



# AL-INVEST IV INFORMS

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## Special Issue ICTs

### EDITORIAL

## The ICTs market overcomes crisis

Information and Communication Technologies (ICT) market sales dropped by more than 1.6% in 2009. However, there are growth prospects after the crisis.

As stated by Professor August-Wilhelm Scheer, President of the Federal Association for Information Technology, Telecommunications and New Media (BITKOM), "companies in industrialized countries are upping their investment in modern Information Technology systems". According to him, "the main players for growth are emerging countries such as China, India and Brazil, where high-tech markets recorded profits despite the crisis".

If the economic recovery continues down the current path, the ICT market worldwide will grow by 3.7% and will be worth € 2.4 trillion in 2011. Energy-supplying companies, as well as financial management companies and the public sector are expected to increase their spending in information technologies. Suppliers of software and related services are the big winners of the economic recovery. Sales in these segments grew by 1% approx in 2010 and were worth €625 billion.

In addition, the software market in the European Union is currently undergoing its very own "industrial revolution" and the economic crisis, still present in the European continent, has accelerated change.

Despite the crisis, users continue to look for solutions to increase their IT infrastructure profitability by making specific investments in the software system segment. Virtualization and data storage have been two very important market niches.

Development tools, thanks to changes in technology trends such as new Web 2.0 applications, structured and unstructured data management and the proliferation of

open-code applications have given way to new investment.

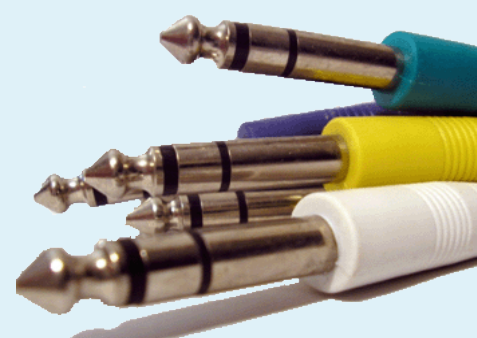
The budgetary constraints of users have carried special weight in the app market. Users have chosen to implement modular solutions because of scarce resources, which has had great incidence on the business.

That is why the best overall results have been observed in market niches such as Certified Reference Material and Business Intelligence. Seeking the alignment with business, providers of horizontal solutions have initiated a verticalization process.

The sector's behavior projection for the next 10 years shows a dynamic scenario offering opportunities to all players. However, there are two trends that will stand out over the rest.

First, a tendency to outsource. The move towards the service area will mean that the majority of players will run their businesses under the as-a-service model. These services must be based on re-usable components and solutions to enhance time-to-market and profitability.

Second, a tendency to internetization. The emergence of the Internet is considered the most prominent channel to deliver software products.



Stefan Unsel  
Project Manager Inwent

AL-INVEST



Support to the SMEs'

internationalization in Latin America

AL-INVEST IV program has  
European Union funds

This publication has been made with the assistance of the European Union. The sole responsibility for its content lies with AL-INVEST IV and in no case shall it be deemed to reflect the EU point of view.

# Alexandre Costa, Brazil

## General Manager of Perseus and attendant to the CeBIT 2011 Fair

'Perseus' is a Brazilian company combining education and technology to contribute to the economic development of its country. With 12 years of experience in ICT under its belt, it has over 350 clients—schools and universities—and has been awarded multiple prizes for its efficiency and talent. Supported by AL-INVEST IV, this Latin American company was honored to participate in the CeBIT 2011 Fair, the largest ICT fair worldwide. It took place last March in Hannover, Germany. After the event we talked to their general manager, Mr. Alexandre Costa, to learn insights about their business and his experience at the Fair

Your business started in 1998. How did 'Perseus' start and evolve?

'Perseus' is a spin off of a project of the Canoas Business and Technology Incubator (IECAN by its Spanish acronym) in Southern Brazil. After two years developing the project, we graduated and we have been in business for 12 years now.

Why did you decide to apply ICTs to the field of education?

Brazil shows prospects of economic growth. Investment in education is a necessity for the country's development.

'Perseus' has won several prizes: It was selected finalist several times at the Entrepreneur Talent Award and has been awarded the National Recognition for Small and Medium Enterprises, among others. How did you receive such positive results?

Being an emerging company, 'Perseus' has always followed a project and a plan. Based on this principle, we seek to invest in developing new talent and technology innovation. We believe the awards are a consequence of our philosophy.

