



BUSINESS CASE

VIDEO GAME INDUSTRY

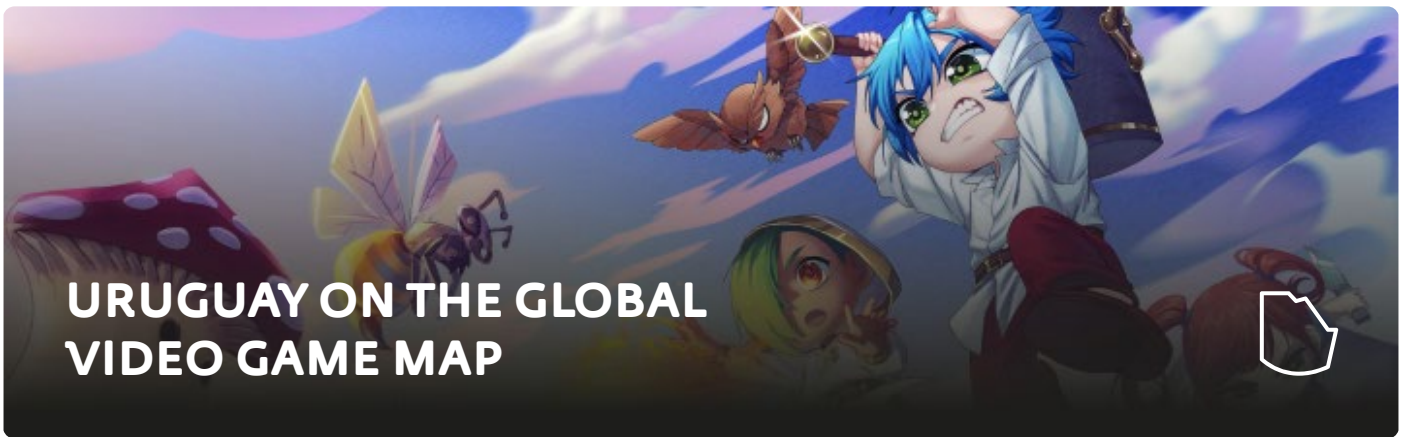
IN URUGUAY

FEBRUARY 2026



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With talent, creativity, and high quality standards, the Uruguayan video game industry stands out in the international market with global successes. Alongside the development of the software industry, in which Uruguay ranks as the leading exporter per capita in South America and third in absolute terms, the country has consolidated a thriving video game industry since the late 1990s, when the first studios emerged, primarily dedicated to creating casual games and educational applications. Powerful Robot Games and Mystery Studio, pioneers in Uruguay, date back to this period.

The creation of the Uruguayan Chamber of Video Game Developers (CAVI) in 2016 represented a fundamental milestone in the institutionalization and consolidation of the sector. Since its formation, the sector has been able to organize itself as a productive ecosystem, establish formal representation before public and private organizations, promote specific policies for the industry, foster its internationalization, and strengthen capabilities through training and cooperation initiatives.



Later, international hits such as the Kingdom Rush saga by Ironhide Game Studio, Outlanders by Pomelo Games, and Charrúa Soccer by Batovi studio helped position Uruguay on the international stage with games that became global successes.



According to the Inter-American Development Bank (IDB) report Video Games: More than Just a Game¹, a reference work analyzing the development of this industry in Latin American and Caribbean countries, Uruguay understood the global demand for video games and positioned itself as a leader and pioneer in this sector in Latin America thanks to its academic institutions, outstanding professionals, and innovative development studios. The report also highlights that “in Uruguay, video game development for export, which constitutes the majority, is exempt from corporate income tax, and educational video games consumed in the country are exempt from VAT.”

¹ <https://publications.iadb.org/es/los-videojuegos-no-son-un-juego-los-desconocidos-exitos-de-los-estudios-de-america-latina-y-el>

A GLOBAL INDUSTRY GROWING STEADILY

Video games represent a huge opportunity for Uruguay, as it is a rapidly growing industry that also fosters the development of other creative industries such as illustration, animation, music, audiovisual production in general, and advertising as a promotional tool.

According to Newzoo's Global Games Market Report, the global video game market generated US\$187.7 billion in 2024, representing a 2.1% year-over-year increase.

