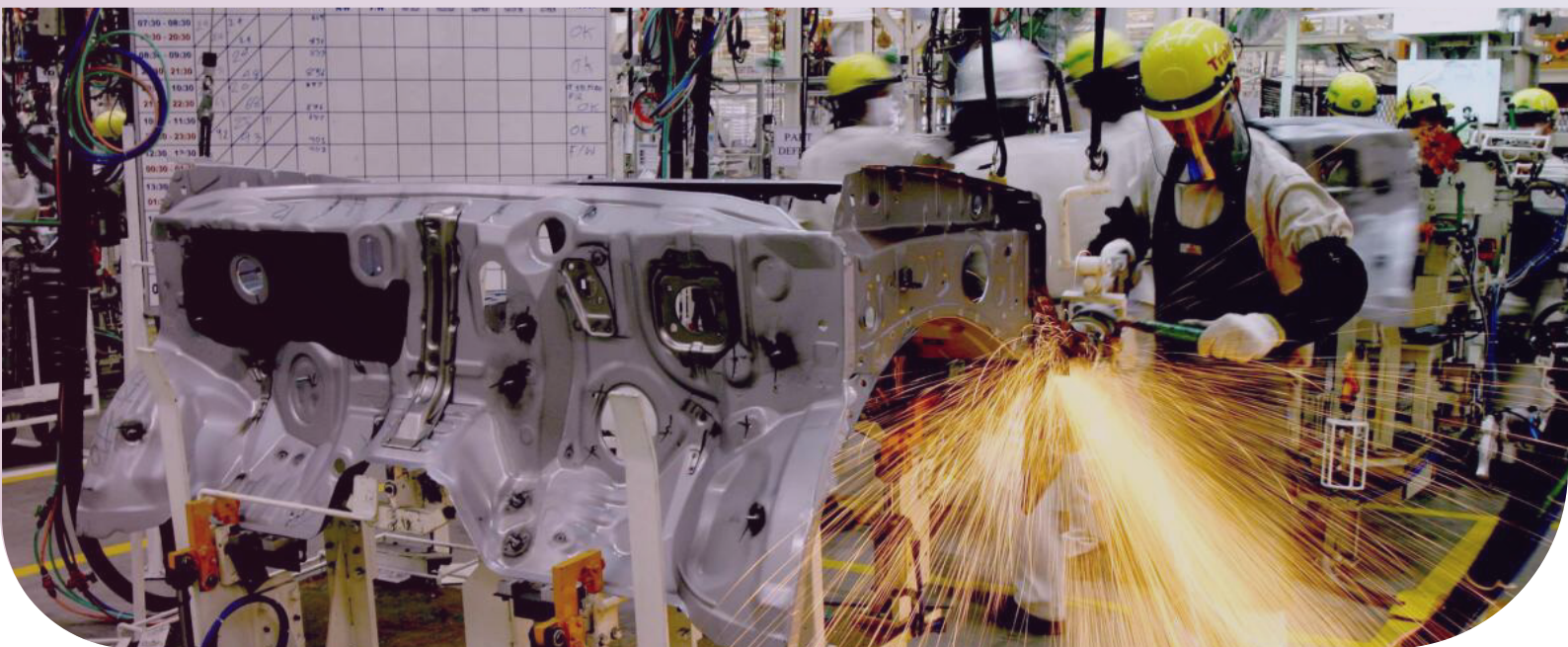


# INDUSTRIAL PARKS IN URUGUAY



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**Uruguay XXI**  
INVESTMENT, EXPORT AND COUNTRY  
BRAND PROMOTION AGENCY

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# 1. RATIONALE FOR ESTABLISHING AN INDUSTRIAL PARK IN URUGUAY

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- Uruguay is a country with a great history of political, democratic and social stability, and macroeconomic soundness that provides a suitable environment to develop successful investments. The economy has been resilient to recessionary pressures in the region over the last few years, and Uruguay is currently the most equal country with the highest per capita income in Latin America.
- Uruguay's strategic location operates as a gateway to the region, while its time zone and cultural proximity facilitate the business climate with major global markets. Moreover, Uruguay offers first-class logistics infrastructure, state-of-the-art telecommunications technology and the best energy supply in Latin America based on renewable sources.
- The main rating agencies have ratified Uruguay with Investor Grade. This reflects the confidence the institutional framework of the country and the conduction of the economic policy generate. Only three countries in Latin America – Uruguay, Peru and Chile – have this type of rating, which, in the case of Uruguay, has improved and has continued to improve in recent years.
- The Uruguayan legal framework provides the broadest guarantees and clear rules of the game, in addition to granting attractive incentives to investors. The **Investment Promotion and Protection Law No. 16,906**, passed in 1998, provides an attractive regime for investment in Uruguay. Foreign investments receive the same treatment as domestic investments by law.
- Uruguay offers important advantages for the operation of **Industrial Parks (IP) for both the developer of parks and the user companies that settle in them. The Law 19,784** with its recent regulatory decree 79/020 and its amending decree 408/022, provides incentives for companies wishing to set up in these parks. In particular, the installation in IP's increases the benefits granted by the Investment Promotion Law, and grants specific tax credits.
- Industrial Parks improve the production costs of the companies due to economies of scale and lower costs, since they share services such as electricity, water, internet, cleaning, waste disposal and security, among others, as well as physical infrastructure (roads, lighting, effluent treatment, etc.).

- There are Industrial Parks where several companies articulate different links of a vertical production chain, generating synergies between companies and further developing the functionality of the parks. This, in turn, fosters the development of related and ancillary industries to the main activity of the IP, generating an atmosphere prone to technological diffusion and learning, innovation, work specialization and increased competitiveness.<sup>1</sup>
- Uruguay has **7 Industrial Parks in operation and 3 others have been approved.**
- Other regimes that reflect the will to promote industrial and regional development are the Free Trade Zone, Free Port and Airport, customs warehouses and temporary admission.

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<sup>1</sup> Rodríguez Miranda, A. *et al.* (2014) “La herramienta “Parques industriales” y el desarrollo territorial: algunas reflexiones sobre la iniciativa en Uruguay”. Documentos de Trabajo 02/2014 (*The Industrial Parks tool and the territorial development: reflections on the initiative in Uruguay. Working Papers 02/2014*). IECON, FCCEEyA, Universidad de la República, Uruguay

# 1. DEFINITION AND CLASSIFICATION

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According to the United Nations Industrial Development Organization (UNIDO), “***an Industrial Park is a piece of land developed and subdivided into plots, according to a general plan, equipped with roads, means of transportation and public services, with or without factories built on it, sometimes with and sometimes without common services and facilities, and intended for the use of a community of industrialists***”. This definition shows the relationship between companies as a form of collaboration and it is clear that the concept is more specific than the one of industrial area or industrial zone.