I've seen you have several programs to improve the quality of life of your employees and protect the environment. Why did you include those?

We believe that social and environmental commitments are part of the education process and play a key role in society.

What is your business challenge?

Investing in innovation through new products and services and looking for new markets.

Who are your main clients?

Several schools and universities. We have some 350 clients today and provide services to over 100,000 students.

Do you have European clients?

No, actually, one of our goals at CeBIT is to gain knowledge about the European market. We face several challenges such as high costs, distance, time difference, language and regulation. However, thanks to globalization and initiatives such as AL-INVEST IV we can understand the market and design strategies.



Right Alexandre Costa, left Jorge Alano, participate in the CeBIT 2011 Fair

Source: Perseus

Tell us about your experience at CeBIT 2011.

It was our first time and it fully exceeded our expectations. The sheer size and diversity of the Fair are amazing. You can meet many people there.

How did you benefit from the Fair?

With the support of AL-INVEST IV and Future Match tools we contacted with several partners and potential clients. There are real business opportunities. We have obtained over 100 contacts.

You will be part of the BITS business mission to Puerto Alegre next May under the umbrella of AL-INVEST IV. What are your expectations?

I expect to present the potential of Brazil and our region as well as our companies and solutions to the international market. I consider it is a new business opportunity.

**Sector:**

Information and Communication Technologies applied to education.

**PROFILE**

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## Central America, Mexico and Cuba

Costa Rica, Guatemala, México and Nicaragua are making an effort to efficiently implement ICTs to boost their economic growth

### COSTA RICA

#### The fourth exporter of high technology

Costa Rica is the number 4 exporter of high-tech goods and services worldwide, with a total share of exports of 30%. There are currently 805 Costa Rican companies in the multiple subsectors of technology development.

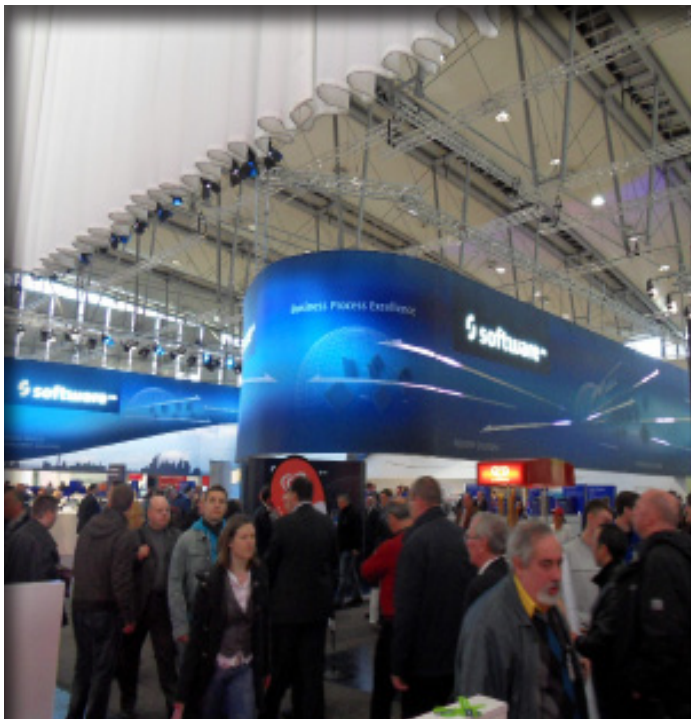
Under the umbrella of the AL-INVEST IV program, the Exports Chamber of Costa Rica (CADEXCO) will provide training and technical assistance sessions for ICT SMEs in 2011 to steer them towards the European market.

The goal is to strengthen companies' skill sets in quality-related issues, international market trends, innovation, environmental issues and networking capacity.

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Source: CS



Source: CS

### GUATEMALA

#### The triumph of software

The Guatemalan ICT sector is made up of different subsectors: software, digital development and contents, contact center and business processes services. 200 businesses are part of the three subsectors. Together they account for 25,000 regulated jobs.

Guatemalan companies have achieved visible success in the field of software. The products developed, such as 'SMSRGENCY', have received international recognition. SMSRGENCY is an Emergency Response and Management System based on SMS. It has been awarded the World Summit Award of the United Nations.

In addition, the success of Guatemalan companies has been tangible in the development of 'Software PRECREDIT', selected finalist of the Technology Program for Financial Inclusion, promoted by the IDB in 2010.

