

# KEY DEVELOPMENTS IN MEXICO'S ICT SECTOR, POLICIES AND REGULATIONS:

SETTING THE STAGE FOR THE 2016 OECD MINISTERIAL

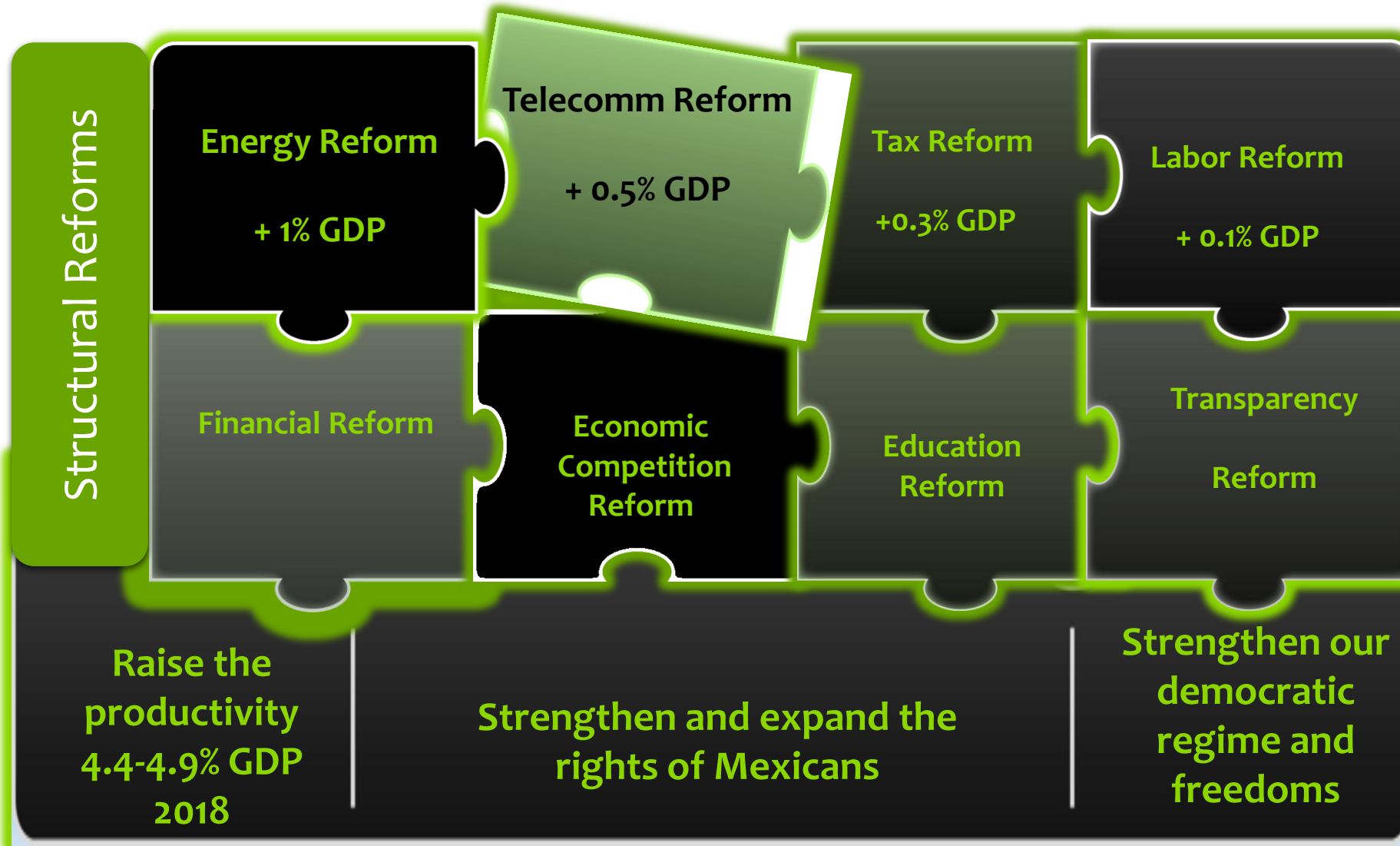


**General Director for Innovation, Services and Domestic Trade  
Ministry of Economy**

Raúl Rendón Montemayor

[raul.rendon@economia.gob.mx](mailto:raul.rendon@economia.gob.mx)

# Mexico: a global player and a leader on the global stage



## Rights of a new generation\*

- **Right of access to information and communication technologies**, as well as to broadcasting and telecommunications services, including broadband and internet.
- **Quality** in mandatory education

# National Development Plan 2013-2018: Innovation-related policies & strategies

**Strategy 3.5.1.**

Increase Gross Domestic Expenditure on R&D (GERD) to 1% of GDP

**Strategy 3.5.4**

Foster knowledge transfer from academy to industry

**Strategy 3.5.3.** Foster local STI\* vocations to stimulate regional development

**Strategy 4.2.4.**

Increase access to finance for innovation and patent creation

**Strategy 4.5.1.** Foster ICT\* sector development and ICT adoption

**Strategy 4.2.4.** Foster innovation through public procurement

# Information technologies : A National Priority

The ITC services should act as a catalyst for **innovation** and productivity for the rest of the economic sectors.

