



Technology Entrepreneurship in Emerging Markets: Latin America's Innovation Momentum

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For decades, Latin America was viewed as a technology adopter rather than a technology shaper. That assumption no longer holds. Latin America has emerged as a dynamic force in global technology entrepreneurship, experiencing unprecedented growth and transformation over the past three decades. The region's digital transformation market reached \$86 billion in 2024 and is projected to grow to \$1.9 billion by 2032, representing a remarkable 15.6% compound annual growth rate. With startup investments reaching \$1.1 billion in 2024—a 30% increase year-over-year—Latin America continues to attract significant international attention and capital.

According to Carlos Pedraja, head of business development for Google Latin America: “The region’s technology startups are having an impact even beyond the industries they are disrupting.” The Google Accelerator Program, for example, has produced alumni such as [NuBank](#) (Brazil), [Justo](#) (Mexico), and [Ualá](#) (Argentina).

The region now hosts between 30-40 unicorn companies, with success stories like [Mercado Libre](#), Nubank, and [Rappi](#) demonstrating the potential for Latin American startups to achieve global scale. Brazil leads the region with 13 unicorns and a \$1.7 billion funding ecosystem, while countries like Mexico, Colombia, and Argentina have developed robust tech ecosystems of their own.

Assessing the size, scope and market fundamentals of Latin American technology entrepreneurship, one finds a substantial and rapidly growing market. The IT services market alone generated \$66.2 billion in revenue in 2023 and is expected to reach \$110.3 billion by 2030, reflecting a 7.6% compound annual growth rate. The region’s digital transformation initiatives are accelerating at an even faster pace, with the market expanding at 15.6% annually.

The startup ecosystem has reached impressive scale, with over 1,000 startups operating in the region and employing approximately 245,000 people. These companies collectively represent more than \$100 billion in value and span virtually all sectors of the Latin American economy.

As for the geographic distribution and leading markets, [Brazil is in the forefront of Latin America's technology landscape](#) accounting for 34.7% of regional investments and hosting the largest tech workforce with over 500,000 software developers. The country's IT sector grew by 13.9% in 2024, significantly outpacing the global average of 10.8%. São Paulo alone is valued at \$113 billion and ranks as the only Latin American ecosystem among the world's top 30.

Mexico follows as the second-largest market, with over 700,000 IT professionals and \$792 million in startup funding in 2024. [Mexico City has emerged as a premier tech hub](#) producing 50% more tech graduates than Brazil's top market. The country benefits from its strategic proximity to the United States and favorable trade relationships.

Colombia and Argentina round out the top four markets, with Colombia receiving \$353 million in funding and Argentina \$418 million in 2024. Colombia has experienced particularly rapid growth, with its tech sector expanding by 21% in 2021 alone, while Argentina maintains its position as a leader in software development and exports.

With regard to sector leadership and specialization, [fintech dominates Latin American technology entrepreneurship](#), attracting 39% of all venture capital investment in 2021 and experiencing 340% ecosystem growth between 2017 and 2023. The sector now encompasses over 3,000 fintech companies operating across 26 countries. This dominance stems from the region's large unbanked population—approximately 70% of Latin Americans are either unbanked or underbanked—creating enormous opportunities for financial inclusion.

E-commerce represents the second-largest sector, accounting for 20% of venture capital investment. Brazil dominates regional e-commerce, responsible for 38% of annual sales and projected to surpass \$1 billion by 2030.

In terms of emerging technologies and future sectors, [artificial intelligence represents the fastest-growing technology sector in Latin America](#). The market is scaling from \$11.82 billion in 2025 toward \$47.88 billion by 2031, showing a 26.25% compound annual growth rate. Brazil and Mexico lead the region in AI patents, accounting for about 95% of filings.

Large enterprises are driving AI adoption, with 90% of major Brazilian firms implementing AI applications. This has fueled modernization in data centers and enterprise networks, with 28% of providers adapting their infrastructure for AI workloads.

Other emerging sectors include:

- **HealthTech:** Driven by telemedicine demand and chronic healthcare shortages^f
- **EdTech:** Experiencing rapid growth with government investment and remote learning necessity

- **AgriTech:** Leveraging Brazil's agricultural leadership with over 1,700 agtech startups using blockchain, AI, and drones
- **ClimaTech:** Addressing environmental challenges with the region's strategic advantage in renewable energy

[Corporate success stories abound in Latin America](#). Most notable is Mercado Libre, a regional champion in technology demonstrating how local companies can achieve global scale while addressing regional challenges. The company's strategy centered on building an integrated ecosystem rather than just an e-commerce platform. Rather than trying to compete globally immediately, the company methodically expanded across Latin American countries, adapting to local regulations and market conditions while maintaining its core value proposition. By 2019, it operated in 18 countries across Latin America.

Another technology champion in Latin America is Nubank, a Brazilian fintech company that has revolutionized financial services in the region. The digital bank has become the region's most valuable unicorn with a \$25 billion valuation. The company serves over 52 million active users on its platform. Nubank's strategy focused on addressing the underbanked population through mobile-first financial services. The company identified that traditional banks were not serving large segments of the population effectively, particularly younger consumers and those without extensive credit histories. By leveraging technology and data analytics, Nubank created more inclusive financial products.

Yet another success story is Rappi, the Colombian unicorn valued at \$5.4 billion. Rappi demonstrates how Latin American companies can create innovative business models that address regional needs. Founded in Colombia, Rappi rapidly expanded across nine countries and over 250 cities, evolving from a delivery service to a comprehensive super-app.

Rappi's strategy addressed the fragmented nature of Latin American markets by creating a platform that could adapt to local needs while maintaining operational efficiency. The company provides delivery services ranging from food to groceries to pharmaceuticals, while also offering financial services and digital payments.

The company's expansion strategy focused on regional markets rather than attempting global expansion immediately. This approach allowed Rappi to understand local market dynamics, build relationships with regional suppliers, and adapt its technology platform to varying regulatory requirements across different countries.

Looking to the future, Latin America's technology sector is positioned for continued robust growth across multiple dimensions. The digital transformation market is projected to expand from \$107 billion in 2025 to \$242 billion by 2030. Indeed, the future of technology entrepreneurship in Latin America appears bright, with multiple growth drivers converging to create substantial opportunities.

While challenges remain, the region's young population, improving infrastructure, and growing entrepreneurial sophistication position it well for continued technology innovation and economic

development. Success will require companies and investors to navigate local market dynamics while building globally competitive capabilities.

For U.S. partners, deepening innovation alliances across the Americas will be critical to ensuring that technology development and entrepreneurship in the region continue to advance shared prosperity and democratic resilience.

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