The Digital Development and Content subsector is coming up strong in Guatemala. Creativity, competitive pricing, quality and cheap, skilled labor are some advantages that have opened the doors to this sector.

These technologies are contributing to economic growth and are creating new ways of growing businesses.

The Contact Center and Business Process Services subsector has created the most jobs, 16,000 approx. Specialized companies offer customer care and telephone sales services, customized attention or document management.

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## MEXICO

### Trying to overcome our challenges

Mexico is a country presenting great development opportunities in the ICT industry. However, some countries such as India, Ireland, Israel and Brazil have taken the lead and are strongly positioned in international markets. For example, India has over 18 years of experience in this field.

Therefore, this Latin American country must develop strategies to rapidly increase competitiveness and position itself before these regions.

Mexico has everything necessary to become a provider in the ICT market. This country enjoys very competitive operational costs compared to current industry-leading countries (USA, China, Brazil and India).

In addition, because of its proximity to the North American market, there are several Mexican and North American companies working together and sharing a similar business culture. Also, there is a Free Trade Agreement between both regions. It protects intellectual rights and secures the free movement of goods.

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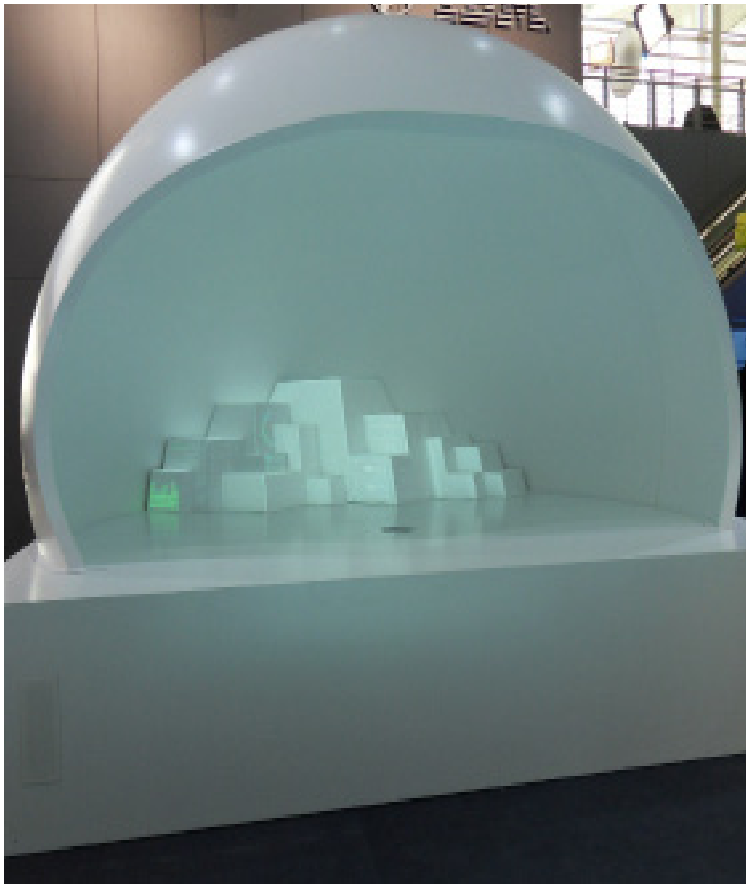


Training and Technical Assistance to Mexican SMEs in the ICT sector

Source: CAMC

## NICARAGUA

### Fast development of telecommunications



Source: CS

The Nicaraguan telecommunication sector has efficiently developed in Latin America.

The renewal and modernization of infrastructure to manage data, the modern telecommunication systems and the competitive labor costs are attracting international companies and organizations seeking to cut operational costs and optimize their production through partnerships with companies in developing countries.

According to a study by the Danish International Development Agency (DANIDA), there are at least 88 companies directly related to the ICT industry.

Several SMEs joined the AL-INVEST IV Program in 2010. They benefited from actions to promote innovation processes and obtain the CMMI certificate and the certified software quality.

The goal for 2011 is to strengthen SME competitiveness through training and technical assistance actions.

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### Andean Region

The Colombian ICT sector offers great growth opportunities to companies. That is why work is being done so that SMEs start using new technologies to be more competitive

#### COLOMBIA

##### Implementing new technologies in SMEs

ICTs contribute to gaining, transferring and enhancing knowledge on science and technology. The Colombian Government deems the ICT sector to be most significant. The Ministry of Communications was transformed into the ICT Ministry in 2009 and gave companies access to benefits and aid.

