

# Latin America offers hope to IT sector

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New Delhi, Aug 10: The instability in the North American markets is forcing the Indian ICT sector to set up bases in emerging economies and untapped markets.

One such market is the Latin American countries. The high level of reserves coupled with strong banking systems, lower public debt levels, reduced public sector financing requirements and generally flexible exchange rates provide these countries with more room to deal with adverse global developments than in the past.

Recognising this potential, Electronics and Computer Software Export Promotion Council of India (ESCI) is organising Expocomm/TIC 2011 at Buenos Aires in Argentina from August 23 to August 25 under the Market Development Assistance (MDA) programme of the



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Department of Commerce. Ten Indian companies are expected to participate in the event.

"Today, Argentina is emerging the most lucrative market in Latin America where the Indian IT industry can look forward to creating market niches," DK Sareen, executive director, ESCI, told FE. Expocomm/TIC 2011 aims to enable the small and medium entrepreneurs to enhance Indian IT services exports to the Latin American countries.

Indian IT companies have already established software development centres, BPOs and KPOs in 10 countries of the region, including Argentina, Brazil, Chile, Uruguay, Mexico, Colombia, Peru, Ecuador, Costa Rica and Guatemala, employing around 18,000 Latin Americans.

Sharing their views on conditions of anonymity, diplomats from these countries told FE that "the Indian companies have developed a near-shore business model of 12/12 in

which they service their North American clients for 12 hours from the same time zone operations in Latin America and the remaining 12 hours from India. The Indian companies leverage the multilingual skills of Latin Americans, who can speak Spanish, Portuguese and Italian to service European clients".

Today, large Indian companies like TCS, Aegis, Infosys, Wipro, Mahindra Satyam, HCL, Patni Computers, Cognizant, Irevna, Copal Partners,

E-Valueserve, I-Flex, Sasken Communications, Geodesic Ltd., Hexaware Technologies, Polaris Systems, Manthan Systems, Global Sourcing Solutions, Aptech, NIIT and Tata Infotech are already catering to Latin American countries.

"The Argentinian market offers tremendous business opportunities because of political change, growing middle class, opening up of markets and high GDP rate. The global crisis triggered a fundamental change in the mindset of Argentinians and other Latin Americans towards India and thus they are looking towards India as a large, growing and long-term market, and a global power," explained officials.

The region accounts for about 5% of world trade. However, it is not a significant trading partner of India. Latin America has a share of 2.88% in India's global exports and a share of 1.69% in India's imports.