



## POLITICS

### **Worst floods in 50 years displace thousands in Uruguay**



Unusually heavy rains in Uruguay have caused the worst flooding to hit the country in 50 years. Since 8 May, more than 110,000 people have been affected by the emergency, most of them children, women and elderly living in poor communities.

Seven of the country's 19 provinces have been affected, with three central ones – Durazno, Soriano and Treinta y Tres – suffering the worst. Here, a week of heavy rain has also caused landslides and rivers to break their banks. In Durazno, the River Yi was 14 meters above its average height.

“Within two days, we received precipitation between 350 and 400 millimeters, while on average in most parts of the country we get 800 to 1000 millimeters per year,” says UNICEF Representative in Uruguay Tom Bergmann-Harris.

#### **Emergency response**

The emergency has forced more than 12,000 people to be evacuated from their homes. Many sports stadiums and schools are now temporary shelters to accommodate the homeless, and most schools in the affected areas have been shut down.

Furthermore, thousands of homes and much of the public infrastructure – such as the water supply, sewer and drainage systems, power and telephone lines – have been damaged.

“The conditions in those shelters are not optimal,” says Mr. Bergmann-Harris who has visited children and families affected by floods in Soriano. Because the floods came without any warning, most of the affected population is being forced out of their homes with very few or no personal belongings. “This is not a tropical country, we have already entered winter,” adds Mr. Bergmann-Harris. “The temperatures are fairly low already, between 8-12 Celsius, **so people need clothing, blankets, and the means to help protect them against the cold weather.**”

On top of the urgent need for food, blankets and winter clothing, another serious concern is the lack of water and sanitation. It is estimated that roughly 30,000 people have no access to clean drinking water. There is also an increased risk of waterborne disease spreading in vulnerable communities. Authorities say some 6,000 children were being vaccinated against hepatitis A and potable water was also trucked in. UNICEF’s actions

UNICEF Uruguay is closely working with the National Emergency System and other partners to confront the situation. The agency has handed over 1,000 blankets, 100,000 diapers and 42 beds among other hygiene products to meet the basic needs of the evacuees so far.

In coordination with other UN agencies, social institutions and local authorities, UNICEF has visited the affected zones in the provinces of Durazno and Soriano to assess the most urgent necessities and resources that will be needed to rebuild the damaged areas.

At the moment, the weather forecast is favorable and reconstruction of the damaged areas is being carried out. Many children are back to school, but in the province of Durazno, where flooding was most severe, there are still more than 800 children who have to wait until their schools are restored again.

After the initial emergency response, “UNICEF is now specifically looking at two issues,” says Mr. Bergmann-Harris. “One, is to deal with the trauma many of these children have experienced. Two, is to help strengthen the country’s emergency preparedness capacities.”

## **SOS Children's Villages supports flood victims in Uruguay**

Some 12,000 people in central Uruguay were forced to leave their homes on 10 May following the worst floods to hit the country in half a century. In coordination with the local Emergency Committee, SOS Children's Villages in Uruguay has been providing help to families and children from the neighbouring community in the town of Florida.

In Florida, a small town 100 kilometres north of Montevideo, hundreds of houses have been damaged by the floods. Local residents are either living with friends and relatives or they are residing in makeshift shelters in schools and the local football stadium.

Over the past weeks, the SOS Children's Village in Florida has been providing help in the form of food, clothes and medicine for some 250 flood-hit families from the local community. "Although the municipal government of Florida is providing the victims with basic nourishment, it is simply not enough. Therefore, we are also helping the victims," said Nancy Martinez, an employee of SOS Children's Villages.

In addition, the SOS Social Centre in Florida is providing day-care for some 75–80 children from affected families. "The children need to be shown another reality; they are taken to the SOS Social Centre every day, where they can play safely and receive a couple of nutritious meals during the day," added Nancy Martinez.