Undoubtedly, this sector presents great growth opportunities for businesses. For example, Internet has become a more economical and advanced tool to communicate and it is offering companies fast, efficient, easy and secure access and visibility to international markets.

However, even though the vast majority of companies use available information and telematics technology tools, just 13.2% of SMEs use computers, 7.2% use the Internet, and less than 3% are present online, according to a study by the National Statistics Administration Department (DANE by its Spanish acronym).

These data show the limitations of traditional companies in the ICT environment. Many companies lack knowledge on the industry and are unaware of its significance.

Aware of the fact that companies need to boost their competitiveness through new technologies, the Chamber of Commerce of Cartagena offers back-up programs and marketing and internationalization activities to tra



Businessman in FOMIPYME's activity

Source: RA

in in business Science, Technology and Innovation under the AL-INVEST IV Program.

23 cartagenan SMEs from the ICTs sector benefit from this.

15 businesspeople have benefited from actions in the Bucaramanga region. For example, together with the Chamber of Commerce of Bucaramanga, businesspeople have presented a project to the Colombian fund for the SMEs: Modernisation and Technological Development (FOMIPYME) seeking to obtain resources from the National Government to adopt the highly renowned IT MARK methodology.

### Mercosur, Chile and Venezuela

Promoting the use of ICTs is a priority for Venezuela, Argentina and Brazil. They aim to strengthen their regional socio-economic environments

#### VENEZUELA

##### Discovering the advantages of ICTs

Promoting the use of ICTs is an essential requirement to favor innovation, promote interaction and learning and enhance business internationalization.

The Venezuelan Industrial Confederation, under the umbrella of the AL-INVEST IV Program, has worked to strengthen SME competitiveness through ICTs. After analyzing 300 companies, it can be said that they are reasonably up to date. At least 82% of companies polled had computers, 77% had an Internet connection, 74% had email addresses and 35% had a website.

In addition, over 80% of companies stated ICTs were a competitive advantage, providing greater access to information, lean and speedy management, innovation and modernization.

Furthermore, 60% said the tool had helped to promote the company, improve production, reduce costs and increase competitiveness.

However, SMEs in the study conveyed through their responses that there are several shortages that business-strengthening programs need to address.

AL-INVEST IV has tried to raise awareness among SMEs to use ICTs as a strategy for their business organization. In this regard, it is essential for SMEs to receive technical assistance and training to promote competition, internationalization and innovation.

## ARGENTINA

### ICTs as the foundation to development and competition

The Argentine software and information systems industry plays a fundamental role in the development of this country, its economy, businesses and society. It is a high growth sector. The sector's turnover between 2003 and 2009 increased by 227.6%, exports increased by 221.8% and jobs linked to this sector increased by 168%.

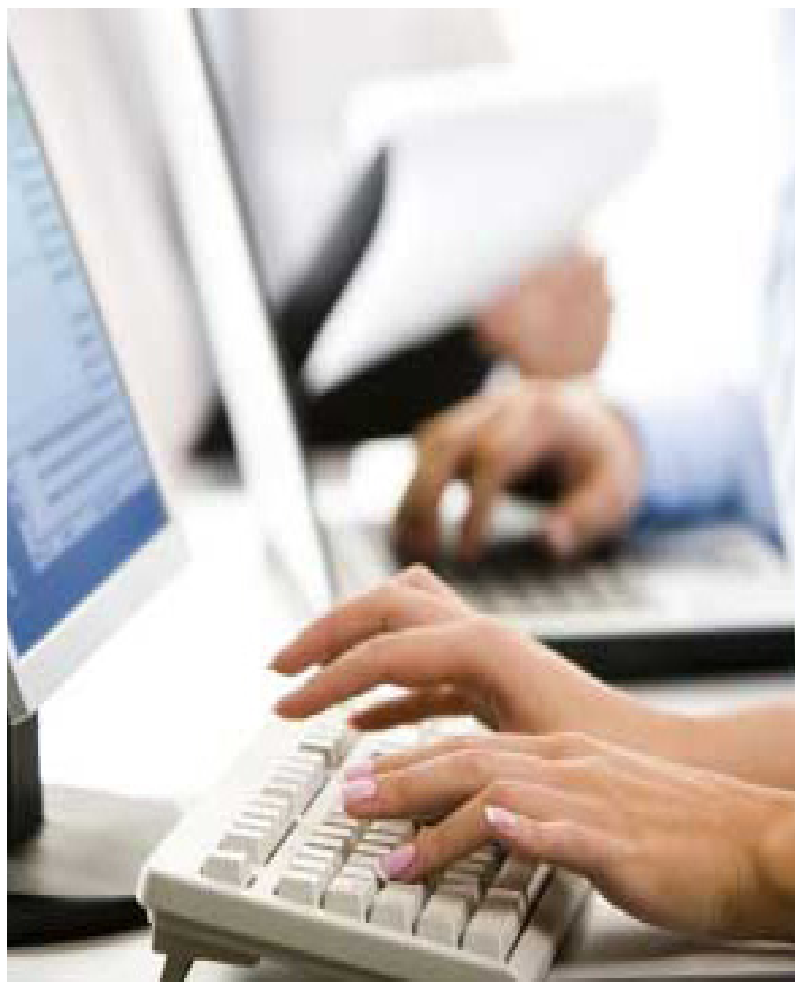
These data show that Argentina profits from its very own Information Technologies industry, capable of putting forward a Digital Agenda and position itself in the Information and Knowledge Society.

