



COUNTRY REPORT

Brazil

Outputs & Recommendations after the Mission

10th - 14th september 2012

Report of the Mission

Objective

The objective of the mission in Brazil was to discover and detect key entry points of the biotech and medtech market in Brazil. Our European clusters have few experiences on this emerging and high growth market. There are many opportunities for European companies in the future.

The aim was to investigate these opportunities and establish good connections in Brazil in order to better support our SMEs to develop in Brazil.

Agenda

During 4 days, we met various actors of the Life Sciences sector in Brazil, both in São Paulo and Rio de Janeiro. The agenda was:

Date		Where
10/09	09:00	Instituto Butantan
10/09	14:00	RECEPTA
10/09	17:00	PITANGA Invest
11/09	09:30	FAPESP
11/09	14:30	CIETEC (USP)
12/09		BioPartnering Latin America
13/09	09:00	FIOCRUZ
13/09	14:00	BIORIO
13/09	16 :30	FINEP

General overview after the mission and opportunities

There are a lot of opportunities as it is a growing market with a growing middle class with an increasing purchase power. Products and services are increasingly demanded.

- There's a lack of drug development in Brazil, due to the fact that the authorities do not know how to handle risk and long term in this sector, even though biotech is one of the priorities.
- The Public Health System aims at offering each time more products, treatments and services. In general there are opportunities for medical technologies, as the country still imports a big percentage of its needs.
- Pre-clinical trials are also an opportunity for collaborating with a Brazilian company. Apparently law is quite restrictive with animal testing in the country so they need foreign partners to carry out this tests. Some of the organizations visited have expressed their will and needs in this field.
- For a Brazilian company, the access to public funds is quite extensive and conditions are advantageous. There is a wide range of public programs including soft-loans, grants,.. In some cases the condition of being Brazilian means having an address in Brazil, although the headquarters are abroad.
- The best way to enter this highly protective market is with a local partner. Formalities reduce drastically as well as taxes and access to public funds is possible.
- There's a lack of local venture capital groups investing in biotech in Brazil. Local funds are reluctant given that pay-back terms are quite long. But the environment is changing due to the presence of the so-called Business Angels groups, still incipient but growing in number. International funds like Burill have recently entered the country.
- Regarding Intellectual Property, patents belong to the university when it is carried out there, even if the researchers are privately paid.
- IP law is one of the main points to deeply study when thinking of entering Brazil, as it is very restrictive with non-Brazilian citizens.

The Brazilian market is a very protective one. Federal Government has biotech as one of its priorities, but reality does not fully reflect this interest. Some reasons contribute to this situation: the long pay-back terms the sector faces or too generic measures difficult to apply to a sector that presents own specificities.

Short description and feedback of each organization

INSTITUTO BUTANTAN	Location: São Paulo
http://www.butantan.gov.br/home/	
<p>Public institution dedicated to research in the biomedicine and biotechnology fields, mainly in the production of serums and vaccines for the National health program. The Institute is the main supplier for vaccines of the Brazilian Government.</p>	
<p>They own both research laboratories and production facilities, so they control the whole process. They investigate and produce products demanded by the Federal Government, both in terms of prevention (vaccines) and treatment (antivenoms, serums..). Therefore the majority of their production is addressed to the domestic market. Sporadically they have exported part of their production.</p>	
<p>In 1985 they created the biotechnology centre with the objective of creating bridges between research and production. The biotechnology centre is in charge of the transfer of the knowledge raised during research into products for final consumption. Identification of products => Development of bench-scale => know-how for scale up.</p>	
<p>Currently, the main research line is that related to the use of certain adjuvants that allow oral vaccination for traditionally intramuscular or subcutaneous products. The Institute also develops different training programs, owns seven production plants, six pilot products production facilities and a farm with more than 800 horses.</p>	
<p>Now, the Institute has a limited collaboration with foreign partners, but they can value proposals in the areas of :</p>	
<ul style="list-style-type: none"> • Pre-clinical tests. (see conclusions) • Vaccines clinical tests in different demographical profiles • Licensing products for Brazilian production: infectious diseases and vaccines • Licensing for production in other countries. They are the owners of the patents. 	
<p>Future:</p>	
<ul style="list-style-type: none"> • They are building an hemoderivatives production facility, which will be partially in use in 2014. • They are planning to build a start-ups incubator, which may also be a soft-landing space for foreign companies. 	

RECEPTA	Location: São Paulo
http://www.receptabiopharma.com.br/eng	
<p>Company specialised in the production of monoclonal antibodies for cancer treatment. They have their own team working at Butantan's facilities.</p>	

They also own a small laboratory in order to develop their own research without being questioned about the intellectual property. They would like to:

- Technology transfer with European companies
- Promote his company in Europe
- Find collaborators for clinical trials in the field of oncology biological

Fundo PITANGA	Location: São Paulo
http://www.pitangainvest.com/en/index.php	
<p>Private mutual fund. There are 8 partners, two of them manage the fund and the others give advice in project selection.</p>	
<p>It is a limited fund with a USD 50M of capital.</p>	
<p>Innovation is a must in any project. They do not reject any kind of project, but they are very interested in biotechnology and genomics.</p>	
<p>Projects must be implemented in Brazil and report a benefit for Brazilian society.</p>	
<p>Their philosophy consists on investing in companies, and not in projects (meaning projects of companies already working in other areas).</p>	
<p>They are aware of the long payback periods biotech products offer. They do not have a specific time-frame for exiting the company, they can stay there for long periods of time.</p>	
<p>Their philosophy is:</p>	
<ul style="list-style-type: none"> • Presence in the Board • Shareholding 20-25%. Entrepreneurs are still the owners of the company, as their idea is worth 75-80% • Progressive fund endowment inasmuch as the company needs them. They think that for initial activities, a company does not need more than USD 1/2 millions. • If needed, they can give advice in management. 	
<p>They are open to receiving projects from foreign companies, but with the requirement that they should have a very « Brazilian flavour ».</p>	

FAPESP (São Paulo Research Foundation)	Location: São Paulo
http://www.fapesp.br/en/	
<p>Public foundation devoted to the support of scientific research and development of the State of São Paulo. Their budget is fixed in the SP State Constitution and it is 1% of all tax incomes of the State. This amount represents around USD 600 million.</p>	
<p>The objective is the socialization of their funds, this is, that they revert in the citizens of the State and their welfare.</p>	



They can only finance research projects, of any kind. 45% of their investments are dedicated to biotech sector.

