

## **Why Uruguay has become a new logistics hub that attracts Argentine and regional companies**

It is experiencing significant growth, driven by economic stability, tax benefits and strategic infrastructure. Which areas of the country are leading the expansion and what is the profitability?

Economic advantages are driving the expansion of the Uruguayan logistics market.

A private report has confirmed that the Uruguayan logistics and industrial market is experiencing significant growth. This development is a result of economic stability, tax benefits and a strategic infrastructure that positions the country as an attractive destination for companies from the entire region, especially Argentina and, to a lesser extent, Brazil.

According to the consultancy's analysis, the Uruguayan logistics sector is controlled by development companies, mainly owners of industrial parks. This situation creates a structured environment, with high occupancy in the main parks and significant expansion potential in key areas such as Canelones and Montevideo.

According to the study, the demand for logistics spaces in Uruguay has grown steadily, driven by the tax advantages that the country offers for export and import activities.

This phenomenon has led to a high level of occupancy in the main industrial parks, which are now seeking to expand to meet market needs. However, supply is limited, as most projects are carried out under "built-to-suit" contracts, i.e., custom-built constructions for specific clients.

This development model responds to the demand of companies that require smaller logistics spaces but with first-class services. Furthermore, by 2025, 38,500 square meters of surface area are expected to be added to the market, although this figure is insufficient to meet the current growing demand.

### **Strategic areas and industrial decentralization**

Uruguay's industrial and logistics sector is mainly concentrated in the departments of Montevideo, Canelones and San José, areas that have strategic road infrastructure.

Montevideo, as the country's capital and main port, plays a key role in regional trade, while national and international routes efficiently connect Uruguay with its neighbors, Argentina and Brazil.

In this context, Canelones and San José have become preferred destinations due to the tax benefits they offer and their proximity to the main routes and the port of Montevideo.

The most prominent industrial parks and logistics centers are located around national and international logistics corridors. The triangle formed by routes 101, 8 and Perimetral 102 concentrates the largest surface area destined for this type of enterprise, with 4.8 million square meters distributed across six industrial parks, including Zonamerica and Parque de las Ciencias.

### **The impact of free trade zones**

Free trade zones in Uruguay are a fundamental pillar for the development of the logistics sector. Regulated by Law 15,291, these areas offer total exemption from taxes, including income, wealth and value added taxes, as well as customs duties.

This regime allows companies to carry out activities such as transformation, assembly, labeling and storage of products without time restrictions, making them attractive to companies seeking to optimize costs and expand operations.

The logistics triangle of routes 101, 8 and 102 leads in terms of concentration, with Zonamerica and the Science Park representing 38% of the total area of industrial parks in the region.

Among the most prominent free trade zones is Zonamerica, located in Montevideo, which is home to more than 460 companies and generates around 7,400 jobs. In Canelones, the Science Park specializes in biotechnology and pharmaceuticals, while in San José, the Libertad Free Trade Zone benefits from its strategic location on Route 1, part of the highway that connects Argentina, Brazil, Chile and Paraguay.

The Uruguayan market offers both the purchase and rental of logistics properties.

### **Opportunities for companies**

Uruguay has become an attractive destination for Argentine companies seeking to expand or relocate. The country offers important advantages, such as economic stability, world-class road infrastructure and legislation designed to attract foreign investment.

Montevideo's industrial sector includes the departments of Montevideo, Canelones and San José. The Uruguayan capital is one of the region's main ports, with a cruise terminal and a river terminal for passengers and vehicles.

The main incentives include the Investment Promotion Law, which grants tax exemptions and guarantees equal conditions for local and foreign investors, and the Industrial Parks Law, which exempts goods used in these ventures from taxes.

In addition, free trade zones allow companies to operate without national taxes, which facilitates the export of goods and services.

The sustained economic stability of recent years reinforces this attraction.