UNIDO classifies IP on the basis of certain characteristics and criteria:

- According to location:
  - urban parks
  - semi-urban parks
- According to the type of activity that is produced in the park:
  - specialized (industry-focused)
  - composite (with various activities that are not necessarily connected)
  - ancillary (several companies supplying to a larger industry)
- According to the park’s policy objective:
  - development or promotion
  - dispersion (or relocation)
- According to the sponsor:
  - State-sponsored
  - Privately sponsored
  - Mixed sponsorship

Science and Technology Parks (STP) refer to “***an initiative (most commonly public) for the creation of a delimited geographical area intended to favor the development and application of scientific and technological activities, with the aim of promoting and hosting research institutions (in many cases associated with universities in the surrounding area) and knowledge-intensive companies, among which knowledge transfer is stimulated and produced [...]. The essential elements of a STP are: an important technological component; the presence of technological cooperation flows; the development of new technology-based***

***companies; a contribution to the development of the environment, based on the promotion and diffusion of knowledge.***<sup>2</sup>

In addition, UNIDO also develops an extra figure to those already explained. In its “Global Eco-Industrial Parks Program”, UNIDO establishes the figure of Eco-Industrial Parks or EIPs. Its approach is adding to the definition of industrial park the “***improvement of environmental, economic and social performance through collaboration in the management of environmental and resources issues***”.<sup>3</sup>

## **1.1. FIGURES OF INDUSTRIAL PARKS AND SCIENCE AND TECHNOLOGY PARKS IN URUGUAY**

In Uruguay, Industrial Parks have 3 agents:

- **Installers:** Public or private legal entities that carry out the activities necessary for the park to comply with the established requirements regarding the provision of infrastructure, goods and minimum services.
- **Operators:** In the event that the installer outsources these tasks, it is the public or private legal entity that carries out the management, including the provision of services and goods of the IP or STP.
- **Users:** Legal entity that develops within the IP or STP industrial or service activities, aligned with the objective of stimulating industrial value chains.

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<sup>2</sup> From [BID - Science and Technology Parks in Latin America: An Analysis of the Current Situation - June 2012](#)

<sup>3</sup> [UNIDO Eco-Industrial Parks Toolkit Manual - UNIDO](#)

## 2. ADVANTAGES OF AN INDUSTRIAL PARK

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### 2.1. TAX BENEFITS FOR INSTALLERS

Projects promoted within the framework of Law No. 16,906 (Arts. 12 and 13) of IP or STP installers will enjoy benefits determined according to Decree 408/022, which greatly expands the tax benefits granted by 79/020.

For investments made prior to the submission of the project to the Executive Power, the possibility of including them in order to obtain such benefits is considered, provided that they were made up to 6 months before the first day of the month in which the application for authorization is submitted.

- **IRAE exemption** for up to 75% of the promoted investment for both IP and STP installers, for a term of 10 years. Under no circumstances may this exemption exceed 100% of the computable investment<sup>4</sup>. Other investment will require the express approval of the Executive Power. This exemption is greater in term and percentage if the park is located in the Northern Zone of the country, 15% more and for another 4 years.
- Flexibility of conditions for this exoneration:
  - A grace period from which installers can start making use of the exoneration granted, 4 fiscal years or first year with positive income
  - Maximum percentage of IRAE exemption per fiscal year of 90%
- **Exemption from Wealth Tax** on personal property installed or used exclusively in the park – including machinery and equipment – for their entire useful life, as well as on civil works for a term of 10 years if the project is located in the northern or southern zone or 8 years if it is located in Montevideo.
- **Exemption from taxes and duties, including Value Added Tax (VAT)** on the imports of fixed assets for the installer's operations, as well as fixed assets and materials for the installer's civil works, as long as they do not compete with the national industry.
- **Credit for the VAT** included in the purchase of services for the installer's civil works and of the goods indicated in the preceding paragraph.

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<sup>4</sup> Article 16 of Decree 408/022 explains that the investment computable for these benefits is defined as the acquisition of goods destined to integrate the fixed assets in compliance with the provision of the minimum required infrastructure, including all those infrastructures or fixed assets destined to the provision of services to users of the regime.

- **Credit for the VAT** included in the purchase of goods and services required for the operation of the IP and STP, in the case of undertakings of public legal entities not included for such activities in Title 10 of the Orderly Text 1996. Said credit shall be made effective through the same system that governs exports.
- **Consideration of fixed assets and the materials necessary** for their construction as capital goods for the purposes of the application of Article 79, Title 10 of the Orderly Text 1996, in the case of departmental governments. In such case, a credit is granted for the VAT included in the acquisition of the referred goods for the operation of IP and/or STP. Said credit will be made effective through the same system that governs exports.
- **Simplified** user and installer qualification process.

## 2.2. USER BENEFITS

### 2.2.1 GENERAL INVESTMENT PROMOTION REGIME

Law No. 16,906 for the promotion of investments provides users of the parks with significant benefits for their settlement. In addition, Decrees No. 79/020 and 408/022 offer additional key benefits for industrial companies, such as exemption from IRAE and credits for employer contributions. In addition, the refund of export taxes and the Temporary Admission regime allow greater savings and efficiency in export operations.

The following are the main benefits included in Decree 268/020 for investment projects submitted to the Commission for the Application of the Investment Law (*Comisión de Aplicación de la Ley de Inversiones*, COMAP):<sup>5</sup>

- **IRAE (Income Tax on Economic Activities) exemptions:** between 30% and 100% of the investment for a minimum period of four years and a maximum of 25 years, depending on the amount of the investment and the score obtained in six indicators (or the simplified employment matrix):<sup>6</sup>

1. Employment
2. Exports
3. Decentralization

<sup>5</sup> See [Documentation required for the presentation and formulation of a project](#).

<sup>6</sup> A minimum of one point must be obtained across all indicators (except decentralization). See [COMAP Indicator Guide](#).



4. Cleaner technologies
  5. R&D incorporation
  6. Sectoral indicator
- **The IRAE exemption may reach up to 90%** of the tax payable in each year included in the promotional declaration, so the minimum effective IRAE rate is 2.5%.
  - **The exemption period may be suspended** for up to two consecutive fiscal years or not.
  - **VAT refund** for the purchase of materials and services for civil works and personal property destined to the investment project.
  - **Exemptions from Wealth Tax:**
    - Civil works for eight years in Montevideo and ten years in the rest of the country
    - Personal property included in the eligible fixed asset investment for its whole useful life
  - **Exemptions from import duties or taxes, including VAT on personal property, fixed assets and materials for civil work**, that have been declared non-competitive for the national industry.

