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Uruguay Most Secure Nation For Foreign Investment In Latin America

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According to a study by Political Risk Services (PRS) of Syracuse, New York, Uruguay is the most secure nation for foreign investment in Latin America, and third in the hemisphere after Puerto Rico and Canada. Uruguay ranks lower as an investment risk for foreign capital than the US. Study results were published in the business supplement of the Miami Herald on April 22. Peru and the Dominican Republic are ranked as the most risky in terms of short- or medium-term investments. PRS classifications are based on monthly reports by 250 specialists, on short- (18 months) and medium-term (five years) prospects. Countries receive ratings in four areas: 1) disturbances (e.g. terrorism, guerrillas, demonstrations, street riots); 2) financial transfer (facility in acquiring and exporting hard currency); 3) direct investment (restrictions on foreign investment or discriminatory tax policies); and, 4) export market potential (restrictions on imports and collection difficulties). The risk of disturbances is ranked low, moderate, high and very high. In the other categories, risk is ranked from D- (maximum) to A+ (minimum). Puerto Rico is the only territory in the hemisphere with low risk of disturbance, and an A+ in the other categories on short- and medium-term investments. (Basic data from AFP, 04/22/91)

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