

# Sectorial report

# INDUSTRIAL PARKS



2020

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## 1. Why settle in an Industrial Park in Uruguay?

- » After a decade and a half of strong growth, the Uruguayan economy is proving to be resilient to the region's recessionary pressures, albeit at more modest rates of expansion. Uruguay is now the most equitable country with the highest per capita income in Latin America. By 2020, the country is expected to have a GDP growth of 1.7% year-on-year.
- » The manufacturing industry represents 12.6% of the economy as a whole. Uruguay's industrial sector grew at an average rate of 1.5% between 2008 and 2018.
- » Uruguay enjoys strong confidence from both domestic and foreign investors. During the last decade it was the second recipient of Foreign Direct Investment (FDI) in relation to GDP (5.3%), and the second country in terms of profits reinvested over total profits (61%) in Latin America.
- » The main rating agencies awarded Uruguay the Investor Grade and maintained it, which reflects the confidence generated by the country's institutional framework and the conduct of economic policy.
- » Uruguay has a complete legal framework that provides the broadest guarantees and clear rules of the game, in addition to granting attractive incentives to investors. The Investment Promotion and Protection Law No. 16.906, approved in 1998, with its current regulatory decree 002/012, provide an attractive regime for investment in Uruguay. Foreign investment receives by law the same treatment as national investment.
- » Uruguay's regulatory framework offers significant advantages for the operation of industrial parks. Law 17.547 provides important incentives for companies wishing to set up in them. In particular, the installation in IPs increases the benefits granted by the Investment Promotion Law, as well as grants several exemptions and specific tax credits.
- » Likewise, the Law for the Promotion and Development of Industrial and Scientific-Technological Parks No. 19.784 was recently approved, whose main objective is to increase the incentives granted by the current regulations, in order to further stimulate investment in our country.
- » Industrial parks generate synergies among the companies that set up in them since they share costs of inputs such as light, water, physical infrastructure (roads, lighting, effluent treatment and similar), internet, cleaning, waste disposal and surveillance, among others.
- » There are industrial parks where several links in the vertical chain of production are articulated and this further develops the functionality of the parks. This in turn promotes the development of industries related and auxiliary to the main activity of the IP, generating an atmosphere conducive to the dissemination and technological learning, innovation, specialization of work and increased competitiveness<sup>1</sup>.

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<sup>1</sup> Rodríguez Miranda, A. and others (2014) "La herramienta "Parques industriales" y el desarrollo territorial: algunas reflexiones sobre la iniciativa en Uruguay". Documentos de Trabajo 02/2014. IECON, FCCEEyA, Universidad de la República, Uruguay

- » Uruguay has 8 Industrial Parks in operation and another 3 approved and in the set-up phase.
- » Other regimes that reflect the desire to promote industrial and regional development are the Free Zone, the Port and Free Airport, customs warehouses and temporary admission.

## 2. Definition and classification of Industrial Parks

An industrial park is considered to be "a plot of land, developed and subdivided into land lots, according to a general plan, with roads, means of transport and public services, with or without constructed factories, sometimes with and sometimes without common services and facilities, and intended for the use of a community of industrialists"<sup>2</sup>. This definition shows the relationship between companies as a form of collaboration and it is extracted that the concept is more specific than that of industrial area or industrial zone.

UNIDO classifies IPs based on certain characteristics and criteria:

- Depending on the location:
  - urban parks
  - semi-urban parks.
  
- Depending on the type of activity that takes place in the park:
  - specialized park (focused on an industry),
  - composite (with various activities not necessarily connected)
  - auxiliary (several companies supplying a larger industry).
  
- Depending on the objective that the park fulfills as a policy:
  - development or promotion,
  - dispersion (or relocation).
  
- Depending on the sponsor:
  - State-sponsored
  - Privately sponsored
  - mixed.

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<sup>2</sup> United Nations Industrial Development Organization (UNIDO)

### 3. Regulatory framework

Companies that set up in Industrial Parks can obtain both the general investment benefits as well as the specific benefits of Industrial Parks.

#### a. General investment promotion regime

Uruguay has had an active policy for several years to encourage investment in the country.

Law 16.906 (1998) declares the promotion and protection of national and foreign investments to be in the national interest. As a main feature to be highlighted, the foreign investor enjoys the same incentives as the local investor; there is no discrimination from the tax point of view and no restrictions for the transfer of profits abroad.

