

# URUGUAY

Transparent, politically stable and business friendly

## Uruguay and Japan strengthen links

Japanese investors are becoming increasingly won over by this solid investment location in the heart of Latin America.

With a steady macroeconomy, a wealth of fertile land, social and political stability and a growing reputation as a financial, manufacturing and logistics center, Uruguay is the perfect gateway to the world for business and commerce.

Nestled between Argentina and Brazil, and with Montevideo as its capital, the small country — it has a land area of approximately 176,000 square kilometers — is internationally recognized as a haven of democracy, peace and social equality.

President Tabaré Vázquez, who first led the country between 2005 and 2010 and was re-elected again in March 2015, heads a liberal, prosperous nation that has some of the best infrastructure, investment flows, innovation and GDP growth in Latin America. It is also one of the greenest countries in the world, with most of its electricity coming from wind parks.

Uruguay is now enjoying the best credit rating it has ever had (Standard & Poors has rated it to within two levels of investment grade), and with excellent incentives in place, it is a reliable and attractive place to do business.

With the increased foreign direct investment in-flows improving productivity and innovation, traditional exports such as combed wool, rice,

soybeans, frozen beef, malt and milk are now being joined by high-end gastronomy and knowledge services.

Skilled human resources at competitive costs, first-class technological infrastructure, a stringent business climate, strategic geographic location, and a high standard of living are some of the advantages that Uruguay offers to providers of these services.

Several international companies have already installed parts of their operations in

**“To enter the new trade era, especially within the context of global value chains, we must have flexible opportunities.”**

Rodolfo Nin Novoa, Minister of Foreign Affairs

the country or turning to local service providers to meet their needs in information and communications technology (ICT), business and knowledge professional services, pharmaceutical and health care, audiovisuals, architecture and engineering.

In November last year, Vázquez met with Japan's Emperor Akihito and Prime Minister Shinzo Abe in Tokyo. The official trip, which saw the president joined by repre-

sentatives from 18 Uruguayan companies and institutions, has brought new trade and investment opportunities to the fore. The largest of which has been the entry of Uruguayan beef to the Japanese market.

As the president explained, Uruguay will preside over Mercosur — South America's common market — next year, and as such, he wishes to further improve the relationship between this block and Japan, and act as a gateway to the region.



Rodolfo Nin Novoa  
Minister of Foreign Affairs



Carolina Cosse, Minister of  
Industry, Energy and Mining

years by European companies and neighboring countries, and recently has had very strong use by operators from China and India.

“We are objectively considering the reformulation of Mercosur, in order to make it a free trade zone. There is awareness in all countries that the greater the depth of the economic slowdown, the greater need for openness. And to enter the new trade era, especially in the context of global value chains, we must have flexible opportunities.”

The new administration is focused on commerce, as well as sound political and diplomatic relations and is keen to join the world's free trade agreements, he asserts.

“We are able to provide services and food products to a country with over 120 million inhabitants like Japan,” he says. “There are many investment

opportunities in our country that are safeguarded by a solid legal certainty. At the policy level, we have introduced a new investment law and offer investors the freedom to repatriate capital and profits without any limitations: all these elements make Uruguay a very safe place to investment.”

Minister of Industry, Energy and Mining Carolina Cosse notes the government's plans to strengthen Uruguay's status as an energy exporter and its increasing entrepreneurship.

“Since 2005, Uruguay has been systematically preparing to reach an energy matrix where more than 90 percent is renewable energy. In this energy matrix, 35 percent is non-conventional renewable energy from wind, biomass and solar,” she says. “We have a surplus of energy which we can offer and sell to other countries. We are in excellent condition to become energy



Lakeland birds flock to Agua Clara

PHOTO: Fotostock

exporters.”

Although Uruguay is not an oil-producing country, there are a number of exploration projects under way both on and off shore.

### Better connected

After years of significant growth, Uruguay has accumulated \$18.5 billion in reserves, making it an immensely attractive investment destination.

With this reserve fund, a floating exchange rate scheme and excellent access to international finance, it can now spend time consolidating the existing economy and improving infrastructure.

With investment in roads,

railways, ports and waterways a government priority, there is a huge opening for companies looking to appropriate the new legal framework put in place for public-private participation contracts that was recently added to the traditional bidding scheme.

“We are working to introduce facilities that will keep industries in Uruguay thriving,” Cosse says.

