PHARMACEUTICAL SECTOR IN URUGUAY

Uruguay XXI
INVESTMENT, EXPORT AND COUNTRY BRAND PROMOTION AGENCY

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TABLE OF CONTENTS

WHY INVEST IN URUGUAY?

HUMAN AND VETERINARY PHARMA SECTOR

- Uruguay has several cross-cutting strengths that support its value proposition for attracting investment and increasing exports, particularly in Life Sciences (pharmaceuticals, medical devices, animal health, and biotechnology developments).
- Uruguay offers several advantages for pharmaceutical companies, including reliability, stability, strong institutions, and a high quality of life. The country also has a proven track record as a business hub for multinational and Latin American pharmaceutical companies, providing access to skilled talent and tax incentives. With a population of slighltly over 3.4 million, Uruguay can efficiently meet domestic demand without disrupting regional supply.
- It offers a range of complementary services and investment opportunities, covering activities from drug development to advanced services within the regional distribution value chain, and administrative back-office and customer service operations. Together, these form a cluster largely composed of multinational and Latin American multinational companies.
- According to the latest survey of foreign companies (2023), 84% of investors are satisfied or very satisfied with Uruguay's business environment. Economic, political, and social stability, along with legal certainty, tax incentives, foreign exchange freedom, and the ease of profit repatriation, are the main reasons for investing in Uruguay. Investors also report high satisfaction with key investment incentives, including the Investment Promotion Law (94%) and the Free Trade Zone regime (87%).
- Several international pharmaceutical and medical device companies operate successfully in the country, either as a global trade and services hub—hosting regional distribution centers, trading hubs, and support services—as a production hub—through the construction of new facilities and/or the acquisition of local companies in both human and animal health—or as a services hub, encompassing R&D, CROs, diagnostics, and startups.
- Uruguay's pharmaceutical production is supported by a dynamic innovation ecosystem that fosters new product development and collaboration between companies and research groups. This ecosystem encompasses biotechnology, diagnostics, clinical research, medical devices, and ingredients, and includes startups and academic research groups that strengthen R&D capabilities.
- For more information: https://www.uruguayxxi.gub.uy/en/invest/sector/life-sciences/

EXECUTIVE SUMMARY

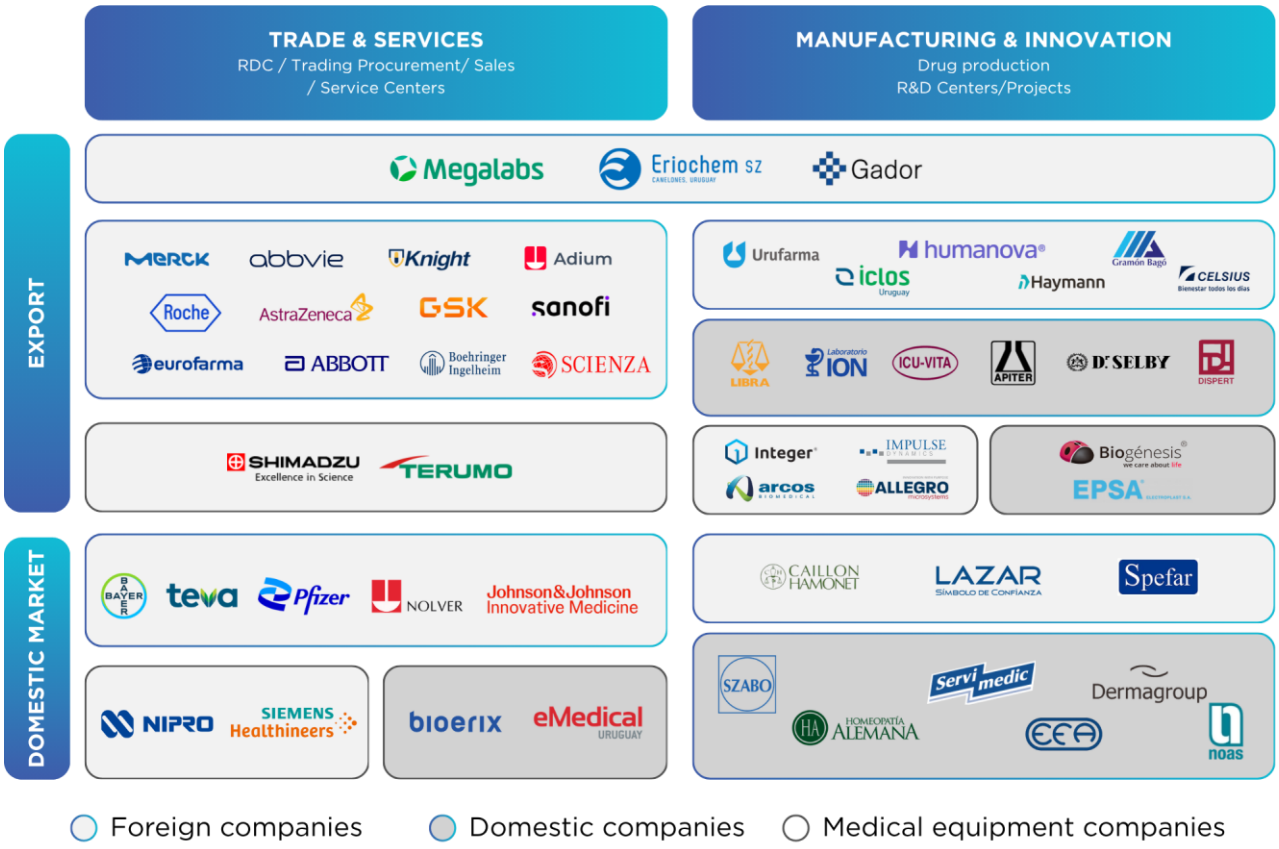
The global pharmaceutical sector has experienced strong growth in recent decades. Its scope has expanded significantly, evolving from traditional manufacturing and trade into a major market for licensing and patents. While the sector now involves an increasingly wide range of areas, this report focuses on activities related to human and veterinary pharmaceuticals, as well as medical devices. It includes both traditional activities and those incorporating biotechnology.

In Uruguay, the pharmaceutical sector has also grown considerably. Although companies in the industry have been present since the early 20th century, their number and output have increased over the past 30 years.

Uruguay offers a wide range of complementary services and investment opportunities. These can include knowledge generation, pharmaceutical production, regional distribution, and advanced services across the global value chain, as well as back-office and customer support operations (global business services centers). These activities form a cluster largely driven by foreign direct investment.

Pharmaceutical and veterinary companies operate in Uruguay using a variety of business platforms. The table below shows some of the companies engaged in trade and service hub activities, and those involved in production and innovation.

HUMAN PHARMA COMPANIES IN URUGUAY

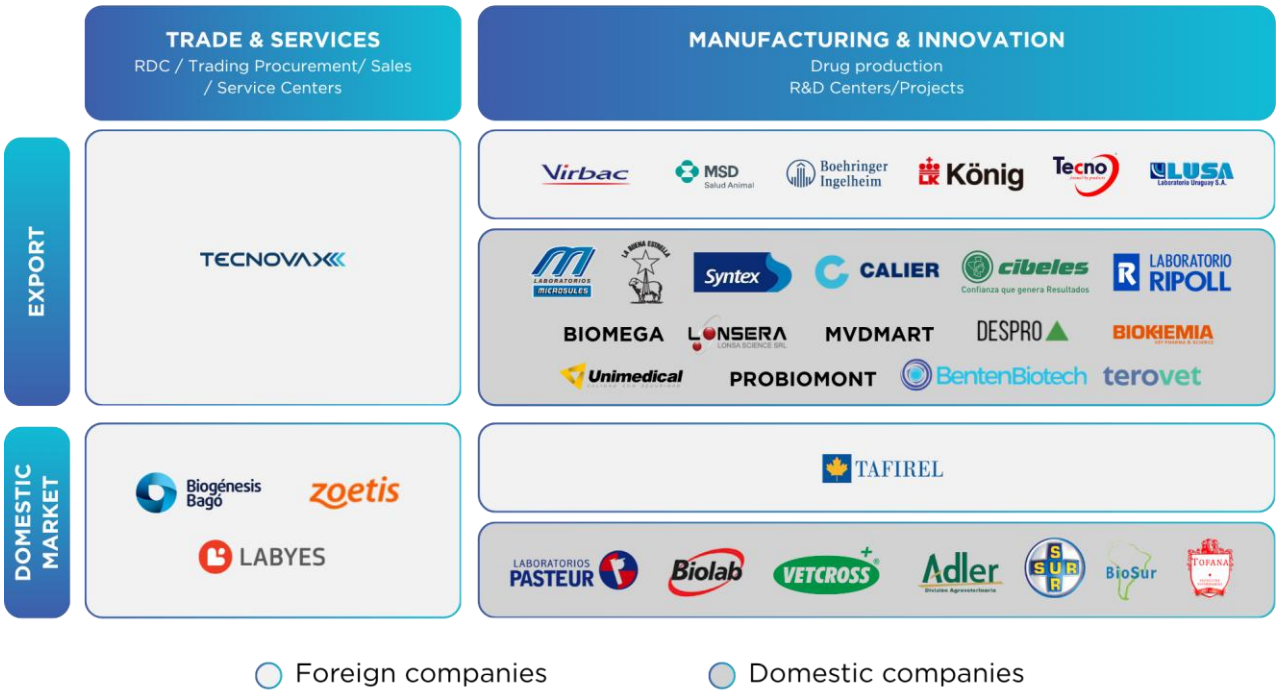


Within these platforms, most companies are focused on external markets, while others operate exclusively in the domestic market.[1] Due to the nature of the sector, companies that initially operate in specific segments often diversify over time, adding new activities and expanding across multiple platforms. For instance, many international companies that initially established regional logistics operations in Urugua llater incorporated service-related activities as part of their growth strategy. Global companies focused on the domestic market often expand into trade and services, while manufacturers frequently rely on exports to grow. A notable example is Megalabs, which operates across trade and services hubs as well as production and innovation platforms, with a strong focus on international markets.

Foreign-owned companies play a key role in the sector. Although the medical devices subsector includes relatively few firms, **Integer**—a U.S. company—stands out due to its strong export performance, which reinforces the subsector's overall importance.

[1] Includes BAYER –- PFIZER – MSD – TEVA – JANSEN (J&J) – SCIENZA

VETERINARY COMPANIES IN URUGUAY



When examining the veterinary pharmaceutical sector from the same perspective, it can be observed that most companies are primarily concentrated in production and innovation platforms, which are highly export-oriented.

Unlike the human pharmaceutical sector, only one company in the veterinary segment has been identified as conducting regional logistics activities from Uruguay. The market is largely dominated by domestic stakeholders serving local demand, while international companies have yet to fully capitalize on the country's potential as a regional logistics platform.

Based on available information, the following sections provide a characterization of each of the defined segments.

Table 1 presents an overview of the main data for the sector.

TABLE 1
Main Indicators
2025

PHARMA SECTOR		COMMERCIAL AND SERVICES HUB		MANUFACTURE AND INNOVATION HUB		TOTAL**
		Logistics - Trading - SSC	Import - Representation	Export.*	Domestic market	
HUMAN PHARMA.	Companies	59	57	25	19	160
	Employment	1,789	828	3,588	680	6,885
VET.	Companies	1	17	22	9	49
	Employment	9	185	1,165	111	1,470
TOTAL	Companies	**60**	**74**	**47**	**28**	**209**
	Employment	**1,798**	**1,013**	**4,753**	**791**	**8,355**
	Millions	**US$ 969** transits	**US$ 543** imports	**US$ 406** exports	**US$ 584** Products consumed domestically	**US$ 990** Production

* Includes medical device exporters. Includes exports from Free Trade Zones,
** Total production is the sum of the exported amount and the production destined for internal distribution.

*Combined, the human and the veterinary pharmaceutical sectors, along with the medical devices sector, are **estimated to have reached a total output of USD 990 million in 2025.** This represents **12% of Uruguay's industrial GDP** and **1.2% of total GDP**[2]*

With total exports amounting to USD 406 million (including medical devices and exports from free trade zones), **the sector represented more than 3% of total exports in 2025.** In that year, exports reached USD 255 million in human pharmaceutical products (more than half from free trade zones), USD 97 million in animal health products, and USD 54 million in medical devices. Uruguay's role as a regional hub for human pharmaceutical products is reflected in the steady increase of goods moving through the country under the **transit regime**. Most of these

[2] It would be more appropriate to compare with the Gross Output but this data is not available for 2025.

shipments originate in Europe and North America and are shipped to Latin America, totaling **USD 969 million[3] in 2025.**

This sector directly ***employs*** *nearly* ***8,400 people*** *and includes more than* ***200 companies,*** *of which* ***160*** *operate in the* ***human pharmaceutical and medical devices segment****, while* ***the remaining 49 belong to the animal health segment.***

The human segment accounts for 6,885 jobs out of total employment. Most of the jobs created—around 3,600—are in export-oriented companies, the majority of which are foreign-owned or part of regional business groups. Companies operating as trade and services hubs are also important employers, generating approximately 1,800 direct jobs, including specialized providers within the logistics chain, as discussed later. In addition, companies supplying the domestic market with foreign-origin pharmaceutical products, often local representatives of international laboratories, are estimated to employ around 830 people.

