

# ENRICH MONTHLY

MONTHLY BUSINESS & INNOVATION NEWS COMPILED BY ENRICH IN BRAZIL



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Dear Reader,

a warm welcome and thank you for your time and interest in our third edition of ENRICH Monthly.

In this edition, we are following the theme of innovation investment and funding. To this end, we have gathered latest news about various national and international organizations that have announced their plans to inject significant amount of funding into Brazilian as well as Latin American innovative startup scene.

Despite the challenges that the Brazilian economy is facing, the country presents an entrepôt of opportunities. Brazilian businesses continue to have global presence in innovation intensive sectors ranging from renewable energy, nanotechnology, biotechnology and bioeconomy, ICT and aeronautics. In recent years, the government has started collaborating with global players that are experts in turning innovation inputs into innovation outputs. As an example, we have prepared in our Success Story section an interview with Marisa Rizzi, manager of research and innovation at Cristália. Cristália, a huge pharmaceutical company in Brazil. In the interview, Marisa Rizzi elaborates how international collaboration spurred its innovation capacity but also had an unexpected impact on the organizational knowledge. This type of knowledge is seen as tacit knowledge that can be acquired through non-traditional methods.

We hope you enjoy reading the 'ENRICH Monthly' and we are happy to receive your feedback via [email!](#)

All the best for you,  
ENRICH in Brazil Team





## Ten more Brazilian states' soy growers join Bayer patent dispute

Soy producer associations in 10 Brazilian states have filed a legal petition to join with growers from Mato Grosso state and get Bayer to deposit royalties related to a soy seed technology into an escrow account, according to a document seen by Reuters.

Mato Grosso growers have sued agribusiness giant Bayer following its acquisition last year of U.S.-based Monsanto Co. In their lawsuit, the farmers claim irregularities related to the granting of Monsanto's Intacta RR2 Pro genetically modified seed technology patent, including the company's alleged failure to prove it involves true technological innovation.

Growers' associations from 10 other states - Piauí, Amapá, Pará, Bahia, Maranhão, Paraná, Rondônia, Santa Catarina, Tocantins and Goiás - filed their petition on March 13 in Mato Grosso state courts, according to the document.

Bayer said that it would defend itself, both in relation to the Mato Grosso growers and the 10 other states.

Mato Grosso's farmers are ultimately seeking to cancel Bayer's Intacta patent rights, which are set to expire in October 2022.

Last year, a judge ordered royalties related to the technology to be deposited in an escrow account pending the end of the patent litigation.

In mid-2018, soy growers estimated that the patent would generate 800 million reais (\$206 million) in royalties for the growers in Mato Grosso in the 2017/18 crop cycle. That would rise to 2.6 billion reais if the court decided the same for the other 10 states, a source familiar with the case said, requesting anonymity.

The growers' association in Pará confirmed the document had been filed. Soy associations in the other states did not respond immediately.

Read more at: [Reuters](#)

## Pharmaceutical Roche decided to stop producing in Brazil

Swiss pharmaceutical company Roche said this week it will stop producing medicines at its Rio de Janeiro unit in Brazil, a new blow to a country whose economy appears to be in its most sluggish decade in 120 years. Roche said the move will take place within the next five years because that factory is not financially sustainable.

Several big businesses have shown concerns about the future of the once booming Brazilian economy. The country has hit strong headwinds since 2014, with few encouraging signs of a recovery since new President Jair Bolsonaro took office on January first.

Roche said its layoffs in Rio will only begin next year. Its medicines in Brazil will be imported once the manufacturing unit is shut down and the company will keep its administrative units in Sao Paulo and Goias states. The company employs 1,200 people in Brazil, including 440 at the Rio factory. The unit produces drugs like anti-anxiety medicines Lexotan and Valium, tranquilizer Rivotril and sedative Dormonid.

Also workers at the Volkswagen plant in Sao Bernardo do Campo accepted a cut in their benefits just to keep their jobs, a rare move that the local union agreed with.

The once-bullish Sao Paulo stock market, meanwhile, is now jittery about prospects for a major overhaul of the pension system meant to help the economy improve. Far-right President Bolsonaro backs the measure, which would delay or trim benefits for tens of millions, but it faces increasing resistance in Congress.

Economist Andre Perfeito said in a research note to clients that "the longer Brazil's economy remains weak, the more difficult it will be for Bolsonaro to get the reform approved in Congress."