Decreets 455/007,002/012 and 143/018 updated the regulations of the Law. For investment projects in any sector of activity that are presented and promoted by the Executive Branch, it is allowed to exempt from Corporate Income Tax (IRAE) between 20% and 100% of the amount invested, according to the type of project and the score resulting from an indicator matrix<sup>3</sup>. The single national IRAE rate is 25%. Also exempted from the Net Worth Tax are the movable assets of fixed assets and civil works, and VAT is recovered on purchases of materials and services for the latter. Likewise, said law exempts from rates or taxes the importation of movable goods of the fixed asset, declared non-competitive of the national industry.

#### b. Promotion of Industrial Parks

The investment promotion focused on the Industrial Parks (hereinafter PI) regime is based on Law 17,547 of 2002 and Decree 524/005, which declares the promotion of these parks to be of national interest. These regulations provide tax benefits for companies that set up in the PIs as well as for those that operate them.

Decree 524/005 defines an industrial park as: "that lot of land owned by the public or private sector, urbanized and subdivided into plots, equipped with public and private services and common facilities, for the purpose of installing and operating productive establishments and related services".

The IP must have internal roads as well as easy access to the national transportation system that allows safe and fluid transit. Another fundamental factor is the correct supply of energy and a system for waste treatment.

Those interested in setting up an industrial park can be private or state agents of both national and departmental character.

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<sup>3</sup> The matrix of indicators is available in the chapter on Promotional Investment Schemes of the Investor's Guide, available at <http://www.uruguayxxi.gub.uy/guia/Index.html>

The Executive Branch, in agreement with the departmental government, is the one who authorizes and empowers the IPs. There is an advisory commission created within the Ministry of Industry, Energy and Mining (MIEM), which is made up of seven representatives<sup>4</sup>. For the purpose of granting authorization to companies wishing to set up in an IP, it will be taken into account:

- their contribution to the creation of jobs,
- the occupation of labor based in the reference urban center,
- import substitution,
- technological progress,
- export growth and
- the opening of new markets.

The National Development Corporation (CND) may set up industrial parks with the obligation to allocate one or a substantial part of them to micro and small enterprises. Also the Departmental Governments (by themselves or in association with each other) may install IP in the territory of their jurisdiction. In these situations they will be able to enjoy the incentives granted by the law.

### **c. New regime of Industrial Parks and Scientific-Technological Parks Law No. 19.784<sup>5</sup>**

The regulation of this law is already in the process of being exchanged between the different actors involved and is expected to be in force soon.

This Law was created with the objective of "stimulating industrial value chains, through investment, value aggregation, research, innovation, knowledge generation, technological progress and job creation, in a spatial environment of promoting association and generating synergies, and seeking the geographical decentralization of economic activities" (Art. 1).

This regime, in addition to adopting the already well-known figure of Industrial Parks, introduces for the first time that of Science and Technology Parks (PCT from now on), with some differential requirements; for example, regarding the users to be established and the necessary infrastructure.

As for the former, from now on, in addition to the manufacturing industry and related services, service companies from different areas such as: audiovisual, logistics services, ICTS, as well as training, qualification, research and innovation institutions, among others, may also make use of the tool.

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<sup>4</sup> MIEM that presides it; Congress of Quartermasters, MEF, MVOTMA, OPP, CIU and PIT-CNT. Source: MEF, MVOTMA, OPP, CIU and PIT-CNT: Article 5, Law 17.547.

<sup>5</sup> See <https://www.miem.gub.uy/noticias/nuevo-regimen-de-parques-industriales-y-parques-cientificos-fue-aprobado-ley>  
<https://www.impo.com.uy/bases/leyes/19784-2019>

With regard to the minimum infrastructure installed in order to be qualified, Article 3 stipulates that PCTs must have:

- Research laboratories with the corresponding security infrastructure for the activities carried out there.
- Facilities for testing innovative technological developments.

In another sense, as mentioned above, it is considered that the instrument could have a greater impact than it currently has, so this law seeks to reinforce the incentives granted by the current regulations.