During the first days of the floods, SOS Children's Villages in Uruguay also evacuated some 130 people from their flooded homes. Nancy Martinez said that many of these families already lived in poverty and they were reluctant to leave their flooded homes because they feared that the few possessions they did have would be stolen.

## **UN Team evaluates Floods Impact in Uruguay**

United Nations, A team from several UN agencies began evaluating the impact on Thursday of Uruguay's worst floods in 50 years, beginning with the departments of **Durazno, Soriano and Treinta y Tres.**

Spokesmen from the United Nations Office for Coordination of Humanitarian Affairs explained

they are participating in the evaluation with officials from the UN Disaster Evaluation and Coordination, UNICEF, FAO and the United Nations Population Fund.

However reports are that waters are still high in many places and it is impossible to estimate the total damage.

In its preliminary estimate, the government of Montevideo reported **110,000 people affected** by the waters in 9 of the 18 Uruguayan departments and that 12,000 people were evacuated.

Local authorities have supplied emergency food, water and medication, and the UN agencies brought blankets, mattresses and sanitary products.

(Prensa Latina)

## ECONOMICS

### **Uruguay gains a better position among global beef exporters**



Argentina will drop from fourth to seventh place among world beef exporters this year, after having climbed in 2005 to the third position according to the latest information from the country's Ministry of Agriculture, Livestock, Fisheries and Food.

Export restrictions imposed by President Nestor Kirchner's administration to impede domestic prices from soaring is indicated as responsible for the fall in the country's world ranking behind India, United States, New Zealand and **Uruguay**.

Top of the list as the world's main exporters are Brazil and Australia.

According to the recent agreement reached with the beef industry and cattle farmers in Argentina, monthly exports are capped at 40.000 tons, totaling 500.000 at the end of the year.

In 2003, Argentina ranked third with an export volume of 762.000 tons. However in 2006 and with restrictions in place (since March) the volume dropped to 556.000 tons and Argentina ranked fourth.

This year the Agriculture Department estimates Argentina will fall further, to seventh place, **behind Uruguay** for the second year running, and also behind United States and New Zealand.

**Uruguay's cattle herd is in the range of 11 million head**, a fifth of Argentina's 55 million.

## **Uruguay: World Bank Approves US\$112.1 Million to Support Government Reforms**

The World Bank's Board of Executive Directors approved today two loans for Uruguay totaling US\$112.1 million to support the Uruguayan government with the implementation of its reform program.

"The development policy loan, complemented by a technical assistance loan, will support the implementation of reforms in the areas of tax reform, business climate and social protection system," said **Axel van Trotsenburg, World Bank Country Director for Argentina, Chile, Paraguay and Uruguay**. "These reforms, and in particular the development of capital markets, will improve the efficiency and

competitiveness of the economy with the objective of ensuring equal opportunities for all Uruguayans. These reforms will also contribute to achieving sustainable growth and poverty reduction," he added.

The US\$100 million **First Programmatic Reform Implementation Development Policy Loan (DPL)** is in line with the government's priorities in three main areas: (i) implementation of a tax reform; (ii) the first action package to improve the investment climate and to launch a program that promotes capital market development; and (iii) implementation of efforts in support of the social protection system.

"The main objective of this loan is to provide a clear and measurable framework to implement reforms in three main areas identified as priorities by the government," added **James Parks, World Bank task manager for the project**.

The second loan approved today, for US\$12.1 million, is the **Institutional Building Technical Assistance Loan**, whose main objective is to support the actions the Uruguayan government is taking in order to strengthen the performance of the public sector. The main areas that this project

supports are customs administration, and monitoring and evaluation for results-based management and e-government. Additionally, the project will facilitate the design and implementation of reforms in the areas of taxes, investment climate and social protection.

“This technical assistance loan supports an ambitious agenda of public sector modernization promoted by the government and will facilitate the achievement of important structural reforms to boost economic growth and promote social equity,” said **Mario Francisco Sangines, World Bank task manager for the project.**

Both projects are in line with the World Bank Country Assistance Strategy for Uruguay 2005 – 2010, which focuses on three pillars: reducing vulnerability, maintaining economic growth and improving standards of living. The World Bank..