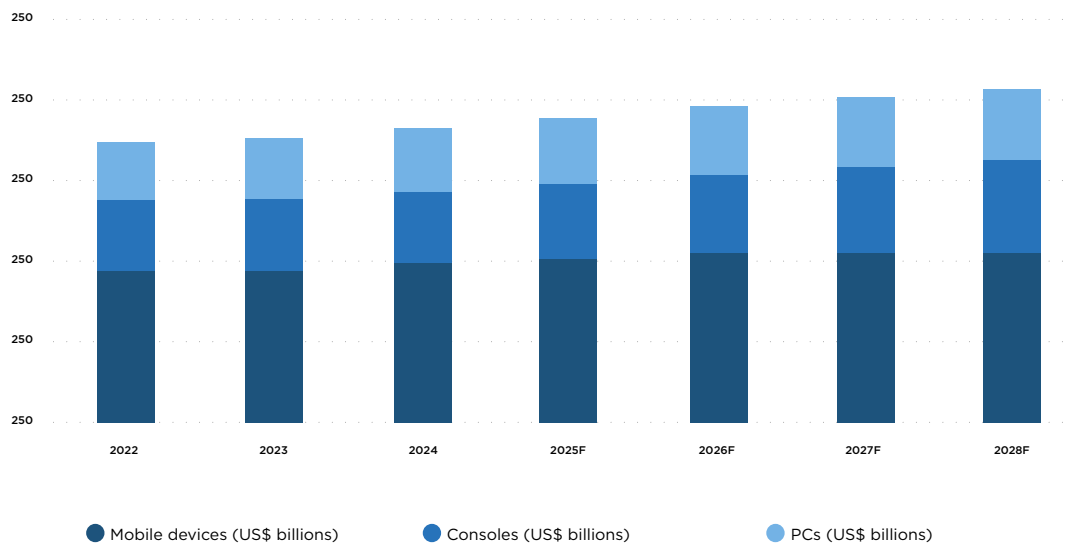
The number of paying gamers increased by 5% to reach 1.5 billion and is expected to reach 1.67 billion by 2027. The total number of gamers worldwide reached 3.42 billion in 2024,

a 4.5% year-over-year increase, driven largely by the growth of the PC segment.

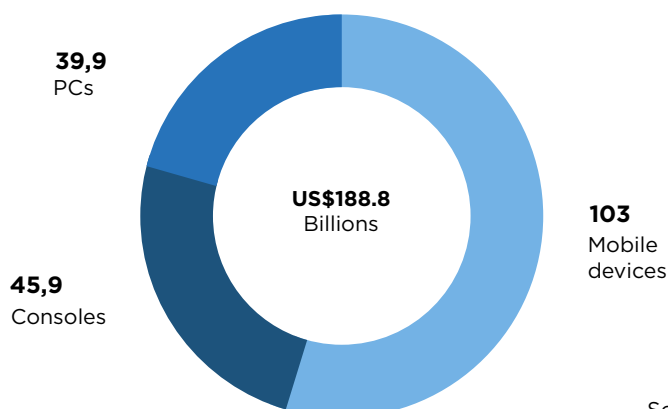
PCs revenue increased by 4% year over year, reaching US\$43.2 billion. This growth is driven by multiplatform releases, long-running titles, and a lack of console-exclusive content.

Mobile games generated US\$92.6 billion in 2024, growing 3% year over year and representing 48% of the sector's global revenue.

The total market is expected to continue growing, with projected revenues of US\$213.3 billion by 2027.



Source: Newzoo, The Global Games Market Report 2025.



Source: Newzoo, The Global Games Market Report 2025.

WHAT MAKES URUGUAY'S ECOSYSTEM UNIQUE

Gamers from around the globe, as well as publishers, investors, and international platforms like Apple, Google, and Meta, are paying attention to Uruguayan video games, which stand out for their distinctive local identity, earning international awards and nominations. Uruguayan studios also provide services to companies, primarily in the United States, while companies like Globant and Jam City choose the country as a platform to test and produce their developments.



These accolades are due to several factors that distinguish the Uruguayan video game industry.

Creative and technical talent: a solid foundation in areas such as design, programming, and art has led to the creation of original and well-executed games.

Government incentives: policies supporting the technology industry, including tax and financial benefits for international video game companies seeking to establish themselves in the country, as well as funds to promote the creation of games with national intellectual property.

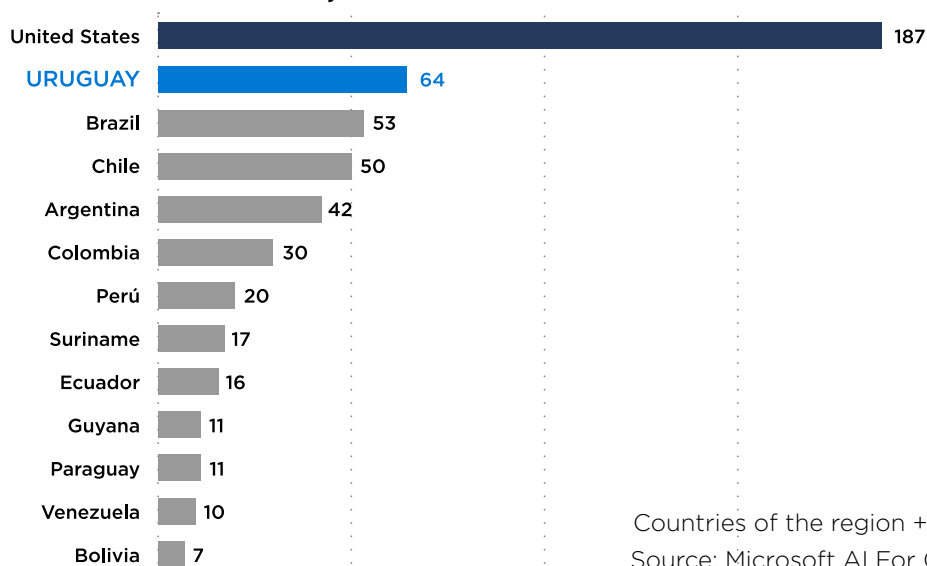
Ecosystem: an environment with resources for the different stages of entrepreneurship, from public and private education and incubation to public funds allocated for game development. The sector itself is characterized by promoting collaboration and sharing knowledge, working together to foster its growth.

