign policies.

Larger MERCOSUR members Argentina, Brazil and Venezuela also expressed their opposition to the agreement, preferring trade integration with the rest of the world to be channeled through the regional block. ***"This is a new step taken by the governments of Uruguay and the United States towards a strengthening of bilateral ties in terms of trade and investment,"*** ***Uruguayan Economy Minister Danilo Astori said after the agreement was signed.***

TIFAs are often seen as an important step towards establishing free trade agreements, by promoting a healthy investment climate and fomenting the promotion and diversification of trade in goods and services.

► President Bush to Travel to Brazil, Uruguay, Colombia, Guatemala, and Mexico

President and Mrs. Bush will travel to Brazil, **Uruguay**, Colombia, Guatemala, and Mexico from March 8 - 14, 2007. This trip will underscore the commitment of the United States to the Western Hemisphere and will highlight our common agenda to advance freedom, prosperity, and social justice and deliver the benefits of democracy in the areas of health, education, and economic opportunity.

In São Paulo, Brazil, President Bush will meet with President Luiz Inacio "Lula" da Silva to discuss a range of issues, including alternative energy, as well as meet with other leaders of Brazilian society. The President will then travel to Montevideo, Uruguay, to conduct bilateral meetings with President Tabaré Vázquez, reciprocating his visit to Washington in May 2006. President Bush will next travel to Bogotá, Colombia, to meet with President Álvaro Uribe and underscore the United States' commitment to supporting that nation's successful battle against narco terrorism and efforts to improve the lives of the Colombian people. The President will also visit Guatemala to experience the rich cultural diversity of this Central American nation, meet with President Oscar Berger, and emphasize the close relationship between our two countries. The President will conclude his trip with a visit to Mexico to emphasize our strong partnership with Mexico and to demonstrate support for President Felipe Calderón's efforts to address poverty and income inequality, restore law and order, fight the common threat of drug trafficking, and strengthen our economic relationship. **(The White House)**

► **President Bush's Trip to Five Latin American Countries**

It has been officially announced that President George W. Bush will visit several Latin American countries from March 8th to the 14th. Those countries are Brazil, **Uruguay**, Colombia, Guatemala and México. Although this is little time to travel to several countries, it is important that the American government, through its President, considers that this visit will be good to express its interest in the region.

As everyone knows, for many years a complaint has been heard that the President of the United States has not shown a personal interest, as head of the Executive Branch of the American government, in getting to know the region better. Therefore, this visit has special significance, particularly if it is not the only one he makes before handing over power in January 2009. The official conversations that the American leader will have with his colleagues will allow him to know better, albeit briefly, what the leaders of those countries think and what are their most urgent needs as well as details about the political and economic international relations with the United States of America.

Normally, when the president leaves the White House on these trips, he will have been briefed about the bilateral problems and the importance that these countries, whether small or large, have for inter-American relations in general and for the United States in particular. It is a known fact that, in general, the President is only briefed daily on the most serious situations around the world. Naturally, in cases such as Iraq, Iran and Israel, he gets information daily and, logically, depending on the circumstances, he has consultations with his advisors that could take up much of his time.

It must be waited until after this visit to the five Latin American countries:

Mexico, one from Central America – Guatemala- and three from South America –Brazil, Uruguay and Colombia-, to learn about the reactions in there and the immediate results of the trip. **(Diario Las Americas –Miami)**

ECONOMICS

► **Uruguay posts record beef exports over a billion US dollars**

Uruguay meat exports marked a new record when they reached the billion US dollars totaling 476.448 tons on December 2nd. Uruguay's main clients this year have been United States and the Russian Federation.

A year ago meat sales had reached 801 million US dollars. Beef, lamb and mutton are Uruguay's main exports equivalent to almost a fifth of total overseas sales.

Official statistics show NAFTA (North America Free Trade Agreement) with 277 million US dollars and the share of the US totaling 259 million US dollars. Nafta in 2006 purchased 31% of all of Uruguay's beef exports, which is considerably less than in 2005 when they represented 72%.

However it was Russia that soared from a meager less than 1% in 2005 to 20.7% this year equivalent to 184 million US dollars.

Mercosur also recovered as a significant client reaching 116 million US dollars this year, 14%, compared to 27 million in 2005 or 3.2%. Chile also turned out to be a formidable buyer of Uruguayan beef jumping from five million in 2005 to 91 million US dollars this year.

