The Office of the United States Trade Representative

U.S.-Uruguay Bilateral Investment Treaty Enters into Force

11/01/2006

WASHINGTON – United States Trade Representative Susan C. Schwab today applauded the entry into force of the U.S.-Uruguay Bilateral Investment Treaty (BIT). “This agreement will strengthen commercial ties between Uruguay and the United States. It will bolster Uruguay’s economy, and provide protection for U.S. investors,” Ambassador Schwab said. “The BIT also represents a concrete and important demonstration of our willingness to strengthen trade and investment ties with reform-oriented countries in Latin America.”

Ambassador Schwab said, “We are especially pleased to be concluding our first BIT in several years with Uruguay, a negotiating partner that has played a leading role in multilateral trade liberalization in the World Trade Organization and in the Western Hemisphere.”

Background:

On Wednesday, November 1, 2006, the United States-Uruguay Bilateral Investment Treaty (BIT) entered into force, thirty days after the exchange of the instruments of ratification in Montevideo, Uruguay on October 2, 2006. The countries signed the treaty on November 4, 2005. Uruguay completed its domestic ratification procedures at the end of 2005, and the U.S. Senate approved a resolution granting its advice and consent for the treaty on September 12, 2006.

The U.S.-Uruguay BIT is the first BIT the United States has concluded since 1999, and is the first BIT concluded on the basis of the U.S. model BIT text, which was finalized in 2004. The model BIT text incorporates provisions also found in the investment chapters of U.S. free trade agreements and responds to investment negotiating objectives established by Congress in the Trade Promotion Act of 2002.

The investment protections in the U.S.-Uruguay BIT will offer increased protection for current and future U.S. investors in Uruguay by providing for a more stable and predictable legal and regulatory environment. The BIT will also promote increased investment in Uruguay, which will expand economic growth and prosperity in Uruguay and greater two-way trade.

The United States is Uruguay’s largest trading partner, and the stock of U.S. foreign direct investment in Uruguay was $533 million in 2004 (latest data available).

Responsibility for BIT policy and negotiations in the U.S. government is shared by the Department of State and the Office of the United States Trade Representative.

Accessibility | Privacy and Legal