Focus on quality: Uruguayan developers stand out for the quality of the products they develop, which has allowed them to compete in the international market.

Multilingual and highly qualified talent: Uruguay is the country in the region with the highest proportion of people with IT skills per 10,000 inhabitants (64 people per 10,000 inhabitants)² and a majority (68%) of professionals in the sector with English proficiency.

² [Uruguay: IT Sector Talent Report](#)

NUMBER OF PEOPLE WITH IT SKILLS PER 10,000 INHABITANTS



Countries of the region + United States, 2022
Source: Microsoft AI For Good Lab / LinkedIn

English is taught in almost all public and private primary schools. In middle and high school, both private and public, English instruction is mandatory, which represents a significant advantage in an industry that operates primarily in this language.

Strategic location: Outsourcing or service provision is a widespread practice in the sector. In this regard, Uruguay has the competitive advantage of sharing a time zone with the United States, one of the world's largest markets for the video game industry.

Sustainability: Software development based on sustainable energy is a growing trend within the video game sector, which seeks to source energy from renewable sources such as solar, wind, or hydroelectric power. This can significantly reduce the carbon footprint associated with video game development.

Uruguay's wealth, based on its abundance of natural resources, reflects its commitment to **environmental protection**. Global consumers value the high quality of available natural resources, which are uniquely combined with innovation and talent.

With **98% of the country's energy generation coming from renewable sources**, the video game industry's carbon footprint is mitigated, allowing for sustainable production over time with minimal environmental impact.

Additionally, Uruguay leads Latin America in formal employment rates, enabling its goods and services to incorporate an ethical dimension into their processes. These and other reasons make Uruguay the highest-ranked emerging country in **ESG** (Environmental, Social, and Governance) factors, according to the index developed by JP Morgan (J-ESG).



WORLD-CLASS CONNECTIVITY AND INFRASTRUCTURE

Uruguay offers world-class digital infrastructure in Latin America, key to the development of industries such as the video game industry. The country has one of the highest internet penetration rates in the region, with 97%³ of households connected in 2024 and a predominance of fiber optic connections (93% of all fixed broadband services).

Internationally, Uruguay ranks eighth in the world and first in South America in fiber optic connectivity, which facilitates the fast and stable access necessary for online gaming, cloud gaming, and collaborative remote work.

Furthermore, the country has key infrastructure for international connectivity, such as data centers with international certifications and three submarine cables: Unisur and Bicentenario (connecting to Argentina) and the Tannat cable (connecting to the United States via Brazil). In addition, Google's new Firmina cable—currently being installed—will further improve the speed and security of data traffic between Uruguay, the United States, Brazil, and Argentina⁴. This robust connectivity strengthens Uruguay's position as a regional hub for digital services and promotes the export of video games, especially those requiring high

online performance or collaborative development with international teams.

Google is also developing a data center in the department of Canelones, reinforcing confidence in Uruguay as a regional technology hub and creating new opportunities for employment and innovation.

Moreover, Google continuously collects statistics on IPv6⁵ internet adoption, and Uruguay ranks first in Latin America and among the top 25 countries worldwide with the best adoption of this protocol. Besides, it is part of Digital Nations and has been recognized for its digital government, ranking third in the Americas in the UN E-Government Survey.

The full implementation of the One Laptop per Child program, unique in the world according to its creator, Nicholas Negroponte, enabled universal access to computers from an early age. Added to this is the sustained growth of the information technology sector, which positions Uruguay as a leading regional hub, and the consolidation of tertiary education in video game development. These factors have been key pillars in the emergence and strengthening of this creative industry in the country.

³ Source: Radar Group, Profile of the Uruguayan Internet User 2025.

⁴ Source: Uruguay XXI, ICT Sector Report. Includes details of the Tannat cable and Google's Firmina project (approved in 2022, installation began in 2023).

⁵ IPv6 is a new protocol that generates new types of IP addresses, which are the identifiers that devices use when connecting to the Internet.

A REGULATORY FRAMEWORK THAT FOSTERS INNOVATION⁶

Video game companies are included within the general framework of the ICT sector in Uruguay.