Uruguay's impeccable sanitary record regarding foot and mouth disease has played a leading role in the country's beef exports both in volume and value, clearly overtaking regional competitors such as Brazil and Argentina.

Brazil has several states, particularly Matto Grosso do Sul, suffering from endemic outbreaks of FAM which have limited exports, and in Argentina President Nestor Kichner's administration policy of protecting domestic consumption from rising prices has led to the partial banning of exports.

► Uruguay sees '07 growth of 4.5 pct

Uruguay's economy ministry on Wednesday forecast 2007 economic growth of 4.5 percent and a primary budget surplus next year of 4.0 percent of gross domestic product.

Economy Minister Danilo Astori announced the government forecasts for the South American country, which has seen its economy expand rapidly over the last four years following a crippling economic crisis in 2002.

Uruguay's GDP grew 7 percent in the first nine months of 2006 compared with the same period last year, driven by a strong manufacturing sector.

Earlier this year, the government revised its 2006 growth forecast to above 7 percent from an estimate of 5 percent at the start of the year. (Reuters) -

► Indian IT industry going the español way : Source : Moneycontrol.com

The Indian IT industry is venturing into Latin America to be closer to clients in the United States. But the IT companies find the local market attractive as well, reports CNBC-TV18.

When Gabriel Rozman visits the [Tata Consultancy Services](#) office in New York, he's in a closer time zone to his office back in **Uruguay** than to his company's headquarters in India. That's one of the reasons why Latin America is emerging as a new frontier for the Indian IT industry seeking to service its biggest market, the United States, more efficiently.

"We're thinking that if you're in the same time zone, you can replace a lot of the onsite with near shore staffing. In that sense, I think the companies are willing to pay a premium over what they pay India, to be in this time zone. And we charge that premium because our costs are higher than in India," said Gabriel Rozman, President, TCS IberoAmerica in **Montevideo - Uruguay**.

TCS' IberoAmerica division, which operates in the Spanish and Portuguese speaking regions of the world, set up its first office in Latin America four years ago. Today, it has a staff of 3,500 in the continent, runs Global Delivery Centers in Brazil, **Uruguay** and Chile; and will open one in Mexico next January.

[Satyam](#) followed TCS into Latin America 2 years ago, opening shop in Sao Paulo, Brazil. While the company has onsite staff in various Latin American countries servicing existing clients, it also plans a big push into the local market, pointing out that Brazil's IT services market alone is estimated to be worth USD17 billion.

"What we're looking at is the need to expand outward in Latin America, into Mexico, Argentina, into other regions of the Caribbean in order to service the broader Latin American market. So in the not too distant future, in the next 2-3 years, it's likely that we'll have about a thousand people servicing the Latin American market," said Ram Mynampati, President, Satyam Computer Services.

Indian-owned BPO firms in the US are also heading south. 24/7 Customer opened a call center in Guatemala earlier this year, and plans more centers in El Salvador, Argentina and Chile.

"Right now, about 20% of the US population identifies itself as Hispanic. It's also one of the fastest growing population segments. If you look at the immigration rate, which is about a million people a year, again most of the immigrants are Hispanic," said PV Kannan, Co-Founder & CEO, 24/7 Customer.

Latin America is not yet considered a rival to the Indian IT services and BPO industry as it's still easier and cheaper to service most clients from India. *But the Indian pioneers in Latin America are convinced their competitors cannot ignore the continent for too long.*

As the advantages of operating from Latin America become clearer, we'll soon find more Indian companies saying: **Se habla español - we speak Spanish.**

► **Uruguayan School (ORT) makes prestigious list.**

A private university in Uruguay was named one of the top 500 universities in the world.

University **ORT** in Montevideo was listed number 329 in the world in the Times of London's Higher Education Supplement.

It was the first time an Uruguayan University was included in the survey, which look at more than 25.000 colleges.

This is not only an important distinction for our institution, but it is also important for Uruguay ORT President Jorge Grumberg told Uruguay's El Pais Newspaper.

We are extremely proud to be selected among the top 10 universities in Latin America, along with many prestigious schools. **(El Pais)**

► **Advent International invests again in Uruguay**

Advent International, the US private equity firm, has acquired a majority stake in a consumer credit company in Uruguay after buying the country's largest commercial bank last year.

