

Latin American start-ups are thriving. Let's help them cross borders



Chile has been dubbed “Chilecon Valley” for its accelerators, which have attracted foreign entrepreneurs.
Image: REUTERS/Ivan Alvarado

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A new generation of entrepreneurs is transforming “business as usual” in Latin America. Their tech start-ups have set their sights on industries that are ripe for disruption such as agriculture, logistics and education. They’re teaching students the new skills for a digital economy, improving the productivity of vast farmlands and eliminating logistical bottlenecks. They’re focusing on problems that Latin America has faced for decades, and wagering that they can help fix them with technology and fresh ideas.

It is a bet that Latin America urgently needs to win. Large companies in the region are not innovating enough, and by some measures are falling behind traditional firms operating in other parts of the world. Companies in Latin American and the Caribbean are 20% less likely

to introduce a new product than companies in the middle-income countries of Europe and Central Asia.

Start-ups – which have innovation in their DNA – can help overcome this innovation gap. Already, there are encouraging signs. Some of the region's largest banks, for example, are keeping pace by setting up their own [entrepreneurship hubs](#), and others are [forging alliances](#) to identify new technologies to service their clients.

From Mexico City to Santiago, and Medellín to Florianópolis, cities across Latin America are developing vibrant tech ecosystems. Local universities are promoting programmes to support start-ups and some governments are developing policies to entice venture capital investors and would-be entrepreneurs.

Brazil was the first point of entry for investors from Silicon Valley, and it remains the epicentre for the region, but Argentina, Colombia, Mexico and Peru are also hotbeds of tech entrepreneurship. Chile has been dubbed “Chilecon Valley” for its accelerators, which have attracted foreign entrepreneurs. According to some estimates, start-ups in the region have received more than \$2 billion in financing over the past five years.

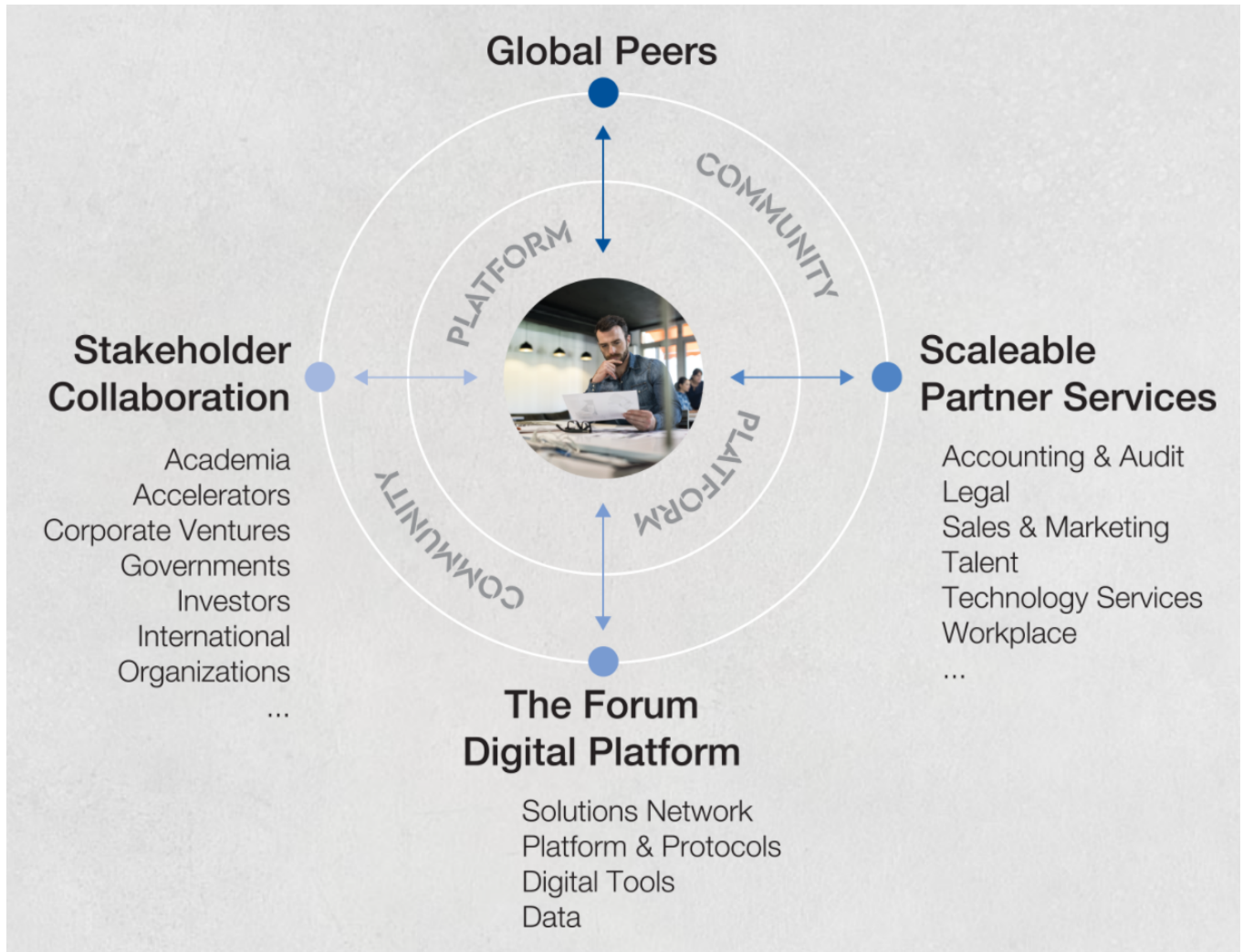
Yet start-ups in Latin America also face a common challenge: their local markets, with the exception of Brazil, are not large enough for them to scale up their operations. Their growth prospects are usually constrained by their national borders and they have limited sources of financing.

