

Spotlight on Latin America

Today there are a growing number of TIN200 companies engaging with the Latin America region, hence its inclusion in the 2020 TIN survey as a stand-alone export region for the first time.

The region of Latin America embraces Mexico, Central America, the Spanish-speaking countries in the Caribbean, and almost all of South America. It is united through shared histories and the Spanish or Portuguese languages.

The longer-term dynamic of TIN companies is that they have grown into increasingly larger, more capable companies. As such companies achieve economies of scale, they have the capacity to pursue opportunities outside the usual market pathways, which has traditionally been New Zealand, Australia and then the US. In recent years we've seen substantial growth in the tertiary markets of Asia, Europe and other parts of the world.

Ten years ago, Latin America was certainly on the radar for some TIN companies, but growth was market specific and opportunistic rather than strategic. Companies like Compac Sorting Equipment, for example, had significant business in the fruit-growing country of Uruguay, along with other companies operating in the agritech and security sectors.

We can see from our findings in this year's TIN Report that the Latin America market is growing significantly, and will likely continue to grow. This presents an opportunity for NZ tech companies, as New Zealand has a lot to offer by way of providing the developed infrastructure of a modern, sophisticated economy, and a strong, people-first culture.

As the global tech landscape becomes more sophisticated, understanding what the pros and cons of Latin American market entry are, and whether it's an appropriate time in your company's history to explore that market, is vital.

Greg Shanahan
Managing Director, TIN

An opportunity too large to be ignored

In the past, Latin America was something of a forgotten continent for New Zealand technology companies who were put off by the region's reputation for inefficient economies, infrastructure shortcomings and protectionism. In recent years however, companies have started to look beyond the legacy perception and realised that the continent also has quality public universities, a smart and resilient workforce, and a population hungry to exploit new technology to solve old problems. These factors, combined with the rapid growth of technology investment in the region – VC investment in LATAM quadrupled between 2016 and 2018 – mean that a region that might once have been viewed as too great a risk is now emerging as an opportunity too large to be ignored.

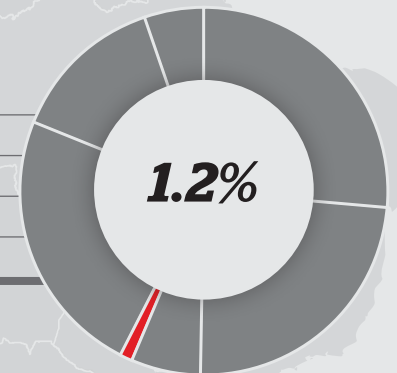


Steve Jones, Regional Director for Latin America, NZTE



Percentage of Total TIN200 Revenue in LatAm

2020 Sales: \$151.3m
Growth (%): 17.7%
Dollar Growth: \$22.7m
Staff: 230 (214 in TIN100)
GDP Growth: -5.0%

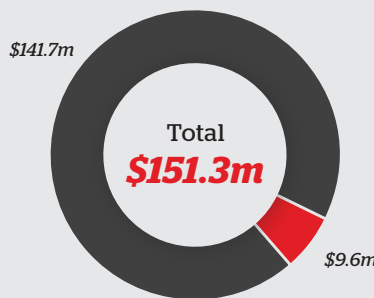


TIN Rising Stars* Combined LatAm Revenue

\$66.1m

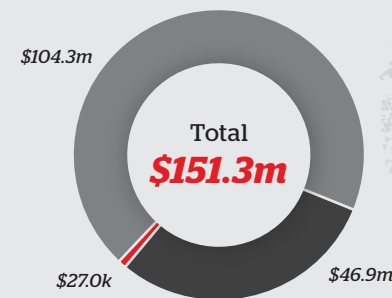
*A TIN200 company qualifies as a TIN Rising Star if it has demonstrated sustained high-growth over the past three years.

TIN200 Revenue



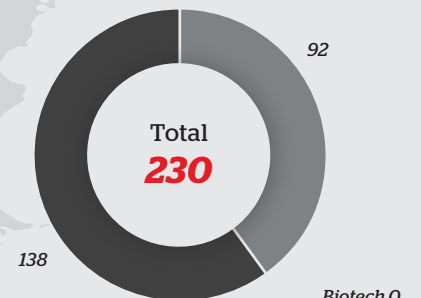
● TIN100 ● Next100

Primary Tech Market Sectors



● High-tech Manufacturing ● ICT ● Biotech

Staff Per Primary Sector



● High-tech Manufacturing ● ICT ● Biotech

Keys to Export Success in Latin America

Latin America is a part of the world that merits much closer attention from New Zealand tech exporters.

With a population of 650 million, of whom more than 250 million are in middle- or high-income brackets, the Latin American region has long been a destination for New Zealand's primary sector exports.



Today, however, it is also a market for TIN200 companies in over a dozen tech sectors – especially high-tech manufacturing, agritech, ICT, software solutions, communication solutions, and digital media.

Latin America boasts young, resilient and highly educated workforces, centres of scientific excellence, world-renowned incubators, and 22 of the world's unicorns. In addition, several city, state or national governments are attuned to the economic potential of its creative and cultural industries.

Increasingly, Latin American nations are connected to New Zealand through trade agreements, especially the CPTPP, the Digital Economy Partnership Agreement with Chile and Singapore, and the Inclusive Trade Action Group with Chile and Canada.

Keys to success in the region include:

- Building relationships and trust
- Understanding local business etiquette
- Getting local presence or partnerships right
- Having a long-term vision with persistence and adaptability during challenging times
- Taking the advice of New Zealand government agencies
- Inserting the region into a broader global strategy.

As significant digital transformation and high value tech sector growth are predicted in the region over the next 10 years, we strongly encourage more New Zealand tech businesses to consider Latin America as a compelling new export opportunity.

Dr. Matthew O'Meagher

Director, Latin America Centre of Asia-Pacific Excellence



Doing Business in Latin America

Seequent has four entities in Latin America - two in Brazil, one in Peru, and one in Chile. Through those entities, we serve and support our customers and market our solutions through almost every country in the region, from Central America to South America.

Our portfolio is diverse in both segments and solutions. The core clients for our geoscience solutions are major to mid-tier mining companies, civil and environmental consultants and service providers, geothermal and traditional energy companies, and government agencies.

Latin America is already a large market for our solutions, experiencing 33% growth, and contributing 19% of global sales in FY20. We expect Latin America to remain a growing market for our organization in the foreseeable future, with further growth and diversification into the civil, environmental, and renewable energy segments.

Ana Cristina Chaves,

Executive Vice President, Latin America, Seequent



Latin America
Centre of
Asia-Pacific Excellence



LATAM CAPE - Bringing New Zealand closer to Latin America

The Latin America Centre of Asia-Pacific Excellence (CAPE)

- Develops tools and programmes that help New Zealanders be better prepared to do business with Latin America
- Deepens New Zealanders' knowledge and understanding of Latin American cultures and languages
- Enhances economic, trade, political and cultural relationships with the region
- Disseminates university-based knowledge to inform future decision-making.

Supported by four of New Zealand's leading universities – Victoria University of Wellington, the University of Auckland, the University of Waikato and the University of Otago – the Latin America CAPE harnesses academic expertise, evidence-based research, stakeholder know-how and industry acumen to build sustainable commercial and cultural relationships with Latin America.

www.latamcape.org.nz