The animal health segment generates approximately 1,500 direct jobs.

The sector's ecosystem is complemented by specialized technology parks, public and private universities offering a wide range of academic programs and contributing to research, along with more than 200 research groups and a growing number of startups (over 40).

[3] These figures do not include HUB activities carried out exclusively within the airport, since goods that do not leave the customs area are not recorded as transits.

1.GLOBAL TRENDS

Globally, the pharmaceutical industry is undergoing a process of structural transformation driven by the adoption of advanced digital technologies, particularly artificial intelligence (AI), data analytics, and automation. These tools are reshaping how the sector operates, affecting all stages of the value chain, from R&D to manufacturing, logistics, and commercialization.

In this context, artificial intelligence is emerging as a key driver of change. Its growing adoption is improving the efficiency of new drug development, optimizing the design and management of clinical trials, and enabling the analysis of large volumes of data from diverse sources, including clinical records, genomic data, and population-based studies. These advances support progress toward personalized medicine and more precise treatments, while also helping to reduce the time and costs associated with pharmaceutical innovation.

Overall, the sector is moving toward an increasingly data-driven model, where the ability to capture, integrate, and analyze information becomes a major competitiveness factor. Companies are investing in the development of digital infrastructures and technological platforms that enable more efficient data management and real-time, informed decision-making. In addition, the adoption of technologies such as sensors, connected devices, and the Internet of Things (IoT) facilitates the monitoring of manufacturing and logistics processes, improving quality standards and traceability.

Technological transformation is also reshaping R&D processes. The use of computational models and simulations is accelerating the identification of new molecules and optimizing the design of clinical trials, helping to overcome one of the sector's main bottlenecks. Simultaneously, there is a growing focus on advanced therapies — including biotechnology, gene therapies, and RNA-based solutions — which contribute to diversifying product portfolios and addressing specific medical needs.

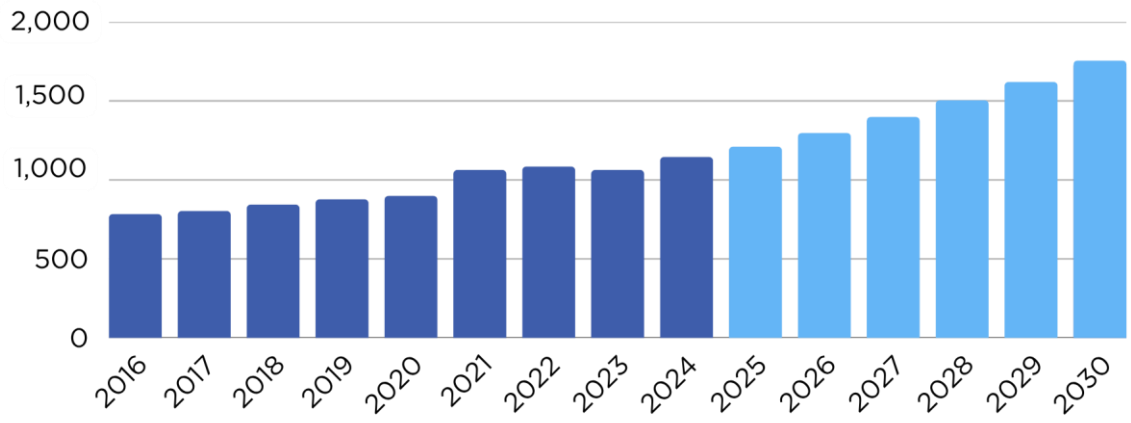
On the other hand, pharmaceutical supply chains are evolving toward more resilient, flexible, and sustainable models. The use of artificial intelligence and advanced analytics improves demand forecasting, optimizes inventory management, and reduces operational risks. Companies are also adopting smart manufacturing technologies and diversifying their production and supply networks in response to global disruptions observed in recent years. In

this context, environmental sustainability is becoming increasingly important, with initiatives aimed at reducing the carbon footprint and improving energy efficiency.

Taken together, these trends illustrate the shift toward a new operating model in the pharmaceutical industry, marked by greater digitalization, the integration of advanced technologies, and a focus on efficiency and personalization. In this setting, a company's ability to adopt and scale data- and technology-driven solutions will be a key determinant of global competitiveness.[4]

The growth observed and projected in the human pharmaceutical industry is reflected in the evolution of sales of pharmaceutical and medical technology products, as shown in Graph 1.

GRAPH 1
Global medication sales
US$ Billions



Source: 2025 World Preview - Evaluate.

According to data and projections from *Evaluate*, global pharmaceutical sales reached USD 1.21 trillion in 2025. **In the coming years, they are expected to grow at an average annual rate of 7%, reaching** approximately **USD 1.7 trillion by 2030.**[5]

Although veterinary pharmaceuticals share similarities with products intended for human health, they operate under a different market logic and should be analyzed separately.

[4] The AI & Tech Report 2025 Where technology meets trust: Scaling AI across the pharma supply chain - LogiPharma

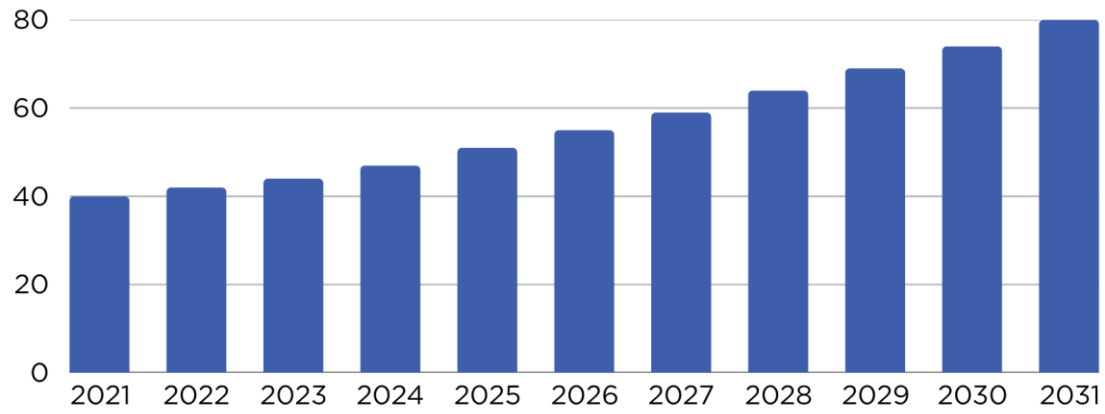
[5] 2025 World Preview: Pharma Growth Steady Amid Turbulent Seas and Rising China - Evaluate

The global veterinary pharmaceutical industry has shown sustained growth, expanding at annual rates of 7–9%, with significant growth projected through 2031.

Geographically, North America accounts for over 40% of the market, followed by Europe and Asia. In terms of products, the sector mainly includes vaccines, antiparasitics, anti-infectives, diagnostics, and animal feed additives, with strong technological innovation in areas such as AI, rapid diagnostics, and biotechnology.

The market is dominated by major global companies such as Zoetis, Elanco, Boehringer Ingelheim, and MSD, which invest heavily in R&D and international expansion.[6]

GRAPH 2
Animal Health Global Market
US$ Billions



Source: The Insight Partners.

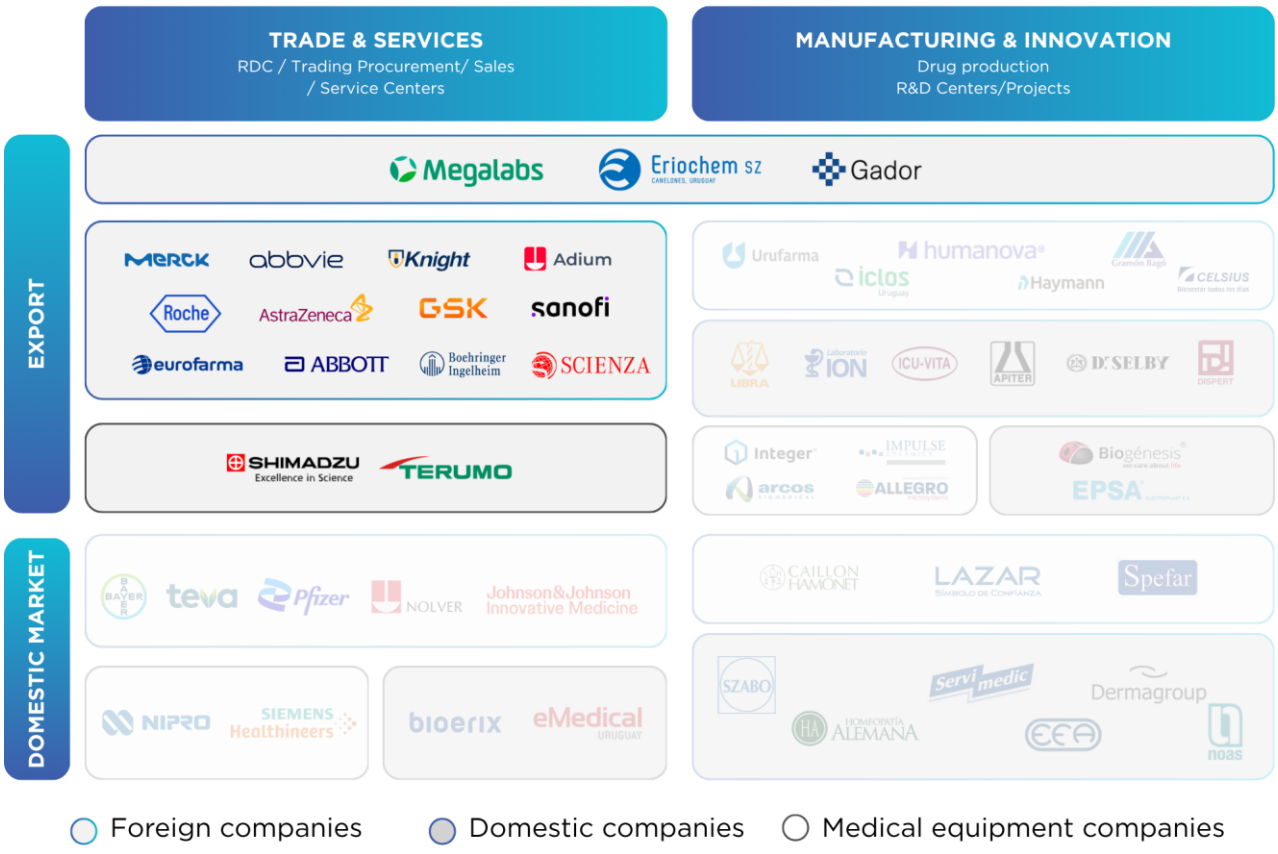
This global growth scenario, along with the factors mentioned above, highlights the importance for pharmaceutical companies to innovate while maintaining profitability. It also creates opportunities for related services, including manufacturing, research and innovation services, or even distribution. Many of these opportunities are relevant to the pharmaceutical sector in Uruguay, which is analyzed below.

[6] Pharmaceuticals Product Type Market Size in Veterinary Healthcare Industry - The Insight Partners

2. URUGUAY: TRADE AND SERVICES HUB

A hub is a strategically located operations center that concentrates commercial activities and specialized services, which serves as a connection point for companies and suppliers across industries. In the pharmaceutical sector, a hub refers to infrastructure that centralizes key operations such as distribution, storage, and logistics, ensuring efficiency and optimization in product flow. These hubs function not only as logistics platforms but also as value-added centers, performing tasks such as repackaging, product conditioning, and storage under controlled conditions, essential elements in the pharmaceutical industry.