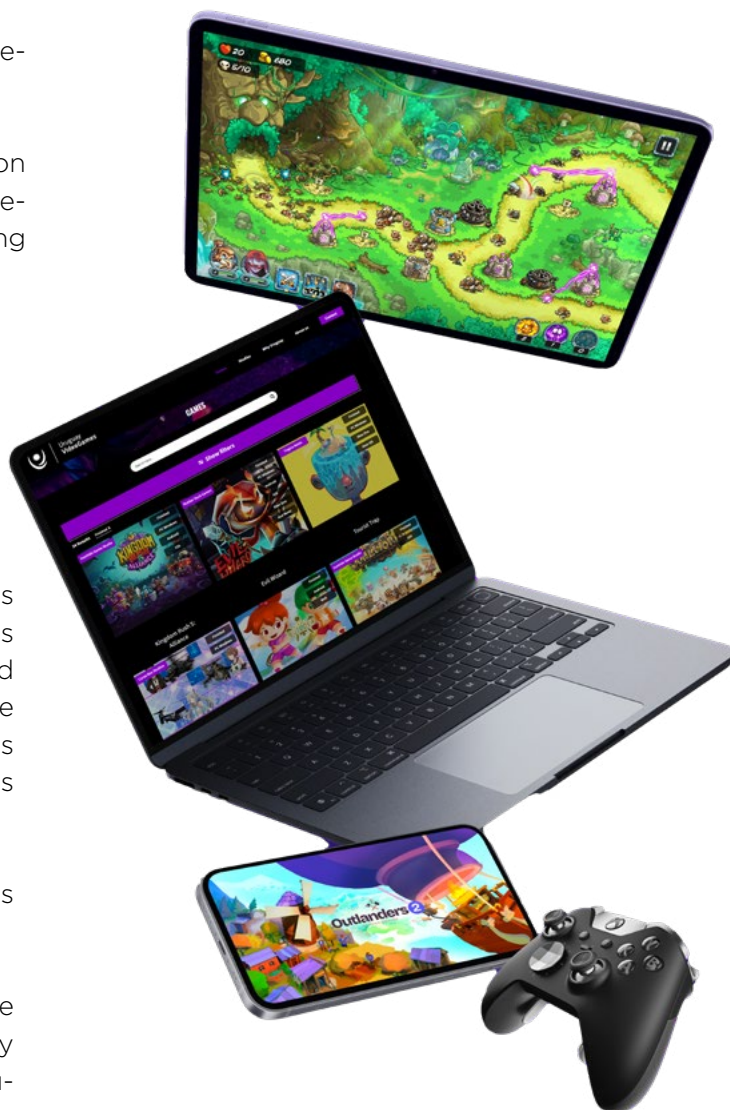
Exemption for software products: The exemption refers to all products registered in the Software Registry of the Ministry of Industry, Energy and Mining and may vary according to the following ratio:

$$\frac{\text{Direct costs of software development}}{\text{Total direct costs of software development}} * 1.3$$

The numerator includes direct development costs and services contracted with unrelated parties (whether resident or non-resident) or with related resident parties. The denominator includes the same items—without the 30% increase—plus expenses related to intellectual property rights and services contracted with non-resident related parties.

Exemption for IT services: This exemption applies to all accounting periods.

A 100% exemption is granted provided that: a) the company employs an appropriate number of highly qualified and adequately compensated full-time human resources; and b) the amount of direct expenses and costs in the country exceeds 50% of the total direct software development expenses and costs.



⁶ More information on the regulatory framework for companies in the sector, the benefits of establishing businesses in Uruguay, and talent attraction can be found here. [Regulatory Framework](#)

⁷ For more information, contact: registro.software@miem.gub.uy

OVERVIEW OF URUGUAY'S VIDEO GAMES

The main private institution representing video game studios in the country is CAVI, created in 2016. This chamber brings together 15 companies and a dozen associate members, forming the foundation of a constantly growing industry.

According to data from the Ministry of Labor, the sector directly employs 200 professionals.

Meanwhile, the Uruguay Video Games platform, developed by Uruguay XXI, currently lists 56 studios and 82 Uruguayan-developed video games in various stages of development. The free registration and visibility offered by this

platform have encouraged broad participation, confirming the sector's dynamism and anticipating sustained growth in the coming years.

A detailed analysis of the 82 games published on the Uruguay Video Games website reveals that the vast majority are PC games (70), followed by mobile games (25) and console games (13).

Regarding genre, the most representative categories of Uruguayan games published on the site are action (40), strategy (21), adventure (16), and arcade (16).

Uruguayan video games by type of platform

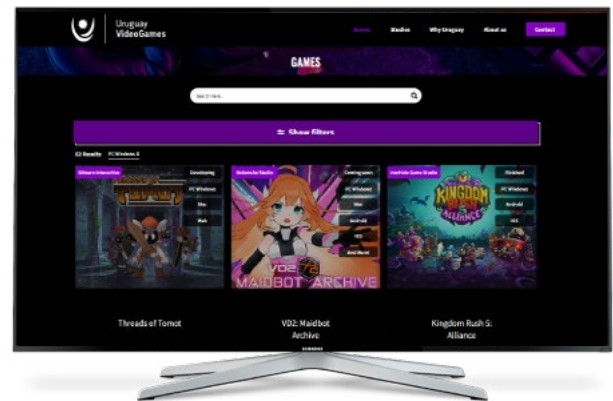
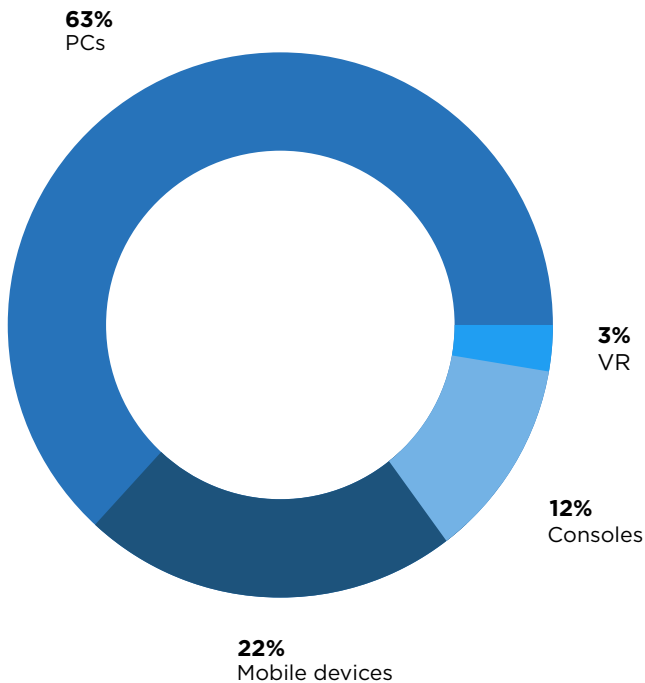