## **American Airlines Expanding Service to Montevideo (MVD)**

Starting in July [American Airlines](#) will offer 3 times a week non stop service between **Miami (MIA) and Montevideo (MVD)**. This service will be year around, unlike the

current service which is only seasonally.

They will fly Boeing 767-300 aircrafts, which are configured with 30 Business Class seats and 195 seats that are affordable!

The flight schedule will be:

From Miami to Montevideo:

Flight 989 Departs MVD at 11:15 PM and arrives MIA 9:05 a.m.

(next day)

From July 1-Sept. 4, 2007, flight departs on Sunday / Monday / Saturday.

Effective Sept. 5, 2007, flight departs on Monday / Wednesday / Friday.

From Montevideo to Miami:

Flight 984 Departs MIA at 9:10 PM and arrives MVD 5:10 a.m.

(next day)

From July 2-Sept. 4, 2007, flight departs on Monday / Tuesday / Sunday.

Effective Sept. 6, 2007, flight departs on Tuesday / Thursday / Saturday.

**Remember to use these days when planning a flight to avoid a lay over in Argentina.**

## **Uruguay will survey continental shelf for hydrocarbons**

Uruguay's government owned oil corporation **Ancap** signed this week a contract with Norway's Wavefield Inseis ASA for the seismic surveying of the

country's continental shelf including deep and very deep waters.

According to the 4.9 million US dollars contract Wavefield will cover an area of 7,000 square kilometers with M/V Bergen Surveyor this coming summer.

Ancap becomes the sole owner of the data collected and holds the right to licensing based on the survey information.

Wavefield Inseis ASA is a Norwegian marine geophysical company that provides proprietary data acquisition services and offers a portfolio of non-exclusive Multi-client data to the global exploration community developed in partnership with oil companies and governments.

The range of products includes long offset 2D, high capacity 3D, 4D, Multi-azimuth and Wide-azimuth data acquired with highly specified vessels and the latest seismic equipment. The company is also a full service permanent 4D acquisition provider: the company's personnel have a track record of planning, installing and acquiring data over, permanent 4D 4C systems.

Wavefield Inseis has activities in the Americas, Europe, Africa, the Middle East and Asia with main

offices in Bergen and Oslo, Norway, and other locations in London, Houston and Perth

M/V Bergen Surveyor was converted in 1997 and is equipped as a long offset 2D also capable of 2 streamer acquisition for development 3D and 4D surveys. In 2D mode the maximum offset available is 12,000m and for 3D the maximum configuration is 2 x 6000m and dual source.

Uruguay that is totally oil dependent, has made attempts to look for hydrocarbons offshore in the River Plate for decades, beginning in 1976 with Chevron which drilled a couple of exploratory wells and in the nineties an extensive surveying was done by a French company.

**Merco Press**

## **ANTEL Deploys First Commercial 3G HSPA Broadband Wireless Network in Uruguay**

Alcatel-Lucent (NYSE: ALU) announced a contract with **ANTEL, the leading provider of telecommunications services in Uruguay**, to supply and install a wireless network based on UMTS/HSPA (Universal Mobile Telecommunications Service/High

Speed Packet Access) technology to provide innovative 3G services

This advanced mobile network project will enable ANCEL, the mobile phone division of ANTEL, to expand capacity while offering sophisticated next-generation services, including advanced multimedia, mobile broadband and converged services such as video call and streaming, Mobile TV and high-speed mobile Internet access on 3G mobile handsets. ANCEL also will introduce high-speed Internet and mobile data services to business and residential subscribers through USB modems & data cards.

