

**How to Enhance Cross-border Investing : The Power of Diaspora
Asian Business Angels Forum
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My first words are to thank my friend Anil Joshi and the Organization Committee for inviting me to speak in this panel.

As a member of the EBAN board, and in representation of this European Association I will start by giving a quick overview on the organization, its mission and some achievements.

EBAN (European Business Angel Network) was created in 1999 as a non-profit organization, with the support of the European Commission, to represent the interests of Business Angels and other entities involved in bridging equity gap in Europe. It now holds about 100 members representing 35 countries.

The Business Angel movement in Europe have been growing dramatically since the creation of the association I represent. Back in 1999 there were only 66 BANs all over Europe, while now there are nearly 500. This growth has obviously reflected on the amounts invested (508 million Euros), number of companies (2.900) and jobs created (17.700). We can now state that BANs (and the individual Bas involved) are already an important player in the European Economies as vehicles of innovation and investment in new ventures.

Each country has individually launched mechanisms to developing their own companies, within an individualistic logic.

To illustrate this let me show you the rising of several co-investment funds that are spreading all over Europe with enormous rates of success and reasonable amounts of capital invested. The cooperation between Bas and local governments has been releasing its first results.

These investment funds are a relatively recent instrument and were created to help building early stage investment to start a virtuous cycle, eliminating the risks to invest alone, reducing the risks of government investment decision seeming more political than technical and attracting more money to the system.

As you can see here are examples of many companies financed in European countries by Bas, individually and through co-investment funds.

To support this view EBAN is developing a study, in cooperation with the Deusto Business School, to assess the impact of Business Angels on real economy. Based on some preliminary information, due to become official towards the beginning of next year, we can state that after the first BA investment there is a linear growth of revenue and a sharp rise of employment specially on the first year of the investment and for well succeeded companies this increment picks again from the third year.

Although, these are examples of excellence there is space for improvement, and as some of the new ventures grow successful at local level, some new instruments are needed in

order to increase the potential of these star-ups and consequentially their growth to international markets.

Here is the place where BA cross-border investment, can and should play an important role.

The First European Business Angels' week is happening as we are talking here and following some local well succeeded initiatives in countries like France, Portugal and Russia. EBAN assuming a pan-European perspective aims now at promoting and aligning angel investment events across Europe, calling the attention to several European companies. The aim of this week is to double or even triple the European Angels Community, rising the 5 billion Euro market to new investment records.

Some of this investments may be pan-European and this would be fantastic news.

EBAN is in the process of launching a Pan-European instrument (European Investment Fund) to support investments within Europe, showing our concern and belief on cross-border investment, making it possible for any good project to raise money anywhere in the continent. This fund would contribute to a change of culture within the European Bas community, transforming Smart Capital into No-Border investment.

My personal view, for BAs cross-border investment travels further, from the European continent to the world. Actually, my view is worldwide, based on enormous and powerful communities called "Diasporas". This term got popular towards the beginning of the 21st century and is normally understood as the emigrant communities who live and earn their living away from their countries of origin. We all know that Europeans have been travelling around the world specially since the Portuguese Discoveries gave new lands to the world, more than 500 years ago. Historically all European countries have gone through periods when reasonable amounts of citizens left. Based on some wikipedia research I verified that there are about 475 million Europeans outside Europe, which represent 7% of the global population, specially at the American Continent.

Out of these at least 5 million are Portuguese, some in European countries but many in America, Brazil, Africa and even in Asia. In real terms this means that for every two Portuguese in Portugal there is one potential Portuguese partner somewhere else. These are the people we want to bring together and build bridges for co-investment

This has to be seen as a fantastic asset!

We all speak Portuguese, understand the same culture and want to be a part of the chain of success.

Having understood this fact, our President (Mr. Cavaco Silva) has promoted in November of 2011, the launching of Portuguese Diaspora Network for business Angels and Venture capital firms.

Using the Diaspora Power is obviously a road to follow, therefore we want to create a strong network of BA Clubs around the world.

To create these BA Clubs, we need to identify strong leaders who have deep knowledge in local entrepreneurial ecosystems, capability to build bridges with Portuguese Institutions and former experience as founders and managers.

To support this mission we are proposing to the Portuguese Government the creation of a Co-investment Fund to support the Portuguese BA Diaspora. This fund should constitute an incentive for Portuguese owners to get involved in this important movement and create added value for all.

Actually, the first BA Diaspora Club is now starting, it is in California (USA), called Navigator and it's leaders are my colleagues and friends who hold an enormous experience as employers and a strong network of customers, partners and suppliers. Some elements of the Portuguese Diaspora in the USA have signed a compromise to invest as far as the Portuguese government moves ahead with the official creation of the referred fund.

The idea would be to create a similar European Diaspora Fund to introduce the best of the best European start-ups to amazing Diaspora citizens who might be willing to invest in a BA perspective.

As Gandhi said ,when asked about Western Civilization: "I think it would be a good Idea.

Thank you very much, and I am totally available for further questions.

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