Some of the modifications established are (Arts. 12 y 13):

- Exemption from IRAE for up to 100% (one hundred percent) of the amount actually invested.
- Exoneration from Net Worth Tax on assets that:
  - Assume fixed improvements with industrial and agricultural activities.
  - Other goods, procedures, inventions or creations that incorporate technological innovation and involve technology transfer.
- Exemption from fees and taxes, including the Value Added Tax (VAT), on the importation of fixed assets destined for the operations of the installer, as well as fixed assets and materials destined for the civil work corresponding to the installer, as long as they do not compete with national industry.
- Credit for the VAT included in the acquisition in the place of the services destined to the civil work of the installer and of the goods indicated in the previous literal.

### **The regulation of this Law is given through Decree No. 79/20<sup>6</sup>**

This decree indicates that in case of granting benefits in relation to the IRAE, the amount of the exempted tax and the term to benefit from the exemption will be increased by 15%. Users who carry out any of the following activities shall be eligible for this benefit:

- a. Industrial activities.
- b. Providing services such as storage, conditioning, selection, classification, fractioning, assembly, disassembly, handling or mixing of goods or raw materials, linked to the activities carried out in the park. Linked means that service belonging to the industrial value chain.

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<sup>6</sup> [Decree No. 79/20](#).

- c. Thermal and/or photovoltaic solar energy generation activities within the framework of promotional measures of the Executive Branch in force at the time of the presentation of the project, decrees, ministerial resolutions and/or contracts with UTE.
- d. Activities for the recovery and use of waste.

Service activities in the areas of information and communication technologies, biotechnology, creative industries, given their potential to contribute to the objectives set out in Article 1 of Law 19784.

There are also benefits in terms of **employer contributions** for IP and CTP users who carry out activities:

- industrialists
- operations of storage, conditioning, selection, classification, fractioning, assembly, disassembly, handling or mixing of goods or raw materials, provided that they are exclusively associated with the industrial activities installed in the parks

Finally, users also benefit from electricity tariffs. In this respect, UTE may establish for the installer and/or each user of IP and CTP, a promotional tariff that will include:

- a. an energy price equal to that which would correspond if the overall consumption of the park and its users were deemed to be that of a single subscriber.
- b. fixed charges for the installer and/or each user according to their individual energy consumption.
- c. The tariff may not imply for the installer and/or its users, each considered individually, a price of energy or fixed charge higher than those derived from the ordinary tariff. The installer and/or the users of IP and CTP may request at any time the modification of the tariff.

At the start of operations of the IP and CTP, the tariff that may be established by a joint venture shall take into account the final project enabled for its operation and shall be reviewed every two years as from the start of operations of each park.

## 4. Advantages of setting up in an Industrial Park

IP are tools widely used worldwide due to the success they have had, becoming a tradition in the developed world with more than 115 years of use in Europe and a rapid import of this model by the United States, Asian and Latin American countries.

Some of the main advantages of IP are listed below.

## 4.1 Cost reduction through cooperation

Due to their structure, the IPs generate a great variety of advantages and virtuous processes for the companies that are installed there.

In IPs there is a concentration of companies in the same property that invest in inputs, infrastructure, surveillance, and other services. By doing so jointly, they generate economies of scale and lower costs. In turn, concentration is also convenient for the State since it facilitates and reduces the costs of providing services to companies (water, electricity, connectivity, sanitation, among others) and regulates aspects related to territorial planning (noise, traffic, public transportation lines, etc.).

If the companies operating within the parks are from the same sector or sectors of the same chain, even greater synergies are produced, since logistics costs are reduced for both companies and suppliers who will be able to deliver inputs to more than one company at a time. This in turn may allow the development of related and ancillary industries to the core business of the IP industries, generating not only the above-mentioned cost reductions, but also an environment conducive to technological diffusion and learning, and an atmosphere conducive to innovation and specialization<sup>7</sup>.

The IP is transformed into a center that generates employment and improves the environment in which it is installed. This happens because specialized universities that maintain a relationship with the IP repeatedly move to this location; the same happens with other services that supply the establishment as well as with the infrastructure necessary for its operation. Therefore, the installation of an IP in a certain location usually implies a transformation of the location from the supply of the IP and the area is transformed into a more prosperous environment.

Based on this, the location of a certain park is designed for territorial distribution purposes, since it allows the promotion of the territorial development of the area where it is located. At the same time, the determination of the location where an IP can be installed can be explained by a motivation not to generate conflicts between land uses or possible visual or real contamination.

