



## MITA Newsletter - December 2018

### State of the Market

- On his final day in office, November 30, former President Enrique Peña Nieto signed the new NAFTA agreement at the G-20 summit in Argentina together with US President Trump and Canadian Prime Minister Trudeau. While we reported on some of the changes and described the content here before, it is now in the hands of the individual countries to ratify the agreement, now called US - Mexico - Canada Agreement USMCA, or T-MEC for its initials in Spanish (T = Treaty).
- President-elect Lopez Obrador (AMLO) assumed office on December 1st. While it is common to greet the new president with a wave of popular support, that quickly eroded when the new CDMX airport was canceled and the AMLO administration struggled to present a budget by December 15.
- In the meantime, some initiatives by the previous administration to foster innovation and technology development have already been all but scrapped. [One such initiative was INADEM \(National Institute of the Entrepreneur\)](#), which provided support to the startup ecosystem. Its budget has been cut to a single-digit fraction of prior years, and includes the designation to use these funds for “scholarships for students interning at large corporations”... which doesn’t appear to us to support entrepreneurship. INADEM has previously invested in dozens of Mexican VC funds since 2013, including LIV Capital, IGNIA, ALLVP, DILA Capital, Ideas y Capital, and ON Ventures, which helped drive record VC fundraising and investment levels in Mexico in 2016. While some actions of INADEM were not without controversy, there can be no doubt that the organization helped jump start the development of a tech ecosystem. The winners, in our view, are countries such as Brazil, Chile and Colombia that are maintaining such programs.
- LAVCA [released early 2018 investment data](#). Investments in Mexican startups more than doubled from USD36 million in 2017 to USD75 million in 2018. More importantly for the startup and VC investing community, we have seen a significant uptick in exits which culminated in Walmart’s acquisition of grocery delivery service Cornershop, as reported in an earlier MITA newsletter.

### Startups to Watch

- MITA portfolio company [SUNU](#) started a holiday donation campaign for it's SUNU Band, a wearable device that helps blind and visually-impaired people navigate their environment. **SUNU will donate 100 Sunu Bands** to students at schools for the blind in Colorado, New Mexico, & Arizona. Currently, the company is at about 40% of their goal, and we want to invite you to pitch in, Sunu is matching all donations 1:1! If you do decide to donate you'll receive video and photo updates from the students who receive the Bands during the months of January and February.

**<Here is the [link](#) to the donation website.>**

- MITA portfolio company **Bridgefy** was featured in [Entrepreneur Mexico](#) magazine in a profile detailing how their technology allows other apps to function without direct internet access.
- IGNIA and Dalus Capital [led a USD6.5 million investment](#) in Mexico-based FinTech startup [UnDosTres](#). Highlighting the growing importance of Corporate Venture Capital, the deal was also supported by Banco Sabadell's CVC group InnoCells.
- DILA Capital made a [EUR2 million investment](#) in Mexican SaaS platform BEWE. The company provides software services for beauty retailers, a large market in Latin America. Among the others supporting the investment were Variv Capital and Seaya Ventures.

## MITA Team News

- It's that time of year again! **The MITA TechTalks 2019 are upon us.**



This year, we'll be talking about:

## INNOVATION:INTELLIGENCE

### *artificial / blockchain / entrepreneurial / corporations*

- As always, the event is by invitation only and you can request one on our [MITA TechTalks website](#). The event brings together select entrepreneurs, investors, corporate executives, and thought leaders - a summit unlike any other - in a setting known to inspire exceptional networking.
- If you --- or someone you know -- would benefit from being a part of this acclaimed event on cross-border tech innovation, please ask us about sponsorship and/or speaking opportunities.
- Andreas met with Nathan Lustig of Magma Partners in Guadalajara to discuss cooperation opportunities. Nathan recently wrote in Crunchbase: ["2018: The Year VC in Latin America Began To Close the Gap"](#).

### **Other — Mexico and Latin America Tech in the News**

- A Forbes article that resonated with us last month was ["Why Venture Capital Is The Original Impact Investing"](#). We agree that while traditional impact investing has improved the lives of many people globally, VC investing plays a vital role in main ways to societies especially in the developing world. Financial inclusion via FinTech is only one example for making a difference and improving people's lives, while in most cases not necessarily considered impact investing.
- [Mexico will invest USD31 million in its "Internet for All" campaign](#). This is a project to improve connectivity by upgrading current networks to higher speed Internet, as well as on making these systems more accessible to small businesses, schools, and social, and community organizations to improve digital inclusion. At present approximately 64% of the population are connected to the Internet.
- [In another first, Mexico established a blockchain association](#). The Blockchain Association of Mexico was established by founding companies Bitso, Volabit, BIVA, GBM, Lvna Capital, ConsenSys and Exponent Capital. The organization's objective is to educate citizens in the technology's deployment and its potential applications.
- Mexico's corporate GIN Group [launched a program](#) to support entrepreneurs including an equity fund. This is yet another example where corporations are starting to step in and replace government funding.

### **Thank You's**

- The end of the year is always a good time to reflect on the past and think about the future. There are too many people we need to thank for their support to list them all here. You know who you are. We'd especially like to thank our MITA TechTalks sponsors [Google](#), [Google Developers Launchpad](#), [MossAdams](#), [DINE](#), [Mita Residential](#), [Silicon Valley Bank](#), [Wayra Mexico](#), [Gunderson Dettmer](#), [StartupGDL](#), [SITI Systems](#), [Aviana Productions](#) and [Baker McKenzie](#). We'd also like to thank our attendees, without which

we would never be able to pull this event off. **To all of you and everybody who supported MITA over the years a THANK YOU and a Happy New Year!**

#### **Asks**

- Intros to potential LPs -- We're currently raising a USD30 million fund, **MITA Fund II**. Introductions to potential LPs (investors) are greatly appreciated, as we look to complete our first closing at USD15 million. Please ask us for our Fund Presentation, if you'd like to learn more.

**Let's be Social:** Like us on [Facebook](#), connect with [Lynne](#) and [Andreas](#) on LinkedIn, and follow us on Twitter ([Andreas](#), [Lynne](#)).

**In Closing:** MITA was the first fund to connect the Mexican startup scene with the ecosystem in Silicon Valley. We are strong believers that the innovation coming from Mexico and Latin America will escalate even more rapidly in the coming year.

**¡Ándale!**

**Your MITA Team**

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