TRADE AND SERVICES HUB COMPANIES



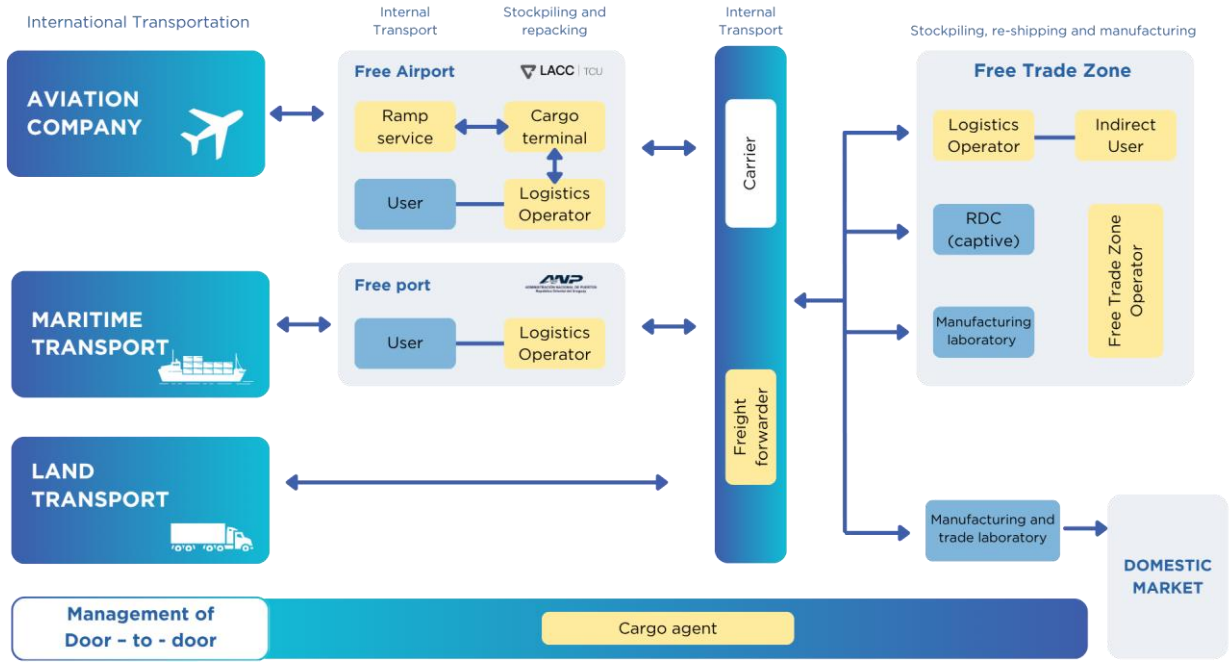
In particular, hub activities are concentrated in free trade zones—mainly Parque de las Ciencias and Zonamerica—as well as in the airport free trade zone (LACC), which provides infrastructure not only for logistics and distribution services but also for repackaging, conditioning, and cold storage.

In 2025, 60 companies participated in the pharmaceutical hub ecosystem, including major multinational companies such as AstraZeneca, CSL Behring, and GSK. Most of these companies are foreign multinationals, employing nearly 2,000 people in 2025.

REGIONAL DISTRIBUTION

Uruguay has a long-standing track record in regional logistics and distribution, positioning it as a key regional hub. The sector includes operations at ports, airports, and free trade zones. Pharmaceutical companies are the main stakeholders, operating either as captive distribution centers or through specialized logistics providers. A network of supporting services completes the supply chain, including carriers, freight forwarders, customs brokers, and cold storage specialists.

FIGURE 1
Logistics hub stakeholders
Value chain



Uruguay is a regional hub for the human pharmaceutical sector in Latin America, offering significant advantages for the location of regional distribution centers (RDCs). The country's regulatory framework, strategic geographic location, and developed infrastructure are the main attractions in this segment.

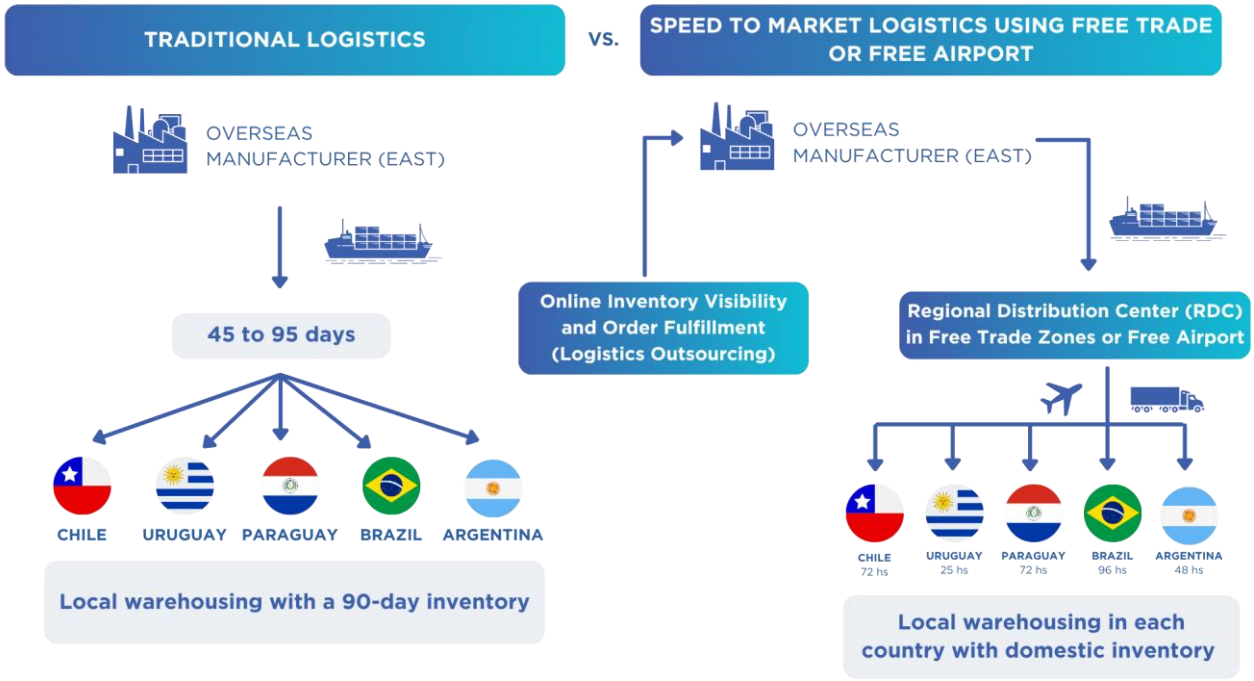
Uruguay offers important regulatory incentives for logistics operations, such as benefits for the establishment of Regional Distribution Centers (RDCs) and the handling of goods in transit. These operations are carried out either directly by international pharmaceutical companies or through third-party logistics providers (3PLs). The incentives also cover free trade zone regimes, ports and airports operating under free trade regimes, bonded warehouses, and temporary customs admission, all of which are detailed in the Regulatory Framework.

Uruguay's strategic geographic location provides quick access to the main cities in the region. The country also has two ports on the main entry point of the South Atlantic coast, with direct connectivity to the Paraná–Paraguay–Uruguay waterway. In addition, the modern Carrasco International Airport is located just minutes from key free trade zones such as Zonamerica and Parque de las Ciencias, as well as Latin American Cargo City (LACC), reinforcing Uruguay's role in the region's pharmaceutical sector. In this context, Uruguay is well positioned to complement the northern hub in Panama.

Pharmaceutical activities in Uruguay also include operations involving the transit of cannabis-based medicinal products. National legislation supports these activities under Decree 282/2020, which regulates and oversees logistics operations for therapeutic cannabis products in warehouses authorized by the Ministry of Public Health (MSP) and the Institute for the Regulation and Control of Cannabis (IRCCA). This framework makes it possible for authorized warehouses to receive imports—subject to MSP approval—for redistribution within the region.

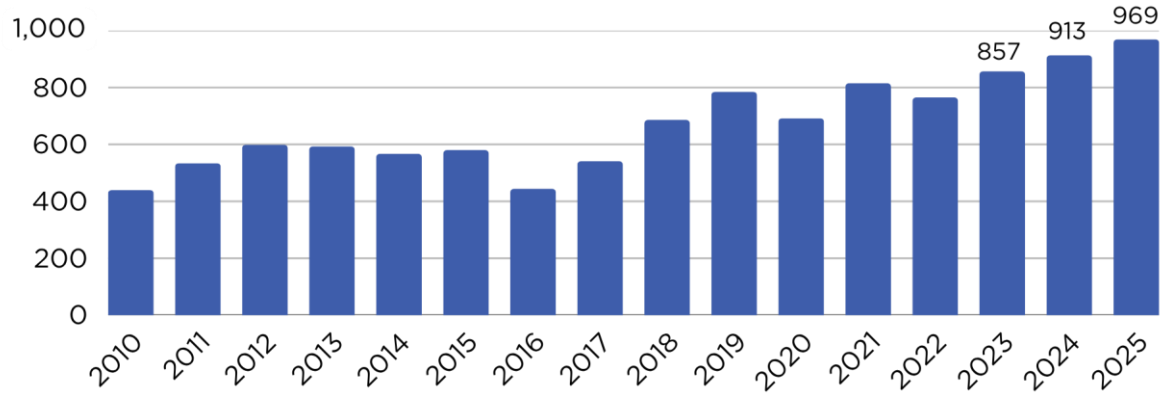
This framework facilitates the entry of medicinal cannabis products from Uruguay to the Brazilian market, where imports are specific to individual patients. Establishing a hub allows for the import of full batches, storage, repackaging, and directly supplying patients in Brazil.

FIGURE 2
Traditional logistics vs. STM logistics



The growth in logistics hub activities is clearly shown in Graph 3. Pharmaceutical product transits have shown a sustained upward trend since 2010. In recent years, the annual transit flow has doubled, increasing from USD 500 million to over USD 960 million in the last year. This business model has emerged as a leading alternative for companies serving the sector in the region.

GRAPH 3
Pharmaceutical products transits
US$ Millions



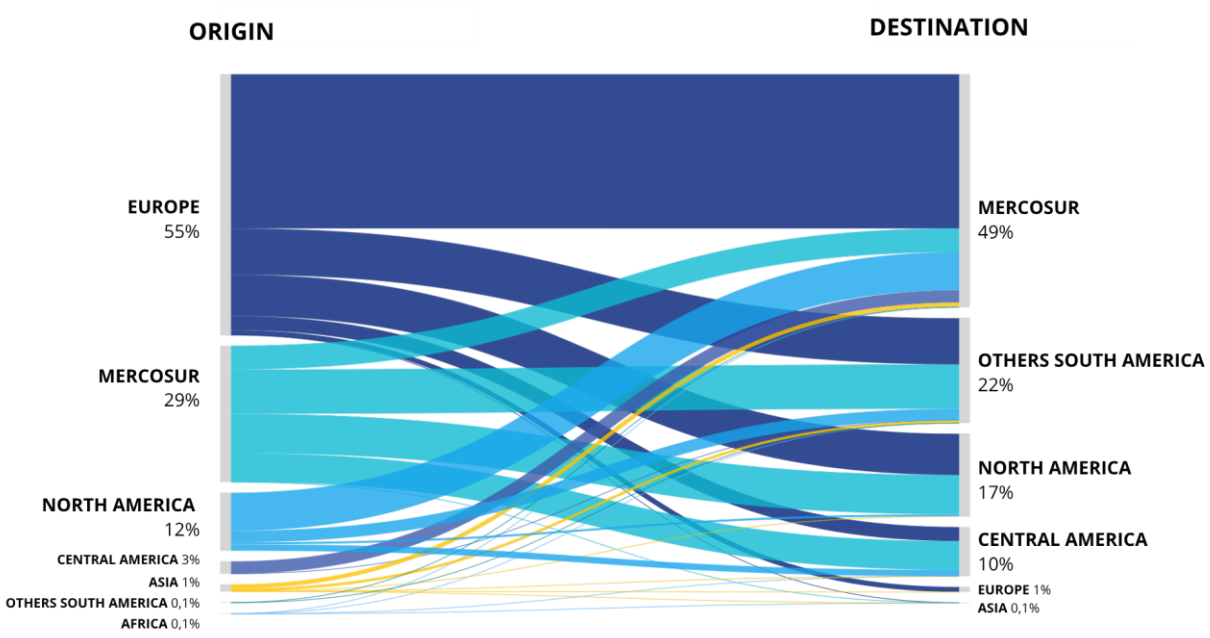
Source: compiled by Uruguay XXI based on information from the National Customs Directorate (DNA). Includes exports similar to transits amounting to approximately USD 10 million per year. These figures do not include HUB activities carried out exclusively within the airport, since the goods do not change customs premises and are not recorded as transits.

The main flows of pharmaceutical products transiting through Uruguay originate from outside the region, primarily from Europe and the United States, and are destined for markets across Latin America, mainly the Mercosur countries.