"With Alcatel-Lucent's UMTS/HSPA network that ANCEL will deploy, we will be the first operator in Uruguay to offer broadband access to advanced mobile data services at a very high throughput," said Marcelo Erlich, division manager from ANCEL. "Our mission is to provide to Uruguayan the best communication and we have an expert team working to obtain the best service and quality. Creativity is a key factor to maintain our leadership and now our customers will have the possibility to access to a multimedia device with almost the same capacities offered by a PC. This will be a qualitative change for people and modern society."

"This agreement further proves ANTEL's confidence in our leading-edge technology and our teams. Our long-standing collaboration in broadband access, optical and traditional telephony is now extended to mobile broadband," said Olivier Picard, President of Alcatel-Lucent's Europe and South activities. "This first commercial introduction of 3G UMTS in this region reinforces Alcatel-Lucent's worldwide leadership in mobile broadband and its strong footprint in the Latin American market."

As part of the agreement Alcatel-Lucent will provide an end-to-end turnkey UMTS/HSPA solution, including MPLS core, network deployment, and network and applications integration and services. Alcatel-Lucent has previously supplied ANTEL with TDM, ATM and MPLS networking solutions, as well as ADSL broadband access and SDH optical advanced platforms.

## Uruguay Could Become a Model for Low-Cost Laptop Programs



Uruguay -- The 1,200 inhabitants of this isolated rural town could not care less about a feud between U.S. tech companies Intel and AMD. But recently it began a social experiment that could impact not only its development but also the fortunes of several U.S. corporate giants.

Eight-year-old Nahuel Lema and his 135 classmates at Number 24: Italia, the only primary school here, took home new laptops May 10 thanks to a partnership between the Uruguayan government and [One Laptop per Child](#) (OLPC), a United States' non-profit born out of the MIT MediaLab.

Nahuel's mother, Grisela, sat right beside him in his classroom, her

face beaming with pride. Born and raised here, she is anything but a techie, never once having used email. Villa Cardal has one main street and no traffic lights. Many here work as farmhands at dairy ranches. The community is in the "paper and pencil era" says fourth grade teacher Hania Villanueva.

Meanwhile the teachers were in the middle of a day-long training by LATU, the reason for the kids' day off.

Anxiety filled the classroom. Trainer Pablo Flores said, "I see there are a lot of doubts here." His colleague later added, "Don't worry if your students end up knowing more than you. That should be your goal."

Hania Villanueva, who looked overwhelmed at the training, said in a phone interview one week later that she is already integrating the laptops into her curriculum, using Internet maps to teach Uruguayan geography and kid-friendly games to teach geometry.

LATU is seeing the teachers through the program, its trainers having made the four-hour round-trip commute from Montevideo every day of the first week.

The Uruguayan government is

playing a larger role than other governments in the region. Uruguay joined in December 2006. Brazil entered the program back in 2005 but started only in March of this year. Argentina received OLPC laptops in January, but its local advocate is mired in a Buenos Aires election campaign.

Uruguay views the OLPC concept strategically, having its own aggressive digitalization program for the country. LATU later this month will solicit offers from all sponsors of cheap laptop programs, including Intel, says its director Miguel Brechner

A top government priority is growth of the country's information technology sector, which already exports more software per capita than any other country in South America. But the sector currently has zero unemployment, and needs trained workers trained in technology.

While Brazilian President Ignacio Lula da Silva and many others see OLPC as a social program that aims to include the poor in the technology revolution, Brechner and J. Lepra, the minister of Industry, Energy, and Mining, the program's two champions here, go beyond that. They see OLPC as a way to bolster Uruguay's economic competitiveness.

"They saw how this would be a boost to the economic development of Uruguay faster than anyone . . . and they have been the most effective," says OLPC's Cavallo.

*Vinod Sreeharsha is a freelance journalist who has written about Latin America for the Christian Science Monitor, Toronto Globe and Mail, Miami Herald, and Slate. This is his first contribution to World Politics Review.*

## **Imports Blueberries from Uruguay to the US Market**



The Department of Agriculture (USDA APHIS) announced the publication in the Federal Register of the proposed rule for the importation of blueberries from Uruguay to the continental United States. USDA APHIS.