### 2.2.1.1. ELIGIBLE INVESTMENT

1. **Personal property** intended for the activity of the company with a minimum total value per item acquired of 500 UI<sup>7</sup> (Indexed Units). Excluded are goods destined to house-habitation, vehicles acquired to be leased by companies whose activity is leasing without driver (except electric passenger vehicles) and non-utilitarian vehicles.<sup>8</sup>
2. **Used goods** acquired on the spot, directly or indirectly affected to the productive process, will be eligible, as long as they have never been subject to tax benefits before, and their antiquity does not exceed 3 years since the first acquisition in the country.
3. Investments in renewable energies - photovoltaic solar panels - will also be eligible.
4. The construction of **real estate or fixed improvements** in owned real estate, excluding those destined to house-habitation and fixed improvements in real estate owned by third parties, as long as there is a contract with a minimum remaining term of three years.
5. Seedlings and the costs of planting multiannual fruit trees and shrubs.
6. **Passenger vehicles with electric motor** (until August 31, 2025).<sup>9</sup>
7. Intangible assets as defined by the Executive Power.

<sup>7</sup> As of 1/2/2023, corresponds to USD 69 (UI=\$5.60; TC= \$40.30).

<sup>8</sup> For more information, see [Decree No. 268/020](#), page 3.

<sup>9</sup> The value shall not exceed USD 30,000.

### 2.2.1.2. TERM OF INVESTMENT AND APPROVAL

The eligible investment may be made up to six months prior to the filing of the application and within the following ten years. COMAP has 90 working days to make a recommendation to the Executive Power. If COMAP has not issued a decision within this period, it will be considered as a tacit recommendation to the Executive Power.

## 2.2.2 TAX BENEFITS FOR PARK USERS

### 2.2.2.1 IRAE ADDITIONAL BENEFIT

There is an **additional IRAE exemption benefit of 15%** (in exemption and term) on the percentage obtained by COMAP for those industrial park users who carry out any of the following activities:

- a. Industrial activities.
- b. Provide services such as storage, conditioning, selection, classification, parceling, assembling, disassembling, handling or mixing of merchandise or raw materials, related to the activities developed in the park. The term “related” shall be understood as any service belonging to the industrial value chain.
- c. Solar thermal and/or photovoltaic energy generation activities framed in promotional measures of the Executive Power in force at the time of the presentation of the project, decrees, ministerial resolutions and/or contracts with the state energy company UTE.
- d. Waste valorization and reutilization activities.
- e. Service activities in the areas of information and communication technologies, biotechnology and creative industries given their potential to contribute to the objectives set forth in Article 1 of Law No. 19,784.

In the case of other users, they may receive an additional IRAE exemption benefit of 5%.

In addition, those who carry out activities included in points *a* and *b* will have a **tax credit for the employer's retirement contributions** during the period of the schedule of compliance of the employment indicator (five years).<sup>10</sup>

Also, the refund of export taxes and the Temporary Admission regime can be added to these benefits. These regimes exist independently from the industrial parks, but they are key tools for established industrial companies.

*Link to access online procedure for installers and users:* [MIEM - Industrial Parks](#).

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<sup>10</sup> [Decree 268/020](#)

## 2.2.3 GENERAL EXPORT BENEFITS

### 2.2.3.1 TEMPORARY ADMISSION - DECREE 505/009

This regime allows the introduction of goods of foreign origin into the customs territory, exempt from duties, to be exported subsequently, within a determined period of time (18 months, extendable for another 18 months). The regime includes goods that are re-shipped the same way they were introduced to the country, as well as those that were subject to a specific transformation, elaboration, repair or value addition.

Manufacturing companies can introduce duty-free raw materials and intermediate supplies for the product to be exported.

Machines and equipment of any origin, which enter temporarily for repair, maintenance, updating or use, are also covered by this regime.

Interested companies shall submit the requests for the import of goods under Temporary Admission to the Technological Laboratory of Uruguay (*Laboratorio Tecnológico del Uruguay*), in order to enable the control of their subsequent and timely exit from the country and shall comply with the requirements and formalities that such agency shall establish through the relevant regulations.

Once the Technological Laboratory of Uruguay verifies compliance with the aforementioned requirements and formalities, it issues the temporary admission authorization, which will be immediately communicated to the National Customs Directorate and the applying company.

### 2.2.3.2 EXPORT TAX REFUND - Decree 48/022 and 152/023

In the case of production and export activities, it is possible to obtain a refund of export taxes (to be combined with temporary admission), depending on the tariff position of the product. It may be **3% or 6% of the FOB value exported**. The benefit can be obtained by demonstrating that the product reaches 20% of National Added Value.

## 2.2.4 OTHER BENEFITS

### 2.2.4.1 COST REDUCTION THROUGH COOPERATION

Due to their structure, IPs generate a great variety of advantages and virtuous processes for the companies setting up in them. In IPs there is a concentration of companies in the same premises that invest in supplies, infrastructure, surveillance, and other services. By doing so jointly, they generate economies of scale and lower costs. At the same time, concentration is also convenient for the State since it facilitates and reduces the costs of providing services to companies (water, electricity, connectivity, sanitation, among others) and regulates aspects related to territorial planning (noise, traffic, public transportation systems, etc.).

If the companies operating within the parks are from the same sector or sectors of the same chain, even greater synergies are produced, since logistics costs are reduced for both companies and suppliers. In turn, this can allow the development of related and ancillary industries to the main activity of the IP industries, generating not only the aforementioned cost reductions, but also an environment prone to technological diffusion and learning.

The IP become a center that generates employment and improves the environment in which it is located. This happens because specialized universities that maintain a relationship with the IP repeatedly move to the IP location; the same happens with other services the establishment is supplied with, and also with the infrastructure necessary for its operation. Therefore, in general, the installation of an IP in a given location involves a transformation of the area based on its supply needs, and the area turns into a more prosperous environment. Therefore, the location of a given park is conceived for territorial distribution purposes, since it promotes the territorial development of the area where it is located. At the same time, determining where an IP can be installed may be explained by the motivation of avoiding conflicts between land uses or possible visual or real contamination.

#### **2.2.4.2 USE OF THE LAND**

The bylaws submitted by each park for its authorization will determine, among other things, the tenancy regime for plots and improvements. This way, if deemed convenient, the companies installed in the IPs may rent the land, without owning the surface.