Read more at: [MercoPress](#)

# Brazil-Europe Direct

## Country Specific News

### Thyssenkrupp, Embraer to build four ships for Brazil's navy

Brazil's navy has selected German industrial conglomerate Thyssenkrupp and domestic aircraft maker Embraer to build four corvettes, Thyssenkrupp said on Friday.

"We are very honored by the Brazilian Navy to entrust us with the mission to build the Tamandaré Corvettes Class," Thyssenkrupp Marine Systems Chief Executive Rolf Wirtz said in a statement.

Thyssenkrupp did not disclose the value of the contract.

Read more at: [Reuters](#)



### *Norwegian's first flight to Brazil takes off from London Gatwick*

Norwegian has today commenced its first route to Brazil with a brand-new non-stop service from London Gatwick to Rio de Janeiro. The new flights offer consumers in the UK an affordable way to travel to Brazil.

Passengers will fly in comfort on brand new Boeing 787 Dreamliner aircraft. Norwegian's new flight to Brazil has broken the current monopoly with the new service to Rio de Janeiro–Galeão International Airport (GIG) from London Gatwick Airport, allowing consumers to explore the beauty of Brazil at an affordable price.

The convenient flight schedule will also offer Norwegian customers in both Europe and Brazil opportunities to connect via the carrier's short-haul network of European flights.

Bjorn Kjos, Chief Executive Officer at Norwegian said: "We are delighted to continue to make travelling to South America affordable for all with our new service to Brazil.

Our route to Rio de Janeiro breaks the monopoly on direct flights between the UK and Brazil and builds upon our expanding services to South America.

"Our extensive network from London Gatwick will give both leisure and business travelers more choice and flexibility when flying with Norwegian on our long-haul routes. Our modern fleet of aircraft allows customers to enjoy their trip from the moment they step on board by flying in modern more environmentally friendly and fuel-efficient aircraft."

His Excellency Fred Arruda, the Ambassador of Brazil to the United Kingdom said: "This new flight will bring Brazil and the United Kingdom even closer together. Brazil is known for its wonders and the hospitality of its people and Brazilians across the country wait for British visitors with open arms."

Read more at: [Aviation24](#)





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## BRAZIL TECH AWARD: BRING YOUR INNOVATION TO BBRAZIL

1ST AWARD SUPPORTING THE EXPANSION OF EUROPEAN SCALE-UPS COMPANIES IN BRAZIL, SÃO PAULO

The Brazil Tech Award 2019 aims to reward one lucky company in the Smart Cities, Health, Fintech, Agritech, Manufacturing and Creative Tech industries who is looking to up-scale their business in Brazil with a £70,000 valued prize in business services for a soft landing in São Paulo.

Entries close on Friday, 30th August where a panel of ten Brazilian experts will whittle the shortlist down to a final five. The winner will then be named in late November during the [São Paulo Tech Week](#) after all shortlisted companies have had the chance to press their claim with a final pitch presentation.

The £70,000 prize includes services such as business development and accounting by Deloitte, legal and digital marketing by Eydos Digital, coaching by Sapovalova, public relations by GrupoCASA UK, soft landing by Sterna and New Option and a one-year workplace for two staff by WeWork.

Registration is open to European scale-up's above one million dollars of income or investments and wishing to compete and grow their business in Brazil.

Read More at: [Brazil Tech Award](#)

# ANEEL will open a call for strategic R&D projects on efficient electrical mobility



ANEEL, the Brazilian Electricity Regulatory Agency, approved the Call for Strategic research and development (R&D) Project "Development of Solutions in Efficient Electrical Mobility". The main objective of the call is to seek for solutions for electric mobility through business models, equipment, technologies, services, systems or infrastructures to support the development or operation of electric vehicles or plug-in hybrid vehicles.

The main expected results of the call are the constitution of business models that contribute significantly to the creation of critical mass and technological base for the development of national products and services in the area of Efficient Electrical Mobility and that demonstrate their viability technician in the national territory.

Any company that generates, transmits or distributes electricity that has a concession contract, permit or authorization to act in such segments of the industry may participate as a project proponent. **The phase of demonstration of interest by the companies will begin on April 26<sup>th</sup>, 2019.**

The deadline for execution of the projects will be up to 48 months, after registration of the start date of execution in Aneel's R & D base.