In terms of telecommunications infrastructure, the Brazil-U.S. submarine network that is currently under construction in partnership with Algar Telecom (Brazil), ANTEL (Uruguay) and multinational Google, will give Uruguay the potential to go from

being a client of international bandwidth to being a provider.

Meanwhile, Cosse has dubbed the ANTEL Data Center — a hub of information storage spanning more than 11,000 sq. meters — the “hard disk” of the region.\*

“Uruguay's regulatory stability, clarity regarding ownership and data privacy, strong telecommunications infrastructure and technological quality takes it to another level.”

She adds, “I understand that Japan and Uruguay are two different cultures, but Japan will find a wonderful surprise in the heart of Latin America.”

\*Read more on the data center in the article below.

## Tackling public debt head-on pays off

Astute fiscal management over the last decade has left Uruguay resilient and a credible option for foreign investors.

While other Latin American economies flounder, Uruguay is reaping the benefits of a decision made 10 years ago to significantly reduce its public debt. In 2004, it was 75 percent, while today is just over 20 percent.

While unemployment stands at 7 percent, per-capita incomes have increased exponentially, rising from \$3,000 in 2004 to \$17,000 per capita in 2015. Today the country is positioned in the highest income group according to the World Bank.

All these variables grew thanks to an increase of investment; in recent years, it boasted ratios of investment approximately 23 to 24 percent.

As president of the Central Bank of Uruguay, no one could be happier than Mario Bergara.

“Alongside Chile, we have the best institutional indicators in Latin America,” he says.

“Uruguay is one of those countries that took the opportunity to build the strengths, mitigate weaknesses and reduce risks. We owed almost 100 percent of the debt in dollars, thereby incurring enormous risks with the exchange rate — yet today, more than half of the Uruguayan debt is in local currency.

“Foreign direct investment has not only increased five-fold in recent years, it also has diversified in its origin.”

While it celebrates having the best credit rating qualification in its history, there are elements such as the deficit and inflation that bring challenges in the short term. However, Bergara is confi-

dent the growth trajectory will continue, with a stable, forward-looking leadership, and business and trading improvement with Asia, particularly Japan, keeping the country's coffers solid saying: “Uruguay is a small country that has to be open to the world in order to maintain the growth path. We need to boost the main sectors of the economy such as agriculture, tourism and services, but also make a strong investment in technology and human capital.

“The processes of generating trust with Japanese institutions are vital for our country. And this is one of the competitive advantages that Uruguay has.

“We offer political, institutional, macroeconomic, microeconomic and social stability



Mario Bergara  
President, Central Bank of Uruguay

and credibility that is unique in the region of Latin America.

“Uruguay is not on the world stage because of low wages or economies of scale, but because of its quality, transparency and reputation. This is supported by the investments made by international companies and Japanese banks.”

## Winning the digital race in Latin America

With an excellently funded telecommunications sector, Uruguay is a world-class player in ICT and data storage.

Along with financial stability and a plethora of natural resources, Uruguay's attractiveness for business investors is leveraged by a strong, reliable telecommunications infrastructure and a sound digital platform.

The state has consistently invested in the sector to enhance the quality of services, and is a beacon in the region for communications.

Andrés Tolosa, who has worked for regulator ANTEL (Administración Nacional de Telecomunicaciones) for 22 years before taking the reins as president in 2015, informed *Global Insight* of some of the milestones: “Uruguay has been ranked in fifth place worldwide in terms of household penetration with fiber optics. Ahead of

us, we have South Korea, Japan, the United Arab Emirates and Singapore,” he says. “The multimedia world is changing in terms of distribution and content creation, and the internet is revolutionizing the traditional sectors of communication. This has already changed, but we do not know the degree of change that will take place in the coming years and how it will affect the development. In this sense, ANTEL has to prepare for this challenge.

“In Uruguay today, 74 percent of households have internet access. This indicator places us near the level of European countries, surpassing some of them. We are aiming to keep ANTEL as a leader in the Uruguayan market in terms of quality,

market share and also maintain the technology and quality leadership we have achieved in the region. We hope that with the submarine fiber optic cable and the large data center being built, we will continue to meet the pro-

**“We guarantee investors access to the best telecommunications platforms and systems.”**

Andrés Tolosa, President, ANTEL

posed objectives.”

The state-of-the-art data center will save the government 40 percent in investment in information technology, 85 percent in operation and maintenance and 20 percent in energy. It is the fourth such center of its kind

also offer better access to technologies and high-capacity cloud storage for home users.

