SINGAPORE STARTUP ECOSYSTEM 2015
OVERVIEW

Having turned 50 as a nation in August 2015, the city-state is coming into its own as one of the start-up capitals of the world. As an advanced economy with no natural resources, Singapore is banking on innovation-driven entrepreneurship and the global launching of homegrown companies for its next evolution. The conditions for this are primed: the country has built up ambitious, forward-looking research institutions and a strong intellectual property protection framework, as well as a philosophy and tradition of growing local talent while also welcoming talent from across the globe.

A look at the start-ups that Singapore has spawned in recent years tells part of the story. There are the headline-grabbers well on their way to becoming unicorns at the billion-dollar mark, including transport start-up GrabTaxi, e-commerce portal Lazada and social gaming start-up Garena. The first two have garnered single investments of at least US$250 million, while Garena boasts a user base that breaches the US$100 million mark and a reported valuation of more than US$1 billion.

Zopim, an innovator on the business-to-consumer (B2C) live chat software scene, represents a Singaporean success story. Jumpstarted while its four founders were attending the National University of Singapore, the start-up grew a sustainable business model before being acquired by customer service giant Zendesk for a reported US$29 million in 2014. The following year, Zopim and its team of homegrown talent provided the engine for Facebook’s Businesses on Messenger application.

Other Singapore-grown start-ups illustrate the diversity of the scene. Astroscale develops technologies to clear debris in space, while CreoPop produces a 3D pen utilising light-sensitive photopolymer cool ink, in the process eliminating issues of melting plastic and hot parts. Giving the lie to Singapore’s staid image is Vibease, makers of a wearable smart vibrator customised for erotica or long distance relationships.

Start-ups may present the face of the scene, but what of the ecosystem as a whole, the conditions that allow start-ups to grow and thrive as well as the infrastructure that supports them? These are the areas in which Singapore has been investing and carefully shaping, to complement strategic advantages such as its location and traditionally pro-business environment.

AT SINGAPORE’S STAGE OF DEVELOPMENT, WE CANNOT COMPETE JUST BY BEING MORE EFFICIENT OR IMPLEMENT BETTER THAN OUR COMPETITORS. WE CAN ONLY COMPETE IF WE INNOVATE. SINGAPORE GOVERNMENT AGENCIES HAVE BEEN WORKING TO ENERGISE AND SUPPORT AN ENABLING ENVIRONMENT FOR INNOVATION TO TAKE PLACE.

I BELIEVE SINGAPORE’S STRENGTH LIES IN OUR INTERCONNECTED ECOSYSTEM, AND THE ABILITY TO COME TOGETHER TO CREATE INNOVATIVE AND USEFUL SOLUTIONS FOR THE FUTURE. THERE ARE MANY DISADVANTAGES TO BEING SMALL, BUT BEING ABLE TO BRING THE ECOSYSTEM INTO ONE BIG TENT IS OUR STRENGTH AND ADVANTAGE. THERE IS NO OTHER NATION IN THE WORLD BETTER PLACED THAN SINGAPORE TO UNIFY POLICY, TECHNOLOGY AND INDUSTRY TOWARDS BEING A SMART NATION.

Ms Yong Ying-I, Permanent Secretary, National Research and Development and Public Service Division, and former Chairman of the IDA Board
For any entrepreneur, market fit and access are key. Singapore’s population is cosmopolitan, tech-savvy and as a microcosm of diversity, provides the perfect market and test-bed. The reach of this island nation stretches far beyond its shores however – from at least the 14th century, Singapore has been one of Asia’s leading trade hubs. Today, setting up a Singapore company is a virtually instant recipe for a regional company. Luxury goods e-retailer Reebonz provides a case in point – within six years of starting in Singapore in 2009, the company has expanded to eight countries worldwide.

South East Asia, joined under the umbrella of the Association of South East Asian Nations (ASEAN), lists a combined GDP of US$2.9 trillion (as of 2015) and a population base of some 600 million people. Of this market, some 67 million households have discretionary consuming power, with this number projected to almost double by 2025. Closer economic integration has been a key focus of the 10 ASEAN states for decades. For more on regional markets, links and the various resources available in Singapore for internationalisation, see the Gateway Singapore section (page 8).