As shown in Graph 4, in 2025, 55% of transits originated from European countries (Italy, Germany, Switzerland, France, and Ireland), while 11% came from North America (mainly the United States). Meanwhile, 29% of transits came from Mercosur, predominantly from Argentina.

Regarding the destination of these transits, products are distributed from Uruguay to all Latin America. Forty-nine percent of the pharmaceuticals passing through the country are sent to Mercosur countries, while 22% are sent to other South American countries, 17% to North America (Mexico), and 10% to Central America.

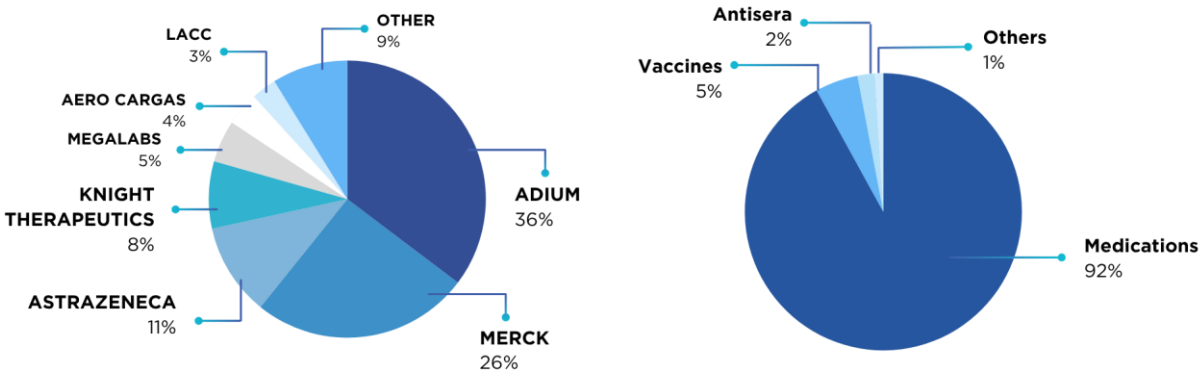
GRAPH 4
Pharmaceutical products -Transit Flows
2025



Source: Compiled by Uruguay XXI based on National Customs Directorate (DNA).

Most transits consist of final products, primarily pharmaceuticals, as shown by their distribution in 2025: 92% pharmaceuticals, 5% vaccines, and 2% antisera products.

GRAPH 5
Pharma hub movements by company and product
2025



Source: Uruguay XXI based on DNA.

In 2025, transit operations were primarily handled by six companies, which together accounted for approximately 90% of the activity. AstraZeneca and GSK stand out among the companies focused exclusively on distribution. Other companies also distribute their products to the region from Uruguay but additionally engage in support or production activities (see following sections).

TRADING AND GLOBAL SERVICES CENTERS

Uruguay provides several cross-cutting advantages for business services, making it an attractive location for establishing in-house operations such as regional headquarters or service centers. These may cover areas such as foreign trade, supply chain management, finance and accounting, human resources, customer service, and research and analysis, supporting both regional and global companies.

Uruguay serves as a reliable platform for delivering high-quality services at competitive costs. This has enabled international companies to set up service centers that enhance their business processes and strengthen regional integration.

In the pharmaceutical sector, some companies operating regional distribution centers, such as Merck, Adium, and Knight Therapeutics, have also incorporated support and/or commercial service activities, whether or not they handle goods.

MAIN COMPANIES

Adium Pharma operates a regional distribution center from Zonamerica, carrying out repackaging and distributing medicines across Latin America.

AstraZeneca operates a regional distribution center in Uruguay, supplying Argentina and Brazil through an integrated logistics operation based at the Free Airport (LACC).

GSK manages a regional distribution center that includes consolidation, cross-docking, and distribution operations to Latin America, featuring a vaccine-specific hub.

Abbott, based in Zonamerica, provides regional support in finance, procurement, supply, distribution, and quality control for Latin America and the Caribbean.

Merck serves as a regional distribution hub and corporate service center, handling logistics, packaging of biotech products, and regional administrative functions.

Roche has a regional distribution and regulatory affairs center, which coordinates logistics operations and manages regional markets.

DOMESTIC MARKET

Another operation that can be classified as part of the trade and services hub is the domestic distribution of foreign pharmaceutical products. This is often handled by local representatives of international laboratories that do not have production facilities in the country and import their products to supply the domestic market.

In addition to the international pharmaceutical firms mentioned above, which also distribute products domestically, some international laboratories operate solely through commercial offices in Uruguay. In the human pharmaceuticals sector, some examples are Bayer, Pfizer, Johnson & Johnson, and TEVA. In the veterinary pharmaceuticals sector, the most important examples are Biogénesis Bagó, Zoetis, and Labyes.

SPECIALIZED SUPPLIERS

The development and management of activities related to the trade and services hub depend on a range of business platforms and specialized providers within the pharmaceutical logistics chain. This ecosystem of business and support services provides companies entering the country with support across the entire logistics chain, tailored to their specific needs. It helps make the country more attractive for this demanding industry while continuously improving the quality of services provided. Below is an overview of providers offering services to foreign firms.

FREE TRADE ZONES AND FREE AIRPORT

Parque de las Ciencias (PDLC): a free trade zone operating as a logistics, industrial, and services park, positioned as a regional cluster for life sciences, high technology, and high value-added activities. It features state-of-the-art infrastructure and hosts more than 90 companies using the park as a platform for regional and global operations.

The ecosystem includes pharmaceutical and veterinary laboratories, suppliers, and specialized service providers, supporting manufacturing, R&D, and quality control, which makes the park a key hub for the industry in Uruguay and the region.

Zonamerica: the country's leading free trade zone, with more than 30 years of experience and an ecosystem of over 500 companies. It serves as a comprehensive platform for regional business activities, combining world-class infrastructure with advanced business services.

It accounts for a significant share of activity in the pharmaceutical and life sciences industry, including distribution centers, logistics activities, value-added processes, and the centralization of corporate services for Latin America.

Latin American Cargo City (LACC): The only Free Airport of South America and the country's main air cargo hub, with the capacity to

handle all import, export, and re-export activities. It offers an integrated logistics platform with access to air, sea, and land transport.

Its LACC Pharma unit offers specialized services for the regional distribution of pharmaceuticals, medical devices, and other products, supported by certified infrastructure that meets international standards for handling sensitive cargo.

LOGISTICS SERVICE PROVIDERS

Selenin: a logistics provider specialized in pharmaceutical products, located in Parque de las Ciencias. It offers storage and repackaging services.

Costa Oriental: a logistics provider operating in Zonamerica and Zona Franca Colonia, serving as a regional distribution center for international companies across various sectors.

Grupo RAS: an international company that offers comprehensive logistics solutions, including warehousing, transportation, customs services, and foreign trade.

Farmalog: a leading pharmaceutical logistics provider in Uruguay, offering warehousing, cold chain, and quality control services, including operations in free trade zones.

Farmared-Logired: a logistics company specializing in pharmaceutical and consumer products, focused on operational efficiency, innovation, and sustainability.

Supramar: a Uruguayan company providing logistics solutions under the Free Port and Free Trade Zone regimes, including warehousing and local distribution.

COLD CHAIN SOLUTIONS

Envirotainer: A global company, specializing in temperature-controlled transport solutions for pharmaceutical products, offering monitoring services and global operations.

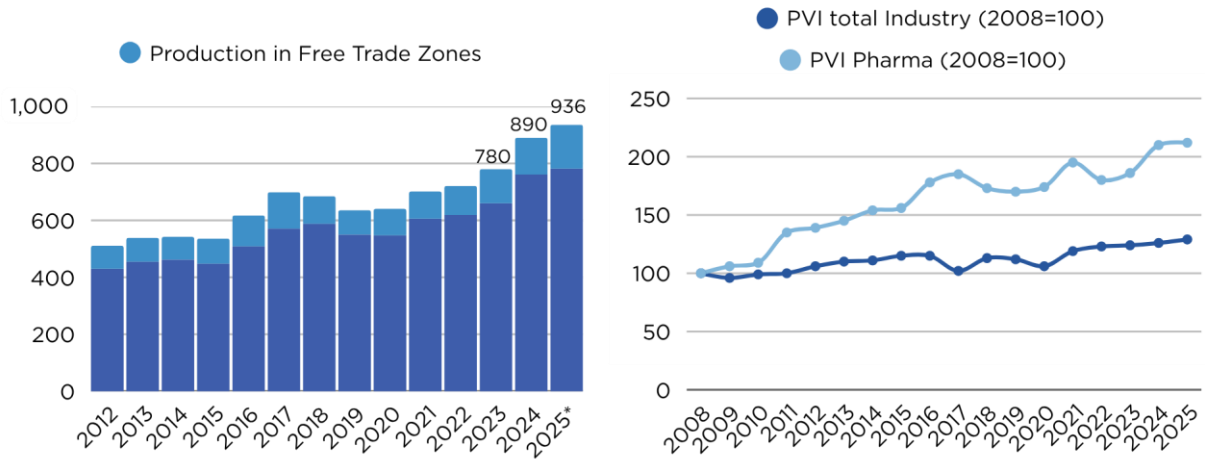
Cold Chain Technologies: a global provider of thermal packaging solutions for pharmaceutical products, with regional operations in Uruguay, focused on innovation and sustainability.

3. PRODUCTION AND INNOVATION HUB

The Uruguayan pharmaceutical industry, including both human and veterinary segments, is one of the most important sectors within the country's industrial core. According to preliminary estimates for 2025, the Gross Production Value (GPV) of this industry amounts to USD 936 million[7].

It is estimated that the production of this sector accounts for approximately 10% of the industrial Gross Domestic Product (GDP), which is equivalent to 1.1% of the total GDP (2025).

GRAPH 6
Gross Value of Production and Physical Volume Index
US$ millions and base 2008=100



Does not include production of medical devices.
Source: Uruguay XXI based on Exante and the National Statistics Institute (INE, for its acronym in Spanish).
*Estimated for 2025

In recent years, the sector has seen solid growth, supported by both the expansion of the domestic market and rising exports. As shown in Graph 6, production volume has grown well above the industry total. This trend can largely be explained by investments in the sector, which have reached USD 582 million since 2010 and included the construction of new plants and the expansion of existing facilities.[8]

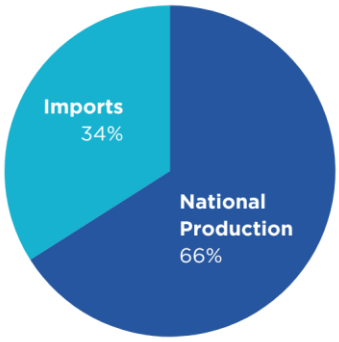
[7] Excludes exports of medical devices.
[8] Source: Ministry of Economy and Finance – Commission for the Application of the Investment Law (MEF – COMAP), as of December 2024. This includes investments by Mega Pharma (US$110 million) and Eriochem (US$7.5 million), both situated in free trade zones.

The total Uruguayan pharmaceutical market, including both domestic production and imports, reached USD 1.42 billion in 2025. Of this, 66% came from domestic production, with the remaining 34% accounted for by imports. These figures cover products for both human and animal health.

The human pharmaceuticals segment is the most important within this industry in Uruguay, accounting for 90% of domestic consumption and 72% of export value.

TABLE 2
Pharmaceutical Market Structure 2025
US$ millions

	Total	Human	Animal
Domestic production*	936	829	107
Imports	484	387	96
Market size	1,420	1,216	204
Domestic use	1,067	961	106
Exports	352	255	97



Source: prepared based on the Chamber of Pharmaceutical and Allied Specialties (CEFA, for its acronym in Spanish), Customs and Exante. Note (*): Estimate based on Exante projections and export data from Free Trade Zones.

Including USD 54 million in medical device exports, the total Gross Production Value rises to USD 990 million, with exports totaling USD 406 million.