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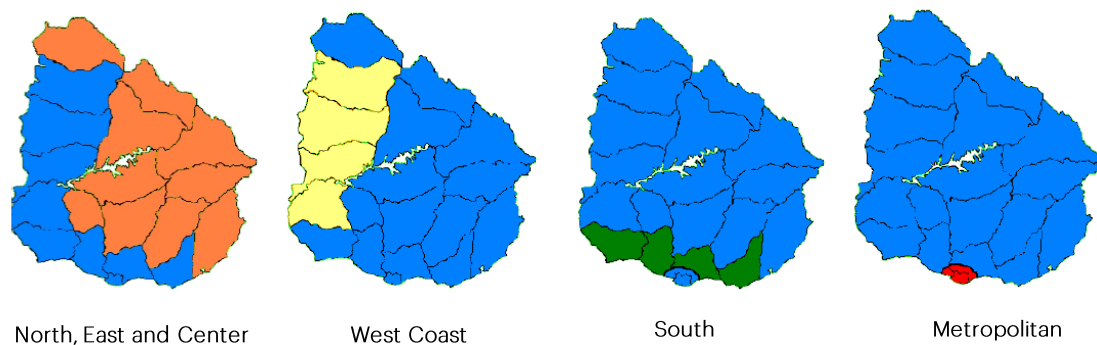
<sup>6</sup> Rodríguez Miranda, A. and others (2014) "La herramienta "Parques industriales" y el desarrollo territorial: algunas reflexiones sobre la iniciativa en Uruguay". Documentos de Trabajo 02/2014. IECON, FCCEEyA, Universidad de la República, Uruguay

## 4.2 Tax benefits for the installation of IPs by zones.

Through its regulations, the State grants incentives associated with the location of the IPs in order to advance towards greater decentralization. With this objective, the country was divided into four regions:

- north, east and center,
- west coast,
- south, and
- Montevideo metropolitan area.

**Image 1 - Map of IP zoning <sup>8</sup>:**



These areas were assigned different incentives, such as differentiated tax benefits in the decree that regulates the Act. In legal terms, a priori an IP can be installed in any location.

Investments made by companies located in IP will be exempted from IRAE on the basis of a system known as self-channeling of savings<sup>9</sup>. This system exempts a certain percentage of the net taxable income of the year or years in which the investment is actually made, financed with profits generated by the execution of the project, which are capitalized or distributed as dividends in shares.

Initially, this plan grants a 50% exemption on the reinvestment of profits. This percentage increases according to the area in which the company is installed:

- metropolitan area: 56.25%,
- south zone: 62.5%,
- west coast: 68.75%, and
- North, East and Center: 75%.

Other incentives that companies installed in the IPs have refer to the period they have to materialize the tax benefits: 3 fiscal years in the case of the metropolitan area, 4 years for the

<sup>7</sup> Source: IECON

<sup>8</sup> It should be noted that the use of this benefit is not compatible with Article 28 of Decree 143/018, which regulates the investment law.

south zone, 5 years on the west coast and 6 years in the Parks of the north, east and center zone.

The installers of the parks also enjoy other tax benefits<sup>10</sup> according to zones. In the case of the IRAE, the amortization periods of the investments in the north of the country are extended according to the following table:

Zone	Civil works	Equipment
North, east, center	9 years	2 years
West Coast	11 years	3 years
South	13 years	4 years
Metropolitan	15 years	5 years

In addition to these benefits, there is total tax exemption on imports of non-competitive machinery and equipment from domestic industry.

With respect to the Value Added Tax (VAT), credits will be granted for the purchase of materials and services for the construction of civil works, machinery and equipment. For the departmental governments, the tax credits will be applied to the purchase of goods and services and fixed assets that are necessary for the operation of the IP.

### 4.3 "Non-ownership" of the premises

The Bylaws of each Park, present for its authorization, will determine, among other things, the system of ownership of plots and improvements. In this way, if it is considered appropriate, the companies installed in the IP can occupy a property in rental condition, without being owners of the surface area.

### 4.4 Use of the PI scheme.

Companies located in the IPs have applied for both the general investment promotion scheme and the industrial park scheme. They have the possibility to apply for both schemes in a complementary way by accessing different benefits. Decree 002/012 added two particular benefits to those already granted to companies:

- 15% additional in the general benefits of the decree to companies installed in IPs<sup>11</sup>,
- possibility of a tax credit for the employers' contributions associated with the incremental jobs for the project promoted over a period of 5 years.