#### **2.2.4.3 USE OF THE IP REGIME**

Companies located in IPs have applied for the general investment promotion regime as well as for the industrial park regime. These companies have the possibility of applying for both regimes alternatively by accessing different benefits.

According to the types of companies, the regimes provide different tax benefits. In particular, the industrial parks regime is better for large companies that use primary technology, generate little employment and are not eligible for the benefits granted by the general investment regime for investment in clean production or research and development. COMAP is the body in charge of granting the benefits to the companies and monitoring that they are complementary.

#### **2.2.4.4 COMPETITIVENESS<sup>11</sup>**

IPs are part of the new definition of competitiveness because the industries and companies located in these parks usually invest in development, research and innovation, train their employees and generate value chains. They also encourage product differentiation and special cooperation between companies. Thus, the organization within the parks is based on innovative companies, with a cooperative attitude manifested through networks of exchange and mutual support in the productive, commercial and technological areas.

The concept of competitiveness mentioned above is not a result of the particular organization of the parks, but rather the effect of the synergies produced among the companies, which produces a change in the productive structure, generating productive chains, clusters, local productive systems and networks of companies.

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<sup>11</sup> Definition of competence in a territorial development, shared by Vásquez; Barquero, 2005; and Rodríguez Miranda, 2006

### 3 INDUSTRIAL PARKS IN URUGUAY

As of **March 2024, Uruguay has 7 Industrial Parks** in operation and 3 other parks approved, in the process of being installed. In addition, there are 3 other projects in the phase of evaluation. The intention is to promote this tool and encourage companies to take advantage of the tax benefits.

Within the parks approved and operating, there are approximately 112 companies, with a total of 1,922 employees.

Figure No. 1 – Employees by Industrial Park

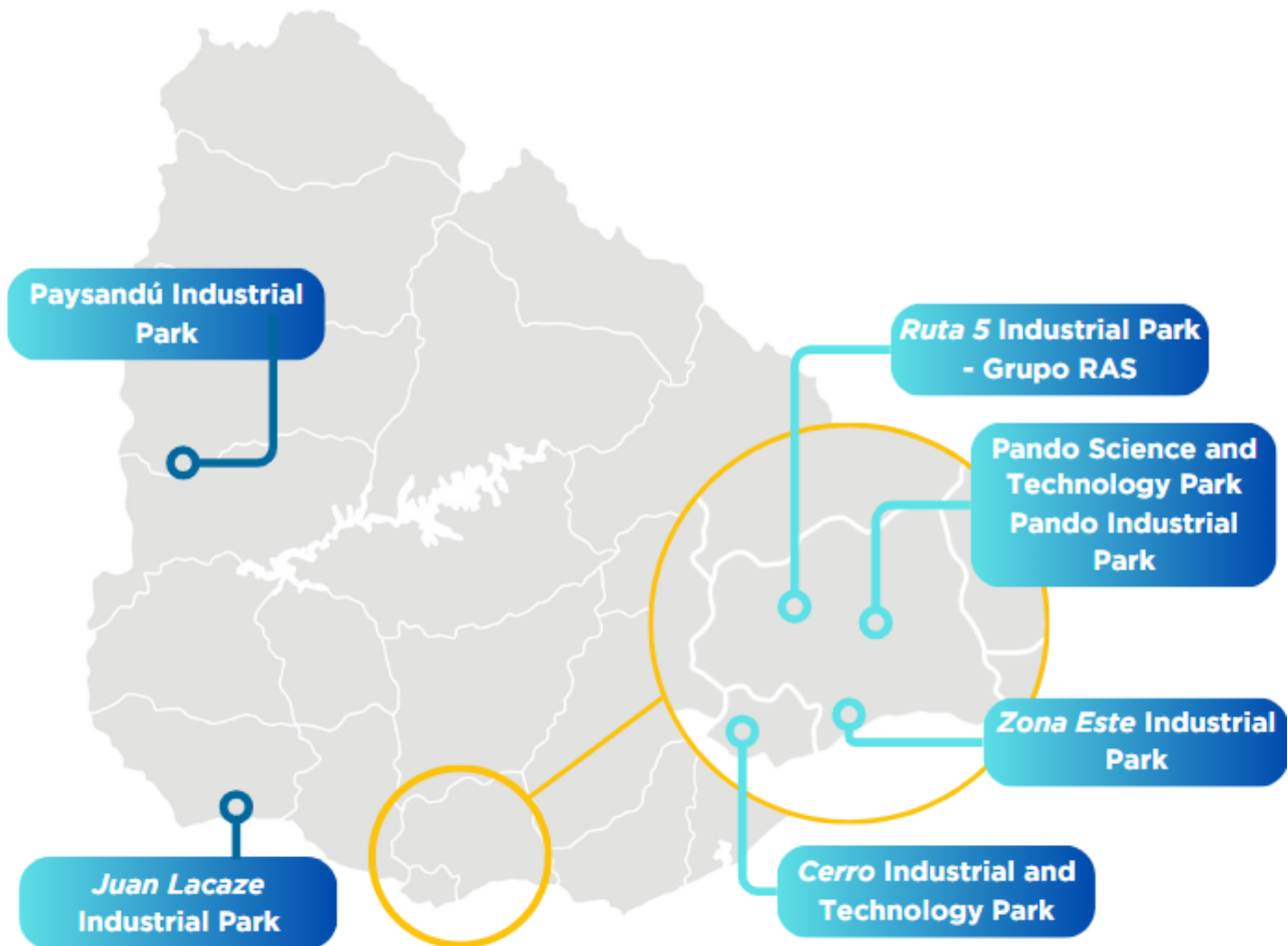
Industrial Park name	Location	Number of companies	Number of employees (estimated)
Zona Este Industrial Plaza S.A.	Route 101 km 24,200	13	335
Juan Lacaze Industrial Plaza	70500 Juan L. Lacaze	7	69
Paysandú Industrial Park	Gral. Leandro Gomez 1330, 60000 Paysandú	5	11
Del Cerro Industrial and Technology Park	Haití 15000, Montevideo, Montevideo	55	575
Ruta 5 Industrial Park	National Route No. 5 Km 33, 15900 Villa Felicidad, Canelones	22	875
Pando Science and Technology Park	Gral. Aparicio Saravia S/N, 91000 Pando, Canelones	7	32
Pando Industrial Park	15600 Pando, Department of Canelones	3	25
<b>Total</b>		<b>112</b>	<b>1,922</b>

Source: MTSS.