3.1 HUMAN PHARMACEUTICALS

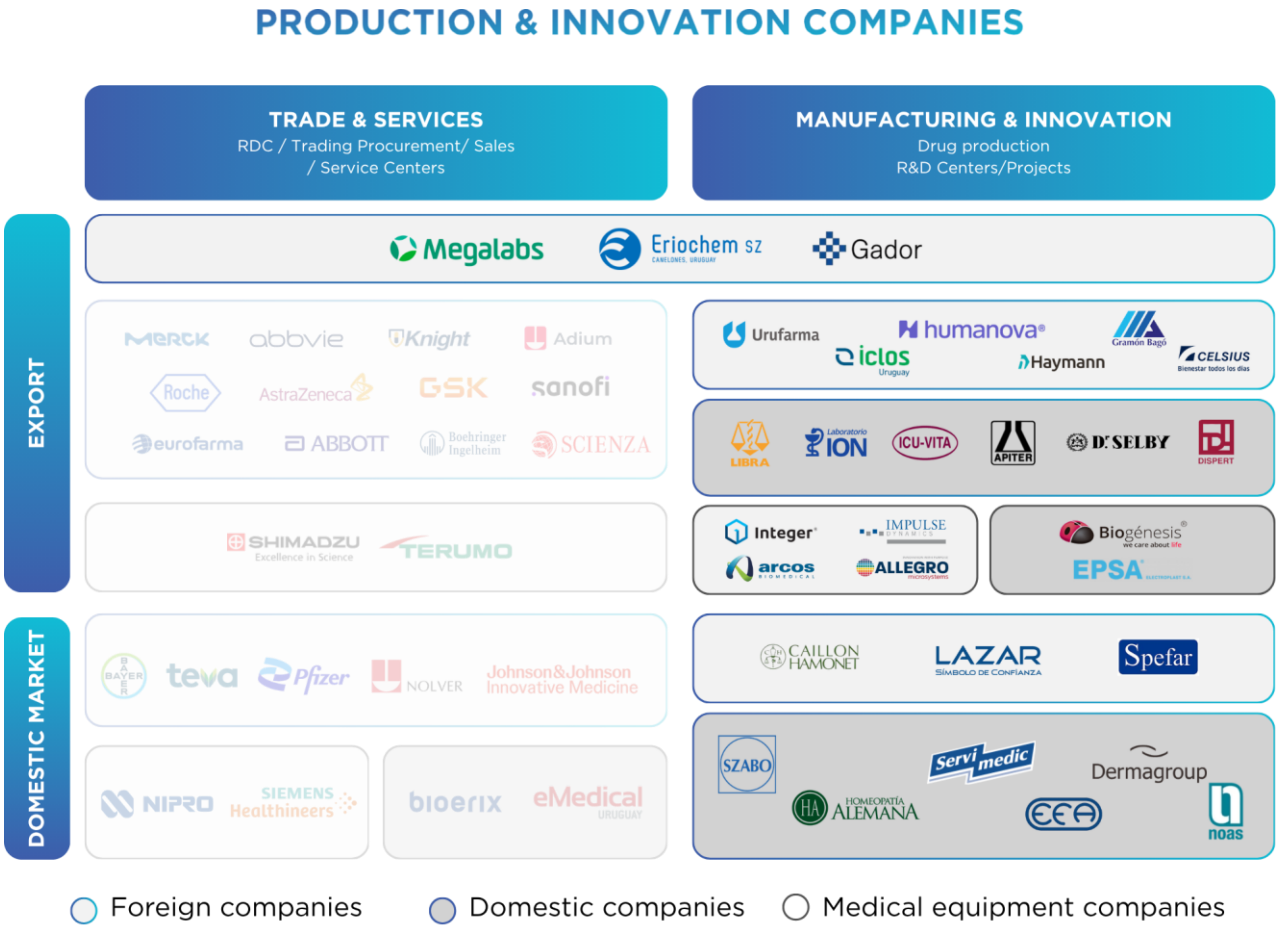
The human pharmaceuticals manufacturing segment is the longest-standing, with the first companies beginning operations in the late 1960s. In recent years, following an international trend, the local market has seen multiple mergers and acquisitions (M&A), with both national and international firms absorbing smaller local laboratories.

Within the pharmaceutical industry, human pharmaceuticals account for approximately 90% of total production.[9]

Regarding the industry structure, human pharmaceutical laboratories are mainly composed of multinational companies producing globally patented products, and local firms manufacturing and/or selling similar or generic pharmaceuticals. The former are represented by the Chamber

[9] See previous section.

of Pharmaceutical Specialties and Related Products (CEFA), while the latter are represented by the Association of National Laboratories (ALN).



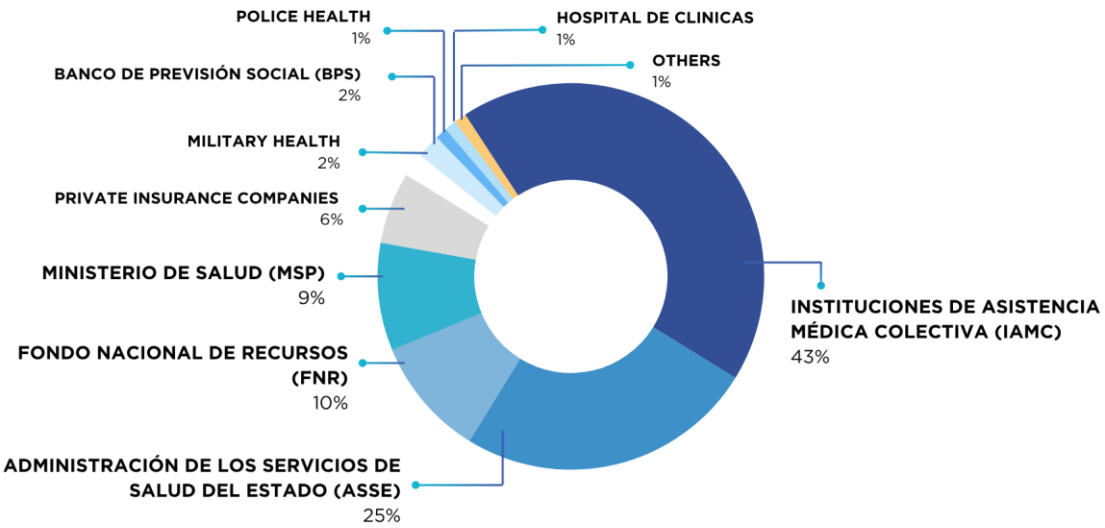
The main clients of the sector are the export market, the public health system, private healthcare service providers (IAMC), and pharmacies.

In terms of pharmaceutical spending[10], the role of the different stakeholders in Uruguay's healthcare system is important. The National Integrated Health System (SNIS), provides coverage to all residents through a mixed public-private system. The main public healthcare institutions are the State Health Services Administration (ASSE), Military Health Service, Police Health Service, and the Hospital de Clínicas. The private sector is composed of Collective Medical Assistance Institutions (IAMC) and private insurance providers.[11]

[10] MSP (Health Accounts 2022 - 2023: Health Expenditure and Financing in Uruguay)

[11] According to the latest data from the Ministry of Public Health (MSP), in 2023 spending on medicines and pharmaceutical supplies accounted for 12% of the health system's total current expenditure. This amounted to US$813 million, equivalent to 84% of domestic market sales.

GRAPH 7
Drugs and pharmaceutical supplies expenditure by health care provider
2023



Source: Health Accounts - MSP.

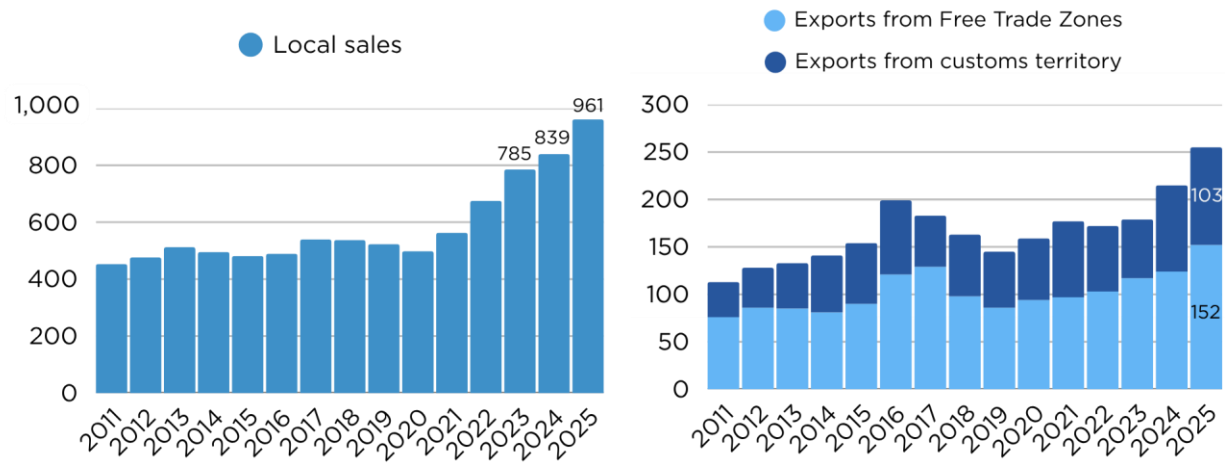
The agency responsible for regulating pharmaceuticals in Uruguay is the Department of Pharmaceuticals of the Ministry of Public Health (MSP). The MSP grants authorization to companies responsible for the import, representation, production, manufacturing, and commercialization of pharmaceuticals, all of which must be registered with the agency. Approximately 120 operators are authorized by the MSP for these purposes.[12]

In 2025, around 36 operators were active in the manufacturing sector, a figure that has remained stable in recent years. Despite a trend of foreign companies acquiring local laboratories, these generally continue to operate as independent business units. Of all manufacturing companies, 47% are exporters, while the remainder serve exclusively the domestic market.

Sales in both domestic and export markets have grown significantly in recent years. Local sales have increased considerably over the past three years, reaching USD 961 million in 2025.

[12] The list of medicines, along with the corresponding laboratories, is available online: List of medicines

GRAPH 8
Local Sales and Exports – Human Use Medicines
US$ Millions



Source: own compilation based on CEFA and DNA.

After three consecutive years of decline, exports of human pharmaceuticals recovered in 2020 and continued to rise in the following years, with particularly strong growth in 2025. Exports from free trade zones played a key role in this trend, accounting for 60% of total external sales in the human pharmaceuticals subsegment. In 2025, 35 companies exported human pharmaceuticals, with total exports reaching USD 255 million, representing 2% of the country's total exports.

Since 2010, exports of human pharmaceuticals have consistently exceeded USD 100 million, with a notable boost following the establishment of several companies in Zonamerica and Parque de las Ciencias. The Free Trade Zone regime has supported dynamic operations and strong synergies among firms in the sector.

Exports from free trade zones are products that enter under a transit regime and may undergo some intermediate processing before being shipped to other countries.

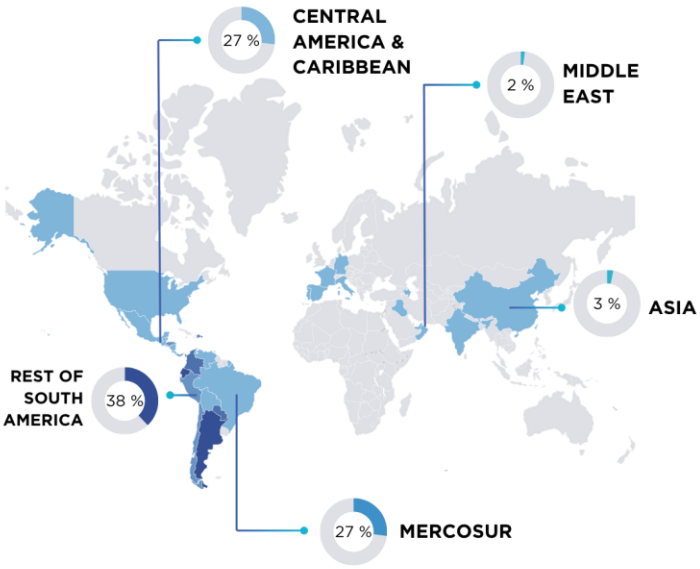
Overall, exports of human pharmaceuticals rose from USD 76 million in 2010 to USD 255 million in 2025. The main exporting company, Megalabs, accounted for more than half of total exports in 2025. Additionally, 90% of exports were carried out by five companies, while 97% were accounted for by foreign-owned companies.

GRAPH 9

Human use pharmaceutical exports by company and destination

Share (US$ millions), 2025

Companies	2023	2024	2025
MEGALABS	65%	57%	56%
URUFARMA	10%	18%	19%
ICLOS URUGUAY	14%	13%	12%
FARMACO URUGUAYO	4%	5%	4%
ARTICA BIOTECH	0%	1%	3%
LABORATORIO LIBRA	2%	2%	2%
LABORATORIO GADOR	2%	2%	1%
BLAUFARMA URUGUAY	0.2%	0.2%	0.7%
GRAMÓN BAGÓ	0.2%	0.5%	0.5%
TERRY	0.6%	0.5%	0.5%
Total (US$ millions)	**180**	**215**	**255**



North America (0.7%), EU (0.1%) y Rest of Europe (0.003%)

Source: Uruguay XXI based on DNA.

