

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 Mexico

Mexico in particular is considered to have a particularly competitive advantage, making it attractive to foreign investment.

Over the past decade, Mexico's tech industry has experienced sustained double-digit growth, significantly outpacing many global markets, driven by nearshoring demand and increasing foreign investment.¹

Additionally, Mexico produces over 130,000 engineering and IT graduates annually², ensuring a strong and continuous pipeline of technical talent.

The focus on nurturing talent in IT and programming has resulted in extensive services, which include app and website development, as well as IT projects. In addition, graduates are mostly bilingual, which enables seamless subcontracting to North American businesses.

An extraordinary source of talent

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

- **LATAM:** 2 million+ software developers³
- **Mexico:** ~550,000–700,000+ software developers³
- **Brazil:** ~750,000+ software developers⁴

Key advantages

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

Cities with the highest concentration of talent

- Monterrey
- Mexico City
- Queretaro
- Guadalajara
- Merida

Key advantages to nearshoring in Mexico

- Qualified Workforce
- Strategic Position
- Industrial Development
- More than 14 free trade agreements with 50 countries⁵

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.

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.

Economic impact

\$35 USD Billion

Economic gain that Nearshoring will potentially add to Mexico.⁶

Inter-American Development Bank (IDB)

Ready to learn more?

¹ <https://www.riotimesonline.com/mexico-economy-2026-outlook>

² <https://mexecution.com/en/why-mexico/educated-workforce>

³ <https://devsdata.com/latam-developers-rates-pros-cons-insights-latin-america/>

⁴ https://dev.to/zak_e/how-many-software-developers-are-there-in-latin-america-4o8l

⁵ <https://www.gob.mx/se/acciones-y-programas/comercio-exterior-paises-con-tratados-y-acuerdos-firmados-con-mexico>

⁶ <https://americasquarterly.org/article/nearshoring-in-latin-america-who-could-benefit-most/>

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