## National Development Plan

- Focus in strategic sectors of **high added value**.
- Implementation of a Specific program of Government: a **Close and modern Government Strategy for the people**.
- Direct support and encouragement for the **Innovation** and the **ITC** Sectors.



- **National Digital Strategy: (EDN)** Encouraging the adoption and development of **ICT**.

## Innovation Development Program

- Articulated Public Policies designed to encourage the supply and demand for digital goods and services.



**The IT Sectoral Agenda:** Establish a comprehensive and **strong IT sector**.

**Objective:** Increasing **national productivity and skills to innovate** in the rest of the economic sectors.



SE

SECRETARIA DE ECONOMIA

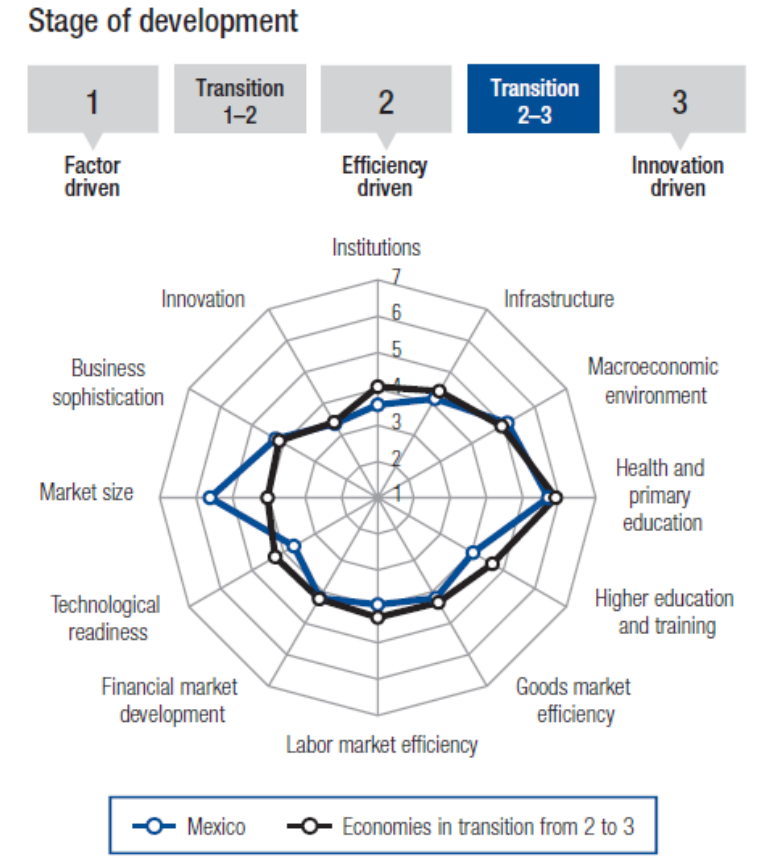
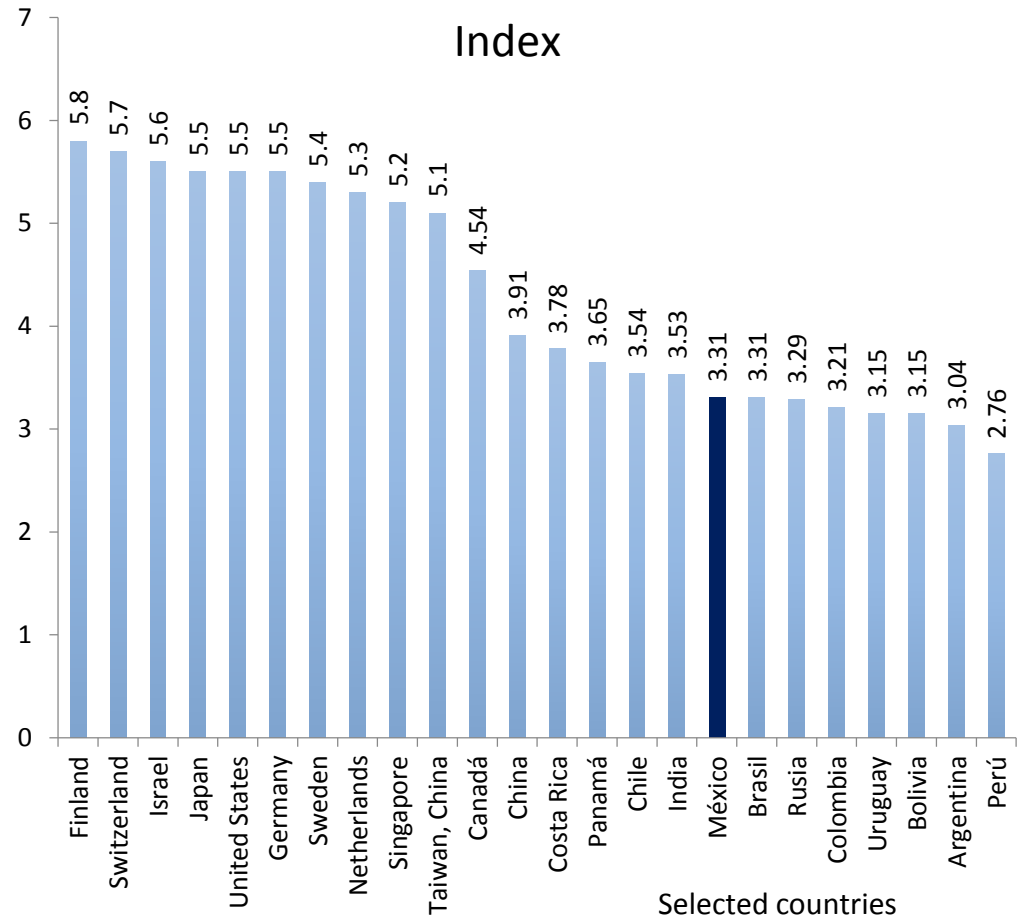