Eighty-three percent of exports in the human pharmaceuticals segment consisted of medicines, which include a wide range of applications and uses. Meanwhile, 10% of exports were contraceptives, and 7% were antisera products.

In addition, exports were primarily directed to regional markets. In 2025, nearly 67% of total exports were shipped to South America, with Argentina, Ecuador, and Colombia as the main markets. Central America also accounted for a significant share, representing 27% of the total in 2025, with the Dominican Republic, Panama, and Honduras as the primary markets in this region.

The main exporting companies are now predominantly of foreign origin. The most important ones are described below.

Megalabs: a Latin American multinational company with industrial and R&D operations in Uruguay, providing production, quality control, and corporate services for the region.

Eriochem: a pharmaceutical company specializing in oncology, carrying out repackaging, testing, and regional operations in Uruguay, based at Parque de las Ciencias.

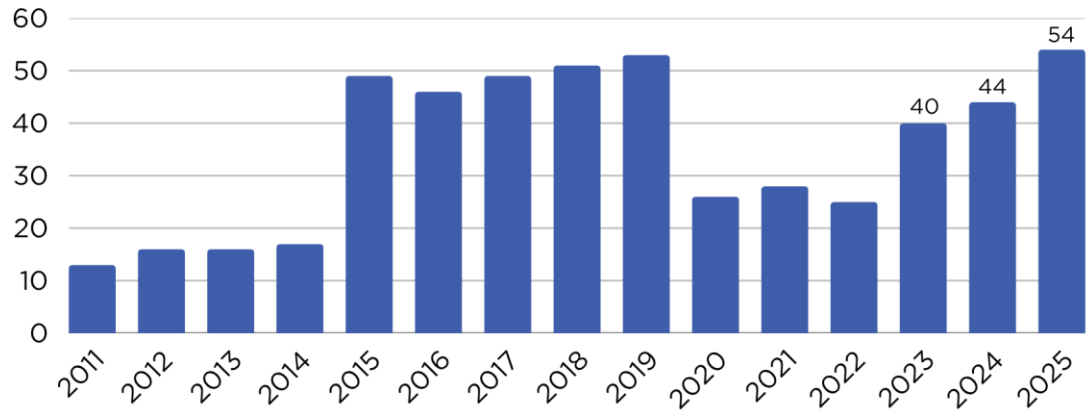
Urufarma: a laboratory based in Uruguay, specializing in the production of hormonal and oncology medicines, primarily export-oriented.

3.2 MEDICAL DEVICES

In addition to pharmaceuticals, there are nearly ten companies dedicated to the development of medical devices.

The significant increase in exports of medical devices was largely driven by Integer's entry into the U.S. market in 2015, after its clients obtained approval from the Food and Drug Administration (FDA) to commercialize medical products in that market. Exports reached nearly USD 50 million in 2019. Exports began to decline in 2020 for two main reasons: (i) the impact of COVID-19, which led to cancellations or delays in surgeries and reduced demand for these products, and (ii) a shift in the company's operational strategy, with a greater focus on exporting device designs, insert prototypes, and low-volume production, while transferring high-volume production to other company plants. These design services are not reflected in goods exports. Despite this, exports of implantable devices grew by 23% last year, reaching USD 54 million.

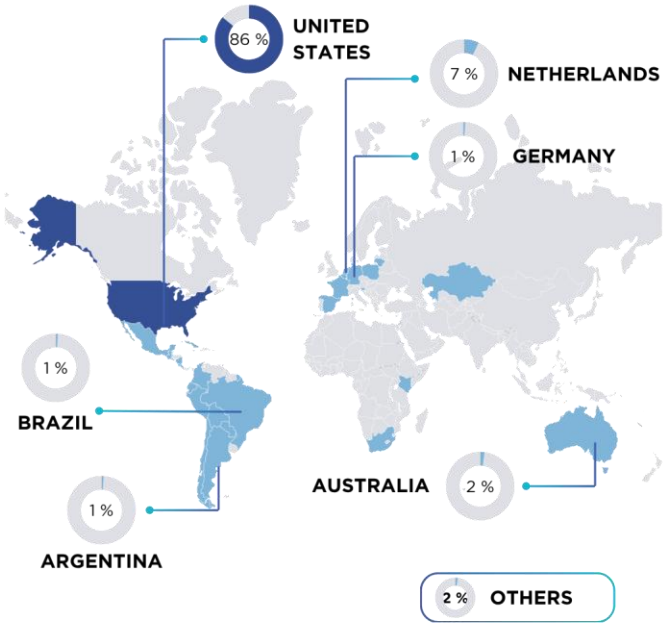
GRAPH 10
Medical devices exports
US$ millons



Source: Uruguay XXI based on DNA.

GRAPH 11
Exports by company and destination
Share (US$ millions), 2025

Companies	2023	2024	2025
INTEGER	90%	95%	95%
ELECTROPLAST S.A.	9%	4%	4%
BIOGENESIS	1%	1%	1%
Total (US$ millions)	**40**	**44**	**54**



Source: Uruguay XXI based on DNA.

In terms of export destinations, developed countries are the main markets for devices produced by Integer, while Electroplast and Biogénesis focus primarily on regional markets.

Overall, these companies directly employ around 660 people. Their key characteristics are outlined below.

Integer: specializes in the design and manufacture of implantable medical devices, focusing on R&D and the U.S. market.

Electroplast: a manufacturer of medical devices for hospital use across various specialties, globally certified and active in international markets.

Biogénesis: designs and manufactures medical devices, focusing on quality, and supported by an international distribution network.

Impulse Dynamics: an international company developing innovative cardiology therapies, with design and prototyping operations in Uruguay.

Focus: technology company providing design and development solutions for software, hardware, and electronic systems for the medical and tech industries.

Hattrick: a company specializing in software development for medical devices and digital health, focused on regulatory compliance and technological integration.

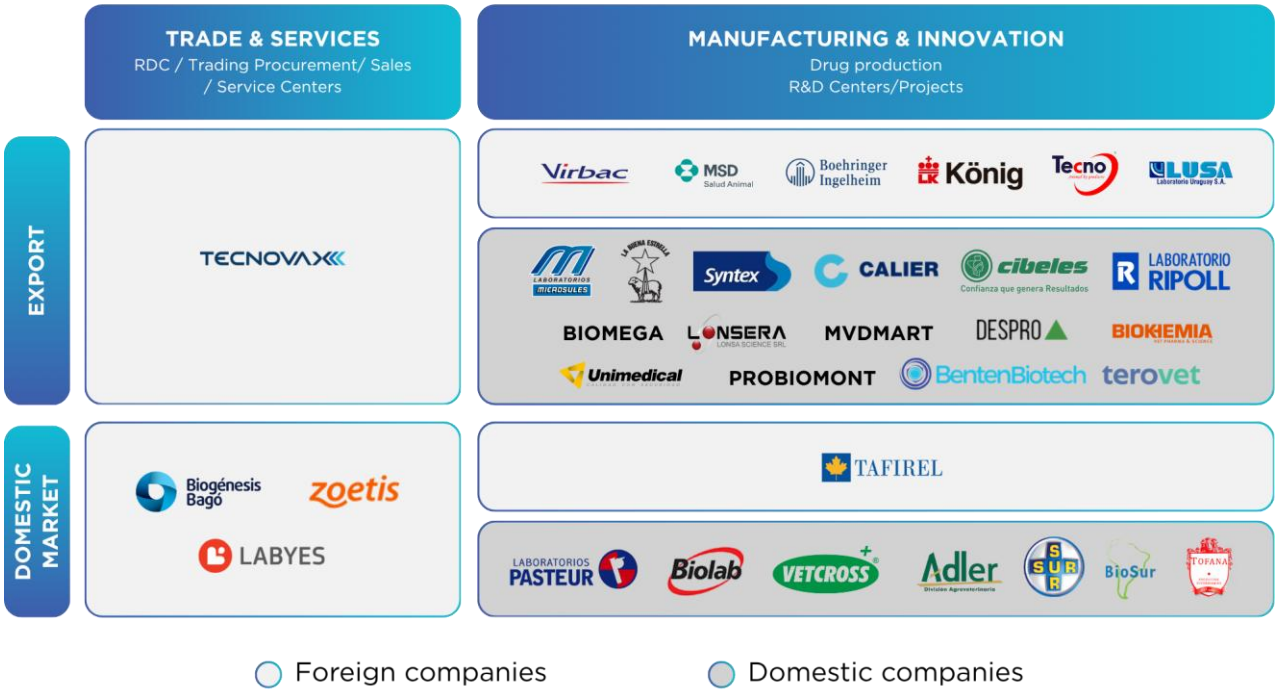
3.3 VETERINARY PHARMACEUTICALS

The veterinary pharmaceuticals segment in Uruguay is primarily focused on the production and marketing of treatment products for a wide range of applications, both for companion animals and for livestock, including cattle, horses, sheep, pigs, and poultry.

The regulatory authority for veterinary pharmaceuticals is the Uruguay's Ministry of Livestock, Agriculture and Fisheries (MGAP), through the Division of Veterinary Laboratories (DILAVE). Firms engaged in the manufacture, repackaging, import, and distribution of veterinary products must obtain authorization from this agency. Currently, 150 companies are authorized in these

areas. Production in Uruguay is carried out by 30 companies.[13], which combine the manufacture of a wide range of products, including medicines, vaccines, antisera products and animal-use proteins.

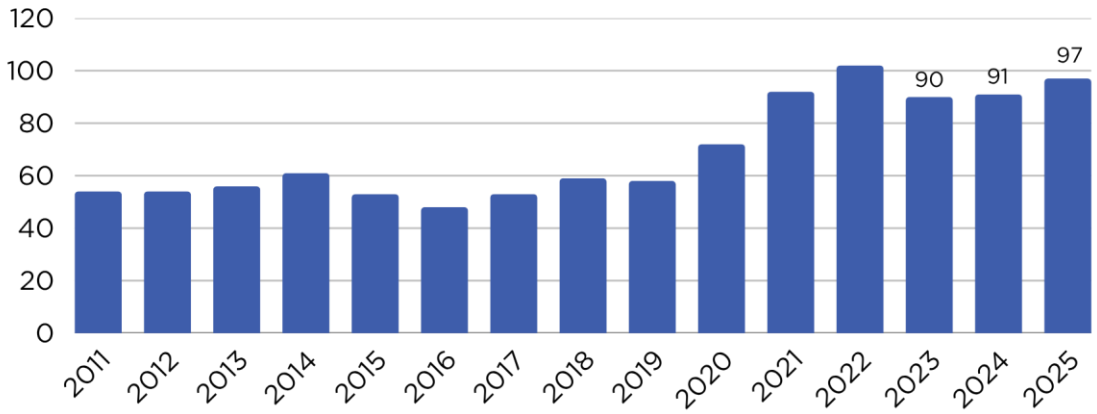
VETERINARY COMPANIES IN URUGUAY



The manufacturing segment for animal use accounts for 20% of total pharmaceutical production. In 2025, exports were carried out by 28 companies, which exported a total of USD 97 million.

[13] This group excludes companies that, although authorized to manufacture veterinary products, do not specialize in this activity, including human pharmaceutical laboratories and food or cleaning product manufacturers.

GRAPH 12
Veterinary exports
US$ millons



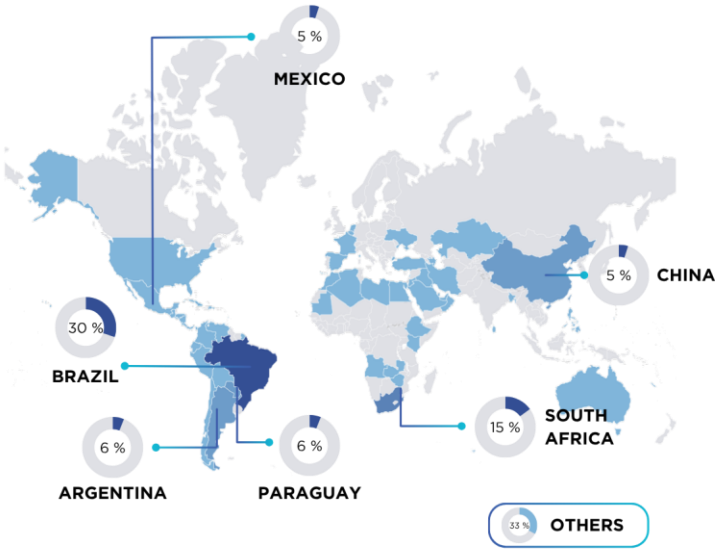
Source: Uruguay XXI based on DNA.

The **veterinary pharmaceuticals** segment also shows a relative concentration among exporting companies, although lower than in the human pharmaceuticals segment. In this case, five companies accounted for 79% of exports in the last year.