“In Uruguay, we guarantee investors access to the best telecommunications platforms and systems in the region,” Tolosa says.

BCU  
Stability for economic development

Uruguay, best place to invest.  
Antel, best technology in telecommunications.

- Connectivity through optic fiber submarine cable direct to USA
- 100% of Internet connectivity, 62% through optic fiber
- 1st in LATAM's speed with 92.5% of LTE coverage
- Best International Data Center Tier III in LATAM

antel.com.uy

# The lay of the land is quality produce

*Agriculture is Uruguay's biggest driver of growth and lauded internationally for its superb-quality beef and other products.*

With the world's largest population of beef cattle per capita — there are roughly 40 cows to every person — Uruguay is one of the world's prime meat exporters, and has been so since the start of the 20th century. Uruguayan cattle thrive on a grass diet, thanks to the extensive natural grasslands within the country, which in turn produces superior meat.

With a clean bill of health, thanks to strong sanitary regulations and standards that are heavily enforced by the Ministry of Livestock, Agriculture and Fisheries (MGAP) all the way down the food chain, Uruguay exports about 68 percent of its beef stocks per year to a variety of world markets. The government is currently in the throes of finalizing an agreement with Japan that will allow it to enter this potentially lucrative trading center.

Entrepreneur and agronomist Tabaré Aguerre has been minister of agriculture since 2010, kept on by the Vázquez administration for his superior expertise in the area. A key speaker at international events on topics that include soil conservation, climate change and environmental resilience, he is a strong advocate of sustainable develop-

ment and innovation.

So fierce is the knowledge within the ministry and in partnership with public and private institutions, a whole movement known as Uruguay Agro-Intelligence is leading the way in finding the answers to global issues, such as international integration, sustainability, climate change adaptation and rural development from the perspective of institutional fortification. There has never been so much continuity and permanence in agricultural policies in Uruguay's history, he explains.

"For a planet that will soon reach 9 billion people, one of the challenges of humanity, is

**"Uruguay is the only country in the world that knows exactly where each of its bovines are at any one time."**

Tabaré Aguerre, Minister of Livestock, Agriculture and Fisheries

to produce food in a sustainable way from an environmental point of view to feed that increased population.

For Uruguay, it is an opportunity that we must seize," he says. "Uruguay is essentially an agricultural country. If we leave aside the service sector and speak about the trade of goods,



Tabaré Aguerre  
Minister of Livestock,  
Agriculture and Fisheries

75 percent of the exports of goods from Uruguay are products from the agricultural or agro-industrial activity.

"We have 3.5 million inhabitants, but produce enough food for 25 to 28 million people. Uruguay is the world's sixth-largest

exporter of rice, and exports 97 percent of what is produced. We also export 99 percent of the soybeans we grow.

"The world's total meat trade constitutes about 9 million tons. With an output of 570,000 tons, and an export figure of 400,000 tons, Uruguay accounts for almost 5 percent of this trade

globally. Uruguayan beef is principally sent to China, the U.S., the European Union and Israel.

Uruguay is the only country in the world that implants an electronic chip into each of their cows, and thus is the only country in the world that knows where each of their bovines are at any one time.

"The result of this chipping means officials can ensure traceability of an animal which is grazing in the field to a box of meat coming out of a refrigerator or freezer.

"A country like Uruguay cannot be considered without a high degree of openness to the world, and it cannot develop without the promotion of investments that bring innovations, that build competitiveness, but at the same time facilitate sustainability.

"A country with the culture and values, but above all, with the respect for food that Japan has, can expect in Uruguay a reliable supplier country, certified food of the highest quality and maximum safety."

The minister points to the work of the National Meat Institute (INAC) to strengthen his argument. A public-private partnership, INAC regulates at the processing plant level and controls the quality and safety of the product.

The agency is also responsible for promoting Uruguayan beef in international markets and manages a large database of the



Fields of agricultural riches proffer strong investment yields.

PHOTO: Agroland

production and export of different meats.

INAC's president Federico Stanham, who graduated from the Faculty of Agronomy at the University of the Republic in 1981, explains how he and his team will maintain a medium-term outlook of the sector in light of greater demand to ensure the high standards remain.

"We have to enter the markets with a high-quality beef product and demonstrate that it is traceable. The mechanism was produced to protect the environ-

ment, the welfare of the animal under natural conditions, and the quality of the meat. In short, we must provide what sophisticated consumers demand, and our production system benefits from strong technological input. I would say that Japan is one of the most discerning countries when it comes to meat."