Advent has bought an 80% stake in *Pronto* alongside *Grupo de Servicios y Transacciones*, an Argentinian diversified financial services group.

The value of the all-equity transaction and other financial terms were not disclosed. As part of the agreement, the investors will inject new capital into *Pronto!* to fund its continued growth and enable the company to secure more attractive funding for its loan business.

A partner in Advent's Buenos Aires office said: "We have analyzed a large number of companies in this sector and believe **Pronto!** has one of the industry's strongest platforms in terms of management, credit scoring, databases, distribution network and compliance."

Advent estimated total consumer credit volume in *Uruguay will increase more than 45%* over the next two years to \$1.9bn (€1.5bn).

Pronto! is Advent's eight investment in the financial services sector in Latin America. Last year Advent completed the \$167m acquisition of *Nuevo Banco Comercial* from the Uruguayan government, following its October 2005 acquisition of *Hipotecaria Casa Mexicana*, a specialized mortgage lending institution in Mexico.

Advent is reportedly going to raise a \$1bn Latin American fund, the largest dedicated to the region. Last year the private equity firm made other investments in Latin America including deals in Mexico, Brazil and Argentina.

► Uruguay Punta del Este real-estate explosion



The glitter is back at the Uruguayan peninsula long known as South America's summer playground for the rich and famous — a Latin version of Monaco or the Hamptons of New York.

Multimillion-dollar yachts bob in the downtown harbour. Private jets are landing in record numbers. And real estate prices — in a place already home to the region's highest concentration of million-dollar houses — are spiralling.

Punta del Este, known simply as "Punta," has fully recovered its status as the southernmost hot spot for the international jet set during January and February, the summertime peak in the Southern Hemisphere.

The buzz this year was a visit by fashion designer Ralph Lauren. Benetton Group founder and Chairman Luciano Benetton was also spotted, along with models Eva Herzigova and Naomi Campbell, a Punta regular.

"The glamour has returned," crowed Alfredo Etchegaray, a top party organizer.

For a century, beaches of this wealthy vacation refuge were awash in beautiful people, business tycoons and socialites — many of them from neighbouring Argentina.

But the resort fell out of favour after Argentina's 2001-2002 economic meltdown threatened to convert the resort into something more downscale. Now, with South America's economies roaring again, the wealthy, who started drifting back last year, are returning in droves, and Punta is again attracting global personalities and players from the media and fashion set.

"This year there are less middle-class people and more multimillionaires," said Margarita Palatnik, co-owner of MarAbierto, a leading interior design stores.

"It's at levels it's never been before. Until last year it was still a secret, but this year is proving to be the big breakout."

The rediscovery has set off a construction boom not seen since here the 1980s, when capital flight by Argentines seeking shelter from political and economic turmoil fueled a flurry of building.

Construction cranes dot the landscape and developers are rolling out a dizzying array of luxury apartments and oceanfront villas, some at a fraction of prices in Europe or the United States, drawing the attention of European and American buyers.

The draw? Punta's miles of pristine beaches surrounded by rural countryside.

Many newly-built high-end properties are coming equipped with luxurious amenities like spas, home cinemas and even heliports.

One top-end new development is even offering ocean-view apartments with pool terraces. The price tag: US\$5 million each.

Chic hoteliers are joining in too. A Punta branch of The Setai Club, the Miami-based ultra-luxury resort whose founding members include rock stars Lenny Kravitz and Sheryl Crow, is expected to open later this year.

This year, **Punta del Este** was again a whirl of beauty contests and fashion shows. Insiders talked about the season's hottest restaurants — one, tucked away in a forest, refuses to publish its address and relies on word-of-mouth to keep the crowd exclusive.

The epicentre of the Bohemian jet set scene is focused around Jose Ignacio, a neighbourhood about 40 kms east of Punta, where beach houses made of stone and wood and painted in vibrant

colors sheltered some of the season's high rollers. Some business owners say they hope Punta's regained global profile will help it decouple from its longtime reliance on crisis-prone Argentina.

The boom has some recalling Punta's previous heyday in the 1960's when stars like Brigitte Bardot, Gina Lollobrigida, Yul Brynner graced its beaches.

"But that's not comparable in scale to what's going on now," said Palatnik. "Now all these glamorous people are buying property and coming back every year and bringing more people."