Table 1. Video games by platform (July, 2025).

Uruguayan video games by genre

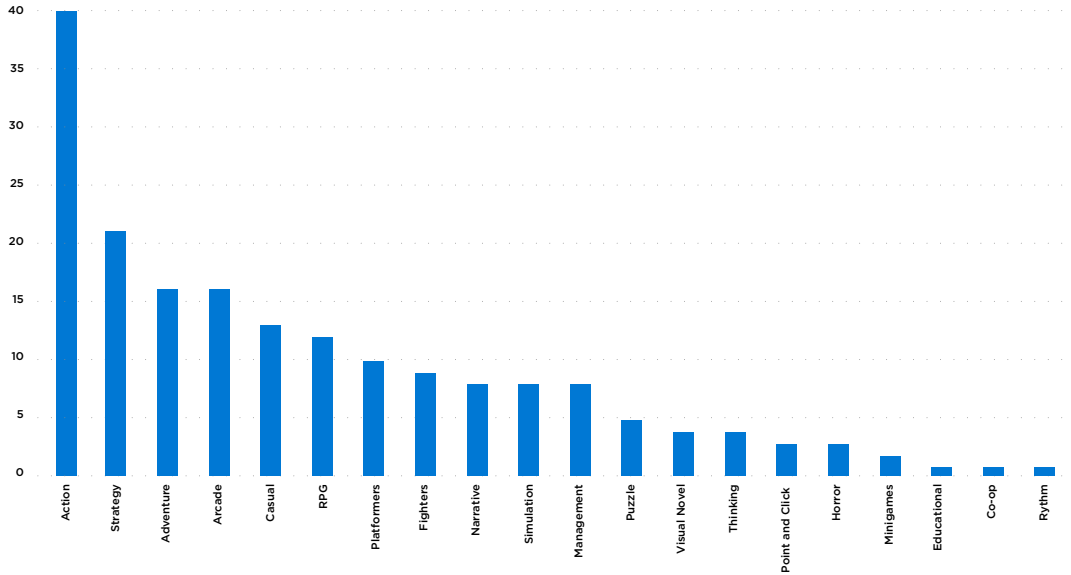


Table 2. Video games by genre (July, 2025).

The Uruguay Video Games platform showcases both released games seeking promotion and distribution, as well as games currently in development that use the platform primarily to connect with publishers and secure funding.

Uruguayan video games by primary goal

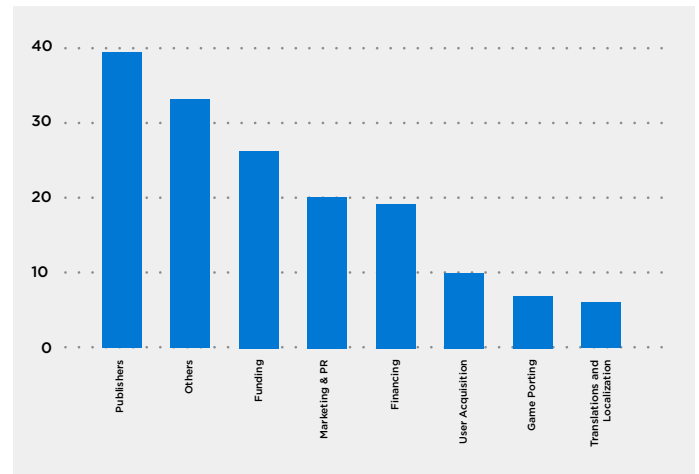
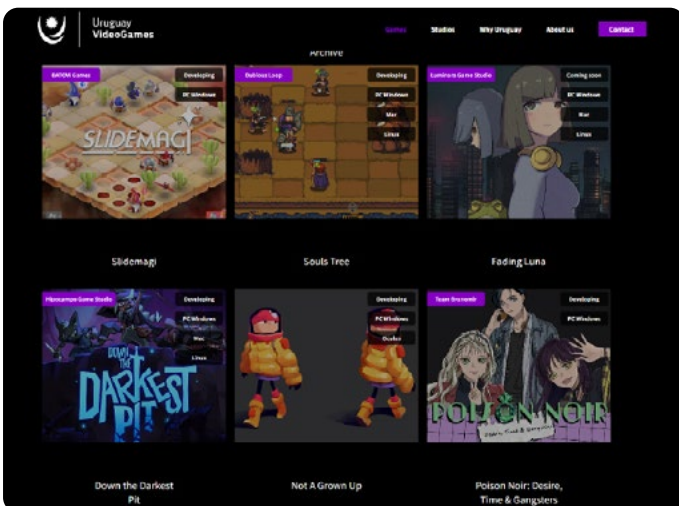


Table 3. Video games by primary goal (July, 2025).