# Innovation Policies



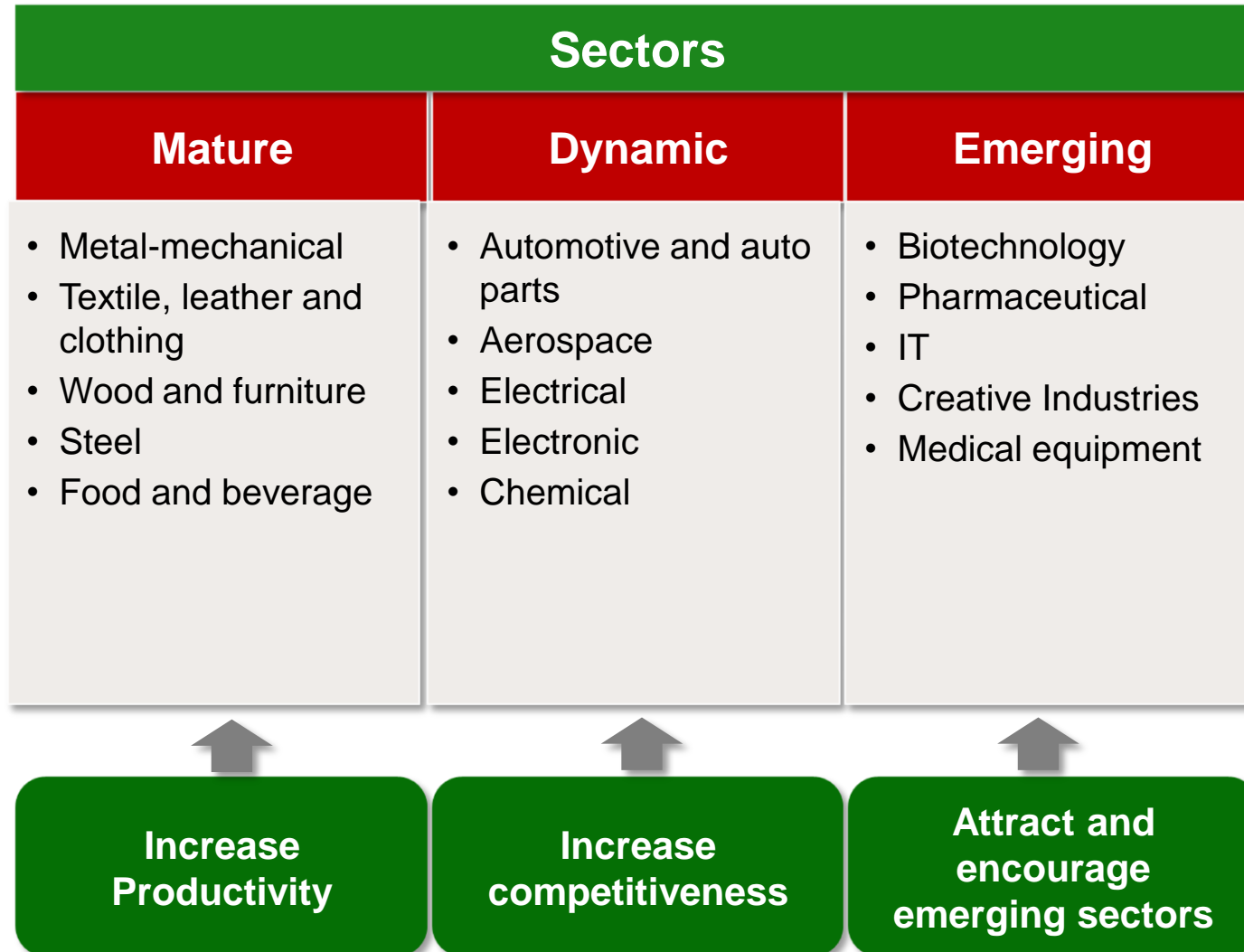
# Mexico: Innovation Pillar, The Global Competitiveness Report 2013-2014

Mexico ranks 61 out of 144 countries on the innovation pillar. Forth among Latin-American countries.