(Reuters)

► **World Bank grants loans to Uruguay to fight foot-and-mouth disease .**

The World Bank has approved a 6.5 million U.S. dollars loan to **Uruguay** to help the South American nation remain *free of foot-and-mouth disease*, local media said on Tuesday.

An executive director at the World Bank said the loan would help create a farm inspection system that would cover the whole country. The loan will also help strengthen the national farm information system and integrate it with other government institutions.

Ivaro J. Soler, who heads the project, said that Uruguay would also improve the capacity of its laboratories to examine and diagnose samples.

Uruguay had previously received a 18.5-million-dollar loan from the World Bank in 2001, to help contain an outbreak of the foot-and-mouth disease. Uruguay lost millions in the outbreak, but has now achieved disease-free status after a vaccination campaign.

Finnish company Metsa-Botnia is still building its own pulp plant at Fray Bentos, and the construction has soured relations between Argentina and Uruguay.

In 2005, Uruguayan meat exports were just under 463,000 tons and earned 891 million U.S. dollars of foreign exchange, making meat Uruguay's single largest export. **Source: Xinhua**

► **Spain's ENCE announces new Uruguay plant location**

(Reuters) - Spanish paper pulp company Ence announced on Tuesday a new location for its planned Uruguay plant after Argentina complained it would harm tourism and the environment at its original site on the Argentina-Uruguay border.

Argentina's government said it was pleased with the new location, which Ence <ENC.MC> President Juan Luis Arregui and Argentine Cabinet Chief Alberto Fernandez revealed at a joint news conference in Buenos Aires.

"The Argentine government wants to express its sincere gratitude to Ence for the attitude it has taken," Fernandez said.

"The plant definitely will have the best production standards and the environmental impact will be minimal, well below the levels accepted by Uruguay's national environmental body," Fernandez said.

The new site is at Punta Pereira near the north shore of the wide Rio de la Plata river, about 37 miles (60 km) downstream from where the Uruguay River feeds into the Rio de la Plata. It is also downstream from the original site at Fray Bentos on the Uruguay River.

Ence said in October it would put the 930-million-euro plant somewhere other than Fray Bentos, but still in Uruguay. At the time it said the relocation did not have to do with a bitter dispute between Argentina and Uruguay over the plant.

On Tuesday protesters from the Argentine city of Gualaguaychu, across the Uruguay River from Fray Bentos, marched and protested in Buenos Aires against the Botnia plant.

Ence's Arregui downplayed Argentine concerns over the \$1 billion Finnish plant in Fray Bentos. Both plants represent a major investment in Uruguay.

"Personally I don't believe Botnia will pollute at all," he said at the news conference.

Residents of Gualeguaychu have blocked a main bridge leading to Uruguay during many weekends this year to protest the Botnia plant, which can be seen on the other side of the Uruguay River.

The Argentine government is concerned about contamination and the plant's impact on tourism and fishing, while Uruguay insists the project is environmentally safe.

Both sides have turned to an international court and, with no end to the conflict in sight and desperation rising, Uruguay last week sent troops to the Botnia plant, fearing sabotage by protesters

MERCOSUR

► Brazil promises to eliminate MERCOSUR inside obstacles

Brazil will continue working to eliminate obstacles which have effects on Mercosur junior members, Uruguay and Paraguay, said the country's Foreign Affairs minister Celso Amorim.

"We're going to try and eliminate existent obstacles to trade in Mercosur" said Celso Amorim in Brasilia who underlined that President Luiz Inacio Lula da Silva will be flying to Uruguay for an official visit next February 26.

Uruguay has repeatedly complained about the block's asymmetries between the larger (Argentina, Brazil and Venezuela) and junior members' economies which hinder Uruguay and Paraguay's market access.

President Lula's visit to Montevideo is "a clear signal of interest, of the president's

commitment", but what is going to be signed "I can't advance with certainty", said Amorim.

Last December to address Uruguay's growing claims, Brazil decided to eliminate the double tariff system which means that an out of the block product will now pay only once when it's introduced to Mercosur, "a standing distortion from the very beginning of Mercosur in 1991".

Brazil also unilaterally offered to reduce from 50 to 30% the percentage of local input for articles manufactured in Uruguay and Paraguay and exported to the larger members with the benefit of the only tariff system.

However since Mercosur works on consensus and some members (Argentina) did not adhere to the Brazilian initiative, some internal regulations must be modified before they become applicable.