### 3.2 APPROVED PARKS WITH ACTIVITY

Since the enactment of Law 17,547 and Decree 524/005, new IPs have been approved and installed. Most of them are located in the department of Canelones and the rest are along the coast of the country.

Figure No. 2 – Industrial Parks in Uruguay<sup>12</sup>



<sup>12</sup> Includes approved and active parks. Source: Uruguay XXI based on MIEM.

## ZONA ESTE INDUSTRIAL PLAZA S.A.<sup>13</sup>

Industrial Park S.A. has an area of 50,000 m<sup>2</sup> in lots of 2,000 and 7,000 m<sup>2</sup>. An investment of USD 50 million was made for buildings and infrastructure. It has 13 companies from different sectors, with approximately 335 employees. These companies are the following:

- **Danone** (food industry – dairy, distribution)
- **L'Oréal** (beauty, chemical products)
- **Mondelez International (Distrishop)** (ex-Kraft Foods; food industry)
- **Cacao del Plata S.A.** (food industry)
- **F. Pache S.A.** (food industry)
- **Williams & Cía.** (chemical products)
- **Mecalux** (logistics)
- **Maxion Montich** (chassis manufacturing)
- **Axionlog Cold Solutions** (logistics)
- **Exológica** (logistics)
- **Zona Este Mini Depósitos**
- **Nestlé** (food industry)
- **Sherwin Williams** (paints)

## JUAN LACAZE INDUSTRIAL PARK<sup>14</sup>

It is an initiative of the Municipality of Colonia and the CND, administered by the Agency for Economic Development of Juan Lacaze. By 2023, the park had 69 employees and 7 companies, as follows:

- **DIMENA** – Marketing of raw materials and chemical products for different industrial sectors
- **Fatichos S.A.** – Import and works of Telgopaneles, profiles, gypsum and cementitious boards
- **Metalúrgica BARNEST** – Industrial installation and maintenance services in general; in particular, industrial assemblies and piping
- **Mizarmar S.A.** – Fastener factory for export
- **UTU** – Agreement between the Industrial Park and UTU, for what has been called “educational-industrial circuit” for training, internships, business incubators, employment background: first job
- **Genexus** – Software company

<sup>13</sup> [Zona Este](#) (The Park was approved in September 2013 by resolution No. 451/008 of the Executive Power).

<sup>14</sup> [Juan L. Lacaze Industrial Park – Municipality of Colonia](#)



- **UY!Fish (Galmiden S.A.)** – Fish processing factory
- **SM Catamarans** – Shipyard

## PAYSANDÚ INDUSTRIAL PARK

Property of the Municipality of Paysandú. The following 5 companies are currently located in the park:

- **AC Constructora** (ex Edelbon S.A.) – Tile factory, concrete joist and slab factory, block factory, wire mesh factory
- **Isleryl S.A.** – Photovoltaic solar panels of crystalline silicon factory. National and Latin America supply
- **Vusmer S.A.** (ex KISELY S.A.) – Metallic structures factory. Support of photovoltaic solar panels. National and Latin America supply
- **Lafemir S.A.** – Laboratory for testing and quality control, assembly of power equipment, development of photovoltaic parks
- **Radiation S.A.** – Production, transmission and distribution of electric power

## DEL CERRO INDUSTRIAL AND TECHNOLOGY PARK<sup>15</sup>

Approved in December 2014. The park has a functional space of 170,200 m<sup>2</sup> of surface area, of which 131,612 m<sup>2</sup> are dedicated to the settlement of companies. On the premises of the former *Frigorífico Cerro*, the existing buildings were used and adapted for the companies settled. In addition, some of them built new buildings.

There are approximately 55 companies operating in this park, with a total of approximately 575 employees. These companies operate in different sectors such as:

- **Food Sector:**
  - **Acuaría Catering** – Gastronomy
  - **El Naranjo** – Sale of food supplies
  - **Hielo Britz** – Sale and production of ice
  - **Quiosco Ágora**
  - **Naturezas** – Food production and commercialization
  - **De Charly** – Food production and commercialization
  - **Vegalatto** – Food production and commercialization
  - **Workout Complements** – Production of protein supplements
- **Environmental Sector:**

<sup>15</sup> [Del Cerro Industrial and Technology Park](#)

- **Afrecor S.A.** - Industrial waste recycling
- **Veolia (Kribe S.A.)** - Environmental management, hazardous waste treatment services
- **Altas Palmeras** - Sale of industrial supplies
- **Hydra Service** - Sale of industrial supplies
- **Los Tornos S.R.L.** - Industrial waste recycling
- **Márgenes del Río** - Waste recycling
- **Radur** - Recycling management
- **Triex** - Waste recycling
- **Urugestión** - Industrial waste recycling
- **Electricity Sector:**
  - **Electric Power S.R.L.** - Electrical supplies
  - **Mantenimiento Especializado** - Electrical specialists and solutions
  - **Prodie** - Electrical specialists and solutions
- **Service Sector:**
  - **Comure** - Radio Taxi
  - **Coodetma** - Mechanical workshop
  - **Cubo** - Sale of computer supplies
  - **Emedical** - Medical device manufacturing
  - **Enfoque Publicitario** - Signage and signs
  - **Infinito Construcciones S.R.L.** - Construction
  - **La Cotorra FM** - Non-profit radio station
  - **Naecom S.A.** - Road machinery rental
  - **Salomón Grúas** - Crane rental
  - **Tecnom S.A.** - Industrial maintenance and repair
  - **Total Security** - Security
  - **Udecoot** - Cab management
  - **República Microfinanzas** - SME loans
- **Metallurgical and Naval Sector:**
  - **Comece** - Industrial cutting service
  - **Cotraydi** - Manufacture of packaging machines and spare parts
  - **Florantul S.A.** - Environmental equipment
  - **Moro** - Ship repair and maintenance
  - **Pelutam** - Marketing and export of metallurgical products
  - **Taller Timón** - Ship repair and maintenance
  - **Urumáquinas** - Industrial machinery manufacturing

- **Walter Chendet** - Blacksmith service
- **Wood Sector:**
  - **Concept Design** - Furniture manufacturing
  - **Manojo** - Furniture manufacturing
  - **Taller Meca** - Furniture manufacturing
- **Plastic Sector:**
  - **Bioplast** - Production of plastic crates for agroindustrial use
  - **La Casa del Farolito** - Mold making
- **Textiles Sector:**
  - **Conacotex** - Working, school and personalized textile manufacturing
  - **Entre Costuras** - Working, training and personalized textile manufacturing
  - **Lastril** - Textile production
  - **MC Promocionales** - Stamping or embroidery
  - **Malabrigo** - Color development for dyeing
  - **Tejidos Bersan** - Organic textile production
  - **Toldos Dodera** - Awning production
- **Chemical Sector:**
  - **Infantozzi** - Manufacture of materials for plastic expression

## RUTA 5 INDUSTRIAL PARK - GRUPO RAS<sup>16</sup>

A bimodal Industrial, Technology and Logistics Park occupying an area of 100 hectares in Canelones, located a few minutes from the Port. Created, developed and managed by Grupo RAS, a multinational company specialized in planning and administration of logistics services with 45 offices in 10 countries and more than 800 collaborators assigned to 7 Business Divisions.