Source: The Global Competitiveness Index 2013–2014. WEF

# Innovation Development Program

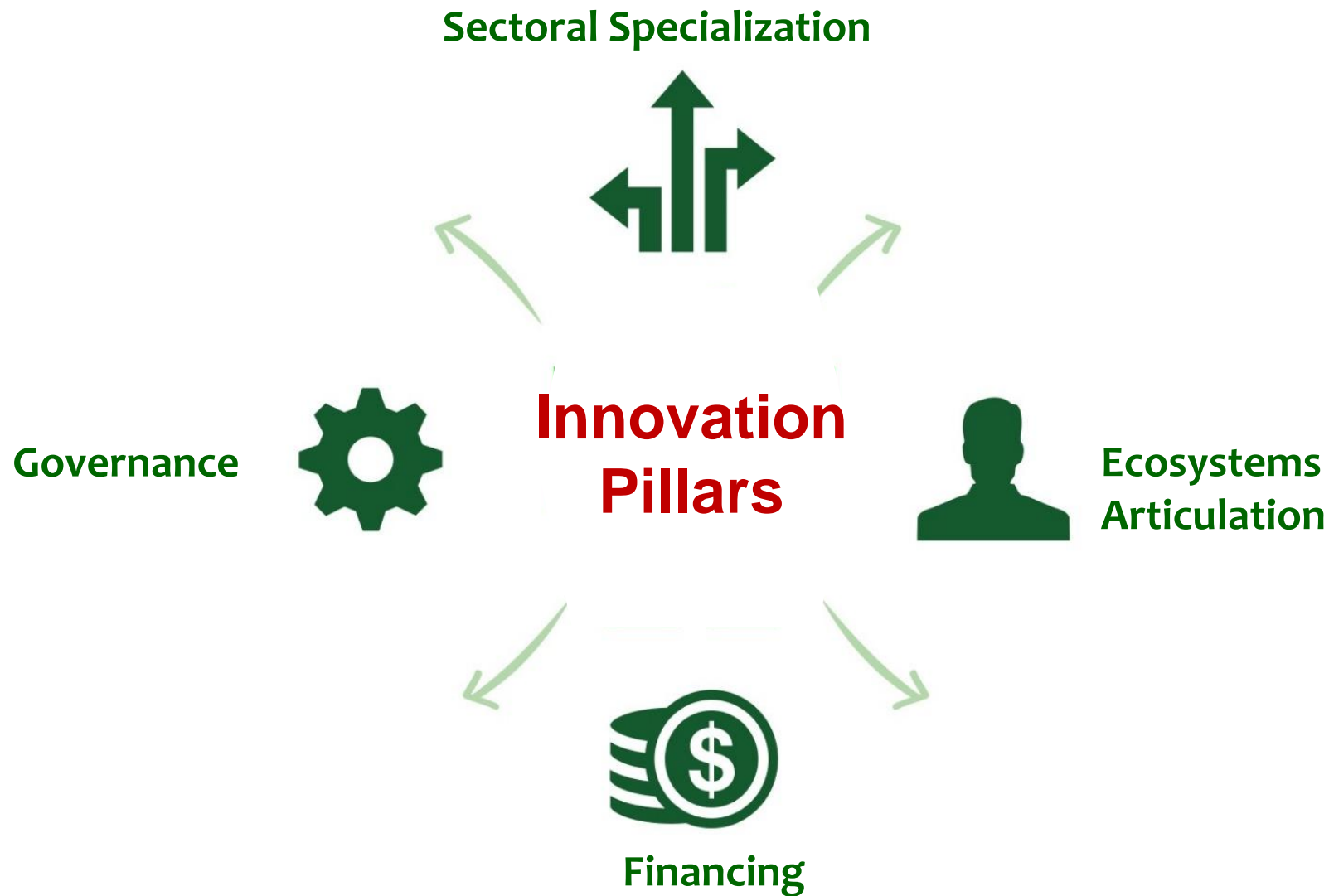


# Sectoral and Transversal Strategy

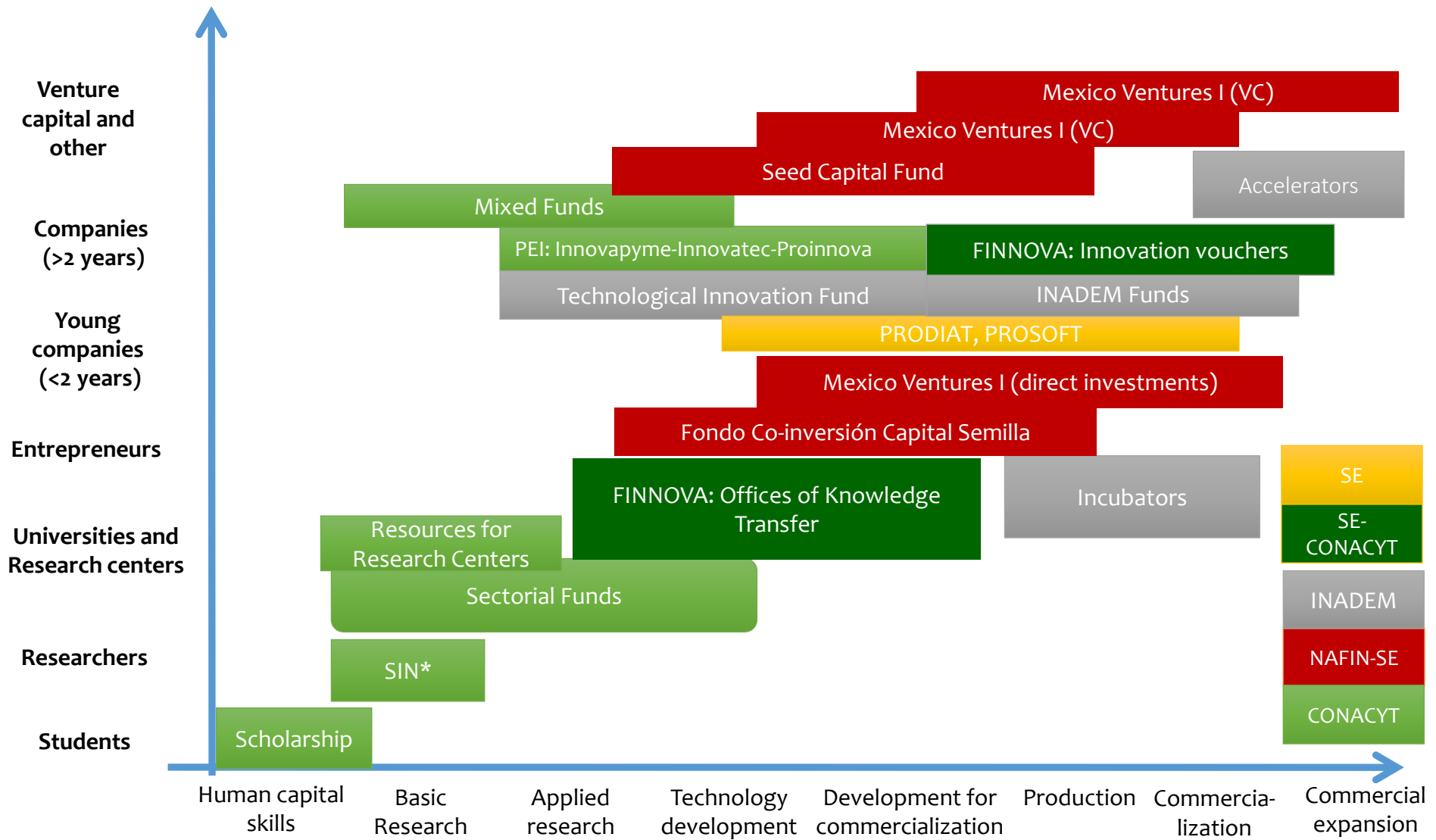
		Mature	Dynamic	Emerging
		Sectoral strategies		
Development of suppliers	Transversal strategy	<ul style="list-style-type: none"> <li>Incorporation of suppliers to value chains through “tractor companies”</li> <li>Increased production value added</li> </ul>	<ul style="list-style-type: none"> <li>Increase technological and productive capacity of suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Create a baseline of suppliers</li> <li>Bonding with the productive sector</li> </ul>
Regional Clusters		<ul style="list-style-type: none"> <li>Linking with dynamic sectors</li> <li>Create manufacturing regions with definite vocation and unified standards</li> </ul>	<ul style="list-style-type: none"> <li><b>Automotive:</b> NL, Guanajuato, Chihuahua, State of Mexico, Ags. and Pue</li> <li><b>Aeronautical:</b> BCN, Chih, QC, NL and Son.</li> <li><b>Electronics:</b> BCN, Jal. and Chih.</li> <li><b>Electrical:</b> NL, QC. and Chih</li> </ul>	<ul style="list-style-type: none"> <li>Program of intersectoral linkages</li> </ul>
Innovation		<ul style="list-style-type: none"> <li>Joint projects for capacity building with wide coverage</li> <li>Public support for industrial re-converting and investment in physical, human and technological capital</li> </ul>	<ul style="list-style-type: none"> <li>Creation of a networks of innovation centers.</li> </ul>	<ul style="list-style-type: none"> <li>Development of human capital with high-level skills</li> <li>National initiative to promote Digital Market</li> </ul>
Human capital				