Among the minimum requirements of the project are the requirements that the equipment, technologies, systems

and infrastructure produced should reach the final stages of the innovation chain, such as: seed head, pioneering batch and market insertion; counterpart of at least 10% of the total project value in financial resources external to the regulated R & D program; carrying out specific studies related to the project, including the state of the art, analysis of the use in several Brazilian regions, comparison with other technological options, estimation of training costs of national technological base, including technology transfer and training actions.

The project results will be presented in a technical report that informs the innovation network created in the project; the technical-economic and financial feasibility study of the project; study of the suitability and / or adaptation of the innovative technologies to the conditions of production of national electric vehicles, and the study of the useful life of the components and the performance of these vehicles; proposal of nationalization or local production of the developed technology; and the business model.

The call for the "Development of Solutions in Efficient Electrical Mobility" will be published on the R & D page of the ANEEL [website](#).

Read more at: [ANEEL](#)

## Faster and cheaper test to detect Zika

Brazilian researchers say they have developed a simpler, cheaper and faster method to diagnose the Zika virus, that can be used in even the most remote places, without need for laboratory equipment or trained staff.

The technology, called loop-mediated isothermal amplification (RT-Lamp), has the benefit of being simpler than the polymerase chain reaction (PCR) currently used to detect Zika, according to authors of a paper published in Nature Scientific Reports.

RT-Lamp amplifies the viral genome of the biological sample, which can be either of the mosquito or the patient, to detect the virus.

While the PCR test costs around US\$10, the new method has an individual cost of around US\$ 0.25, said Lindomar Pena, one of the authors of the paper and a

researcher at the Oswaldo Cruz Foundation (Fiocruz), a biological sciences research centre in Brazil.

Real-time PCR is the gold standard for the detection of the virus, but it requires expensive equipment, specialist staff, and laboratories with good infrastructure, said Pena, adding: "This is not the reality in Brazil."

Zika virus is transmitted mainly by Aedes mosquitoes and has been linked with microcephaly, a condition where a baby is born with a small head. It spread rapidly across Latin America in 2016 and 86 countries have reported evidence of the infection, according to the World Health Organisation.

Read more at: [SciDevNet](#)



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*The new technology is reported to reduce the cost per test from 40 USD to just 1.00 USD*



## Maringá prepares to be one of the main IT hubs in the country

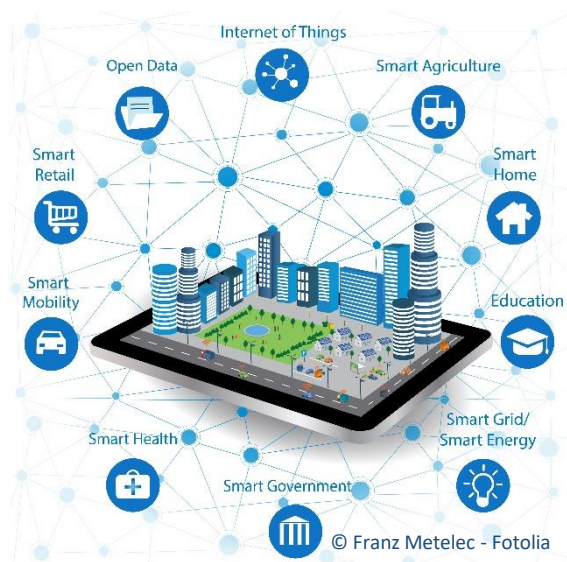
In 2018, the city of Maringá (Paraná state) was elected for the second time the best city in Brazil to live in. The ranking, prepared by consulting Macroplan, analyzes areas such as education, health and safety. But in recent years, the city has also been highlighted by another factor: that of being an information technology (IT) pole.

Maringá now has more than 400 IT companies that, together, invoice more than \$ 1 billion per year, according to city hall data. And they, against the market, are hiring: the city - which has more than 400,000 inhabitants - has 600 open places for various technology posts.

And there is no magic behind the development of the industry. It is only a partnership between entrepreneurs and public power, both willing to transform the region located in the north of Paraná. Since 2007, local IT companies have discussed interests with the region's political representatives and developed actions to boost the market. Among them is the very qualification of labor stimulated with the approach to educational institutions.

Apart from the sector, the partnership between the development council, the private sector and members of civil society developed a "Masterplan 2047" that reflects a 30-year vision of the future for Maringá. The plan ranges from quality of life to local economic consolidation - and the strengthening of the IT sector has been one of the cornerstones.