Start-up ecosystems, like in Colombia, tend to be clustered around successful entrepreneurs and close-knit circles in specific countries, but there is not yet a consolidated network for start-ups in the region. That's why it's critical to help these entrepreneurs and their start-ups cross borders and build relationships with potential investors and partners outside their home countries.

Take the case of Loggi, a Brazilian start-up that connects independent motorcycle couriers to customers for express delivery service. It has a pool of 5,000 independent motorcycle drivers in Brazil who use its smartphone app, are licensed, and operate motorcycles that meet government standards. The company uses algorithms to match supply and demand and improve delivery routes for its drivers. This is a critical task for business and retail operations across Latin American cities, where poor infrastructure and overwhelming traffic get in the way of efficient commerce, and limit the flow of goods and services.

Loggi is one of many exciting start-ups, but until recently we had not seen a truly regional community and digital platform like the World Economic Forum's [UpLink Initiative](#), where entrepreneurs will be able to interact with their peers and potential partners, and start-ups like

Loggi can share knowledge and help accelerate the development of other new companies across Latin America.



UpLink builds community, drives collaborative innovation, and serves start-ups as they scale.
Image: UpLink

The key players in the different national start-up ecosystems should foster a more robust regional dialogue – primarily among start-ups, but also among investors, policymakers and universities – to tackle common challenges such as funding, hiring talent, fine tuning public policies and expanding abroad.

Accelerators like NXP Labs, Latin America's most active early-stage investor in tech companies, can also play a critical role in helping start-ups tap new opportunities abroad and share their lessons across borders.

Argentina, for example, has emerged as a hub for agriculture tech start-ups that are developing new tools to improve productivity in farming, such as [S4](#), which is using satellite imagery to improve crop yields. NXP's access to an international community of like-minded entrepreneurs and investors is playing an [important role](#) in making sure that Argentina's pioneering efforts in new agriculture technology reach other countries in Latin America that also need to upgrade their agricultural industry.

[Laboratoria](#), a Peruvian education start-up that teaches coding and computer science skills to low-income women, is an example of an even earlier-stage company looking at expanding internationally. It is part of a wave of new coding bootcamps – Argentina's Digital House is another – springing up across the region to teach Latin America's young people tech skills. Laboratoria is having an impact beyond Peru. It has set up operations in Mexico and Chile, teaching women in these countries skills that are sorely lacking in their workforce. The region needs more examples like this so the most innovative solutions that start-ups can offer are adopted wherever they are needed.

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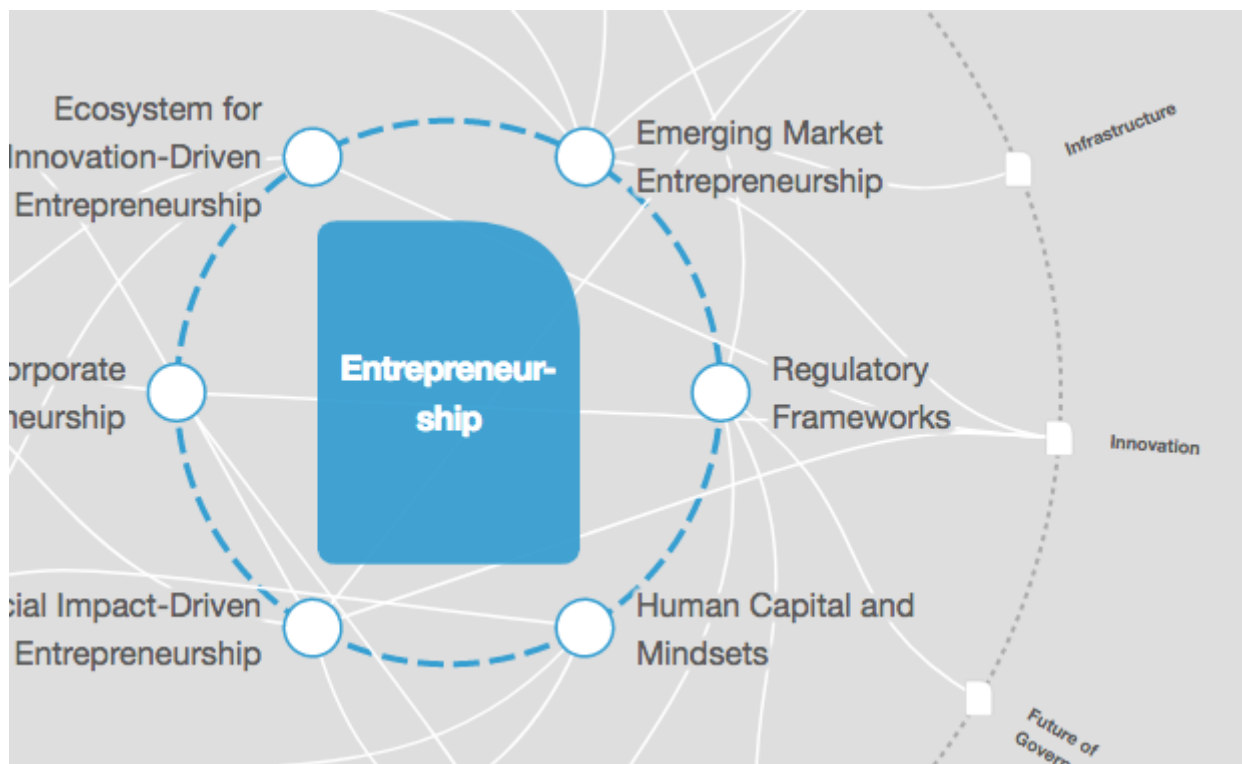
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