# Innovation Strategy

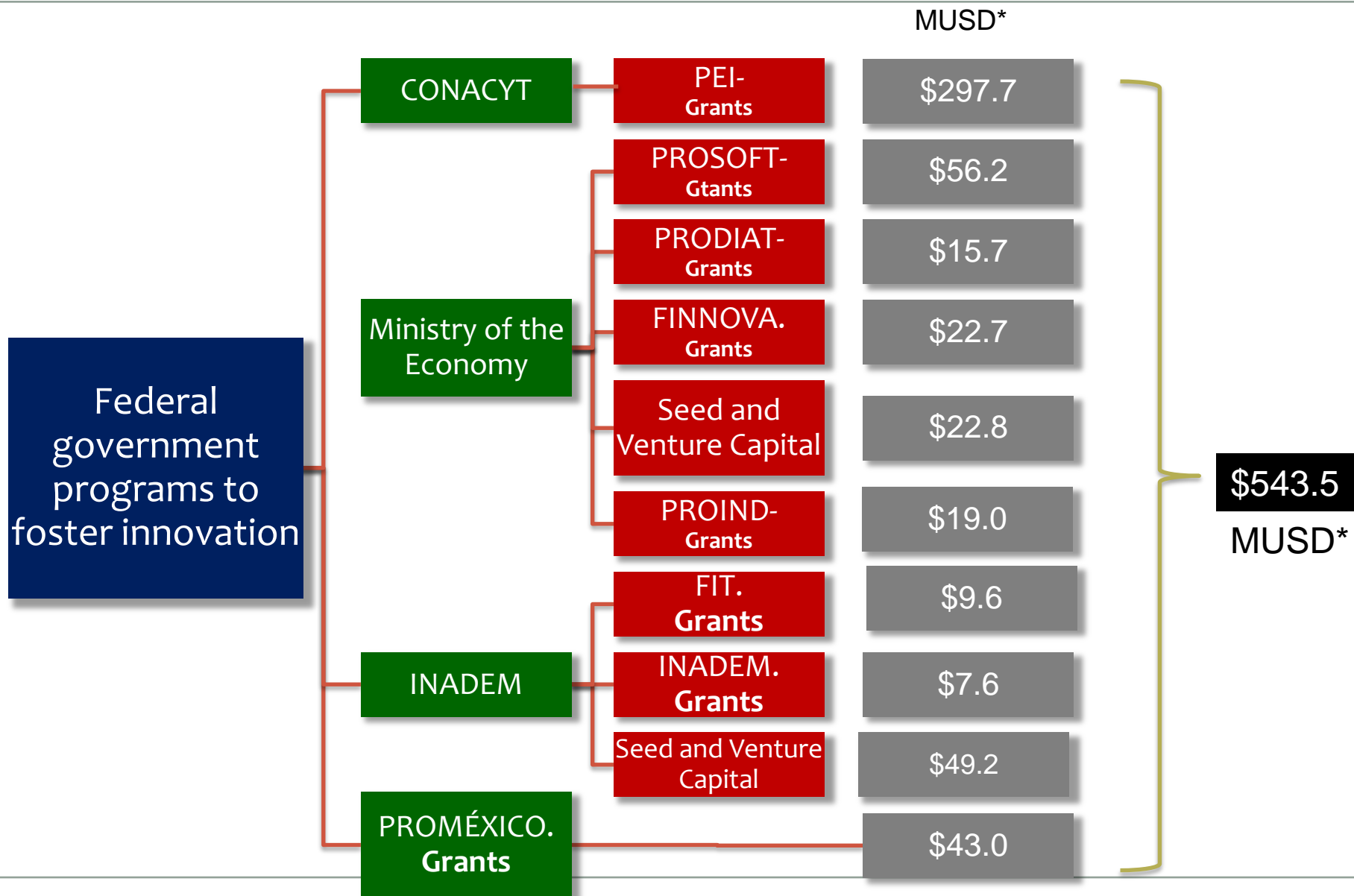


# The Federal Government has a number of programs to foster innovation



\* Researchers National System

# Mexico: Catalog of Programs to Foster Innovation, 2014 (million US Dollars\*)



# Mexico ICT Sector is the best kept secret



**We've been implementing for the last 12 years a successful long-term Public Policy in the IT Sector.**

**Political Commitment with the Sector.**

**Goals for 2024. Another 10 years.**



# PROSOFT 3.0 Sectoral Agenda

2003-2007

## PROSOFT

Create a Launching Platform

2008-2013

## PROSOFT 2.0

Strengthening pillars: Human capital; Software development; Firms organizational quality

2014-2024

## PROSOFT 3.0

Digital Market and Innovation.  
IT as a cross-industry

## MISSION

To foster a **strong and global** IT sector that increases overall **productivity** and **innovation capabilities** in the other economic sectors.



IT ECOSYSTEM





## Mexico IT Provider

### IED DESTINATION<sup>1</sup>

Mexico is ranked as the 2nd place in Latin America as a destination for investment attraction.

### 3° GLOBAL EXPORTER<sup>2</sup>

Mexico is the third-largest exporter of IT services after India and the Philippines

### POOL OF TALENT<sup>3</sup>

There are currently in the country 625 thousand professionals in IT and there are annually 115.000 graduates in the areas of engineering and technology

### 4° OUTSOURCING DESTINATION<sup>4</sup>

Mexico occupies the 4th position among the best destinations to provide activities for outsourcing, including IT services and support, contact centers and support back-office.

### GEOGRAPHICAL PROXIMITY TO THE BIGGEST MARKET<sup>5</sup>

Mexico is the "natural" supplier of IT services to the markets of Latin America and North America.

