



Uruguay Life Sciences Factsheet



Country narrative

Uruguay is a politically stable country with a strong democratic tradition and institutions, positioned at the top of the Democracy, Political Stability and Transparency rankings in Latin America. Uruguay has enjoyed 17 years of continuous growth (the longest period in its history), with an annual average growth rate of 3.9% between 2003 and 2019 (slowed since 2017). The health sector in Uruguay has remained relatively stable in the past decade, representing 9% of Uruguay's GDP in 2019, with the public sector representing 71 percent of these expenditures. The health sector is divided into public and private sub-sectors. Health sector funding is mixed between public and private sources. Funding comes from central government funds, state transfers and user contributions.

Uruguay's strategic location, financial benefits and political and macroeconomic stability have become essential for companies wanting to upscale their business in South America. Cost reduction, predictability when targeting neighbouring markets and a General Investment Promotion Regime (11 Free Zones and free port and airport regimes, including) have positioned the country as a convenient entryway to LATAM. Foreign and local investors are welcomed and treated equally by Uruguay and a wide range of incentives are available in different sectors such as industrial, commercial or services

Sector overview

The **Ministry of Public Health (MSP)** is the authority responsible for making and enforcing health regulations. State's Health Services Administration (ASSE) is the main state provider of comprehensive health care (promotion, prevention, diagnosis, timely treatment and rehabilitation) and the authority that defines which are the products and technologies that can enter the health technology market. The National Health Plan (FONASA) provides funding to the Comprehensive Health Care Plan (SNIS), guarantying equal health coverage to all inhabitants. Because of the coverage expansion, which now reaches 2.5 million people, health spending has been rising since 2007. The average life expectancy in Uruguay reaches 81 years for women and 74.4 for men. Compared to the rest of LATAM, Uruguay has an aging society, being the average age 38 years old.

Uruguay exported £215m worth of Life Sciences products in 2021, which represented 3% of overall exports. Among the main products were dosed medicines (28%), organic surface-active agents (21%) and blood for therapeutic use and vaccines (21%). On the other hand, **imports of the sector amounted to approx. £410m in 2021**, which stood for around 5% of total imports. Main imported products were dosed medicines (34%), blood for therapeutic use and vaccines (19%) and reagents (12%). In 2021, the UK exported £15.6m of Life Sciences products to Uruguay, ranking 8th in terms of origin in the sector. The main goods imported from the UK were medicines (43.2%), reagents (31.7%) and human and animal blood (9.4%).

Medical equipment imports are around £58 a year, with an average of 3% of purchases made by the State and 97% by the private sector (which includes hospitals and laboratories). The size of the **pharmaceutical**

market was £608m in 2020, 65% of which was national production. The Uruguayan pharmaceutical industry has evolved significantly in recent years: investments in the sector exceeded £161m between 2011 and 2016. Despite its small population, there are 93 pharmaceutical facilities carrying imports, representation, production, and commercialisation of medicines. According to the Ministry of Labour and Social Security (MTSS), about 3,550 people are employed in this segment.

Given the demographic stability, the **demand for pharmaceuticals, medical supplies and equipment is expected to be steady**. An ageing population and increasing prevalence of non-communicable diseases are presenting challenges to the sector and the economy. This scenario requires significant investments in terms of healthcare services (highlights to primary care, home care and telehealth) and technologies (including digital health solutions, pharmaceuticals and medical devices).

Uruguay has **research institutes** aimed at developing cooperation projects with the international industry (mainly regional). These institutes have state-of-the-art technology and well-prepared human resources. As of 2021, there are more than 800 researchers from about 150 different academic research groups in the Pharma & Clinical research and Health Tech sectors.

Free Trade Zones scheme

The Free Trade Zones (FTZs) scheme that Uruguay offers make it an **efficient and safe entry to the Latin American market**. Companies can take advantage of benefits for transit, fractioning, packaging and adding value to goods, availability of talented and cost-competitive R&D workforce, exceptional tax incentives, attractive system for import and export of scientific inputs and equipment, and equal treatment for foreign investments (no restrictions on capital or profit repatriation). The Science Park is a FTZ with the highest standards in infrastructure focused on receiving pharmaceutical and biotechnology companies.

The characteristics of this unique regime in the South American Atlantic coast have led to the implementation of **Regional Distribution Centres** located on the very gateway to and from the region. Activities allowed in Free Ports/Airports:

- a) Free movement, commercialisation and destination of merchandise; without paying import duties
- b) Value-added activities, including simplified procedures (but not industrialisation)
- c) Length of storage (maximum 5 years) and free destination of goods (last-mile logistics)

Some of the companies that have established their Regional Distribution Centre in Uruguay are AstraZeneca, GSK, Merck, Adium Pharma and Roche.