The incorporation and use of new technologies is undoubtedly key for national competitiveness, developing the business sector and improving education, health care and the quality of life of the citizenship. Besides, Argentina is creating quality, high-paying jobs in this sector.

Several recent studies show that countries and sectors that have incorporated new technologies to their industries have grown the most the last few years. For example, a study by the Organization for the Economic Cooperation and Development (OECD) supports that those incorporating new technologies have improved competitiveness by 50%.

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## BRAZIL

### Initiatives to promote ICTs

The Brazilian software and services market carries great weight in Brazil, since it promotes the country's economic growth. It generated \$15 billion in 2008 approx.

That is why initiatives to promote knowledge and the necessary tools to qualify companies, fine-tune internal processes, stimulate innovation and increase foreign trade are taking place in the framework of the AL-INVEST IV Program.

For example, several Brazilian companies have recently participated in the Prospective Mission of the CeBIT Fair in Germany.



The first edition of BITS (Business IT South America) is scheduled for next May in Porto Alegre. It is an event by the Federation of Industries of Rio Grande do Sul (FIERGS) and Hannover Fairs South America, programmed for May 10, 11 and 12. The event focuses on finance, government, industry, the retail market and telecommunications.

An Information Technology cluster in the European Union will take place this year as well. It is organized by FIERGS and other entities and technology parks. It is an initiative that enables benchmarking for institutions involved with this sector. Also, there will be Technical Assistance by CESES specialists (Confederation of European Senior Expert Services).

For more information: <http://www.cinrs.org.br>

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CeBIT 2011

## CeBIT 2011

March 1-5, Hannover, Germany

For the second time in a row, the AL-INVEST IV Program participated in the largest fair worldwide in Information and Communication Technologies (ICTs). CeBIT gathered over 4,000 exhibiting businesses, 334,000 visitors from 83 countries and 5,000 journalists. It is an international platform to learn about market trends, the net and new products and technologies.

Backed by a delegation of more than 50 Latin American companies, AL-INVEST IV presented the Latin American technological offer. SMEs benefited from several technical visits to R&D centers and laboratories selected by the OFFIS (Oldenburg Research and Development Institute for Information Technology Tools and Systems), a guided tour of the HörTech- Haus des Hörens Competitiveness Center (Hearing Aid Engineering System Cluster) in Oldenburg and a cross-sectional, high-level seminar on the Open Innovation model.

Just like last year, AL-INVEST IV co-organized the event B2B Future March with the Enterprise Europe Network. 300 people from 35 different countries participated in this platform to exchange business and technology.

For more information:

<http://www.al-invest4.eu/al-invest/actualidad/noticias/902-al-invest/>

## Activities

# Boosting the cooperation between Latin America and Europe Employers' Association

March 16, Brussels, Belgium

The Coordination and Services Consortium of the AL-INVEST IV Program has collaborated with the Chamber of Commerce of Bilbao and the Enterprise Europe Network (EEN) to organize a series of B2B meetings last month seeking to promote cooperation between business organizations of the European Union and Latin America and serve as a platform to promote business partnerships.