## The IT Industry in Mexico has shown a positive performance in the last decade

Indicator	2002	2012	2014
Market Value(BUSD) <sup>/1</sup>	3.95	14.39	20.7
Exports (BUSD) <sup>/2</sup>	1.75	5.56	-
Economic Units <sup>/3</sup>	2,095	4,152	3,093
Jobs <sup>/4</sup>	226,000	625,000	564,989
Certified Development Centers <sup>/5</sup>	4	627	680
National spending on IT (BUSD) <sup>/6</sup>	6.1	21	23.1 <sup>/e</sup>

<sup>1/</sup> Source: Cifras Select, 2014 estimado (tipo de cambio promedio 2014: 13.29 pesos [SAT, 2014]); <sup>2/</sup> AT Kearney, 2011; <sup>3/</sup> Fuente: DENU, INEGI; <sup>4/</sup> Fuente: INEGI para cifras de TI, sin incluir BPO, Censo de agencias de servicios de outsourcing, IMT, 2014; <sup>5/</sup> Se refiere a Certificaciones SEI (CMMI) datos a 13 feb/2015, CERVERT y NYCE (MOPROSOFT); <sup>6/</sup> Fuente: Gartner Forecast – IT Services End-User Spending, Business Monitor Internacional.

## PROSOFT 3.0 Indicators and Targets

2° Exporting country (today 3 °)

3° Destination of IT outsourcing (today 4 °)

Multiply by 4 the market value of IT (today 14.4 BUSD)

3° In LATAM in use of IT enterprise (today 5 °)

1,000 Quality Centers (today 680)

Approach to 15 sectors.

Annual strategic planning.

90% of demand for talent cover (today 50 %)

50% of IT companies innovate (today 25 %)

25% of value added services (today 9.4 %)

30% With linked projects (today 5 %)

50% of IT companies innovate (today 23 %)

5 global poles of IT in the country (today 0)

LATAM Leader in laws related to IT (today 5 °)

### Main Indicators

- Exports.
- Volume of transactions made with outsourcing.
- Number of firms that use IT of value.

- Certified Companies.
- Added Value of Services
- Linking academy - industry.
- Poles of global competitiveness.

- Strategic planning and impact evaluation.
- Change of the regulatory environment.

# Strategies and Success Factors of PROSOFT 3.0



## Digital Market

- Market's approach with Value
- Digital chaining
- Supreme quality



## Business Innovation

- Linking
- Innovative activity
- Disruptive technologies



## Talent of excellence

- Volume
- Skills
- Localization



## Globalization

- Global Players
- Investment Attraction
- Exports



## Financing

- Financial Formation
- Financing Alternatives
- Seed Capital and entrepreneurial



## Smart Regionalization

- Differentiated Niches
- Strategic Alignment
- Global Positioning



## Legal Certainty

- Global Integration
- National regulatory harmonization
- Protection



## Governance

- Articulation and policy alignment
- Impact Evaluation
- Effective Communication

# Objectives and Strategies of the PROSOFT Fund.

**Program for the  
Development  
of the Software Industry.**

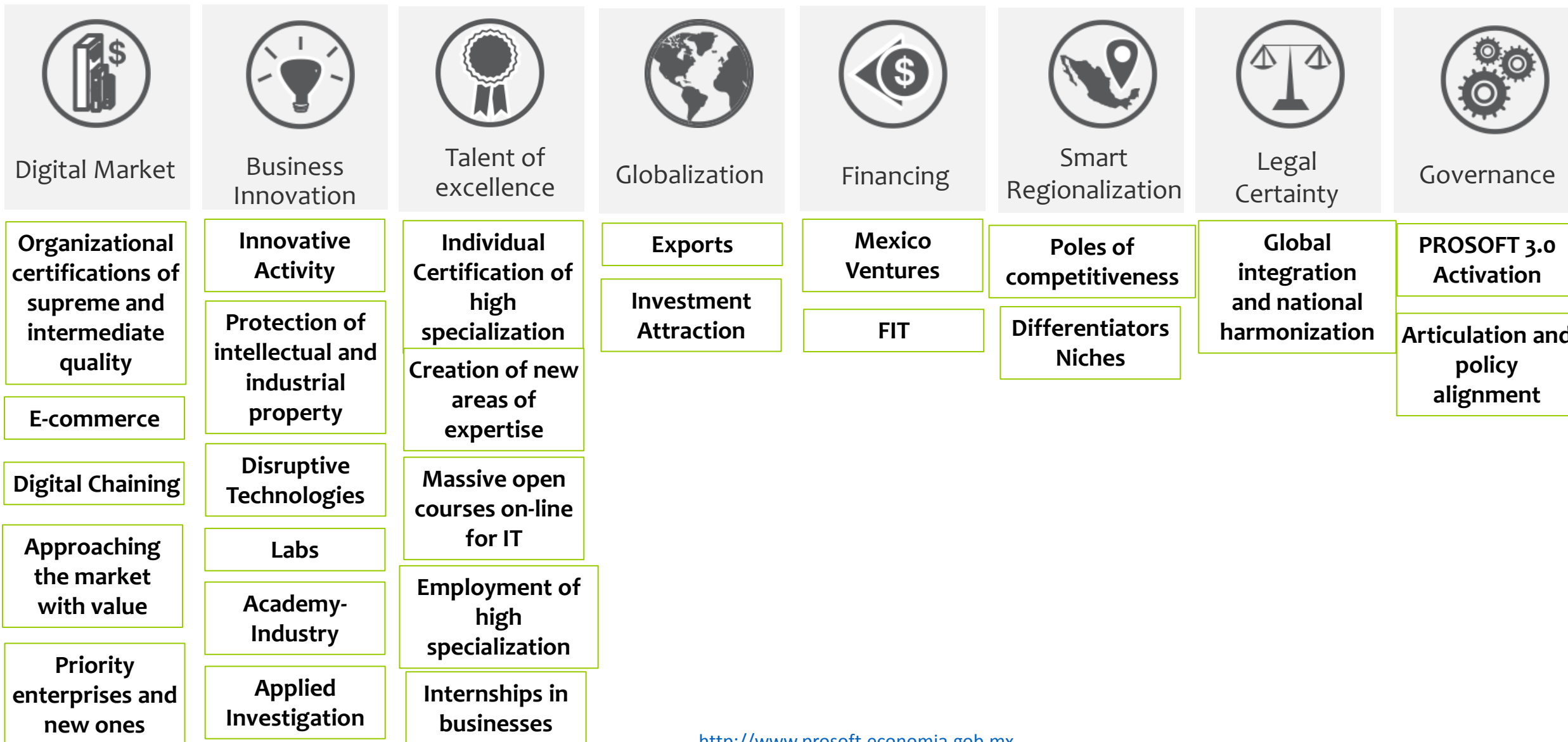
**The overall objective of the Program  
is to contribute to the growth in the  
IT sector in Mexico.**