A task force is currently working on details of the Brazilian proposal in Paraguay. (*Mercopress*)

► All bridges to Uruguay Blocked again

Residents from Colón and Concordia (Argentina) yesterday joined a similar protest that residents from Gualeguaychú have been staging for two months and blocked the road to Uruguay.

The protests by the Colón and Concordia residents started at 6pm and were scheduled to last until 1am today.

The three cities are located in the province of Entre Ríos, which has been spearheading protests against the pulp mill that Finnish company Botnia is building near Fray Bentos.

Argentina claims that the plant will harm its environment, a charge that Uruguay rejects.

The case is in the jurisdiction of the International Court of Justice.

► **Soybean production in MERCOSUR will increase by 40 % by 2014, as predicted by the UN FAO in Rome.**

Agra Europe reports that production will especially increase in the Mercosur countries from 104 to 142 million tones by 2014.

Amongst Mercosur countries, to which Argentina, Brazil, Paraguay and **Uruguay** as well as Bolivia and Chile belong, Brazil will substantially increase production. Cultivated land area will increase by 21% to 46 million ha according to the FAO.

The increase is due to higher demand in China and India, the growing production of pork and poultry, higher consumption of plant oils, and increased demand for bio-fuels.

CULTURE

► **BioMed Central announces winners of first open access research awards.**

BioMed Central, the world's largest publisher of peer-reviewed, open access research journals, is proud to announce the winners of the first BioMed Central Research Awards. The awards, given in the categories of medicine and biology, recognize excellence in research that

has been made universally accessible by open access publication in one of BioMed Central's journals.

Award winners and honorable mentions will be officially celebrated at BioMed Central's Open Access Colloquium being held today at The Royal College of Physicians in Regents Park, London. The colloquium, entitled "Open Access: How Can We Achieve Quality and Quantity?" will bring together a range of today's leading authors, researchers, funders, librarians and publishers to examine the value of open access publishing....

Lalit Dandona, M.D., Senior Director of the George Institute for International Health in Hyderabad, India, received the BioMed Central Research Award in the field of medicine for his article, "A population-based study of human immunodeficiency virus in south India reveals major differences from sentinel surveillance-based estimates."

Flavio R Zolessi Ph. D., **Universidad de la Republica in Montevideo, Uruguay**, and Researcher Grade 3 at PEDECIBA, an autonomous research organization also located in Montevideo, received the BioMed Central Research Award in the field of biology for his article, "Polarization and orientation of retinal ganglion cells in vivo."

► *Las Ilamadas in Uruguay*



Las Ilamadas are the traditional carnival parades of the candombe troupes in Uruguay. This year, for the first time, they split the parade over two days. We went yesterday night and watched it from a friend of a friend's balcony.

I'm not sure how many drum troupes we saw, but the first reached us around 9:30 and the last one passed after 2:00 a.m. The parade flowed more smoothly than the [inaugural parade](#) until the rain caused intermittent delays.

We could see the flags of each new group long before they reached us, when the drumbeats were just a faint throb. Dancers came next, costumed in feathers, sequins, and bright fabric. The 40-70 drummers followed, producing an enormous sound. Audience members joined behind the drummers dancing and clapping. **(View from an American Tourist)**

► **High Security for \$100 laptop – One laptop per child.**



The One Laptop per Child project, which proposes to give every child in the developing world a computer of his own, dazzled fans with the unveiling of its little green "\$100 laptop" in November 2005. Now it's impressing hard-bitten security geeks with a plan to lock down the hundreds of millions of educational machines against spyware and computer intruders.

The laptop, officially called the XO, includes a swiveling LCD screen that can switch between low-resolution color and higher-resolution black-and-white. It also has a camera and microphone that enable clear video calls, three USB ports, 128 MB of RAM, 512 MB of flash storage, built-in Wi-Fi with extraordinary range, a long-lasting battery rechargeable by a cord or car battery, and a custom, Linux-based operating system that prefers tags to a traditional file system. Every full-grown geek who sees the 7.5-inch screen asks how they can buy one.

Millions of [XO laptops](#) are expected to go into production late in 2007, with Thailand, Brazil, **Uruguay** and Rwanda, among others, signed up for the launch. If all goes according to plan, that will make the XO laptop's operating system one of the more common platforms in the world. And with kids as young as 6 as target users, hackers may already be dreaming of taking computers from babies through rogue code. **(San Francisco)**