#### Fields of gold

With quality in mind, Uruguayan agriculture has clear comparative advantages over other countries. In the last decade, as larger

investors have flocked, the sector's productivity has multiplied. In addition, there have been backward and forward linkages that facilitate opportunities in the agro-industrial business chain, ranging from animal and plant genetics to the production of high value-added foods.

Thanks to a forward-looking forestry policy, large plantations of eucalyptus have been developed, with two pulp plants funded by foreign capital installed that conduct worldwide exports and generate associated

businesses such as the development of plantations, logistics services, and energy generation from biomass, among others.

The success of this has paved the way for the installation of a large third pulp plant with opportunities to develop chemical transformation research.

There are also clear opportunities in the area of mechanical wood processing, with the under-exploitation of some species suitable for this type of production; in particular pines, ready to be discussed.

## Promoting one of the best secret locations under the sun

*Punta del Este and the wider area of Maldonado, on the southern tip of Uruguay, have strong potential for all kinds of tourism.*

Close to some of the most amazing sights in Latin America, Uruguay is a different kind of tourist destination, as its 2.8 million annual visitors can attest to.

With a host of international hotels now on board — the Hilton Gardens Inn in the World Trade Center in Montevideo and the Hyatt have between them invested millions of dollars and in doing so, provided a stamp of approval — it seems government incentives to promote the sector, as well as improved tourism infrastructure, have paid off.

With its Portuguese colonial history, superb Atlantic beaches, and wonderful food (especially the beef), the country offers a delicious slice of Latin America to an ever-curious traveler, or indeed to businesspeople looking for a congress venue



Enrique Antía Behrens  
Governor of the Dept. of Maldonado

with a difference.

Often dubbed "the Miami Beach of Uruguay," Punta del Este, situated within the Department of Maldonado, is an internationally recognized resort famed for its beaches and nightlife. As well as being in close proximity to the Argentine capital of

Buenos Aires and the beaches of Brazil, the city is a four-hour flight from the spectacular Iguazu Falls, one of the continent's most prized attractions. However, it also has an awe-inspiring symbol of its own.

El Mano, "The Hand," is a sculpture of a giant hand partially emerging from the sand on Brava Beach that was crafted by the Chilean artist Mario Irarrázabal and unveiled during the summer of 1982, while he was attending the first annual International Meeting of Modern Sculpture in the Open Air in Punta del Este.

"Punta del Este is an inescapable point that provides an insight into the whole region," says Enrique Antía Behrens, Maldonado's effusive governor. "It has a special value. Whoever comes here can forget the world in a natural and safe environ-

ment. This is freedom."

Maldonado, which spans 4,793 sq. km and has 190,500 inhabitants, boasts a fresh, pleasant climate at night and is hot during the day without being overbearing, something that is highly valued by tourists, the mayor continues.

"One of our great advantages is that every day you can go to a different beach, there are plenty of options to choose. We get very good tourist feedback," he says.

#### New projects

To boost year-round tourism within the department, the administration is developing two special projects.

"One is to improve operations on Gorriti Island, which we have realized has high historical and cultural value due to the recent discoveries made there. We found five guns and a number of things from the colonization period, including materials that date back 500 years," Antía says.

"We also want to develop operations on another island,

25 minutes away from Punta del Este, that is home to 250,000 sea lions, the largest marine reserve of these mammals in Latin America. We are building the required infrastructure so that people can visit the island safely, while taking care of the environment and wildlife."

The city government has opened an agency to encourage private sector participation and works alongside entrepreneurs and private investors to enhance development in the region.

"We must continue to support all aspects of tourism," Antía says. "We are at a point where we need to diversify. We need to support rural enterprises, to continue to attract innovation and keep on receiving construction investment. With this in mind, the mayor's office has introduced tax exemptions to encourage investment.

"We need to diversify and enhance other coastal towns of Maldonado, to increase capacity: We need to offer the cruise ship sector better conditions

and services and are working on organizing more cultural and sports events.

"Earlier this year, we received a significant investment of \$100 million to develop a high-tech health center in the vicinity that will really help us maximize the potential for medical tourism. Maldonado (the department's capital) and Punta del Este

**"We need to support rural enterprises, to continue to attract innovation and keep on receiving construction investment."**

Enrique Antía Behrens, Governor of the Dept. of Maldonado

are very safe, with a unique environment and most of the beautiful beaches in Uruguay. With this in mind, they would be ideal for those recuperating to relax in peace."