Also congratulated the Uruguayan Ministry of Livestock, Agriculture and Fisheries – General Direction of Agricultural Services (MGAP DGSA) for their job in sharing and communicating to APHIS the

sanitary information of this crop in Uruguay.

The rule, *Importation of Blueberries From South Africa, Uruguay, and Argentina with Cold Treatment*, is available and open for public comment online at <http://www.regulations.gov/>, by selecting "Animal and Plant Health Inspection Service" from the agency drop-down menu, then click "Submit."

## MERCOSUR

### European Union envoy attempts to re-launch trade talks with Mercosur



A top European Union trade negotiator begins this week an official visit to the four Mercosur country members in an attempt to re-launch the stalled talks with the South American block for an association agreement.

Karl Falkenberg arrives in Buenos Aires Monday, from Brazil, and will be meeting Argentina's top Foreign Affairs and Economy ministries' officials.

Bilateral Mercosur/EU talks are to a great extent conditioned to the evolution of multilateral negotiations in the framework of the World Trade Organization Doha Round

Falkenberg's agenda includes meetings with Economy minister Felisa Miceli, Deputy Foreign Affairs minister Roberto García Moritán, Director of International Economic Relations Alfredo Chiaradia and with Industry Secretary Miguel Peirano

EU/Mercosur association talks have been stalled for over two years since Brussels decided to wait for the results of the Doha Round multilateral negotiations which are focused on one of the South American block's main interest and that are farm subsidies in rich countries and access to those markets.

However WTO talks have also been grounded for over a year because of the reticence of developed countries to comply with the demand from the so called G-20 to be more flexible regarding the agriculture controversy.

Rich countries are also demanding improved access to the developing countries industrial and services markets.

Nevertheless EU and Mercosur had begun to sort out some of the impediments with the establishment of preferential quotas for agriculture but the South American block described them as insufficient.

Recently several EU top trade officials said in was possible to advance with the bilateral negotiations in parallel with the WTO discussions.

However, the prevailing opinion in Mercosur is to wait for the Doha Round outcome, speculating that in the event of a failure or an extension of Doha, this will help reactivate the future bilateral understanding.

Brussels apparently does not fully discard the second option, since originally the idea was that Trade Commissar Peter Mandelson visit Mercosur members and not his subordinate.

Falkenberg is also expected to sound out Mercosur members about demanding further concessions from United States because it's the country which has been least flexible in the global trade talks.

## **Mercosur, India & SACU agreement to enhance trade.**

The Indian Government today said a trilateral agreement with trade bloc Mercosur and South Africa Customs Union (SACU) is under consideration to widen the scope of South-South Cooperation.

"A trilateral arrangement between India, Mercosur and SACU (South Africa Customs Union) is on the way to widen scope of South-South Cooperation," Commerce and Industry Minister Kamal Nath said.

Following the conclusion of a Preferential Trade Agreement in 2005, India and Mercosur agreed to give tariff concessions, ranging from 10 per cent to 100 per cent on 450 and 452 tariff lines respectively. The PTA would come into force once it is ratified by Brazil and Argentina.

Argentina, Brazil, Paraguay, **Uruguay** and Venezuela are full members of the grouping, while Bolivia, Chile, Colombia, Ecuador and Peru are associate members.

"The process of expansion of PTA coverage has also been initiated in persuasion of the IBSA Declaration made by the Heads of India, Brazil and South Africa in 2006," Nath said in a statement.

Brazilian President Luiz Inacio Lula da Silva is currently on a visit to India with a business delegation and today held meetings with Prime Minister Manmohan Singh and Nath. The two countries have decided to step up trade from the present 2.4 billion dollars to 10 billion dollars by 2010. Brazil has

emerged as India's largest trading partner in Latin America.

"Indian investments in Brazil have also increased in recent years, particularly in the field of information technology, biotechnology and pharmaceuticals," Nath said .



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