From Ruta 5 Industrial Park (PIR5) it is possible to reach the Port, Carrasco Airport and the routes that connect with Argentina and Brazil through national roads, without having to enter the urban area.

It is connected to the country and the region through two main roads:

- National Route No. 5, one of the main routes in Uruguay, crosses it from the north in Rivera (border with Brazil) to the capital Montevideo in the south. It offers direct connection with the Port, in double track, meaning unbeatable access to the city in terms of maintenance, traffic and dimensions, which guarantees safety and agility in the transport of loads.
- By the most important railway line in the country: *Ferrocarril Central*, a relevant infrastructure for the multimodal transport system with the most modern railway logistics that arrives directly to the Port.

The park offers several contract options for the use and/or ownership of independent land (sale, lease, etc.) with all basic services already installed. It also provides the possibility of “turnkey” solutions through the development of industrial or logistics warehouses designed according to the client’s needs.

The users will have: electric power and lighting services, drinking water supply and distribution system, wi-fi, internal road network, 24-7 security (access control, CCTV with radars and thermal cameras, monitoring center), fire control system, railway platform, sanitation with effluent treatment plant, maneuvering and container yards, fiscal warehouses (open and closed), office area, service area and common green areas.

Ruta 5 IP complies with the new national and departmental regulations on the location of industrial and logistics parks. As it is located in an area promoted by the Municipality of

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<sup>16</sup> [Polo Logístico Ruta 5 Industrial Park](#)

Canelones for this type of development, users obtain a buildable area (FOS) of 80% and a maximum permitted construction height of 16 m.

Advantages for IP users:

- Less time in the settlement process, since it is a “Plug and Play” solution, allowing immediate installation with the basic services available.
- Security for obtaining construction and operation permits, since it is installed in a property with the required authorizations.
- The gathering of different enterprises on the same site allows a better treatment of the environment through effluent control, water and energy savings, and the development of renewable energies.
- Facilitates cost reduction through economies of scale, particularly through the sharing of operating and maintenance services and joint purchases of supplies.
- Better business conditions by enabling trade between users, cooperation, subcontracting and the development of joint projects.

For companies requiring less space, the park offers storage and inventory management services in its state-of-the-art 9,000 m<sup>2</sup> *multi-customer* depot built in the premises, or separate warehouses within its 11,000 m<sup>2</sup> *multi-industrial* depot.

In August 2021, it began the second phase of the development, with some outstanding projects being carried out, such as: the country's first bimodal Container Terminal, a new 9,000 m<sup>2</sup> triple A depot, a 3,000 m<sup>2</sup> intelligent building for offices and a second *multi-industrial* warehouse.

It is estimated that, once the three development phases are completed and 100% occupation is reached, the total investment in the park will be USD 600 million, of which USD 50 million will be direct investments by Grupo RAS.

Fundación Tecnolog, a non-profit organization, was created within the Ruta 5 Industrial Park to promote research, innovation and application of new technologies in the logistics sector, as well as their diffusion and development, promoting the reduction of the existing gap between access to technology in logistics and SMEs. Tecnolog intends to generate a strong interaction between academia and the productive sector by supporting various educational centers, encouraging national entrepreneurship and its creative capacities, and facilitating the development of new knowledge and applications. It is currently working on high impact projects linked to the development of 5G technology, the implementation of green hydrogen

with a strong focus on the decarbonization of logistics and the reuse of water through the application of renewable energies, among others.

The park has 22 companies, with a total of approximately 900 employees. Some of these companies are:

- **Almena:** company dedicated to the wholesale trade of other foods and beverages.
- **Arauca:** recognized national company dedicated to engineering and construction.
- **Frigorífico Arbiza:** is building a modern cold storage plant for perishable products.
- **Aromasur:** it manufactures soaps, detergents and cleaning solutions.
- **Bitali:** wholesale trade of furniture and home accessories.
- **Conami:** Uruguayan construction company with more than 13 years of experience that provides engineering, architecture and construction services for medium and large-scale projects, as well as infrastructure maintenance.
- **Establecimiento Juanicó:** winery.
- **E commerce UES:** company dedicated to postal services, administrative services and integral logistics for e-commerce.
- **Greif:** is a leading provider of industrial packaging products and services with strategic locations in more than 40 countries.
- **Homero de León:** company dedicated to the sale of vehicles, spare parts, after-sales services, claims and pre-delivery.
- **Louis Dreyfus Company:** a world leader in the marketing and processing of agricultural products; it was the first company to set up its fertilizer logistics plant in the park.
- **Lumin:** a leading international forestry company that exports veneered panels from Uruguay to the world; it acquired under the “Turnkey” model a 10,000 m<sup>2</sup> warehouse with a platform for railway logistics and a 10,000 m<sup>2</sup> container yard.
- **Propack:** world-class packaging producer specialized in the production of packaging solutions.
- **Salvador Livio S.A.:** one of the main importers and auto-parts manufacturers in the country. It built in the park a modern Distribution Center that includes robotics and technology for 21<sup>st</sup> century logistics.
- **Sustenpack:** manufacture of biodegradable packaging for the food service industry.

## PANDO SCIENCE AND TECHNOLOGY PARK<sup>17</sup>

The park was created under Law No. 18,362. It offers companies the possibility of carrying out their research and innovation projects with the help of professional scientists located in the same premises. At the same time, it offers advice to firms – the ones that are already established and the ones that are not– on issues related to Intellectual and Industrial Property management, concept testing, market research, search for strategic partners, support in obtaining financing for courses and workshops, commercialization of knowledge, evaluation of business opportunities, and technology watch studies.

Subsequently, Pando was approved again under the new regulations established by Law No. 19,784.