VIDEO GAME EXPORTS FROM URUGUAY SUCCESS STORIES



Ironhide Game Studio: The Origin of a Legendary Saga

Uruguay's iconic success story belongs to Ironhide, a studio specializing in the development of high-quality games for mobile devices and PCs. Its titles have received numerous awards over the years, including Game of the Year 2011, Best Strategy Game 2011 (Jayisgames), Best Business KCG 2012 (Korea), Best Strategy Game 2013 (Armorgames), Best Latam Game 2016, Android Excellence 2017 (Google Play), and the Gold Award 9/10 Pocket Gamer 2017, among others. Its most successful game, Kingdom Rush, **has been downloaded more than 44 million times** and is available in seven languages, including English, French, German, Japanese, Korean, Portuguese, and Russian.



Kingdom Rush 5: Alliance is the fifth installment in the series and was released in July 2024. This version won the Best Mobile Game 2024 award at China Joy. Furthermore, it was the first game to launch simultaneously on Google Play and Google Play Pass, also achieving recognition as [Best on Play Pass 2024](#). Por otra parte, su versión en *Steam* se convirtió en un *best seller* en China.

[Discover Kingdom Rush 5: Alliance](#)

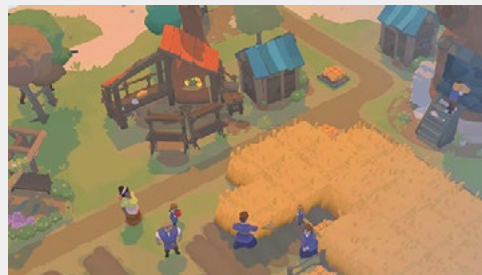


Pomelo Games: Distinctive Aesthetics and Strategy

Recognized for its focus on mobile games with a high level of detail and an original and distinctive visual style, it also represents a significant success story in the industry.

Since 2013, its titles Bullet Boy, Mars: Mars, and Once Upon a Tower have surpassed **10 million downloads**, all combined.

Their most recent success stories, Outlanders and Outlanders 2, have received various accolades since 2019, including a nomination for the International Mobile Gaming Awards, the Best Strategy Game award from the Community Apple Arcade Awards, and a nomination and finalist position at the App Store Awards in the Best Apple Arcade Game of the Year category.



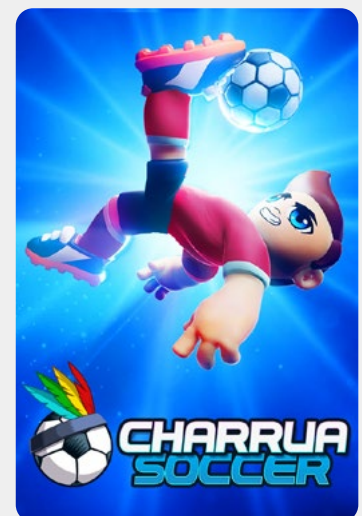
[Discover Outlanders 2](#)



Batovi Games Studio: Soccer and Pop Culture, Arcade-Style

Founded in 2005, Batovi studio has developed a close relationship with **Apple**, allowing it to distribute several of its titles through the App Store. Among them are Pixel Cup Soccer - Mobile and Charrúa Soccer.

In particular, **Charrúa Soccer** gained recognition by becoming part of the **Apple Arcade subscription** service, offering an arcade soccer experience with a retro design and dynamic gameplay. In addition, Batovi released Pixel Cup Soccer - Ultimate, an enhanced version of its popular franchise.



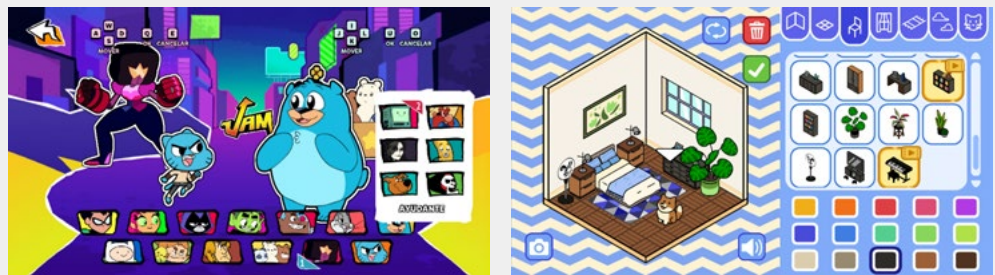
[Discover Charrúa Soccer](#)



Entrevero Games: Cooperative Innovation for the Global Market

Entrevero Games is an Uruguayan studio specializing in the development of video games for global clients and high-traffic portals. It has worked with leading brands such as Cartoon Network and Mattel. One of its highlights is the Jump Jousts saga, which consistently ranks among the most played games on Cartoon Network worldwide.

A pioneer in its business model, Entrevero Games is the first video game studio in Uruguay to operate as a cooperative, where all members are equal partners. This unique structure combines the efficiency of traditional production with a genuine commitment to financial equity and shared decision-making.



