

## Latin America Is The New IT Outsourcing Hotspot

[Outsourcing IT projects to Latin America](#) can offer your U.S. company cost savings, while still providing access to a highly educated talent pool with high English proficiency. Additionally, you'll have the benefits of a nearby time zone to allow real-time communication and proximity for travel. For these reasons and more, Latin America has become the latest outsourcing hotspot.

When choosing where within Latin America to select an outsourcing provider, you should examine overall rankings, education and workforce statistics, and government and private technology initiatives. Based on these factors, the three countries that rise to the top of the list are Brazil, Argentina, and Colombia. But it's also worth checking out Nicaragua and Uruguay.

### Brazil

With half the landmass of South America and approximately a third of its population, Brazil represents 43% of IT spending in Latin America. It's the No. 1 software outsourcing country in that region and 13<sup>th</sup> in the world. It has an \$18.6 billion market in software and services, approximately half of which is IT outsourcing.

#### *Education/Workforce*

- Over 475,000 software developers (No. 1 in Latin America) as of 2018
- Home to top IT higher education programs and national institutes of science
- Leads Latin America in the number of world-ranked universities
- Ranked in the "competitive" category for technology in Coursera's Global Skills Index

#### *Technology Initiatives*

- Hack Station is a private initiative, run by Facebook, that offers free programming and business training to Brazilian students and professionals
- Start-Up Brazil is a government initiative to encourage technology development by bringing together tech accelerators and startups
- The Ministry of Education's "Languages without Borders" program boosts foreign languages, including English, in Brazilian university programs
- The national government's Internet of Things (IoT) initiative is designed to stimulate the development of IoT, blockchain, and artificial intelligence

### Argentina

Despite economic problems that impeded its progress in the past, Argentina has become a major tech player. It has been ranked the No. 2 software outsourcing country in Latin America and 14<sup>th</sup> in the world. According to the World Trade Organization, Argentina is the eighth largest exporter of

computer services. IT services, hardware, and outsourcing are the biggest sectors of its technology market.

### *Education/Workforce*

- Over 114,000 software engineers (No. 2 in Latin America) as of 2018
- Invests more in education than almost any other developing country, including providing free university for everyone
- Highest level of English speaking in Latin America
- Ranked first in technology in the “cutting edge” category for technology, and “competitive” for data science in Coursera’s Global Skills Index
- Cost competitive market, with some of the lowest rates in South America

### *Technology Initiatives*

- Numerous laws and government initiatives designed to stimulate startups
- Becoming a hub for blockchain/cryptocurrency development, while many other Latin American countries are limiting or banning cryptocurrency
- Formed the Federal Blockchain of Argentina to help standardize applications of blockchain technology
- Over 30 registered blockchain startups and initiatives

## **Colombia**

Colombia has experienced rapid growth in its position as one of the best destinations in the world for software developer outsourcing. It’s ranked second in Latin America for “Ease of Doing Business” in The World Bank’s Doing Business ratings. Notably, Medellin will be one of only five cities to become a headquarters for the World Economic Forum’s “Centre for the Fourth Industrial Revolution,” a hub for regional and global cooperation to promote science and technology.

### *Education/Workforce*

- Over 64,000 software developers (No. 4 in Latin America) as of 2018
- Award-winning technical universities
- The highest number of engineering graduates in Latin America
- Software professionals are spread out over multiple cities, rather than just one or two main ones
- English is already prevalent as a second language, and the “Foreign Languages Competencies Development Programme” aims to make the country bilingual by 2025

### *Technology Initiatives*

Numerous city and federal government initiatives to help entrepreneurs gain capital  
Newly formed Ministry of Science, Technology, and Innovation has the goal of directing more resources to develop research projects

*Vive Digital* is a government program to boost mobile app development

Bring it On provides help for the IT sector, including new startups

The national government invests in IT training programs

## **Nicaragua**

The Nicaraguan government began initiatives in 2018 to introduce more English into schools and put more technology into classrooms, which should result in a better educated workforce.

Outsourcing centers are an expanding industry in this agriculture-based society, with over 36,000 software developers as of 2018.

## **Uruguay**

Despite its small size, the economy in Uruguay has grown steadily over the past 15 years, including IT industry exports. In an effort to advance technology, the government started “Plan Ceibal” in 2007 to give a laptop to every primary school student and to help teach English. It has some of the fastest Internet in all of South America, and over 141,000 software developers as of 2018.

## **In Summary**

When seeking an IT outsourcing provider, don't overlook the rising stars of Latin America. With the convenience of a nearby time zone and the benefits of a highly skilled workforce with competitive rates, companies in Brazil, Argentina, and Colombia, along with Nicaragua and Uruguay, merit your close attention and serious consideration.