<sup>9</sup> Exemption of fixed assets from wealth tax for seven years, accelerated IRAE amortization.

<sup>10</sup> For more information:

[http://www.mef.gub.uy/unasep/documentos/Informe\\_nueva\\_metodologia\\_de\\_evaluacion\\_de\\_proyectos\\_de\\_inversion.pdf](http://www.mef.gub.uy/unasep/documentos/Informe_nueva_metodologia_de_evaluacion_de_proyectos_de_inversion.pdf)

Depending on the characteristics of the companies, the schemes provide different tax benefits. In particular, this regime is more beneficial for large companies that use primary technology, with little employment generation and that cannot access the benefits granted by Law 16.906 for investment in clean production or research and development.

COMAP is the body responsible for granting the benefits to companies and for monitoring that they are complementary.

#### 4.5 Competitiveness <sup>12</sup>

IPs enter into the new definition of competitiveness since usually the industries and companies that are installed within these parks have the characteristic of investing in development, research and innovation, training their employees and generating value chains. They also encourage product differentiation and special cooperation between companies<sup>13</sup>. Thus, the organization within the parks is based on innovative companies and entrepreneurs, with a cooperative attitude expressed through networks of exchange and mutual support in the productive, commercial and technological.

The concept of competitiveness mentioned is not a product of the particular organization of the parks, but rather the effect of the synergies between the companies located there generates a change in the productive structure, generating productive chains, clusters, local productive systems and networks of companies.

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<sup>11</sup> Rodríguez Miranda, A. and others (2014) (2014) “La herramienta “Parques industriales” y el desarrollo territorial: algunas reflexiones sobre la iniciativa en Uruguay”. Documentos de Trabajo 02/2014. IECON, FCCEEyA, Universidad de la República, Uruguay

<sup>12</sup> Definition of competence in a territorial development, definition shared by Vásquez; Barquero, 2005; and Rodríguez Miranda, 2006

## 5. Industrial Parks in Uruguay <sup>14</sup>

Uruguay currently has 8 Industrial Parks in operation and another 3 approved and in the process of installation. In addition, there are 9 other projects in the process of evaluation. In this sense, the aim is to promote this tool and encourage entrepreneurs to take advantage of the tax benefits. This is a relatively new tool that has aspects to be improved since, over time, the need to make improvements has been detected. This will be promoted as there is a clear political will to make this tool more widely available and better used.

### 5.1 Approved and installed parks

Since the promulgation of Law 17.547 and Decree 524/005, new IPs have been approved, many of which are already in place. Most of them are installed in the department of Canelones and the rest in the coast of the country.

#### A. Plaza Industrial S.A "Zona Este" ("East Zone").<sup>15</sup>

The Industrial Park S.A. has a property of 18 hectares in lots of 2,000 and 7,000 m<sup>2</sup>, here has been an investment of U\$S 14.5 million.

Different companies from different sectors work there:

- Danone (food industry - dairy, distribution),
- L'oreal (beauty, chemistry),
- Mondelez International (ex Kraft Foods; food),
- Cacao del Plata S.A. (food industry),
- F. Pache S.A. (food)
- Williams (chemicals),
- Mecalux (logistics)
- Maxion Montich (chassis manufacturing)
- Axionlog Cold Solutions (logistics)
- East Zone Mini-Deposits
- Nestlé (food, in the process of installing a new plant)

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<sup>13</sup> Source: Administration of Industrial Promotion Actions. National Directorate of Industries. Ministry of Industry, Energy and Mining.

<sup>14</sup> <http://www.zonaeste.com.uy/> (The Park was approved in September 2013 by Resolution No. 451/008 of the Executive Branch).