#### A burgeoning sector

Uruguay offers generous incentives for foreign investors who

launch tourism-related developments. This year, it will host its first International Tourism Fair in Montevideo. The Uruguayan version of the Buenos Aires Feria Internacional de Turismo (FIT) will take place from September 19 to 21 in the capital.

Compared to its neighbors, Brazil and Argentina, Uruguay has a long way to go to become a

fully-fledged tourism mecca.

According to the World Travel and Tourism Council, the total contribution of travel and tourism to Uruguay's GDP (including the wider effects from investment, the supply chain and induced income impacts) was around \$4 billion in 2015 (8.6 percent of GDP) and is

expected to grow by 0.1 percent to \$4.14 billion (8.4 percent of GDP) this year. It is forecast to rise by 3.4 percent annually to about \$5.8 billion by 2026 (8.8 percent of GDP). It currently provides 450,000 jobs, or around 2.8 percent of total employment in the country.

Promoting Uruguay with the "Uruguay Natural" brand is on the agenda of the current government. It is building a new convention center and gradually implementing measures and initiatives to reduce seasonality in Punta del Este.

Local entrepreneurs have also got their thinking caps on. As Alejandro Bulgheroni, the legend behind the stunning Agroland project (see article opposite for more information.) says: "Not everything has to be sun and sand, Maldonado and this region are very beautiful and can offer much more.

"With our wonderful landscape, we have to think how to develop the area's eco-tourism potential, for example."

History, culture, art, business, leisure...  
**there are several reasons to visit Punta del Este**  
Which is yours?

Punta del Este is waiting for you... all year round

**Intendencia de Maldonado**  
BUILDING A FUTURE

www.maldonado.gub.uy

### Wine industry raises a toast to hard work of INAVI

As the guardian of the country's flourishing wine industry, Instituto Nacional de Vitivinicultura (INAVI), plays a key role in the sector's performance through strict quality control, research and development and promotional initiatives.

A forward-thinking public-private entity, INAVI has transformed the international image of Uruguay's strong portfolio of wines, including the Tannat — a national icon and a rich, red wine that is the perfect companion to traditional Uruguayan barbecues and meat dishes.

Part of the Ministry of Livestock, Agriculture and Fisheries, INAVI is a cheerleader for the export-oriented sector and spearheads significant investment in modern technology and techniques such as geo-referencing for traceability. The agency has also helped boost wine tourism through wine tours and has set an ambitious goal of having 10 million bottles of Uruguayan wine uncorked per year.

José María Lez Secchi, president of INAVI, is eager to share the secrets of the wine industry's success and explain how the resource-rich country has established an impressive foothold in an extremely competitive international marketplace. "Uruguay has excellent soils ideal for growing different varieties of wine," he says. "Tannat has a very intense color and many anthocyanins of which polyphenols [abundant micronutrients] are among the most prestigious.

"One of our core focuses has been traceability and we recently completed an exciting four-year project that allows consumers to scan a QR code on the label to discover the origin and history of the wine from the vine to the bottle. This information includes the exact location of the vineyard and other details that aim to ensure quality and food safety.

"With wine tourism and our model of traceability, we are strengthening our international presence. When we have demonstrated this traceability project at international events we have received much praise from important markets like the U.S. and Japan.

Despite its size, Uruguay's fertile soils and great climate mean its wine industry has expanded by a third over the past five years. "We are a small country and humble, but we are well aware we have a diamond in our hands and we need to take that diamond and sell it to the world," he adds.

**José María Lez Secchi**  
President of INAVI

INAVI (Instituto Nacional de Vitivinicultura)  
Dr. E. Pouey 463, Las Piedras, Canelones, Uruguay  
Tel: +598 2364 3486 | www.inavi.com.uy

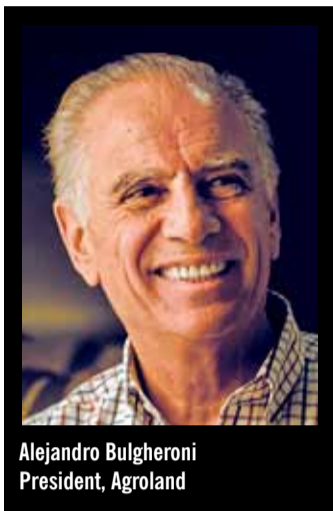
WINES of URUGUAY

INAVI  
INSTITUTO NACIONAL DE VITIVINICULTURA

# Agroland: High-tech processes in harmony with the natural world

Heading toward self-sufficiency in terms of energy use, and producing some of the best-quality foodstuffs in the world, Agroland is magical agro-industrial complex to be admired.

