

# Biopharma

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Invest in  
Montevideo



# Why Montevideo?

- Site of the main research centers and groups in the country.
- Extensive network of laboratories, biopharma and agri-food companies.
- Availability of skilled labor in R&D at competitive costs.
- Science and technology parks with state-of-the-art infrastructure and operating under the free trade zone regime (tax exempted).
- Presence of R&D institutes such as the Institut Pasteur, which are part of a functional innovation ecosystem.
- +150 research groups that bring together over 800 researchers. This has enabled the emergence of +79 startups.
- Tax incentives.





# Industry Incentives

Uruguay has a broad regulatory framework benefitting investors. Some regulations are of a general nature for all sectors and others are specific for certain sectors.

## **Promotion of biotechnological activities**

Decree No. 011/013 promotes the development of biotechnological products, services and processes with application in strategic industries, prioritizing the agricultural, environmental, energy, and human and animal health sectors.

The Executive Branch, in consultation with the Biotechnology Sector Council, will review this prioritization every two years and may include new biotechnological development sectors to be promoted.

For benefits to be granted, the decree requires that one of the following alternatives be present: implementation of a program for the development of suppliers of biotechnological products and services; a micro, small or medium-sized company that produces biotechnological services and/or goods; or the launch of a new company that will be producing biotechnological products and/or services.

## **Public Procurement Sub-program for the Pharmaceutical Industry**

Decree 194/014 created the Public Procurement Sub-program for the Pharmaceutical Industry, which grants the possibility of reserving a contract or part thereof in public tenders for companies in the pharmaceutical sector that produce goods and services qualified as national industry.

It applies to purchases made by the three branches of government, the Court of Auditors, the Electoral Court, the Court of Administrative Litigation, departmental governments, autonomous entities and decentralized services, public education entities and, in general, all government agencies, services or entities.



## Related Institutions

- **Institut Pasteur**  
[pasteur.uy](http://pasteur.uy)
- **Faculty of Sciences of the University of the Republic**  
[www.fcien.edu.uy](http://www.fcien.edu.uy)
- **Ministry of Public Health**  
[www.gub.uy/ministerio-salud-publica/home](http://www.gub.uy/ministerio-salud-publica/home)
- **National Association of Laboratories**  
[www.aln.com.uy](http://www.aln.com.uy)



# Economic Characteristics of the Biopharma Sector

Uruguay has a long tradition in the pharmaceutical industry. Companies in this sector carry out various types of operations in the country, ranging from the production of pharmaceutical and biotechnological products to R&D and support activities, such as back-office services for subsidiaries (shared service centers) and the centralization of logistics activities (regional distribution centers), thanks to a favorable business framework providing incentives that help maximize inventory reduction and minimize delivery times.

Merck, Adium Pharma and Shimadzu have set up facilities in Montevideo to conduct these types of operations, with regional distribution and shared service centers in Zonamérica. On the other hand, American company Integer, which acquired CCC, a well-known Uruguayan company, has established an R&D center in Montevideo dedicated to the design and manufacture of implantable medical devices.

Another interesting segment that has grown in recent times is the medical cannabis sector. By being the first country to fully legalize cannabis (for recreational, medicinal and industrial purposes), Uruguay generated business opportunities for the entire value chain in this segment, including research, processing and industrialization for medicinal, nutritional or cosmetic uses. Currently, around 55 national and international companies coexist in this area, and since March 2020, 75 licenses have been approved, of which 48 are for cultivation, 8 for industrialization and 19 for scientific research. More than 1,500 direct jobs have been generated and over USD 130 million invested.

Uruguay is an extremely attractive innovation hub for research institutes and R&D centers of biopharma sector companies. In addition to government support, there is also a synergistic ecosystem that nurtures companies that decide to invest in the area. In recent years, there has been significant growth in the number of pharmaceutical ventures established in the country, with 80 companies dedicated to human and 37 to animal health, all of them operating in Uruguay in the different modalities mentioned and employing almost 6,850 people directly. In turn, companies focused on trade and service hub activities employ approximately 1,200 people, while those managing the internal distribution of exported products generate around 300 jobs.

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