## B. Juan Lacaze Industrial Park <sup>16</sup>

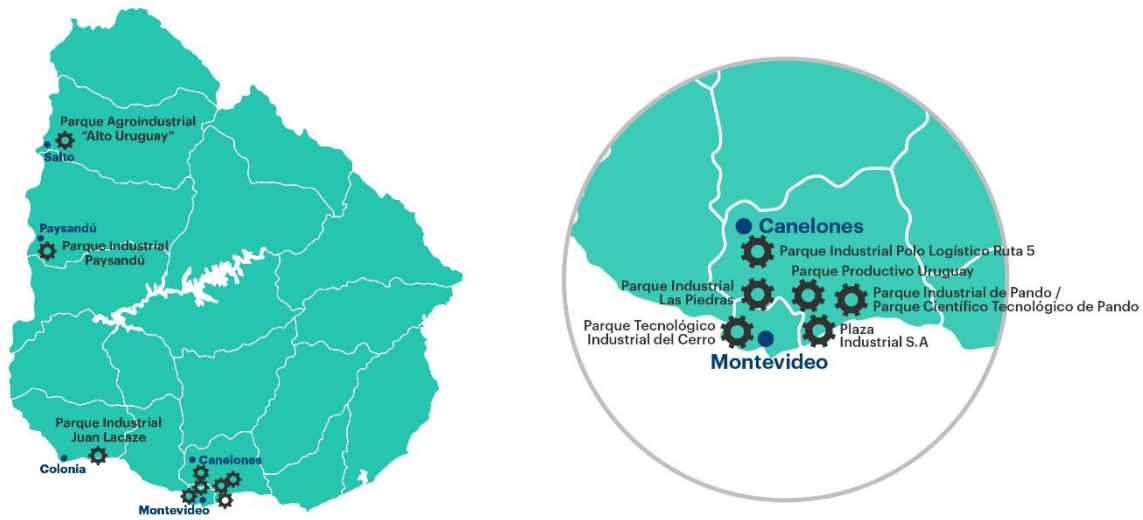
It is an undertaking of the Municipality of Colonia and CND, administered through the Juan Lacaze Economic Development Agency. The following companies are installed in this IP:

- **Ethos Cooperativa Textil** – dedicated to the manufacture of work clothes and uniforms for institutions. These are products destined for the local market.
- **FUTSA** – Manufacture of trailers and axles for heavy machinery.
- **Cooperativa Textil Puerto Sauce** – Concentrates on the manufacture of blankets, yarns and carded fabrics for the domestic market and for export.
- **Tecnolet S.A.** – workshop for motor winding and electrical installations. It provides outsourced services to Fanapel, among other companies.
- **Vanoray (Sintepiel)** – dedicated to the manufacture of synthetic materials for the footwear and leather goods industry.
- **DIMENA** - marketing of raw materials and chemical products for different industrial sectors.
- **Fatichos S.A.** - Import and work of Telgopanel, profiling, plasterboard and cementitious.
- **BARNEST** – services of installation and industrial maintenance in general, in particular assemblies and industrial pipes.
- **Mizarmar S.A.** – factory of closures for export.
- **UTU** – Agreement between the Industrial Park and the UTU, for what has been called an "educational-industrial circuit", for training, internships, business incubators, work history: first job.
- **Nautiplan** – Company dedicated to nautical repair.
- **MSI** – Metallurgical company, industrial maintenance, assemblies.
- **Granja Pocha** – Dairy company that has a sector dedicated to the assembly of machinery and inputs for the expansion of its industrial plant.

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<sup>15</sup> <http://www.parqueindustrialjuanlacaze.com/> (The Park was approved in October 2010 by Resolution No. 835/010 of the Executive).

Picture 2 - Industrial parks in Uruguay<sup>17</sup>



### C. - Paysandú Industrial Park<sup>18</sup>

Property of the Municipality of Paysandú. In the Industrial Park's premises are currently installed:

- **Liberkal S.A.** – Company that reprocesses certain tannery waste products, salting them for later marketing.

Companies that are part of the TECNOGROUP group

- **AC CONSTRUCTORA (ex Edelbon SA)** – It is made up of several production units: Tile factory, concrete beam and plate factory, block factory, wire mesh factory.
- **ISLERYL SA** – factory of photovoltaic solar panels of crystalline silicon. This factory will supply this product mainly at national level and in Latin America.
- **VUSMER SA (ex KISELY SA)** – factory of metallic structures. They will support photovoltaic solar panels and supply them nationally and in Latin America.
- **LAFEMIR SA** – Laboratory for Tests and Quality Control, Power Equipment Assembly, Photovoltaic Parks Development.
- **RADITON SA** – It is a photovoltaic park with generation of 8 MW that will occupy 17 hectares.
- **HESDUR SA**

<sup>16</sup> Source: Uruguay XXI en base a MIEM.