Read more at: [Pequenas Empresas & Grandes Negócios](#)



## Brazil's PV capacity exceeds 2.5 GW

With around 2,056 MW of operational installed capacity from large-scale PV and more than 500 MW of installed distributed-generation capacity, Brazil has now surpassed Chile to become Latin America's second-largest solar market after Mexico. According to new statistics released by Brazilian industry association ABSOLAR, utility-scale solar currently accounts for around 1.2% of the country's total generating capacity.

Brazil has become Latin America's second-largest PV market, according to new figures released by Brazilian solar association ABSOLAR, based on data from energy regulator ANEEL.

In a short report, the trade body reveals that by the end of February, there were 73 utility-scale PV plants in operation throughout the country. The Brazilian states with the highest share of this capacity are Bahia, Minas Gerais and Piauí.

These plants currently represent around 1.2% of Brazil's total centralized power generation capacity. ABSOLAR also highlighted how large-scale PV has now surpassed nuclear power, the country's seventh-largest electricity source.

Brazil is currently supporting utility-scale PV through energy auctions. It is also supporting distributed-generation PV, which includes all solar installations up to 5 MW in size, through net metering.

Read more at: [PV Magazine](#)



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*“We’ve been seeing the continued, and increased, entry of significant global players in the market,”*

*~ Julie Ruvolo,  
director of venture capital for LAVCA*

## SoftBank launches the Innovation Fund, committing \$5B to invest in Latin America

SoftBank, the Japanese multinational holding conglomerate, announced its plans to launch a USD 5 billion innovation fund that will invest in technology startups across Latin America. The new fund, named the SoftBank Innovation Fund, will be run by former Sprint CEO and Bolivian native Marcelo Claure. Currently SoftBank has already committed USD 2 billion to the fund.

Venture funding in Latin American startups is up — way up — from previous years. Specifically, the Latin American Venture Capital Association’s (LAVCA) data shows that venture capital (VC) funding more than doubled in 2017 to USD 1.14 billion compared to USD 500 million in 2016. While 2018 numbers haven’t been finalized, LAVCA is projecting another record year with venture investments topping USD 1.5 billion.

If you combine private equity (PE) and venture investing, the numbers are even more impressive. LAVCA estimates that PE and VC fundraising together in Latin America in 2017 totalled USD 4.3 billion, up from USD 2.3 billion in 2016.1

Julie Ruvolo, director of venture capital for LAVCA, said all this “fits squarely in this larger momentum that’s been building over the last year or two. We’ve been seeing the continued, and increased, entry of significant global players in the market,” she told Crunchbase News. “Plus, we’ve been seeing an uptick in USD 100 million-plus rounds, which was a relatively rare thing in Latin America.”

Also unsurprising is the breakdown of where the majority of venture dollars have gone in Latin America. Brazil led the region across all stages of VC investment, capturing 73 percent of VC investment dollars in 2017 and the first half of 2018 (201 startup investments totalling USD 1.4 billion). Mexico was the second most active market by number of deals (82 startup investments totalling USD 154 million), but Colombia saw more money invested (USD 188 million over 23 deals).

Here’s a quick rundown of just some of the bigger deals that took place recently:

Colombian last-mile delivery startup Rappi raised USD 185 million and then USD 220 million from Delivery Hero, DST Global, Sequoia Capital, Andreessen Horowitz, monashees and others.

Brazilian fintech Nubank raised US\$150 million and then USD 180 million from DST Global, Tencent and others.

São Paulo-based Movable raised a fresh US\$124 million round of financing for iFood, led by Naspers, with participation from Innova Capital, after raising USD 135 million in 2017.

Monashees, Brazil’s biggest VC firm, raised USD 150 million for its eighth flagship fund in the latter half of 2018.

Yellow, a Brazilian dockless bike-sharing and e-scooter service, launched with a USD 63 million Series A from GGV Capital, monashees, Grishin Robotics and others.

Walmart acquired Mexican delivery startup Cornershop for USD 225 million in its first known acquisition in Latin America.

Argentinian online travel agency Despegar, went public on the NYSE.

Read more at: [TechCrunch](#)



## Softex and MCTIC open public call for startups, IT companies, research groups and consortia

Softex, in partnership with the Ministry of Science, Technology, Innovation and Communications (MCTIC), announces the opening of the public call for applications for startups, IT companies, research groups and consortiums interested in participating in the TechD Support Program to emerging technologies focused on four thematic lines: IoT, Health, Energy and Mobility.