The highly successful international businessman Alejandro Bulgheroni, along with his wife Bettina, has put his heart into developing an iconic farm involving wines, olive oil and beef in a sustainable environment in the exclusive region of Maldonado. His prized Colinas de Garzón extra virgin olive oil is ranked among the best in the world. The entrepreneur took some time out of his busy schedule to talk about the good life with Global Insight.



Alejandro Bulgheroni  
President, Agroland

**Global Insight (GI):** After a significant expansionary period, Latin America is now seeing gradual deceleration. While the IMF figures confirm this, the institution's outlook for Uruguay remains positive, with growth of 2.5 percent expected for 2016. How will the Uruguayan economy continue resisting this changing regional context?

**Alejandro Bulgheroni (AB):** First of all, I would say that the challenge of growth and development is a global one. The stagnation in consumption we are seeing internationally is hindering economic growth.

This phenomenon, which has also been impacted by low oil prices, has failed to stimulate economies and seen prices drop. Thirty years ago, the relationship between oil prices and growth was direct: One-barrel of oil was equivalent to one point of GDP. Today the ratio is 0.35 to 1. This makes the world quite skeptical.

There is also the technological factor. In Latin America, technologies have been diversifying, leading to the more efficient production of goods and services. This efficiency has had a direct effect on pricing. Latin America as a region has also been impacted by the consumption of raw materials. The value of commodities has dropped significantly.

When things are going well,

it is very easy to follow suit, but when prices fall, nobody wants to give in. It is therefore difficult for these countries to be as competitive as they once were.

Conversely, Uruguay has sought to diversify its markets and improve its production, quality and traceability. These days, it is very important to know

**"The International Olive Oil Organization ranked Agroland 15th out of the 25 Best Processors last year."**

Alejandro Bulgheroni, President, Agroland

where food comes from and how it is made. In Uruguay, we have ultimate traceability in the meat sector and this gives Uruguayan products a competitive advantage you can't find elsewhere.

Another point in our favor is the low carbon footprint and the protection of the environment. Uruguay has done a great job here, not only in regards to forestation, but also with how the trees are used: Paper pulp, for example, is a lucrative product. What's more, all these forests absorb a lot of carbon.

Uruguay has also invested heavily in renewable energy. It has a unique location facing south and receives strong winds, so by harnessing this through

wind farms, it has built up energy reserves.

**GI:** Agroland is a project that includes different areas such as vineyards, olive groves, livestock, forestry and wind power. Everything has been planned to be sustainable and preserve the environment. How did the idea come about?

**AB:** My wife and I started this project in 1999. Our idea was to develop the land and build something intensive that yielded good quality produce. First, we studied the olive groves. The first plantations date from 2002-2003 and we did it all by optimizing the available resources in the field. There were no big olive groves in Uruguay then, but today there are around about 10,000 hectares, 3,500 of which are owned by Agroland.

We started developing the eucalyptus and pine plantations

this in such a short time?

**AB:** It is a combination of factors. If you do not have good weather and good soil, it is difficult to get something of quality. And even with those factors in place, you need to have people who care about what they produce. I am delighted to say that we have those people here.

Because of my background in the oil and gas industry, I was interested to see how we could make Agroland fully self-sufficient, and we are getting there.

It is not a fast process as there are some technological challenges that take time to materialize. Today, using wind energy, we produce what we consume. One thing is when you have an extensive cultivation of livestock or grain, where energy demand is much lower, but at Agroland, we have a significant amount of energy requirements.

We are working on the commercialization of solar and wind energy at local and regional levels. Within three or four years, we will have a much higher degree of self-sufficiency, thanks to energy developments and smart construction.

Our winery, Bodega Garzón, for example, has been built with energy efficiency in mind. For a cellar of its kind, ours saves 40 percent due to the construction and materials used. The initial investment required is higher, but ultimately it has a lower consumption and greater impact.

**GI:** The Tannat variety of wine has gained worldwide recognition in the culinary field. Which markets is Agroland already targeting with the olive oil and wines, and which other markets would you like to penetrate?