Currently, the park has 32 employees in 7 companies:

- **FIC Productos Químicos:** chemical synthesis company with innovation in processes and formulation.
- **KIMYA:** is a line of KIMYA products from FIC company, with two innovative products in the production process: plant growth hormone and methyl red (pH indicator).
- **Grow in Uruguay:** agricultural projects, professional farming advice and cannabis research.
- **Frenital:** company dedicated to the growth of plant species for medicinal purposes and the development of a process for obtaining plant extracts Pharma-Grade.
- **Aravanlabs:** production of microbiological control supplies and services.
- **Montjuic:** laboratory producing raw materials for industry.
- **QFina**

## PANDO INDUSTRIAL PARK

Approved on October 16, 2013, Pando IP is a public industrial park with three users:

- **Alliance Uruguay SRL:** Chemical manufacturing
- **Antel:** Telecommunications
- **Administración Nacional de Correos:** Postal and logistic services

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<sup>17</sup> [Pando Science and Technology Park](#)

## **PARKS APPROVED WITH NO ACTIVITY**

### **3.2.3 “ALTO URUGUAY” AGROINDUSTRIAL PARK**

It is owned by the Municipality of Salto, located at the intersection of National Routes 3 and 31; it is the center of the fruit and vegetable area surrounding the city of Salto.

### **3.2.4 LAS PIEDRAS INDUSTRIAL PARK**

It is located in Route 5, km 24. It has an industrial and logistic profile, as well as an extension of 60 hectares. The development of this is in charge of Millares S.A. company.

### **3.2.5 ECOPARK**

It will be located in the suburban area No. 8760 of the 7<sup>th</sup> Judicial Section of the Department of Canelones, cadastral locality Barros Blancos.



## 4 REGULATORY FRAMEWORK

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Companies setting up in Industrial Parks may obtain both the general investment benefits and the specific benefits of the Industrial Parks regime. Information on the general investment promotion regime and the Industrial Parks regime (Law No. 19,784) is detailed below.

### 4.2 GENERAL INVESTMENT PROMOTION REGIME. LAW 16,906

Uruguay has had an active policy to promote investment in the country for decades. Law No. 16,906 (1998) declares the promotion and protection of investments to be of national interest. As a main feature to be highlighted, foreign investors enjoy the same incentives as local investors, so that there is no tax discrimination or restrictions on the transfer of profits abroad. Decrees No. 455/007, No. 002/012, No. 143/018, No. 268/020, No. 268/023 regulate and incorporate new aspects to these regulations.

This regime provides the investor with tax benefits on the income and wealth of the companies. The investment projects covered by this regime and promoted by the Executive Power may compute between 30% and 100% of the amount invested as part of the tax payment (IRAE, Tax on Income from Economic Activities) for a minimum term of 4 years, with the possibility of being up to 25 years. The exempted tax may not exceed 90% of the tax payable<sup>18</sup>. The fixed rate of IRAE at the national level is 25%. The wealth tax on fixed assets, personal property and civil work is also exempted.

In addition, the law provides other benefits such as the refund of VAT included in the purchase of materials and services for civil works and in the purchase of personal property for the investment project. It also offers the exemption from the payment of import duties or taxes on fixed assets that have been declared non-competitive with domestic industry.

To evaluate the project, the score obtained based on different indicators from a matrix (with different weightings) is considered. The indicators involved are: employment generation, decentralization, increase in exports, clean technologies, Research, Development and Innovation (R+D+i) and a sectoral indicator. Companies may also apply for a simplified regime, committing themselves only to the employment generation indicator. If the project is

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<sup>18</sup> For more information, see [Investor Guide](#).

promoted, it has the possibility to access a set of specific additional benefits, for example, related to MIPYMES (MySMEs) and Industrial or Science and Technology Parks.

The application to enter the investment promotion regime is submitted to the Commission for the Application of the Investment Law (COMAP), which will determine which Ministry and agency will be responsible for its evaluation, depending on the nature of the project and the activity to which it relates.

**Incentives for users of Industrial Parks and Science and Technology Parks in accordance with Decree No. 268/020:**

In the event that benefits are granted in relation to the IRAE, the amount of the exemption and the term to enjoy the exemption will be increased by 15% with respect to the amount that would correspond according to the score assigned under Article 5 of the decree. This benefit will be available to those users who carry out any of the following activities:

- a. Industrial activities.
- b. Provide services such as storage, conditioning, selection, classification, parcelling, assembling, disassembling, handling or mixing of merchandise or raw materials, related to the activities developed in the park. The term “related” shall be understood as any service belonging to the industrial value chain.
- c. Solar thermal and/or photovoltaic energy generation activities framed in promotional measures of the Executive Power in force at the time of the presentation of the project, decrees, ministerial resolutions and/or contracts with the state energy company UTE.
- d. Service activities in the areas of information and communication technologies, biotechnology and creative industries given their potential to contribute to the objectives set forth in Article 1 of Law No. 19,784.
- e. Waste valorization and reuse activities.

In the case of the remaining companies qualified as users of IP and STP, the increase referred to above will be 5%. If the project includes investments inside and outside the park, the score obtained must be prorated according to the investment to be made inside and outside the park, computing 15% (fifteen percent) or 5% (five percent) exclusively on the investment to be made inside the park.

There are also benefits in terms of **employer's contributions**, such as the exemption from employer's retirement contributions for 5 years for IP and STP users who carry out activities such as:

- Industrial activities
- Storage, conditioning, selection, classification, parcelling, assembling, disassembling, handling or mixing of merchandise or raw materials, provided that they are exclusively associated with the industrial activities developed in the park

### 4.3 LAW 19,784 ON INDUSTRIAL PARKS AND SCIENCE AND TECHNOLOGY PARKS

The new regime for Industrial Parks and Science and Technology Parks is based on Law No. 19,784, regulated by Decree No. 79/2020<sup>19</sup> (as amended by Decree 229/2020 and 408/022<sup>20</sup>). The purpose of the regime change is **“to stimulate industrial value chains through investment, value addition, research, innovation, knowledge generation, technological progress and employment creation, in a special area of promotion of associativity and generation of synergies and pursuing the geographic decentralization of economic activities”** (Art. 1). This regulation establishes the requirements defined by the Executive Power for the qualification as installer or user of the park, and the qualification of the park itself.

The main change of the new regime is, in addition to maintaining the figure of Industrial Parks, introducing for the first time in a law the concept of Science and Technology Parks, which have some differential requirements regarding the users to be established and the necessary infrastructure (among others). Other changes in the new regime broaden the range of activities to be carried out by users of IP or STP, facilitates more accessible rates or conditions for public services and establishes a control and sanction regime. On the other hand, the Specialized Park (SP) type is also defined, an IP or STP linked to a specific activity sector, with a minimum settlement of 5 users of such sector or area.

Installers have 48 months to gather these users.

Figure 3 shows the necessary requirements according to the type of park.