Their titles are distributed on the popular POKI platform, reaching over 5 million games played per month with titles like Vero Life, Cozy Room Design, and Stick Fighter, which reflect the studio's signature style: highly polished experiences with simple yet visually impactful art.

[Discover Cozy Room Design](#)

Regarding recognized figures in the sector, the IDB report highlights designer and academic Gonzalo Frasca, who, along with an international team of teachers, educators, and video game designers, developed DragonBox School, an innovative educational system that combines textbooks and fiction with video games for teaching mathematics in primary education. This system has been tested in schools in France, Norway, and Finland, and its expansion to Latin America is expected in the future.

The IDB also features the career of Sofia Battegazzore, a pioneer in the Uruguayan video game industry. For a decade, she led Powerful Robot Games alongside Frasca, participating in the co-production of titles for major international studios such as Pixar, Lucasfilm, Cartoon Network, and Disney.

EXPORTS: FIGURES THAT CONFIRM THE PROJECTIONS

Regarding sector exports, the consulting firm Newzoo estimated in 2017 that Uruguay reached an export volume of US\$17 million. More recently, an internal survey conducted by CAVI reported that its member companies exported a total of US\$10 million in 2023. These figures are closely linked to the release of new franchises or titles, suggesting significant year-over-year variability. In this regard, more systematic and periodic studies are needed to establish more accurate averages and trends.

GAMING IN URUGUAY: A YOUNG, DIVERSE AND SOPHISTICATED MARKET⁸

Gaming in Uruguay combines a critical mass of users, real monetization, and a diverse audience. It's a young market, but not exclusively for young people; digital, but with clear access barriers; small in scale, but sophisticated in its behavior, and with favorable conditions for the development of a local industry with international potential.

Gaming is becoming mainstream: almost 3 out of 10 internet users play online.

Gaming is no longer a niche market. In Uruguay, 28% of internet users played online video games in the last week, solidifying it as one of the most widespread digital activities, especially among teenagers (47%) and young adults (33%), but with a growing presence in older age groups (31%).

Not everyone calls themselves a gamer, but many play.

Only 14% of those who play define themselves as gamers, although another 20% are unsure. This gap between practice and identity expands the real market: depending on the criteria used, Uruguay has between 100,000 and 260,000 gamers, revealing a broader universe than the labels suggest.

The model works: 3 out of 10 players pay.

The market combines a large volume of free-to-play games with effective monetization models. Nearly one-third of players spend money, either on purchasing the game or on in-game purchases (DLCs, accessories, characters, upgrades). The average monthly expenditure is US\$21 per player and rises

to US\$30 among those under 20, reflecting a high propensity for consumption in younger segments.

A US\$50 million annual market.

On a national scale, it is estimated that around 213,000 Uruguayans pay for video games, generating a market of close to US\$50 million annually. For a talent-intensive, digital, and scalable industry, this is a significant figure with growth potential.

What's at stake: logic for all ages, diversity for the youth.

Logic and mental agility games are the most popular, accounting for almost 60% of mentions, driven by their accessibility and widespread adoption across age groups.

Among younger players, consumption is diversified: construction simulators, sports, strategy, shooting, and adventure games are gaining traction, while casual gaming predominates among older age groups. The younger the player, the greater the variety of genres.

Small gender gap, larger access gap.

Gender differences are moderate: men play slightly more, but the gap is small. However, socioeconomic status and intensity of internet use are determining factors. Online gaming is clearly growing with access to better devices and greater digital skills.



⁸ Source: Radar Group, Profile of the Uruguayan Internet User 2025.



A SECTOR TAKING SHAPE, ORGANIZING, AND SCALING UP

1 **ACADEMY: PIONEERING TRAINING IN VIDEO GAMES**

In Uruguay, there is a wide range of public and private universities and technical institutions offering academic programs related to video game development. ORT University of Uruguay is recognized as the first in Latin America to offer this specialization.

These academic options reflect the growth and diversification of education in the video game sector in Uruguay, responding to the demand for trained professionals in this expanding industry.

ORT University of Uruguay

Bachelor's Degree in Animation and Video Games

University of the Republic

National School of Fine Arts Bachelor's Degree in Audiovisual Languages and Media

Catholic University of Uruguay

Minor in Video Games

UTU / University of Labor of Uruguay

- Technical Degree in Video Game Design
- Technical Secondary Education in Computer Science with emphasis on development and support, web development, and video games

BIOS Institute

Video Game Programming

GAME DOJO

Video Game Development School

UTEC / Regional Technological Institute (ITR) East

Communication and Entertainment

2 **EVENTS: CREATIVITY AND COMMUNITY IN ACTION**

Uruguay also has events aimed at strengthening and developing the creation and distribution of video games.

LEVEL UY is the industry summit that has brought together national and international companies every year since 2017. As part of the event, takes place the National Video Game Contest, the annual awards gala for video games, which has been held since 2008 and awards the CONAVI Prize for "best video game," "best debut video game," or "best student video game," among others.

The event promotes the culture and opportunities for video game development in Uruguay and the region, and invites participants to enjoy a day full of workshops, talks, and an exhibition of national video games. Each year concludes with the National Video Game Contest ceremony.