The event took place in the Diamant convention hall in Brussels. It was a fruitful exchange of best practices among attendants and first steps were taken towards joint projects. Latin American represen-

tatives of the Chambers of Commerce and Industry, the Investment and Trade Organizations and some Financial and Professional Institutions attended the event.

In addition, several EU organizations seeking to promote Latin American economic development, mainly EEN members sponsored by the European Commission, participated to give support and advice to SMEs.

For more information:

<http://www.al-invest4.eu/al-invest/actualidad/noticias/90>

# AL-INVEST IV, the hot topic on the Andean news

January 25-February 11, Andean Region

From January 25 to February 11 the Andean Consortium organized nine breakfasts with several journalists, the AL-INVEST IV program leaders in partner Andean institutions and several European Commission delegates.

These events took place in Bolivia, Colombia, Peru and Ecuador; and the Chamber of Industry, Commerce, Services and Tourism of Santa Cruz was in charge of coordinating these activities.

There were more than 100 media present in total. The gathering intended to position the AL-INVEST IV Program as a source of useful information in subjects regarding SMEs, establish a permanent work relationship between partner institutions and mass media and present the Program to new companies through the media. Besides, part of the event was dedicated to explaining the great impact of the Program in the Andean Region and showcasing the most significant success cases from some benefiting SMEs.

## Investing in Latin America's Boom

'Can its Jaguars catch up with Asia's Tigers?' Such is the original title of a debate that took place last March 15 in Brussels, where several high profile personalities such as Ministers, Euro-parliamentarians, Ambassadors and European and Latin American Civil Servants were present

The event was organized by EUROCHAMBRES and the think tank Friends of Europe under the umbrella of the AL-INVEST IV Program, addressed to facilitating the internationalization process of Latin American SMEs. Several important ideas came up during the event: Latin American countries present a great opportunity for EU member states and are positioned as emerging powers with much to say globally.

SME financing, green energy opportunities and of course, EU and Latin America relations were discussed during the event.

Anabel González, Foreign Trade Minister for Costa Rica, highlighted that Latin America grew by 6% in 2010 and the forecasts for 2011 are 4.5%. Growth in the European Union was much less: 2%.

Laura Frigenti, Strategy Director for Latin America at the World Bank, recommended countries at the other side of the Atlantic to improve their education and infrastructures. Elar Eduardo Paz, president of the Chamber of Industry and Commerce of Bolivia, agreed and added that "we need to progress in technology" and the integration of Latin American countries.

Magdalena Álvarez, vice-president of the European Investment Bank (EIB) pinpointed too that the key is to invest in education, youth and natural resources.

Before the summer, the European Parliament and Council are bound to decide the financial budget to support Latin American projects in the next few years. According to the vice-president, the goal will be to "reinforce the European presence in Latin America, support energy efficiency, reduce greenhouse gas effects and improve the quality of life of the citizenship".

For more information: <http://www.al-invest4.eu/al-invest/actualidad/noticias/902>

## Coming up

### Events

GCP GLOBAL BUSINESS AGENDA IN SPAIN.

April 01, 2011 (CAMC)

BITS - Business Mission May 10, 2011 - May 12, 2011 (CS)

SMEs and Technological Innovation May 19, 2011 - May 20, 2011 (CS)

Latin American Academy (pending definition)

May 30, 2011 - June 01, 2011 (CS)

Annual meeting - Coordination and Services consortium

(tentative dates) June 15, 2011 - June 16, 2011 (CS)

The Academy in Europe (pending definition)

June 21, 2011 - June 23, 2011 (CS)

AL-INVEST annual meeting (tentative dates)

July 12, 2011 - July 14, 2011 (CS)

### Contact

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or Check our Facebook profile



<http://www.facebook.com/pages/AL-Invest-IV-Consortio-de-Servicios/175340069146180?ref=ts>



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Share your comments!



### Publications

File on textile and clothing (SIMM FAIR 2011):

[http://www.al-invest4.eu/attachments/SIMM%202011\\_Ficha%20Feria%20%20General\\_v1.pdf](http://www.al-invest4.eu/attachments/SIMM%202011_Ficha%20Feria%20%20General_v1.pdf)

Sectorial analysis on Fishing:

Available on our website next april 2011

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"The AL-INVEST IV Program is one of the most relevant regional economic cooperation programs of the European Commission in Latin America. The main goal of the IVth phase of the Program is to promote social cohesion by supporting Latin American SMEs in their consolidation and internationalization, sharing innovation and knowledge and creating economic relations with their European counterparts".