



MITA Newsletter - January 2019

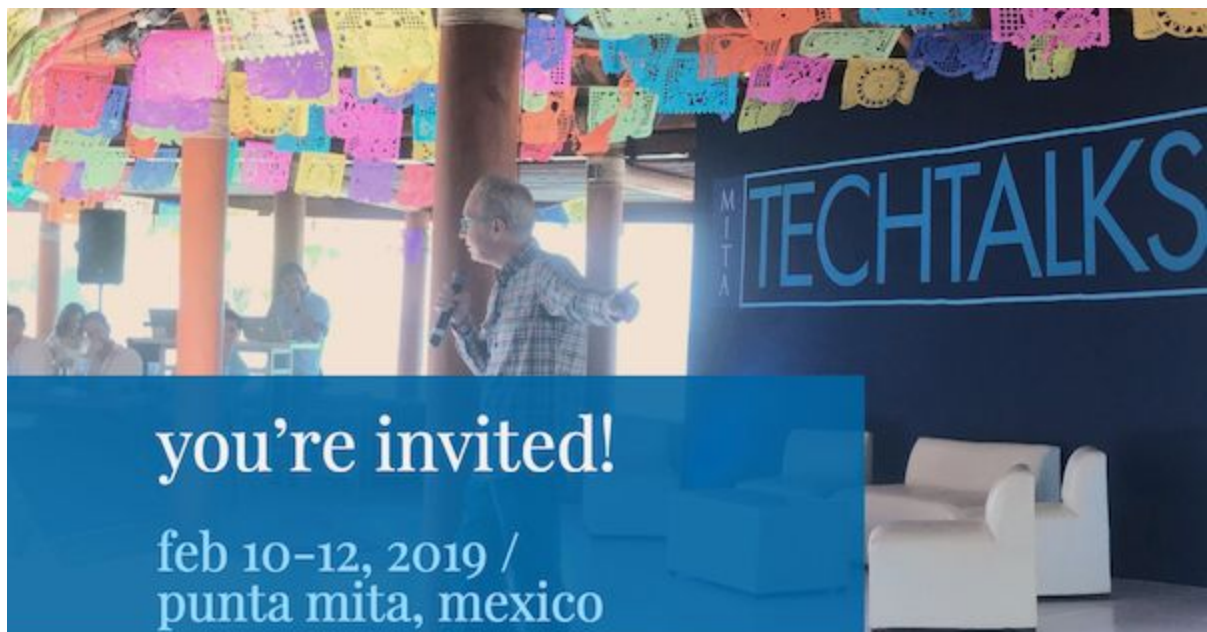
State of the Market

- As year-end reports begin to come out, the **stats for 2018 related to startup investing in LatAm and Mexico** are looking to confirm its best year ever. Among the first reporting is the preliminary update from LAVCA which states: "Investment in Mexican startups more than doubled from 2017 to 2018, growing from US\$36M to US\$75M by Q3. In just the month of October, public tech deals outstripped tech funding in Latin America for all of 2016. **Lat:Am List** has [a great run-down](#), with month-by-month highlights.
- Just as Mexico's tech innovation ecosystem heats up, federal government support for it has been all but severed. The Lopez Obrador administration has a priority of digital inclusion over support for tech startups, evidenced by the dramatically cut budget and presence of INADEM, Mexico's Secretary of Entrepreneurship. In addition, Mexico's overseas business development agency, ProMexico, was shuttered, sending its work to the Consulate offices. What will this mean? **Join us at MITA TechTalks** (*details below*) for discussions on how private industry and educational institutions may step in to keep the positive momentum and growth on a forward path.
 - And, while Mexico takes a step back, [Brazil's government is stepping up funding support](#) of its investment ecosystem, including VCs investing in tech innovation, with a R\$1.3-2.2B (US\$350-560M) investment program over the next year by Brazil's development bank (BNDES).
- Another one of our **key topics of discussion at the upcoming #MITA TechTalks** will be **China's growing presence -- and influence -- in LatAm tech innovation**. [Bloomberg reports](#) that Chinese foreign direct investment in Latin America and the Caribbean has skyrocketed over the last ten years, with a growing emphasis on telecommunications. Chinese investment in emerging technology is increasingly the primary fuel behind Latin America's tech boom.
- President Lopez Obrador shut down the gasoline pipelines in Mexico which were frequently and illegally tapped into by criminal groups. As a result, a gasoline shortage has plagued parts of Mexico for over three weeks now. Affected are mostly larger cities

such as Mexico City, Guadalajara, and Monterrey. At the few gas stations that actually have gasoline, lines are 2-3 hours long. Many gas stations limit their sales to 10 liters per car (2.2 gallons) and premium is not available at all. Rumors are that the government bought tank trucks and that the situation will get better soon, but we keep hearing this from day 1 of the shortage. A recent tragic event where 91 people died while trying to tap into a gas pipeline was [widely reported](#).

SPECIAL UPDATE: MITA TechTalks

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.
- Among our featured speakers this year will be:
 - Santiago Urquiza, **CENCOR** President & Founder of **BIVA**
 - Claude Smadja, **Smadja & Smadja Advisory** & former Managing Director, **World Economic Forum**
 - Malika Cantor, **Google Launchpad AI Lab**, Global Lead
 - Lee Rand, **Sun Mountain Capital/Mexico Ventures**, Managing Partner
 - Eduardo Molino, **WeWork**, Head of LatAm Expansion
 - ...and many more!

Startups to Watch

- Mountain Nazca led a US\$7.4m Series A [investment in Albo](#), a Mexican digital bank, with participation from Omidyar Network and Greyhound Capital. Magma Partners and Eric Perez-Grovas of Jaguar Ventures invested in the 2018 seed round.
- Variv Capital led a US\$1.8m [investment in YoTePresto](#), a Guadalajara-based consumer lending marketplace, with participation from Redwood Ventures, Tonk Capital, and unnamed angels.
- **Cemex Ventures** [invested in StructionSite](#), an American construction modeling startup. Last year, Cemex Ventures made an undisclosed follow-on investment in PRYSMEX, a Mexican IoT startup using real-time data to prevent industrial labor accidents, and also made an undisclosed investment in US-based Concrete Sensors.
- Capria Ventures invested US\$40m in Mexican impact fund **Adobe Capital**.
- Swiss VCs Investiere and Polytech Ventures led a €2.8m **Series A in KiWi**, a Swiss microfinance startup that lends to Mexican entrepreneurs, with participation from Swiss impact funds Symbiotics and 1to4 Foundation. This further highlights the growing interest in the Mexican market from Asia and Europe.

MITA Team News

- 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”](#). Nathan will be one of our featured speakers at MITA TechTalks.

Exits

- **Ideas y Capital** portfolio company **Phunware**, a Mexican mobile cloud solutions platform, listed on the NASDAQ (ticker: PHUN).

Other — Mexico and Latin America Tech in the News

- According to a report by [CEPAL](#), Chinese firms were the largest investor in the region in 2017, with around \$18 billion—representing 42 percent of the volume in the region. Chinese tech investors are [fleeing Silicon Valley](#) due to US government scrutiny or regulation.

Thank You's

- To **Google Launchpad**, who once again is the global sponsor of MITA TechTalks, bringing their expertise in AI, Corporate Innovation, and growth and scaling of startups to

our summit. Thank you also to sponsors **Grupo Kuo/Punta Mita, Moss-Adams, Silicon Valley Bank, and Volteo**, and to our alliance partners, **ITSEM/Tech de Monterrey, WeWork, and AMEXCAP**. Your support makes this all possible!

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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