**2015  
Budget  
748.78**





## Established Priorities in the Operation Rules





## **MINISTERIAL ON DIGITAL ECONOMY 2016**

JUNE 21- 24 2016

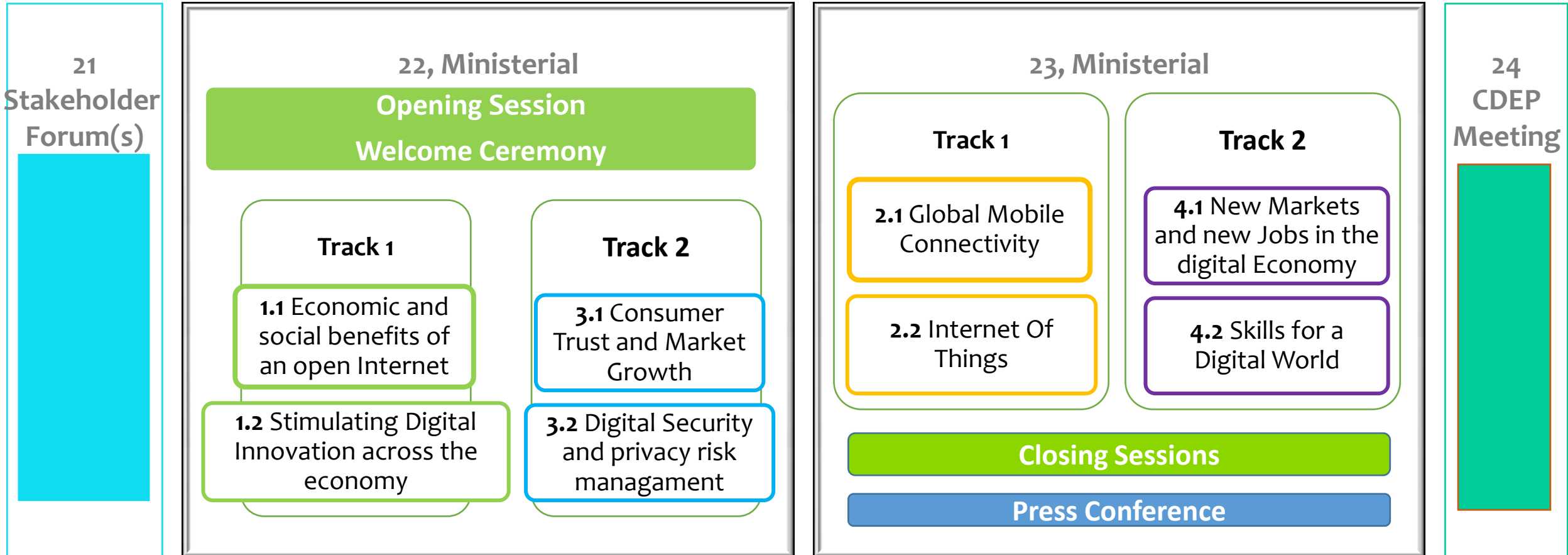
CANCUN, QUINTANA ROO

# MINISTERIAL ON DIGITAL ECONOMY 2016

JUNE 21- 24 2016

CANCUN, QUINTANA ROO

## Overall Structure (Preliminary)



*“... we are determined to transform Mexico and place it at the cutting-edge of technology and knowledge...”*

ENRIQUE PEÑA NIETO

President of Mexico



We are  
ready to  
welcome  
you in

Cancun