Pharmaceutical exports originating in Free Zones had an average annual growth of 30% from 2008 to 2018, going from GBP 89m in 2008 to GBP 187m in 2018. This growth rate is triple that of the sector's total exports from Uruguay. Furthermore, UK-origin medicaments in transit in the Uruguayan Logistics Hub, which includes Free Zones, stand for approximately £31m annually.

Opportunities for UK companies

- **Medical devices:** intravenous transfusion/infusion devices, needles and syringes, electro diagnostic and scintigraphy devices, ophthalmology devices, orthopaedic items and implants, pacemakers, respirators, prosthesis and ventilators.
- **Pharmaceuticals:** innovative drugs, raw materials, neurosciences (CNS), cardio/metabolic, respiratory, gastroenterology, women's health, oncology, pain treatment, natural (including cannabis), anti-viral drugs, medical hygiene products and biotechnology products. There are also opportunities for modern life disorders, such as weight loss and erectile dysfunction.
- **Research & Development** in oncology, haematology, cardiology, vaccines, biotechnology, bioanalytical chemistry, bio pharmacy and pharmaceutical technology, fine chemistry and nanotechnology, cell and gene therapies, life expectancy, pharmacogenomics

Doing Life Sciences Business in Uruguay

Overseas companies can start operations in Uruguay through a local counterpart or by setting up a subsidiary. It is important to identify a suitable agent, distributor, or representative and follow their advice to enter the market in a cost-effective way. Companies can also benefit from partnering with local pharma companies (licensing out and distribution). Exporters can expect a culture where negotiations may be slower, partially because developing strong and trusting business relationship is important. English is the most used foreign language by the business community. The most suitable companies for the market are those with some export experience and a defined strategy for LATAM.

The main clients of the sector are the external market, the State, private health service providers (mutuals) and pharmacies. Regarding *private sector* purchases, there are two different processes: 1) purchases made by private institutions *outside* Montevideo are made through COCEMI, an entity responsible for purchases of medical products and technologies; and 2) private institutions *from* Montevideo manage their purchases in an autonomous and independent way. All *state* purchases are made through the Purchase and Acquisition Unit of ASSE (UCA-ASSE) that operates as an outsourcing agent.

UK companies/brands in market:	International companies:	Leading national companies:
AstraZeneca, GSK, Atrahs, H&T Presspart, Masters Specialized Pharma, Stannah, TecQuipment, Bytronic, P.A Hilton, Primerdesign and AHVLA, Intersurgical, BTL Aesthetics.	Pfizer, Mega Pharma, Roche, Merck, Adium Pharma, Blasiesiegel, Nanokem, Eckener Braun, Shimazdu, Johnson & Johnson, Sanofi, Novartis, Abbott, Bayer, Boehringer Ing, Integer Holdings Corporation, Eriochem.	Laboratorios Clausen, Roemmers, Urufarma, Gramón Bagó, Aravanlabs, ATGen, Celsius, Laboratorios Haymann, Laboratorios Microsules, Fármaco Uruguayo, Laboratorio Libra.

Major Annual Events

X Uruguayan Congress of Endocrinology, Diabetes and Metabolism ([18-20 August 2022](#)) – Venue: Hotel Radisson Montevideo.

Conference of Hospital Pharmacy (OFIL) ([8-9 September 2022](#)) – Venue: Hotel Radisson Montevideo.

International Agroindustrial and Commercial Exhibition (Expo Prado) (9 - 18 September 2022): Traditional international livestock & agriculture show. Venue: Lucas Obes 1011, Montevideo.

Key Stakeholders:

<p>Govt/Local</p> <ul style="list-style-type: none"> ▪ Uruguay's Technological Laboratory (LATU) ▪ Ministry of Public Health (MSP) ▪ IRCCA – National Institute for the regulation and control of cannabis ▪ ASSE - State's Health Services Administration ▪ National Directorate of Intellectual Property 	<p>Civil Society</p> <ul style="list-style-type: none"> ▪ SMU – Uruguayan Medical Union ▪ Chemistry and Pharmacy Uruguayan Association ▪ Sectoral Council of the Pharmaceutical Industry ▪ CEFA – Chamber of Pharmaceutical and related specialties ▪ National Laboratories Association
<p>Science/Academia</p> <ul style="list-style-type: none"> ▪ Research and Innovation National Agency (ANII) ▪ Biomedical Research Centre (CEINBIO) ▪ National Academy of Medicine ▪ National Academy of Sciences ▪ Pasteur Institute ▪ Pando Technological Pole(PTP) ▪ Clemente Stable Biological Research Institute(IIBCE) ▪ Uruguayan Centre for Molecular Imaging (CUDIM) ▪ Uruguayan Cooperative Oncology Group (GOCUR) ▪ Incubator of Enterprises of Technological Base (KHEM) 	<p>Business</p> <ul style="list-style-type: none"> ▪ Cooperative of Medical Entities (COCEMI) ▪ Roche International ▪ Rutilan SA ▪ Unilever ▪ Bayer ▪ Roemmers ▪ La Forja SA ▪ Murry SA

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