Veterinary pharmaceutical products reached 60 markets, with more than half sent to South America, mainly Brazil, Paraguay, and Argentina.

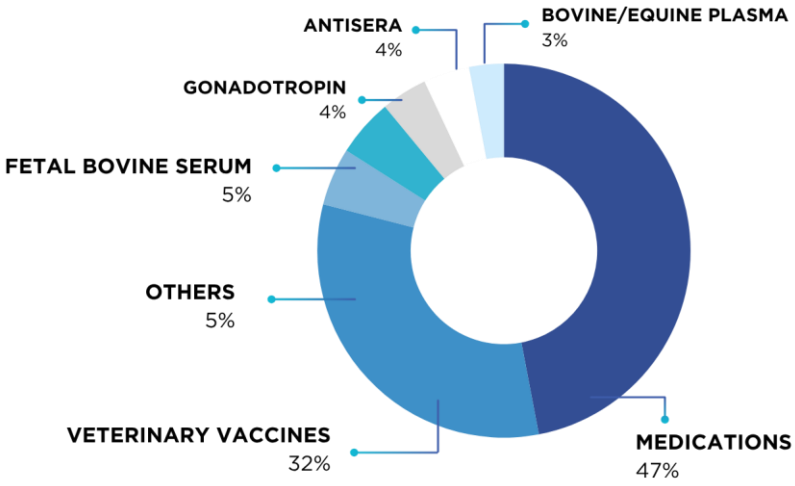
GRAPH 13
Veterinary exports by company and destination
Share (US$ millions), 2025

Companies	2023	2024	2025
MICROSULES	36%	39%	44%
VIRBAC	14%	14%	16%
PRONDIL	7%	9%	12%
DESPRO	4%	4%	4%
LAGE Y CIA.	4%	6%	3%
LA RESERVA TRADING CO	3%	3%	3%
LABORATORIO BIOMEGA	1%	2%	2%
READYPOINT	3%	3%	2%
CALIER URUGUAY	1%	1%	2%
TECNOBLEN	4%	3%	2%
Total (US$ millions)	**90**	**91**	**97**



Source: Uruguay XXI based on DNA.

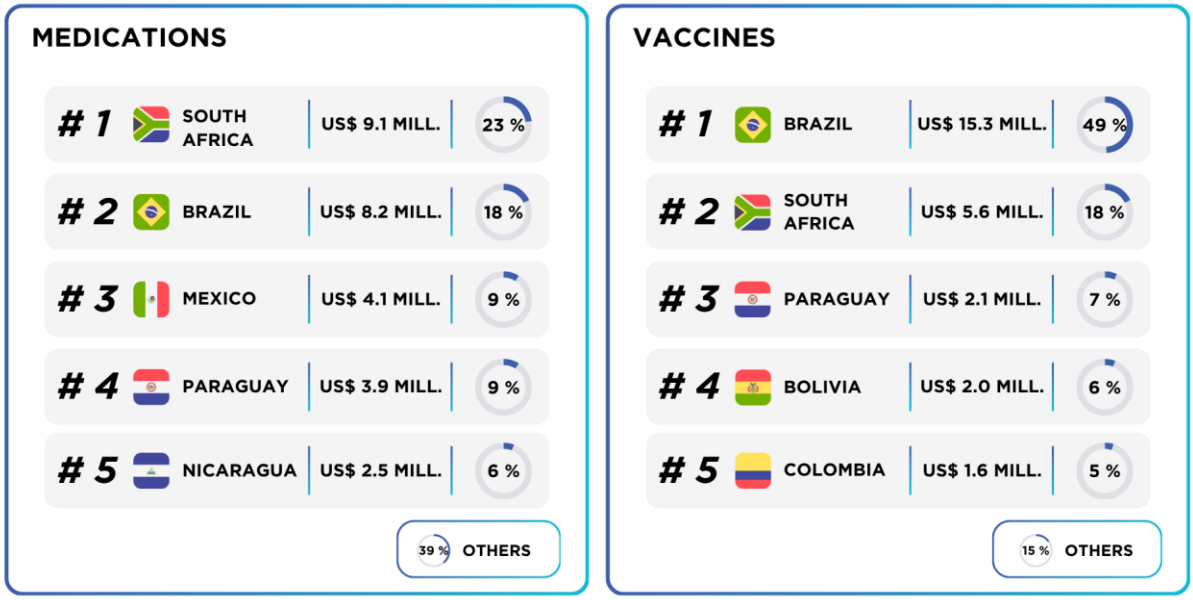
GRAPH 14
Veterinary exports by product
Share (US$ millions), 2025



Source: Uruguay XXI based on DNA.

The segment offers a wide variety of products, ranging from medicines to vaccines, fetal sera, plasma, and PMSG, hormones such as gonadotropin.

GRAPH 15
Veterinary pharmaceuticals exports destinations by product
2025



Source: Uruguay XXI based on DNA.

The main companies include both domestic and foreign firms, producing a range of veterinary pharmaceuticals. The most relevant are briefly described below.

Laboratorios Microsules: a company with an international track record in producing and exporting veterinary medicines, operating several industrial plants in Uruguay.

Virbac Uruguay: a French company engaged in the production, research, and marketing of animal health products, including vaccines and other biologics, which acquired the local Santa Elena veterinary laboratory in 2010.

MSD – Prondil: an export-oriented American biotechnology laboratory specializing in veterinary vaccines, compliant with international standards for biologics, which acquired the local Prondil veterinary laboratory in 2017.

4. HUMAN CAPITAL – TALENT

4.1 WORKFORCE

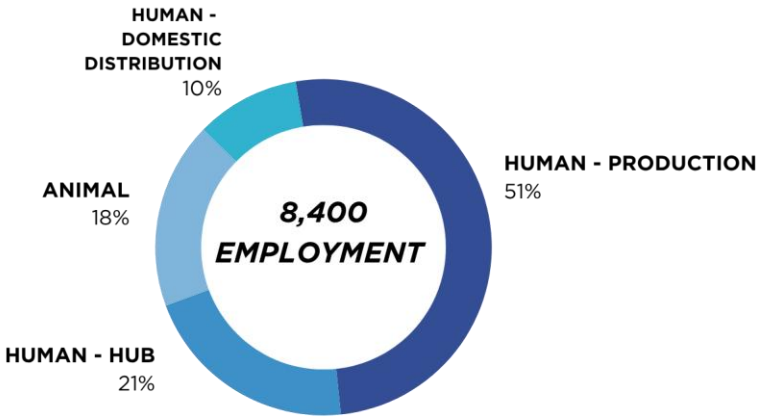
The workforce across the sector's different segments is estimated at approximately 8,400 people[14], mostly of whom are highly skilled. This figure does not include the indirect jobs generated by the sector, which cover marketing and product sales activities, as well as healthcare services.

The human pharmaceuticals segment employs the largest share of personnel, with over 6,885 people, the majority working in the export sector, including around 3,600 in pharmaceutical and medical device companies. Those focused on hub and business services are also significant employers, generating approximately 1,800 direct jobs, including specialized logistics providers.

Companies responsible for the domestic distribution of foreign-origin pharmaceuticals—often local representatives of international laboratories—employ around 830 people. Additionally, those focused exclusively on the domestic market generate approximately 680 jobs. The **veterinary pharmaceuticals segment creates around 1,500 direct jobs.**

[14] Data as of December 2025, based on information from the Ministry of Labour and Social Security (MTSS) and data provided by the companies.

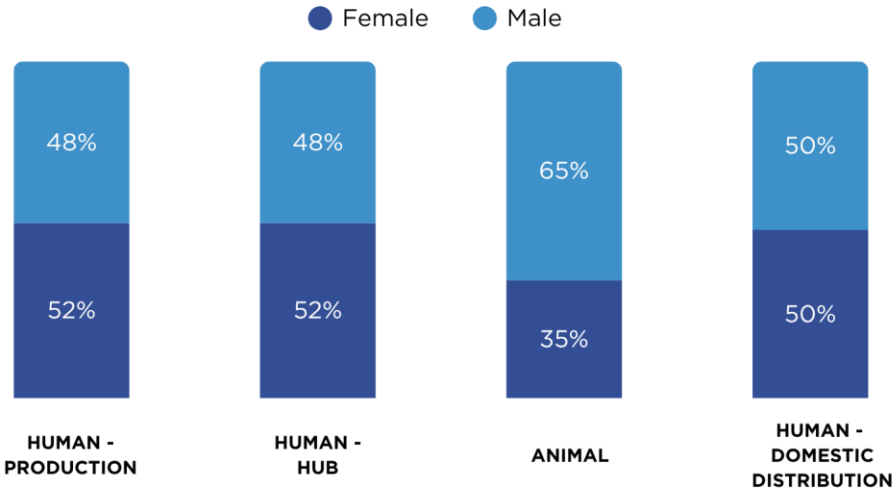
GRAPH 16
Employment in the pharmaceutical sector
By segment (2025)



Source: Uruguay XXI based on data from the MTSS.

The gender distribution in the pharmaceutical sector is relatively balanced, with 51% men and 49% women. Graph 17 shows that women are particularly well represented in the segment that employs the largest number of people: human pharmaceuticals manufacturing.

GRAPH 17
Employment in the pharmaceutical sector
By segment and gender (2025)



Source: Uruguay XXI based on data from the MTSS.

4.2 EDUCATIONAL OFFERINGS

The growth of the sector in Uruguay has created a rising demand for education and training, aimed at meeting the industry's high standards.

University programs that are directly related to the pharmaceutical and healthcare services sector—such as research, manufacturing, or healthcare provision courses—play a key role in preparing the workforce for the industry.

It is also worth noting that other university degrees, such as those related to business services and ICT, are relevant for this segment. These programs support shared service centers performing tasks in foreign trade, supply chain management, administration and accounting, human resources management, or market analysis associated with the pharmaceutical sector.

TABLE 3
University students population
2024

Pharma and Health related education	
Colleges/Educational institutions	**20**
Undergraduate or equivalent	
Enrolled students	63,160
Total annual enrollment	10,019
Total annual graduations	2,204
Postgraduate (Masters, PhDs, others)	
Total annual enrollment	1,471
Total annual graduations	858

Source: compiled by Uruguay XXI based on data from the Ministry of Education and Culture - "Education Statistical Yearbook 2024"

More than 63,000 students are enrolled in university programs directly related to pharmaceutical and healthcare services. Programs in human health and medicine make up the majority of these enrollments, compared with other degrees linked to the sector. In addition to the annual number of graduates, many university students are already active in the labor market and possess the skills required by this business segment.

TABLE 4
Student enrollment per subject
2024

Subject	Enrolled
Other - human health	33,881
Medicine	18,298
Veterinary medicine	5,223
Chemistry/ Biochemistry	3,598
Biological Sciences	2,160
Total associated with the sector	**63,160**

Source: compiled by Uruguay XXI with data from the Ministry of Education and Culture - "Education Statistics Yearbook 2024"

Technological advances in the sector have created a demand for a highly skilled workforce. In response, a wide range of relevant degree programs and educational institutions support the sector's talent and educational ecosystem:

Universidad de la República (UdelaR): the main public research institution, with multiple departments conducting activities in life sciences and collaborating with the productive sector.

Universidad Tecnológica del Uruguay (UTEC): a public university focused on technology, dedicated to applied research and working with companies through projects and specialized training programs.

Universidad ORT: a private institution offering biotechnology programs, equipped with laboratory facilities and focused on applied research.

Universidad Católica del Uruguay: a private university offering academic programs in health sciences, including undergraduate and graduate degrees in medical fields.

Universidad de la Empresa (UDE): a private institution offering programs in health sciences, including physiotherapy, medical imaging, and nursing.

Universidad de Montevideo: offers postgraduate programs in biomedical sciences, medical and pharmaceutical specialties.

CLAEH: : A private university offering a medical degree in Maldonado.

5. R&D ECOSYSTEM AND NEW DEVELOPMENTS

Pharmaceutical production activities are supported by a dynamic innovation ecosystem that helps companies launch new products and collaborate with research groups on joint innovation projects. This ecosystem includes sectors such as food, veterinary and human health products, and cannabis by-products, providing a solid foundation for innovation through specialized institutions that promote these activities.

FIGURE 3
Innovative ecosystem

According to the National System of Researchers (SNI), there are nearly 1,600 researchers in the Life Sciences field. These researchers are part **of more than 167 research groups** across both the public and private sectors, which has supported the growth of startups in recent years. These research groups, composed of highly qualified scientists—most trained abroad—develop processes and products that meet international quality standards.