They are trying to become more international through agreements with foreign partners. Ex. Governmental organisations fostering science, research and exchange of knowledge and technology.

In the projects they fund, at least one of the partners should be Brazilian.

CIETEC (Center for Innovation, Entrepreneurship & Technology)	Location: São Paulo
http://www.cietec.org.br/	
Incubator located in the University of São Paulo campus, therefore with access to laboratories and research institutes there. Non-profit civil organization. Not focused on biotech activity.	
Objective: transform knowledge into innovative and competitive products and services. Innovation is only referred to Brazilian market ("new for Brazil")	
135 incubated companies, from which 90 are located in the center.	
They offer the traditional services of an incubator. In addition, they offer communication services through events and media access.	

FIOCRUZ + Bio-Manguinhos	Location: Rio de Janeiro
http://portal.fiocruz.br/	
Fiocruz – Fundação Oswaldo Cruz	
Public Foundation linked to the Ministry of Health. Their activity is centred in health, education and scientific and technological development.	
Bio-Manguinhos (Instituto de Tecnologia em Imunobiológicos)	
Biotechnology and biomedicine unit of Fiocruz. Founded in 1967 employs 1300 people.	
Activity: development of vaccines, reagents, diagnosis kits and biodrugs, from the basic research to the production. The majority of their production goes to the internal market, but they also export a part of their production (74 countries in Central and South America, Asia, Africa and Oceania).	
They have signed different agreements, mainly of two kinds:	
<ul style="list-style-type: none"> • Partnering • Technology transfer with companies and institutions in different parts of the world, in which they are the receptionists of the technology for its production in Brazil. 	
Looking for companies in other countries from which obtain licences for products interesting for the Brazilian market. They prefer products not in early stages of development, but in all cases should be innovative.	

BIO RIO (Polo de Biotecnologia de Rio de Janeiro)	Location: Rio de Janeiro
http://www.biorio.org.br/	
<p>Life sciences technology park and incubator located in the Rio de Janeiro University campus.</p> <p>Private non-profit organization.</p> <p>Promotes entrepreneurship in biotechnology and biodiversity with the objective of integrating science and industry.</p> <p>They offer the traditional services of a science park and incubator.</p> <p>Open to the attraction of international partners to the park.</p>	

FINEP (Agência Brasileira de Inovação)	Location: Rio de Janeiro
http://www.finep.gov.br/	
<p>Linked to the Ministry Of Science, Technology and Innovation.</p> <p>Health issues are one of their priorities. They have several programs and tools directed to support this activity.</p> <p>Tools:</p> <ul style="list-style-type: none"> • Grants for R&D Institutions (should be non-profit) • Loans at lower interests (Innova Brasil Program) • Grants for companies (only small companies and only for covering operative expenses) <p>The only requirement is that the company should be based in Brazil, although the headquarters can be in any other part of the world. Any kind of presence in Brazil is accepted: own establishment, any kind of agreement,..</p> <p>For detailed information about the different lines of financing click here.</p> <p>They have some agreements with European agencies of development: ex. CDTI in Spain and OSEO in France.</p>	



BioPartnering Latin America

BPL 2012 is the biggest partnering event in the biotech and life sciences sector in Latin America. Most of the participants come from this part of the continent, at least from companies being present there.

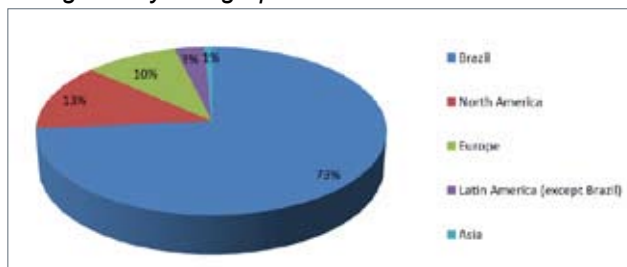
2012 edition has had 270 registered participants from 157 companies and 15 countries. It offers the possibility of B2B meetings during the partnering sessions.

Regarding the participants, a vast majority (70%) came from Brazil. The second country in presence was the USA (10%) but most of these participants belong to USA companies with presence in Brazil.

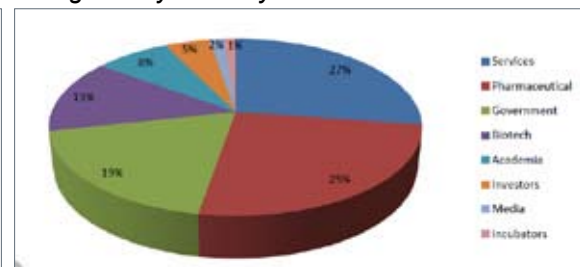
It is not a very big event, but it is the biggest one in Latin America. It takes place every year in Brazil, this year in Rio de Janeiro. In 2013 it will take place in São Paulo.

It is organized by TVG (Technology Vision Group).

Delegates by Geographical Area



Delegates by Industry



More info: <http://www.techvision.com/bpl>

Should you want to get more information and contact names, please get in touch with your local partner at:



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