**AB:** The first thing we exported was the olive oil. Its popularity did not happen by accident: as the olives groves get older, they produce better quality olives. We started very slowly, taking care of the plan-



Sumptuous feasts taste even better when complemented with the superb yields of Agroland.

PHOTO: Agroland

tations. At the moment we are present in several markets in Latin America, the United States and Europe. Of course, as we increase production volumes, we would like to enter new markets in the Middle East and Asia.

The positioning of our olive oil worldwide has been enhanced by the quality parameters of the product, starting from the full traceability of each variety from the nursery to the field in order to optimize all aspects regarding the production planning, through to a modern plant where olive oil is processed in less than 12 hours.

The olives are harvested, together with a careful process of production to achieve an oil that has a very low acidity, and the temperature is controlled to best preserve the flavors and polyphenols. We take the necessary steps to prevent oxidation during storage.

With a product adhering to such high-quality standards, the global accolades came naturally. We introduced the oil to different markets, at food fairs and in international competitions.

The International Olive Oil Organization ranked Agroland 15th out of the 25 Best Processors last year. We have the best oil press outside of Europe, according to the results of the 19 most important international competitions in the sector.

On top of this, the Italian branch of Colinas de Garzón has been ranked 40th out of the world's 50 best extra virgin olive

oils. It was the only "New World" product to be included.

In 2013, the Agroland plantation received a distinction for Best Olive Grove Landscape in the international competition Extrascapes, held in Italy.

The Association of Italian Producers, led by Francesco Travaglini along with a network of local universities, study different landscapes worldwide under its aesthetic, functional, environmental and economic aspects, according to different criteria, such as sustainability, biodiversity, respect for the environment and harmony with the environment.

Colinas de Garzón was

**"We are going to rear wagyu cattle, the Japanese breed, to produce what is known as Kobe beef."**

Alejandro Bulgheroni, President, Agroland

declared a model landscape by the jury according to the sustainability criteria.

The wine project was also started with my wife. We saw this hill (where Bodega Garzón is built) on this farm in 2006, which at first seemed suited for wind energy. After a while, however, we saw the opportunity to plant vineyards instead. This area is like a cul-de-sac, a beautiful valley, and we realized we could make wine.

We live in a region where there was no history of production, so our first wines date from 2010.

Working with Alberto Antonini, one of the leading wine experts and advisers in the viticulture world, we came up with an excellent Tannat and now compete successfully alongside much older wines.

Two years ago, at the international Tannat al Mundo, we received two of the three highest distinctions of the contest, including Best World Tannat.

It is a very good indicator for the future we have. White wines grow very well in Agroland. We are close to the sea, so the combination of a high plantation and the fresh and salty sea breeze means our grapes receives great mineralization that gives them

special characteristics. The temperature of the grape never gets too high.

**GI:** While good progress has been made to further enhance the relationship between Uruguay and Japan, there are still things we can achieve, for example, a possible Mercosur-Japan venture, and also a deepening of the trade flow between the two countries. What do you think of the recent negotiations

on the lifting of restrictions on Uruguayan beef? How do you envision the Japanese market?

**AB:** Japan has high levels of consumption and quality, and quality is extremely important to us. Uruguay is an excellent meat producer, principally from the Hereford breed. While we still have Hereford cows in our fields, we are going to start rearing wagyu cattle, the Japanese breed, to produce what is widely known as Kobe beef.

Again, it is a process that will take time. We have about 500 animals, some pure and others cross-bred. Our vision is to develop a farm that has between 2,000 and 3,000 animals to maximize our capacity. We ultimately want all our cows to be pure wagyu cattle. As the main consumers of this meat, the Japanese market is obviously important to us.

I would like to encourage Japanese investors to come and see Uruguay. We are relatively new to the market, but the people who work here are committed to producing the best quality goods and the weather conditions are just right. There is also the advantage that the country has a long democratic tradition and stable government. This is very important for a consumer and an investor exploring new markets, because it ensures stability in the long run.

This report was produced by Global Insight and can also be read online at: [www.japantimes.co.jp/international-reports](http://www.japantimes.co.jp/international-reports)

**COLINAS DE GARZÓN**  
colinasdegarzon.com

**BODEGA GARZÓN URUGUAY**  
bodegagarzon.com

DRINK SAFELY. SALE IS FORBIDDEN TO PEOPLE UNDER THE AGE OF 18.