

Latin America: Innovation Hotspots

CREATIVITY, INNOVATION,
ENTREPRENEURSHIP & IP IN LATIN
AMERICA A New Day Dawns!

A TEXAS TWO-STEP SUMMER SALUTE TO LATIN AMERICA

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Americas IT Forum

Full day forum March 10th 2011 at UT Club



www.americasitforum.com



Latin America

Curious Facts

- Latin America: 560 Million person market (190M Brazilians 370M Latins)
- Combined GDP exceeds \$5 Trillion
- Recently Brazil, Peru, DR, Panama, Costa Rica growing at 7% per year
- Brazil is set to pass Italy in 2011 as World's 7th largest economy
- Powerful traditional sectors (construction, steel, cement, agriculture)
- Forward thinking: several women and indigenous presidents fairly elected
- Highest mobile density in the World
- Connectivity: Emergia cable is one of world's largest and most advanced
- Highest urban density in the developing World, by far
- Mexico City and Sao Paulo still the 1st and 2nd largest cities in the World



Latin America

Coincidence?



GDP GROWTH OF REGION VERSUS CORPORATE PROFITABILITY

Approximate GDP Growth Of Latin American Countries in the past 2-3 years

Brazil 5-6%
Peru 6-9% (7.5% 2011)
Chile 6-7%
Panama 7-8%
Costa Rica 4%
Dominican Republic 7-8%
Mexico -6% - 5%
Argentina 6-9%
Latam Whole: 4.5% in 2010

Recent Announcements by Leading IT Firms regarding their actual and/or projected revenue GROWTH for Latin America:

Polycom 30% Growth 2011
EMC's "fastest growing region" 2010 28% expect 25% in 2011
Adobe- 30% growth on average last 3 years
Riverbed 200% in Colombia after opening office in 2010.
CA (Computer Associates) 2010 – 80% (compared to 5% global)
VMware – 85% growth last 3 years, expect 300% 2011-12
F5 Networks– 50% growth 2011 (85% from NEW clients. in the US, 95% of F5 revenue came from existing clients)
Dimension Data (from South Africa) – 40% growth in Brazil 2010

**FRESH OFF THE PRESS (Q3 GROWTH & YEAR FCST):
PANAMA @9.7% URUGUAY @6.8% ARGENTINA 7.5%**

Latin America

A strong ally in the US Recovery



Antes América Latina era el problema y hoy es parte de la solución"

Felipe Larraín, Chilean Minister of Treasury (Hacienda)



Source: America Economia

Latin America

THE BIG 2: BRAZIL AND MEXICO

GDP IN TRILLIONS OF US\$

GDP Brazil: 1.5

GDP Canada: 1.5

GDP Mexico: 1.1

GDP Texas: 1.3



Latin America

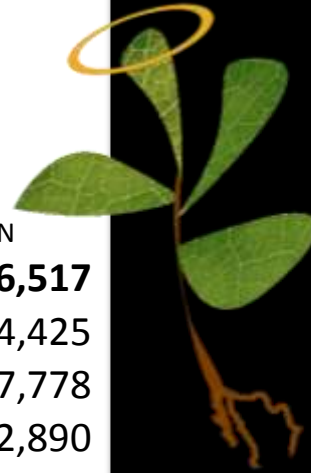
Approaching the Region

*Begin with Latin America, if
succesful, then Global expansion*

1/12 of World's
population.



COUNTRY	POPULATION
Guatemala	13,776,517
Argentina	40,134,425
Bolivia	10,907,778
Brazil	192,272,890
Chile	17,063,000
Colombia	45,393,050
Costa Rica	4,253,897
Cuba	11,236,444
D. Republic	8,562,541
Ecuador	13,625,000
El Salvador	6,134,000
Honduras	7,810,848
Mexico	111,211,789
Nicaragua	5,891,199
Panama	3,322,576
Paraguay	6,349,000
Peru	29,461,933
Puerto Rico	3,967,179
Uruguay	3,494,382
Venezuela	26,814,843
Total	561,183,291



CCC = Central America,
Caribbean and Colombia

Country Spotlight

Peru

Peru: former “disastrous President” makes a 180° turn & comeback

From 1985 to 1990 Garcia took Peru, among other things, into hyperinflation of a whopping 7,000%. In 2006 he runs for office again and, strategically wins the youth vote by a landslide after dancing “reggaeton” on TV commercials. 180° turn. Today Peru has grown by 8-10% year on year, made the greatest improvement of any other country in the Global Competitiveness Index, is considered in the “Global Top 20” most financially stable economies. Most notoriously, they are the largest purchaser of XO’ on the Planet (aka One Laptop Per Child), with 200,000 laptops already distributed (out of 800,000 committed)



Country Spotlight

Panama

Panama: Conscious Capitalism leading the way to Growth

Panama is the fastest growing small economy in the World (with barely 3.5 million people and growth rates of 7 to 9% per year). Investments in technology and logistics are growing like never before. Supermarket tycoon and current President Martinelli pays himself a symbolic \$1 per year salary.



Country Spotlight

Colombia

Colombia: Improvement in Country-Image is leading the way

Colombia historically had the world's largest gap of the "reality vs perception" ratio. A modern economy with a qualified workforce didn't allow to reach its full potential because of a tarnished international image that lasted two decades. Now that Colombia has proven to the World that it has fixed some of its largest perceived problems, the investment of foreign capital is skyrocketing. Most technology firms are setting up direct operations in the country now that they don't have to deal with objections from their stakeholders due to their image.



Brazil: The country of the Future

Brazil debuts from 2014 to 2016

- Rendering of the Olympic Tower in Rio



Startup Chile

What a deal!

- Program by CORFO and Innova Chile
- \$40,000 to start
- Access Access Access!!
 - additional funding
 - Clients and partners
- they plan on bringing 1,000 entrepreneurs



ST>RT-UPCHILE

Innovation Hotspots

IT Parks that offer incentives for Soft Landings



Guatemala: TEC 4G Technology District www.tec.com.gt



- 1: Phase 1 Building completed April 2010
- 2: Full floor is occupied by a Technological campus from a leading local University.
- 3: Has started an incubator and has held some meetings with local Angel Investors

Monterrey: PIIT Technology and Research Park www.piit.com.mx



- 1: Most park space sold, 40% already constructed
- 2: University of Texas IC2 Institute has a campus as well as the Tec de Monterrey.
- 3: Has a soft landing facility and an international accelerator.

Panama: City of Knowledge www.ciudadelsaber.org



Ciudad del Saber
P A N A M A
City of Knowledge

- 1: In existence for almost 6 years
- 2: Several universities and research institutions.
- 3: Has a full-fledged incubator and hosts Venture capital and funding events repeatedly.

Hot IT Markets

Countries to Watch out for... IT Sector is Exploding

- Uruguay – importing talent
- Costa Rica – \$1 B in GDP thru telecom
- Argentina – Buenos Aires & Córdoba



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Exención de impuestos a la fabricación, retención de productos en la aduana y una restricción cada vez mayor a

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