GLOBAL GAME JAM. There is a diverse range of game jams in Uruguay, organized by different institutions and groups. The most popular is the Global Game Jam, which has several locations in Uruguay from which to participate.

WOMEN GAME JAM. This jam, focused on cisgender and transgender women, as well as non-binary people, offers a supportive, non-competitive environment that fosters learning, portfolio building, and exchange of experiences between beginners and experienced developers, while strengthening the local women-led development community.

3 INSTITUTIONAL FRAMEWORK: PUBLIC-PRIVATE COLLABORATION

Uruguayan Chamber of Video Game Developers - **CAVI**

The chamber was founded in December 2016 with the vision of supporting both established companies and emerging studios. The chamber's mission is to help create, support, and maintain tools; organize networking and educational events through meetups; organize LEVEL UY—the annual developers' event—; and secure opportunities to participate in international events.

The sector has an inter-institutional approach from the **governmental level**, integrating the following ministries and agencies:

Ministry of Industry, Energy, and Mining (**MIEM**), through the National Directorate of Telecommunications (**Dinatel**): The agency responsible for the regulation, planning, and development of the telecommunications and audiovisual media sector in the country.

Ministry of Education and Culture (**MEC**), through the National Directorate of Culture (**DNC**): The agency responsible for promoting, coordinating, and implementing cultural policies in the country.

Uruguay XXI, the Investment, Export, and Country Brand Promotion Agency: The agency responsible for enhancing the export capacity and competitiveness of Uruguayan companies, promoting the country as an attractive destination for productive investments, as well as boosting the Uruguay brand worldwide.

Uruguayan Film and Audiovisual Agency (ACAU): The agency responsible for promoting the sustainable growth of the film, audiovisual, and video game sectors in Uruguay, in coordination with local and international public and private institutions.

National Telecommunications Administration (AN-TEL): Uruguay's state-owned telecommunications company, responsible for providing fixed-line and mobile telephone, internet, and data transmission services in the country.

Technological Laboratory of Uruguay (LATU), through **Ingenio**: A business incubator created in 2001, with the goal of supporting the creation and growth of innovative startups in Uruguay, especially in sectors such as technology, software, biotechnology, and high value-added products.

FUNDS THAT FINANCE NEW IDEAS

MIEM-DINATEL Fund: State-supported prototypes

This fund provides financial support for projects that create a vertical slice of a video game on specified platforms. The theme is open. A prize of up to 1.2 million Uruguayan pesos is awarded to the lead beneficiary of each of the up to two selected projects.

ACAU Fund: Boosting the Creative Stage

Its objective is to strengthen the development stage of Uruguayan video games, awarding projects that encompass pre-production activities such as the creation of a demo or prototype. Six projects are awarded 400,000 Uruguayan pesos each.

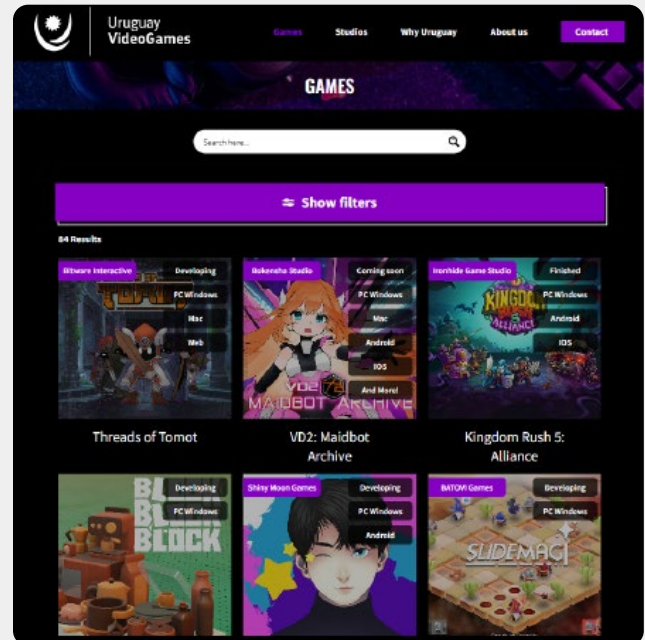
URUGUAY ON MAJOR INTERNATIONAL STAGES

Uruguay Video Games: The Ecosystem's Platform

The sector has a website that centralizes information on Uruguayan studios dedicated to video game development and work-for-hire services.

The platform includes a **comprehensive catalog** ranging from projects in development to internationally released and recognized titles. An intuitive filtering system facilitates the search and exploration of content, offering publishers, investors, and the specialized press a direct and up-to-date gateway to the Uruguayan video game ecosystem

www.uruguayvideogames.com



Gamescom Latam: Regional Business Opportunities



A delegation of Uruguayan developers participates annually in the business rounds of Gamescom Latam in São Paulo.

Game Developers Conference: Presence at the Industry's Largest Global Stage



Uruguay participates in the GDC with a country pavilion and a delegation of developers and service providers.

Gamescom Germany: Europe's Leading Video Game Trade Fair



A delegation of Uruguayan developers will participate for the first time in 2026 at Gamescom Germany in Cologne.



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