TABLE 5
Researchers by area
March 2026

Area	Number of researchers
Agricultural Sciences	**349**
Medical and Health Sciences	**287**
Health Biotechnology	37
Health Sciences	74
Basic Medicine	119
Clinical Medicine	42
Other Medical Sciences	15
Biological Sciences	**349**
Other Natural and Exact Sciences	**402**
Social Science	**461**
Humanities	**235**
Engineering and Technology	**235**
Total	**2,318**
Total Pharma + Life Science	**1,622**

Source: Uruguay XXI based on the National System of Researchers (SNI).

In Uruguay, the pharmaceutical sector is supported by a broad network of research institutions and business incubators with state-of-the-art technological platforms, and a skilled workforce. These ecosystem actors not only collaborate on industry-related projects but also provide specialized training for sector personnel. This network of academic research groups and service-oriented startups forms a strong and functional innovation ecosystem supporting the development of projects and R&D centers, while promoting exports and attracting investment.

Key organizations include Instituto Pasteur de Montevideo, Uruguay Innova (U+I), Laboratorio Tecnológico del Uruguay (LATU), Polo Tecnológico de Pando, Instituto de Investigaciones Biológicas Clemente Estable, Centro de Investigaciones Biomédicas (CEINBIO), Centro Uruguayo de Imagenología Molecular (CUDIM), Instituto de Higiene, and Centro Biotecnológico de Investigaciones e Innovación (CBI+I).

Institut Pasteur de Montevideo

Instituto Pasteur de Montevideo: a research center focused on biotechnology applied to human and animal health, providing scientific services to companies and conducting international R&D projects.

Uruguay Innova (U+I): a public policy initiative aimed at coordinating and strengthening the science, technology, and innovation ecosystem, promoting research, entrepreneurship, and competitiveness.

Laboratorio Tecnológico del Uruguay (LATU): an institution that supports innovation and competitiveness by offering scientific, technological, and knowledge-transfer services.

Latitud (Fundación LATU): an organization focused on R&D&I projects, specializing in applied research, pilot plants, and technology collaboration.

Parque Científico y Tecnológico de Pando (PCTP): an innovation center that fosters collaboration among academia, industry, and government, focusing on biotechnology, chemistry, and pharmaceutical technologies.

Polo Tecnológico de Pando: a research and development center of the School of Chemistry (UdelaR), specializing in chemistry, biotechnology, and materials science.

Instituto de Investigaciones Biológicas Clemente Estable: a public institution dedicated to research in the life sciences and to training human resources in science and technology.

Centro de Investigaciones Biomédicas (CEINBIO): an interdisciplinary center conducting research in biochemistry, cell biology, and pharmacology, with strong academic and scientific ties.

Centro Uruguayo de Imagenología Molecular (CUDIM): a center specializing in diagnostics, clinical research, and development in health sciences, particularly in oncology and neurology, including theragnostics and radiopharmacy.

Instituto de Higiene: an academic institution engaged in research, teaching, and disease prevention, focused on communicable diseases.

Instituto Nacional de Investigación Agropecuaria (INIA) – Biotechnology unit: a center developing biotechnological tools for productive sectors, with expertise in plant, animal, and microbial research.

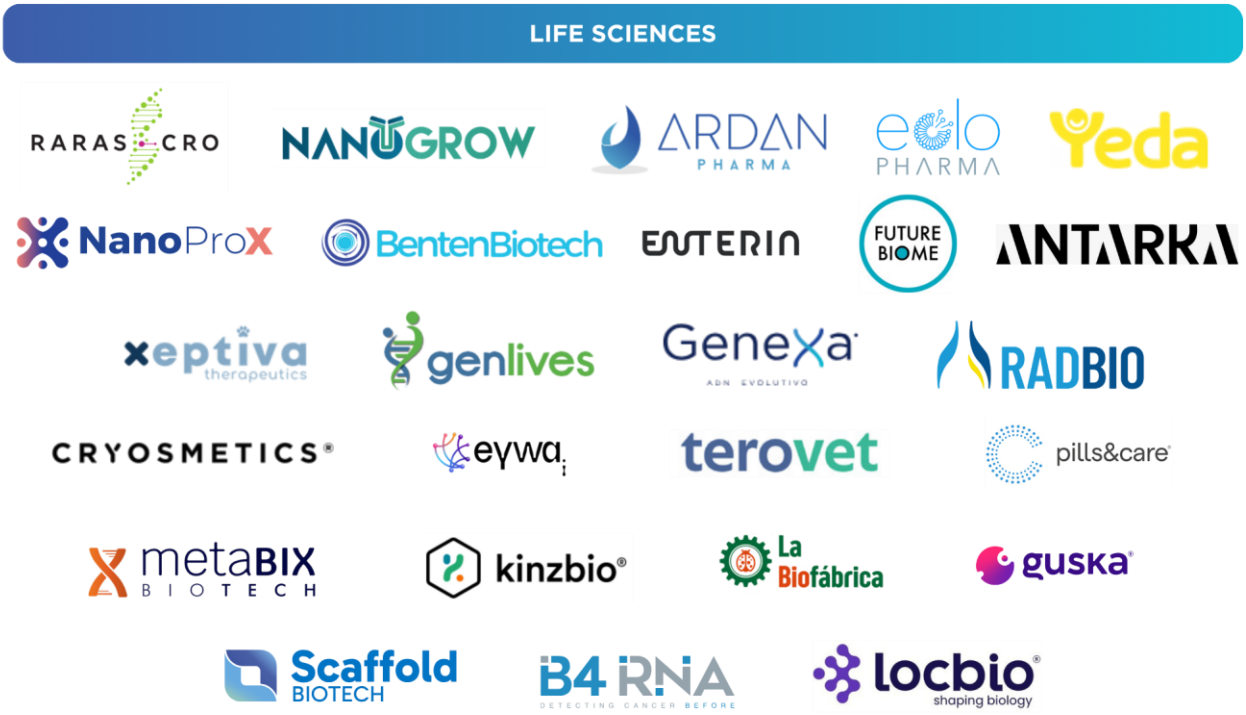
Khem: a technology-based business incubator at Polo Tecnológico de Pando, with laboratory facilities for biotechnology startups.

CIE BIO: an incubator supported by UTEC and ORT that fosters the development of innovative biotechnology startups and their entry into the market.

This dynamic ecosystem plays a central role in promoting innovation through collaboration between companies and research institutions. It has enabled the creation of over 40 biotechnology startups, mainly focused on human health. In addition to facilitating industry projects, these institutions provide specialized training, and the equipment and infrastructure needed to carry out these activities—resources that firms would otherwise need to supply themselves, which could impact their daily operations.

Most of these institutions, along with free trade zones offering dedicated platforms, technologies, and services for life sciences companies (such as Zonamerica and Parque de las Ciencias), are located in the Montevideo metropolitan area, creating a strong innovation hub.

FIGURE 4
Startups



5.1 CHARACTERIZATION OF THE BIOTECHNOLOGY ECOSYSTEM IN URUGUAY

This chapter is based on a study commissioned by the Agencia Nacional de Investigación e Innovación (ANII), Uruguay XXI, and the Inter-American Development Bank (IDB), representing the first systematic effort to describe Uruguay's biotechnology business ecosystem. The analysis is based on a comprehensive survey of companies in the sector, conducted via a self-administered questionnaire between July and September 2025. Based on this information, the report evaluates the sector's scope and highlights its main capabilities, dynamics, and growth challenges.

The survey highlights several structural elements that shape the current development of Uruguay's biotechnology sector and are key to understanding its potential and future challenges.

Firstly, Uruguay's biotechnology ecosystem has remained relatively small but highly dynamic, especially over the past decade. The creation of companies has steadily accelerated since 2014, driven mainly by science- and technology-based startups, which now make up the majority of

the sector. Although the ecosystem is still in an early stage of consolidation, there are clear signs of growth.

Secondly, the sector is strongly focused on research and development. Biotechnology companies, particularly startups, maintain a high level of R&D activity, allocating a significant portion of their resources to knowledge creation. This not only reflects the scientific nature of the sector but also its close connection to the national science and technology system, which serves as a foundation for new ventures and innovations.

The analysis highlights the coexistence of two complementary business profiles. Startups operate as highly knowledge-intensive organizations, with flexible structures, focused on innovation, and early international engagement. While they represent a smaller share of employment, they are highly specialized in R&D. In contrast, established companies account for the majority of employment—around 70%—as well as most sales and exports, playing a key role in expanding production and consolidating markets. This duality creates an ecosystem in which innovation and production capacity are distributed across different types of actors.

Regarding international engagement, the sector has made notable progress, although it remains in its early stages. Uruguayan biotechnology companies are export-oriented and participate in global knowledge and production chains. However, this engagement is highly specialized, and startups remain dependent on imported inputs.

The ecosystem stands out for its innovative capacity. In recent years, many new products have been introduced, including developments that are internationally novel, positioning the sector as a source of innovation rather than simply an adopter of external technologies. This is complemented by increasing activity in intellectual property and an emphasis on global markets.

Another key feature is the high level of coordination among stakeholders. Most companies maintain cooperative links, particularly with institutions within the science and technology system, both nationally and internationally. These networks play a central role in technology validation, access to infrastructure, and market integration, becoming a structural component of the sector.

Geographically, the ecosystem is highly concentrated in the metropolitan area, especially in Montevideo and Canelones. This concentration reflects proximity to scientific capabilities,

infrastructure, and specialized services, though it also poses challenges for decentralization and balanced regional development.

Overall, these elements position Uruguay as an emerging biotechnology ecosystem, with comparative advantages in talent, strong institutions, and public-private coordination.

ANNEXES

REGULATORY FRAMEWORK

To access the annex with information on the regulatory framework for the sector in Uruguay, please refer to the following link: Regulatory Framework

URUGUAY IN FIGURES

Official name	Oriental Republic of Uruguay
Geographical location	South America, located between Argentina and Brazil
Capital	Montevideo
Surface Area	176,215 km2 and 95% of the territory is productive land suitable for agriculture and livestock farming.
Population (2025)	3.44 million
GDP per capita (2025)	US$ 24,765
Currency	Uruguayan Peso ($)
Literacy rate	0.98
Life expectancy at birth	77.9 years of age
Form of government	Democratic republic with presidential system
Political division	19 departments
Time Zone	GMT - 03:00
Official language	Spanish

KEY ECONOMIC INDICATORS

Indicators	2021	2022	2023	2024	2025	2026*
GDP (Annual Variation %)	5.8%	4.6%	0.8%	3.3%	1.8%	1.6%
GDP (Million US$)	60,709	71,319	79,101	82,291	85,193	91,060
Population (Million people)	3.44	3.44	3.44	3.44	3.44	3.44
GDP per capita (US$)	17,643	20,710	22,994	23,922	24,765	26,471
Unemployment Rate - Annual Average (% EAP)	9.3%	7.9%	8.3%	8.2%	7.5%	7.6%
Exchange Rate (Pesos per US$, Annual Average)	43.6	41.1	38.8	40.2	41.3	41.0
Exchange Rate (Average Annual Variation)	3.6%	-5.6%	-5.6%	3.6%	2.6%	-0.8%
Consumer Prices (Accumulated annual variation %)	8.0%	8.3%	5.1%	5.5%	3.7%	4.4%
Exports of goods and services (US$ millions)**	19,991	23,562	22,304	23,443	23,471	25,557
Imports of goods and services (US$ Millions)**	15,448	19,653	19,450	19,231	19,510	20,991
Trade surplus / Deficit (Millions of US$)	4,543	3,908	2,854	4,212	3,961	4,566
Trade surplus / Deficit (% of GDP)	7.5%	5.5%	3.6%	5.1%	4.6%	5.0%
Overall Fiscal Result (% of GDP)	-4.1%	-3.4%	-3.2%	-4.1%	-4.4%	-
Gross Capital Formation (% of GDP)	18.2%	18.6%	17.7%	15.9%	16.2%	-
Gross Public Sector Debt (% of GDP)	69.8%	67.0%	67.6%	66.3%	75.3%	-
Foreign Direct Investment (Millions of US$) ***	2,977	3,386	2,434	-1,906	687	-
Foreign Direct Investment (% of GDP)	4.9%	4.7%	3.1%	-2.3%	0.8%	-

*Projected data are shown in red.
Sources**:** BCU, INE, MEF, and estimated data (*). Fiscal balance data include the effect of Law No. 19,590 (pension system reform affecting workers nearing retirement age). In 2017, the BCU adopted the methodology of the sixth edition of the Balance of Payments Manual, which includes trade in goods and re-exports. This methodology is available from 2012 onwards. Data are reported as net flows and may therefore take negative values (**).

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