<sup>17</sup> The Park was approved in April 2012 by a Resolution of the Executive Branch.

#### D. - *Parque Tecnológico e Industrial del Cerro*<sup>19</sup>

On the grounds of the former “Frigorífico Cerro” (Cerro Cold Store), taking advantage of the existing buildings that were suitable for the companies that were installed, also making new constructions by some companies. This Park was approved in December 2014.

There are more than 70 companies, mainly dedicated to environmental activities, food, textiles, metallurgy, wood production, plastic and glass, as well as electrical products and other production activities, repair and related services<sup>20</sup>.

#### E. - *Parque Productivo Uruguay*<sup>21</sup>

It is an Industrial Park of Services and Logistics, in the outskirts of the city of Suarez, in a 150 hectare property. The IP offers the necessary infrastructure for the installation of different types of enterprises, the investment for its creation was USD 3.1 million. It has three companies installed in its property:

- **DINAMERICA S.A.** – Representative and distributor of HENKEL cleaning and cosmetics, as well as other important international brands.
- **PENGO S.A.** – Uruguayan subsidiary of an important Brazilian agro-food company in the coffee sector.
- **CONBOX** – Self storage

#### F. *Parque Industrial de Pando*<sup>22</sup>

Near the city of Pando, in a property near IPUSA. It has an extension of 70 hectares, with all the services, in an industrial zone and has awarded more than half of the property to companies from different sectors. It was created as an urban planning project that contemplates the possibility of technology-based companies setting up on the site to work in various R+D areas, and works to articulate the needs and requirements of the business sector with the research and development possibilities of the National Innovation System, mainly the Pando Technology Centre.

#### G. *Parque Industrial Polo Logístico Ruta 5*<sup>22</sup>

Logistics and industrial park developed and managed by Grupo RAS, with an area of 80 ha, on National Route 5, in the metropolitan area of Montevideo. The Project contemplates, among other things, allocating half a million m<sup>2</sup> to logistics activity, a fiscal area of 30,000 m<sup>2</sup> and an area with industrial priority of 60,000 m<sup>2</sup>.

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<sup>18</sup> <http://www.pti.com.uy/>

<sup>19</sup> [http://www.pti.com.uy/?page\\_id=422](http://www.pti.com.uy/?page_id=422)

<sup>20</sup> <http://www.ppu.com.uy/es/> (El Proyecto fue aprobado por la Comisión Asesora de Parques Industriales el 11 de marzo de 2013. También fue declarado de Interés Promocional al amparo de la Ley 16.906).

<sup>21</sup> <http://www.pctp.org.uy/es/>

<sup>22</sup> <https://www.polologisticoruta5.com/>

### **H. Parque Científico-Tecnológico de Pando**

PCTP was created by Law 18.362. It offers companies the possibility of carrying out their research and innovation projects with professional scientists located on the same premises. In turn, it offers advice to firms, both those that are installed and those that are not, on issues related to the management of intellectual and industrial property, proof of concept, market research, search for strategic partners, support for obtaining funding for courses and workshops, commercialization of knowledge, evaluation of business opportunities, and technology watch studies.

The current areas of R+D+i are:

- Biotechnology
- Food and Nutrition
- Bio-analytics
- Fine chemicals
- Nanotechnology
- Renewable energies

## **5.2 Approved parks in the process of installation**

### **A. - Parque agroindustrial “Alto Uruguay”<sup>23</sup>**

This is the property of the Municipality of Salto, located at the crossroads of National Routes 3 and 31. It is the center of the horticultural area surrounding the city of Salto.

### **B. - Parque Industrial Las Piedras**

It is located at km. 24 of Route 5, has an industrial and logistic profile as well as an extension of 60 hectares. It is developed by Millares S.A.

### **C. - Ecopark**

It will be located in the census N° 8760 Suburban, of the 7th Judicial Section of the Department of Canelones, cadastral locality Barros Blancos.

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<sup>23</sup> <http://www.altouruguay.com/espanol.htm> (The Park was approved in March 2013 by Resolution No. 536/010 of the Executive Power).

