

BPO/TECHNOLOGY

Nearshoring in Latin America

Nearshoring refers to the relocation of positions, particularly within IT and software development, to neighboring countries with competitive advantages and attractive options for investment.

Latin America is recognized as an important participant in the global subcontracting industry for nearshoring. In particular, Brazil, Mexico, Colombia, Argentina, and Chile are competing as emerging outsourcing hubs for BPO companies.

For businesses who leverage talent based in Latin America, advantages include education levels of talent, English proficiency, shared time zones, and tech infrastructure, amongst other things. With the consistent rise of global ecosystems, these advantages are becoming easier to benefit from.

Growth of the tech industry in Colombia

Colombia has emerged as a fast-growing technology hub in Latin America, with strong government support and increasing foreign investment making it an attractive nearshoring destination.

Over the past decade, Colombia's tech industry has experienced steady growth, supported by digital transformation initiatives, a growing startup ecosystem, and demand from North American companies.

Additionally, Colombia produces over 13,000 engineering and IT graduates annually³, ensuring a solid and expanding pipeline of technical talent.

The country has invested heavily in developing IT and digital skills, resulting in a strong services sector that includes software development, IT outsourcing, and digital solutions. A large portion of the workforce is bilingual, particularly in major cities, enabling efficient collaboration with U.S.-based companies.

An extraordinary source of talent

The supply of nearshore developer talent is growing enormously, leading with Brazil and Mexico.

- **LATAM:** 2 million+ software developers¹
- **Brazil:** ~750,000+ software developers²
- **Mexico:** ~550,000–700,000+ software developers²
- **Colombia:** ~85,000+ software developers²

Key advantages

- Language proficiency
- Shared time zones
- Developed tech infrastructure
- Geographic proximity

Cities with the highest concentration of talent

- Bogotá
- Medellín
- Cali
- Barranquilla
- Bucaramanga

Key advantages to nearshoring in Mexico

- Qualified Workforce
- Competitive Costs
- Strategic Time Zone Alignment
- Strong Government Support for Tech & Innovation

Data security

Transferring crucial business data involves certain risks, especially when projects are subcontracted to a third party. Subcontracting companies may attend to more than one client at a time, including their competitors, which increases the possibility of theft or filtration of data.

Latin American countries generally do not follow international guidelines for data protection, including the European Union's GDPR (General Data Protection Regulation). However, countries such as Argentina, Brazil, and Mexico have created their own policies for the protection of data, aligned with those of the GDPR.

The First Advantage screening platforms are designed to standardize the collection of personal data and limit the quantity of data necessary to carry out the background screening process.

Background screening recommendations for nearshored workers

When hiring nearshored talent, it's important to partner with a global background screening provider who delivers innovative solutions, helps to support compliance regulations, and enables trust across the employee lifecycle.

HR teams could increase confidence when nearshoring by incorporating screens such as identity verification, education and employment verifications, drug screening, credit history, and criminal records.

Concerns about work quality are common in nearshore projects, making thorough background screening essential. Fortunately, these screenings can be conducted remotely while maintaining efficiency and rigor.

¹ September 15, 2025. Link: <https://alcor.com/latin-american-developers/>

² May 5, 2024. Link: <https://blog.nextideatech.com/how-many-software-developers-in-latin-america/>

³ <https://www.hireinsouth.com/post/colombia-vs-brazil-which-country-wins-for-nearshore-tech-outsourcing>

⁴ <https://www.santander.com/en/press-room/features/the-power-of-nearshoring-in-the-americas>

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Economic impact

\$70-80 USD Billion

Estimated potential annual economic gains that nearshoring could generate for Latin America, driven by its large industrial base and domestic market.⁴

Inter-American Development Bank (IDB)

Ready to learn more?