With resources of around R \$ 18 million, its mission is to bridge the gap between the entrepreneurial and the research universe through the integration and greater convergence between startups, R & D centres, universities and companies already consolidated in the market. The goal is to support at least 30 projects, of which 14 should be from the Northeast, North and Central-West regions.

TechD collaborates with strategic partners, such as the Brazilian Society of Computation (SBC), the National Association of Entities Promoting Innovative Enterprises (Anprotec) and the National Council for Scientific and Technological Development (CNPq).

Read more at: [TechD Softex](#)

## BNDES approves fund of up to 60 million Real to support innovative small businesses

The National Bank for Economic and Social Development (BNDES) will inject up to 60 million Real in FIP Anjo, an investment fund focused on companies with an innovative profile and high growth potential. Managed by Domo Invest, the fund will be open to investors and could reach 120 million Real (27, 66 million Euro).

Funding will be provided to startups operating in agribusiness, biotechnology, smart cities, creative economy, health, smart cities and information and communication technology (ICT) sectors with annual revenues of less than 1 million Real.

The initiative aims to foster angel investment in the country, support innovative startups with disruptive technologies, reduce the scarcity of resources for these companies with high growth potential and attract investors to the capital market aimed at these companies. The fund seeks to fill a market gap by providing funds in the angel-investment phase and the next moment when the startup needs a new round of capitalization before it has reached a point to attract interest from other Venture Capital funds.

Startups interested in presenting their projects, can register at <http://www.domoinvest.com.br>.



*“...strengthen the national startup ecosystem as well as innovation and research...”*

*~ Diônes Lima,  
vice president of Softex*

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# Brazilian Pharmaceutical Industry and the Development of Innovative Medicines

*Success Story*

by Roberta Stella, ANPEI

**São Paulo.** Based on an interview with Marisa Rizzi for ENRICH in Brazil.

Marisa Rizzi, Manager of research and innovation (R&I) at Cristália, a huge pharmaceutical company in Brazil, continues the series of interviews for 'ENRICH Monthly' sharing their successful experience of technological and scientific cooperation with Europe.

Cristália, being a 100% Brazilian Pharmaceutical, Pharmaceutical and Biotechnological Industrial Complex, is always looking for international partners to develop innovative formulations, obtain active principles, excipients or special equipment, and for provision of services that are not available in Brazil. In this case, the search was for innovative and effective solutions for two specific formulations related to nanotechnology. The goal was to develop a new drug in this field, and also advance knowledge on scheduled release of assets.

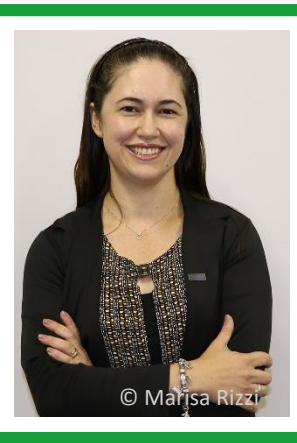
Therefore, scientists in England and France were prospected as the best partners to develop these two separate resolutions, providing structured laboratories with the equipment needed at the time. The two projects resulted in three years of a successful collaboration, and Marisa highlights the great learning Cristália got from Europe.

"The dynamic interaction with each of these groups has brought us more than the experience in developing the formulations needed. During these works we have seen how an international institution conducts the preparation of schedules, contracts, payments, scientific discussions and dissemination of the results of ongoing and final studies" the pharmacist explained.

However, regarding the main difficulties in collaborating with Europe, Marisa mentions the logistics for sending and receiving test materials, as it demands changes in processes and deadlines to import and export in Brazil.

To those who want to go abroad to seek collaboration in Science, Technology and Innovation with Europe, Marisa advises to prepare one selves: to evaluate the rules of establishment of contract of each institution, as well as be aware of the deadlines and tax regulations, and to be ensured about the materials and equipment that will be used. It's also necessary to combine the monitoring activities by Brazilian researchers at key points of the projects in the European laboratories, besides the form that will be made the transfer of technology to Brazil by the scientist of the partner institution if the product is approved in the tests.

We thank Marisa Rizzi very much for her valuable insights and being an "Ambassador" for increasing scientific and technological cooperation between Europe-Brazil.



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