## 6. Challenges

The industrial sector has shown sustained growth in recent years and the IPs play a leading role in boosting this growth. The IPs fulfill the objective of decentralizing the labor force, growing in an orderly manner and contributing to the diversification of the productive matrix as well as generating an infrastructure that feeds back into productivity and competitiveness through cooperation.

In addition, other productive conglomerates are evaluating their approval by the MIEM, mainly driven by the meaning of the new Regime of Industrial Parks and Scientific-Technological Parks (Law 19.784) and the increased benefits it offers.

Industrial parks constitute an important tool for the industrial sector from the point of view of generating synergies and favoring the improvement of the competitiveness of the industries that take advantage of this tool.

## Uruguay at a glance (2019)<sup>24</sup>

<b>Official name</b>	Republica Oriental del Uruguay
<b>Geographical location</b>	South America. bordered by Argentina and Brazil
<b>Capital City</b>	Montevideo
<b>Area</b>	176.215 sq mts. 95% of its territory is productive land apt for farming exploitation
<b>Population (2019)</b>	3.52 million
<b>Population growth (2019)</b>	0.3% (annual)
<b>GDP per capita (2019)</b>	US\$ 15,914
<b>Currency</b>	Uruguayan Peso (\$)
<b>Literacy index</b>	0.98
<b>Life expectancy at birth</b>	77 years
<b>Form of Government</b>	Democratic republic with presidential system
<b>Political Division</b>	19 provinces or departments
<b>Time Zone</b>	GMT - 03:00
<b>Official Language</b>	Spanish

## Main Economic Indicators 2015-2020\*

Indicators	2015	2016	2017	2018	2019	2020e
<b>GDP (Var % per year)</b>	0,4%	1,7%	2,6%	1,6%	0,2%	-2,7%
<b>GDP (US\$ Million)</b>	53.182	52.734	59.520	59.519	55.995	49.187
<b>Population (Millions of people)</b>	3,47	3,48	3,49	3,51	3,52	3,53
<b>GDP per Capita (US\$)</b>	15.339	15.152	17.039	16.976	15.914	13.930
<b>Unemployment rate – Annual Average (% EAP)</b>	7,5%	7,8%	7,9%	8,3%	8,9%	9,2%
<b>Exchange rate (Pesos per US\$. Annual Average)</b>	27,4	30,1	28,7	30,8	35,3	42,7
<b>Exchange rate (Annual Average Variation)</b>	17,6%	10,1%	-4,8%	7,3%	14,7%	21,1%
<b>Consumer Prices (Var % annually accumulated)</b>	9,4%	8,1%	6,6%	8,0%	8,8%	9,3%
<b>Exports of goods and services (US\$ millions)**</b>	15.632	14.532	16.079	16.397	16.008	13.418
<b>Imports of goods and services (US\$ millions)**</b>	13.912	11.799	12.429	13.138	12.707	9.989
<b>Commercial Surplus/Deficit (US\$ millions)</b>	1.720	2.733	3.651	3.259	3.301	3.429
<b>Commercial Surplus/Deficit (% of GDP)</b>	3,2%	5,2%	6,1%	5,5%	5,9%	7,0%
<b>Overall Fiscal Balance (% of GDP)</b>	-3,6%	-3,8%	-3,5%	-4,2%	-4,8%	-
<b>Gross capital formation (% of GDP)</b>	19,7%	17,8%	15,2%	16,5%	16,2%	-
<b>Gross Debt of Public Sector (% of GDP)</b>	59,3%	63,5%	65,3%	64,5%	66,4%	-
<b>Foreign Direct Investment (US\$ millions)***</b>	905	-1.177	-837	-487	189	-
<b>Foreign Direct Investment (% of GDP)</b>	1,7%	-2,2%	-1,4%	-0,8%	0,3%	-

<sup>24</sup> Source: GDP data were taken from the IMF. foreign trade data from IED. foreign exchange rates. international reserves. and foreign debt come from the BCU; the population growth rate. literacy. unemployment and inflation come from the INE (Statistics National Bureau). Estimated data for 2020 based on BCU surveys and Deloitte.

\*\* In 2017. the BCU adopted the methodology of the 6th balance of payments manual. The data based on this new methodology includes purchase of merchandise and re-exports and is available since 2012.

\*\*\* In 2017. the BCU adopted the methodology of the 6th balance of payments manual. The data are net flows so they can take negative values.