

## **Chilean innovations and business ventures serve as an example for the promotion of development**

*The case of Fundacion Chile, a pioneer in scientific and technological research for the world, was presented.*

**San Jose, Costa Rica, November 12, 2009 (IICA).** An apple cut in half takes only a few minutes to begin to turn brown as a result of oxidation. However, the same apple will turn brown more slowly and stay fresh longer as a result of research conducted by Fundacion Chile (FCH), an organization that combines the development of technology and the incubation of innovative businesses and provides access to risk capital.

The General Manager of FCH, Marcos Kulka, was the keynote speaker at the forum “Innovation and enterprise for sustainable businesses; the case of Fundacion Chile,” held on November 11 at the Headquarters of the Inter-American Institute for Cooperation on Agriculture (IICA).

This is the sixth forum held in 2009 as part of the Annual Series of Technical Fora for the Modernization of Agriculture in the Americas, through which the Institute promotes the exchange of ideas on issues of critical importance to agriculture and rural life.

Kulka, declared one of the 50 most successful young people of his country by the Chilean daily *El Financiero* and winner of the 2008 Endeavor Award, stated during the forum that “Innovation and business ventures are key to the economic growth of a country.”

“We need to change the model we have been applying. We must redirect our efforts and can no longer continue to do things as we have in the past.”

FCH has succeeded in introducing a number of innovations in different industries in Chile, which has accelerated their growth. Since it was founded 30 years ago, it has created 76 businesses in the field of technology based on a variety of business models, as well as several social programs.

FCH has contributed more than US\$62 billion to the Chilean economy and has been classified by the World Bank as the most enterprising business in Chile. It pioneered the technology used to grow salmon in Chile, which is currently the second largest producer in the world.

According to Kulka, the FCH is involved in businesses related to energy efficiency, renewable energy supplies, biofuels, functional foods, phytodrugs, optimization of water use, environmental technologies, information technologies, biotechnology, aquaculture, education and management in innovation, etc.

In the region, an imbalance in resources earmarked for innovation persists. On average, the member countries of the Organisation for Economic Co-operation and Development (OECD) earmark 41% of their public funds for investment in development and technological innovation. In Chile, the figure is only 14%, he added.

The forum was also attended by the Chilean Ambassador to Costa Rica, Gonzalo Mendoza; the Deputy Director General of IICA, Christopher Hansen; the President of Parque Tec Inubadora y Potenciadora de Negocios, Marcelo Lebediker; and the Director of Link Inversiones, Arnoldo Madrigal.

For Lebediker, one of the factors that hinder innovation and entrepreneurship in the specific case of Central America is “a system which discourages both and makes it necessary to go into (personal) debt, which means that the generation of wealth is not really being enhanced.”

“Debts are acquired in Central America out of necessity, not because opportunities abound. For the 40 million inhabitants of these countries, there are only four business incubators, while in the leading countries the figure is much higher,” he noted.

Kulka indicated the need to make greater use of financial tools such as risk capital funds, which he considers key to transforming knowledge in innovation.

We must shift the focus here if we expect our economy to become more developed within a reasonable period of time and meet the expectations of the citizenry, he said in direct reference to his country, while recognizing that same holds true for the other developing countries.

Madrigal noted that innovation and business ventures should form part of a country’s plans. In the case of Costa Rica, he suggested focusing existing talent on project to improve the quality of life for the population. “Biodiversity can be our niche. Effective innovation improves the environment,” he noted.

**For further information**

[tania.lopez@iica.int](mailto:tania.lopez@iica.int)