



Press release

In the face of the health and economic emergency, suspend the contract with UPM

March 30, 2020

The National Coordination against UPM supports calls to suspend the ROU-UPM contract in view of the current health and economic emergency situation that affects the country and the rest of the world. In this situation in which the country needs to have funds available to respond to the crisis, it is urgent to free Uruguay from a commitment that implies allocating a large amount of funds that do not respond to the current emergency.

In accordance with the provision number 7, clauses 7.1 to 7.5 of the contract between ROU-UPM signed on November 7, 2017, it is understood that if there is a “strange cause not attributable to any of the parties” the contract may be suspended. In other words, among the causes that prevent the contract from being fulfilled, an epidemic is listed as the type of event that constitutes this type of “strange cause”.

We urge the Executive Power and Parliament to release the country from the obligations demanded by the contract with ROU-UPM to be able to use these funds that the State invests in the SOLIDARITY FUND to attend to the numerous and severe damages of the COVID-19 pandemic. This type of fund would make resources available to strengthen health systems and assist a large part of the population that is losing their jobs due to the pandemic. The funds that the State allocates to the UPM project include: cargo train US \$ 2.4 billion, energy payment commitment of US \$ 1450 million, viaduct of the port of Montevideo US \$ 300 million, dredging of the port US \$ 225 million, adaptation of bridges, highways and other US \$ 270 million. This State investment to fulfill the commitment with the company represents a total of US \$ 4,645 million dollars (calculations by Dr. William Yohai based on available public data). Having these resources would make it possible to avoid burdening the population with increases in utility rates and salary reductions, which make a crisis situation much more difficult to bear. As a comparison, the salary contribution of public employees proposed by the government to contribute to the COVID-19 emergency fund would be about US \$ 12 million according to estimates by the Minister of Economy.

The possibility of suspending the contract with UPM allows us as a society to have the opportunity to decide how to use the limited resources we have to meet the needs of our society and build a more environmentally and socially just future.

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