

## Londrina, Brazil, Becomes High Tech Hub

Contributed by Omar Nasser  
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Renowned in Brazil for its agricultural production - the 2006/2007 crop should reach 25.8 million tons of grain - the southern Brazilian state of Paraná is, little by little, growing in the sector of high technology. Twelve years ago, a software hub developed on the outskirts of the city of Londrina, in the north of the state.

The Local Productive Arrangement (LPA), which includes 149 companies, has consolidated itself as an important hub, specialized in Information Technology. The area now exports up to 15% of its production.

The main foreign buyers are countries in South America, according to Marcos von Borstel, head of the LPA. As the strategy is to diversify markets, the Arab countries are among the future buyers. "There is, surely, interest in selling to the region," stated the businessman.

The production line of the IT hub in Londrina is diversified, including "package" or "shelf" software, that may be found in specialized shops, "loaded" software, integrated in machines and equipment, like mobile telephones, and "customized" programs, tailor made for customers. Apart from that, there are also companies in the region that provide advisory and consultancy.

The LPA covers eight cities in the state, generating around 2,000 direct and indirect jobs. Following in the local investment trend, various higher level education institutions in the region, like the Londrina State University (UEL), the University of Northern Paraná (Unopar), the Pontifical Catholic University of Paraná (PUC-PR) and the Federal Technological University of Paraná (UTFPR), among others, have established at their campuses in the region new courses turned to the information technology area.

The quality of the products made at the hub has spread: just 15% of the produce is sold in Londrina and region. To other cities in the state of Paraná go 30% of the products, and to other Brazilian states go another 40%.

According to the president of the LPA, the secret of the success of the cooperation between the local businessmen is something, in fact, that must be common among clusters.

"The objective is not for us to fight aggressively over the client standing on the corner, but to join forces as if we were just one company. We must cooperate as we have similar problems."

The union of ample sectors in the Londrina society was fundamental for the birth of the hub. Twelve years ago, a group of private entrepreneurs, representing government and class organizations from the city joined forces and created the

Technological Development Association of Londrina (Adetec).

A non-profit organization, Adetec received the mission of acting in education, research and in sponsoring regional technological development in northern Paraná.

The Londrina IT cluster is one of the most dynamic development hubs in the country. This information was disclosed by the Institute of Applied Economic Research (Ipea), which made a study of competitive conditions in the national industry. The results were compiled in book "Innovations, Technological Standards and Performance of Brazilian Industrial Firms".

In the research, the Ipea identified fifteen important economic groups all around the country, denominated Special Industrial Agglomerations (SIAs). The SIAs include geographically close companies, but which can present differences with regard to the sector they operate in and to the innovation they apply to their processes and products.

Of the 15 SIAs identified by the Ipea, two are in Paraná: one in state capital Curitiba and outskirts, covering ten cities, and the other in the city of Londrina and region, congregating five cities.

According to economist João Alberto De Negri, vice president at the Ipea and organizer of the study, the SIAs in the state of Paraná have one important characteristic that makes them stand out from others:

"What differentiates the state of Paraná from other regions is the capacity to differentiate and innovate in products."

The Productivity, Technology and Innovation Studies director at the institute, De Negri recalls, for comparison purposes, that the SIAs of the Southeast of the country - except for the industrial city of São Paulo - are made up of industries that compete among themselves in the production of standardized goods.

In the state of Paraná, on the other hand - as is the case with Santa Catarina and Rio Grande do Sul (both in the South) as well as in São Paulo - great attention is paid to differentiation and innovation, a strategy that is in line with these times of global economy and heavy competition.

On entering this route, the company develops new technologies and incorporates more knowledge into the product, which, in the end, generates greater competitiveness and income. "Differentiated goods grant businessmen a price premium of 30% or more," explained De Negri.

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