<sup>19</sup> [Link to Decree No. 79/20](#)

<sup>20</sup> [Link to Decree No. 408/022](#)

Figure 3 – Requirements according to the type of park<sup>21</sup>

Modality	Minimum Infrastructure	Minimum Users	Additional Infrastructure	Additional Users
<b>Industrial Park</b>	Yes	Yes - 3 companies that carry out industrial and/or promoted service activities	Not required	Not required
<b>Scientific-Technological Park</b>	Yes	Yes - 3 companies that carry out industrial and/or promoted service activities	Yes: a) Research laboratories, b) Facilities for development testing	Yes: at least one in-situ research or innovation institution, or linked to applied knowledge generation
<b>Specialized Scientific-Technological Park</b>	Yes	Yes - 5 companies that carry out industrial and/or promoted service activities	Only if it is a PCT	Only if it is a PCT

## DIFFERENCES IN USER ACTIVITIES (IP AND STP)

While the IPs refer to manufacturing industry activities, related services and other services of interest mentioned in the decree, the STP are intended for the installation of knowledge and innovation centers as well as innovative companies. Both types may operate in the same piece of land.

The following can be users of Industrial Parks and Science and Technology Parks:

- a. Companies engaged in industrial activities, including related services (information and communication technology; biotechnology and nanotechnology products and services; creative industries products and services; industrial waste valorization activities and use of by-products)
- b. Companies providing services, including logistic services
- c. Companies that provide services in activities that the Executive Power determines that, due to their potential, contribute to the objectives established in Article 1 of Law No. 19,784
- d. Entrepreneurs and business incubators
- e. Education and training institutions
- f. Research or innovation institutions
- g. Other institutions linked to the generation of applied knowledge

**STP**

Parks incorporating users from letters *d* to *g* are especially promoted by the Executive Power (a park with a minimum of 3 users of these categories and not all belonging to the same letter will be called special users). Science and Technology Parks must incorporate letters *f* and *g*.

<sup>21</sup> Source: MIEM

## DIFFERENCES IN INFRASTRUCTURE AND USERS (IP AND STP)

Regarding the minimum infrastructure installed for the purpose of being qualified, Article 3 of the law lists the elements required for IP and STP (related to roads, energy, telecommunications and others). It is stipulated that STP must have a minimum of additional infrastructure:

- Research laboratories with the appropriate safety infrastructure for the activities carried out therein
- Facilities for testing innovative technological developments

## LOCATION OF IP AND STP BY ZONE

The following three zones are defined for the location of the parks. The installer's IRAE exemption benefits differ by type of zone in order to promote decentralization.

- **North Zone:** Artigas, Cerro Largo, Durazno, Paysandú, Rivera, Salto, Tacuarembó, Treinta y Tres
- **South Zone:** Canelones, Colonia, Flores, Florida, Lavalleja, Maldonado, Rocha, Rio Negro, San José, Soriano
- **Montevideo**

## 5 URUGUAY IN BRIEF (2023)<sup>22</sup>

<b>Official name</b>	República Oriental del Uruguay
<b>Geographical location</b>	South America, bordering Argentina and Brazil
<b>Capital</b>	Montevideo
<b>Surface area</b>	176,215 km <sup>2</sup> . 95% of the territory is productive land suitable for agricultural and livestock exploitation
<b>Population (2024)</b>	3.44 million
<b>Population growth (2022)</b>	0.3% (annual)
<b>GDP per cápita (2022)</b>	USD 20,043
<b>Currency</b>	Uruguayan peso (\$)
<b>Literacy rate</b>	98%
<b>Life expectancy at birth</b>	77,9 years
<b>Form of government</b>	Democratic republic with a presidential system
<b>Political division</b>	19 departments
<b>Time zone</b>	GMT - 03:00
<b>Official language</b>	Spanish

### Main economic indicators 2018-2023

Indicators	2018	2019	2020	2021	2022	2023
<b>GDP (Annual % Var)</b>	0.16%	0.74%	-6.26%	5.28%	4.92%	0.10%
<b>GDP (Million USD)</b>	65,118	61,992	53,613	61,380	71,250	78,573
<b>Population (Million people)</b>	3.51	3.52	3.53	3.54	3.44	3.44
<b>GDP per cápita (USD)</b>	18,573	17,619	15,184	17,324	20,689	22,841
<b>Unemployment Rate - Annual Average (EAP %)</b>	8.3%	8.9%	10.4%	9.3%	7.9%	8.3%
<b>Exchange Rate (Pesos per USD, Annual Average)</b>	30.8	35.3	42.1	43.6	41.1	38.9
<b>Exchange Rate (Average Annual Variation)</b>	7.3%	14.7%	19.2%	3.6%	-5.6%	-5.5%
<b>Consumer Prices (Cumulative Annual % Var.)</b>	8.0%	8.8%	9.4%	8.0%	8.3%	5.1%
<b>Exports of goods and services (Million USD)**</b>	17,216	17,185	13,735	19,336	22,513	24,742
<b>Imports of goods and services (Million USD)**</b>	13,964	13,499	11,364	14,903	18,992	22,629
<b>Trade surplus/deficit (Million USD)</b>	3,252	3,687	2,371	4,433	3,520	2,114
<b>Trade Surplus/Deficit (GDP %)</b>	5.0%	5.9%	4.4%	7.2%	4.9%	2.7%
<b>Global Tax Result (GDP %)</b>	-3.9%	-4.4%	-5.8%	-4.1%	-3.4%	-3.6%
<b>Gross Capital Formation (GDP %)</b>	14.9%	14.3%	16.4%	19.2%	18.8%	-
<b>Public Sector Gross Debt (GDP %)</b>	59.1%	60.1%	74.5%	69.1%	66.9%	-
<b>Direct Foreign Investment (Million USD) ***</b>	-11	2,018	746	2,244	3,456	-
<b>Direct Foreign Investment (GDP %)</b>	0.0%	3.3%	1.4%	3.7%	4.9%	-

\*\* In 2017, the BCU adopted the methodology of the 6th Balance of Payments Manual. Data based on this new methodology includes purchase and sale of goods and re-exports, and are available since 2012.

\*\*\* In 2017, the BCU adopted the methodology of the 6th Balance of Payments Manual. Data is net flows, so it may take negative values.

<sup>22</sup> Sources: Data referring to GDP, foreign trade, FDI, exchange rate, international reserves and external debt are from the BCU; population growth, literacy, unemployment and inflation rates are from the National Institute of Statistics. Estimated data for 2022 are based on the BCU economic and inflation expectations surveys and Exante projections.



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