Financing and the ecosystem’s infrastructure and resources are integral to a start-up’s survival and growth. In terms of government schemes alone, there are more than 10 start-up funding programmes comprising seed grants, equity financing, loans and tax incentives to tap on. Private financing including a burgeoning venture capital (VC) and angel sector are increasingly sweet on Singapore start-ups, with The Asian Venture Capital Journal estimating the pool of available venture capital managed in Singapore in 2013 at US$24 billion. That year, there was funding of more than US$1.7 billion. See The Singapore Start-up Scene section (page 13) for more details.

The importance of the R&D-innovation-enterprise axis to Singapore’s economic future is reflected in the government’s attention to these interconnected ecosystems. Since the 1990s, the budgets of government R&D plans have grown nearly five times to S$19 billion for the latest Research, Innovation and Enterprise 2020 Plan (RIE2020). Education and research institutions are oriented towards innovation, and the RIE2020 plan underscores the importance of public-private partnerships as well as collaborations between multinational companies and local small-to-medium enterprises.
As an island of just over 700km² with no natural resources to speak of, Singapore has consistently punched above its weight in the global arenas of trade, diplomacy and, in modern times, models of governance and development policy. How this has come about is the story of a nation determined to make full use of its two assets: human capital and a strategic location as a gateway into Asia.

**One oft-quoted metric is the growth of the country’s per capita Gross Domestic Product (GDP) of some US$500 in 1965 to US$56,000 in 2015**, the seventh highest in the world. Singapore also now ranks ninth in the United Nations Human Development Index of more than 180 countries.

**THE SINGAPORE DNA**

- Meritocracy
- Integrity
- Good governance
- Strong institutions
- Rule of law
- Diversity
- Adaptable
- Forward looking

**Permanency:**

- Citizens: 3.37 million
- Permanent Residents: 527,700
- Visitors (2014): 15 million

**Mobile phone penetration rate**

- 2004: 92.7%
- 2014: 148%

**Household access to broadband**

- 2004: 65%
- 2014: 88%

**Mean years of schooling (2014)**

- 5.53 million

**Literacy rate (2014)**

- 96.7%

**SINGAPORE STUDENTS RANKED AMONG THE TOP IN READING, MATHEMATICS AND SCIENCE**

- World University Rankings 2015-2016
- Times Higher Education
- Programme for International Student Assessment

**NATIONAL UNIVERSITY OF SINGAPORE (NUS)**

- 26th worldwide
- 1st in Asia

**NANYANG TECHNOLOGICAL UNIVERSITY**

- 55th worldwide
- 6th in Asia

**WORLDWIDE ON THE MORI FOUNDATION GLOBAL POWER CITY INDEX 2015**

- 1st Quality of Living Worldwide City Rankings 2014, Mercer
- 5th World Economic Forum Global Competitiveness Report 2014

**WORLDWIDE ON THE MÖRITZ LIVABLE CITIES INDEX 2014**

- World Review of Science, Technology and Sustainable Development

**1ST BEST QUALITY OF LIFE IN ASIA**

- Quality of Living Worldwide City Rankings 2014, Mercer

**3RD MOST LIVABLE CITY WORLDWIDE**

- Global Liveable Cities Index 2014

**5TH WORLDWIDE ON THE MORI FOUNDATION GLOBAL POWER CITY INDEX 2015**

- Measures attractiveness of cities to creative individuals and enterprises, and their mobilisation towards economic, social and environmental development

**IN STEM (SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS) EDUCATION**

- World Economic Forum Global Competitiveness Report 2014
GLOBAL COMPETITIVENESS INDEX 2015-2016*, WORLD ECONOMIC FORUM²²

* Rankings are based out of 140 countries
For a long time, trade drove Singapore’s economy, but independence in 1965 brought the need to create jobs for a rapidly growing population and economic diversification. The country embarked on a quick-start industrialisation programme, invited and greatly facilitated investment from multinational corporations.

In the 1980s, an ambitious decision to move the economy up the ladder saw a new focus on high tech and knowledge-based industries. Into the 21st century, knowledge and innovation-intensive activities have become the new cornerstone of Singapore’s economic development. Vinnie Lauria of venture capital firm Golden Gate Ventures sees parallels between the position then of attracting foreign investment, technology and know-how, and the government’s current strategies for drawing tech entrepreneurs from around the world to set up shop in Singapore.

SINGAPORE’S DEVELOPMENT STRATEGIES OF THE 21ST CENTURY

- Nurturing companies into global leaders
- Commercialising bleeding edge R&D
- Building start-up capabilities for the world stage
- Nurturing homegrown and global talent from across the spectrum
- Encouraging alliances between corporate players of various sizes to promote technology transfers, test-bedding and commercialisation
- Sharpening professional expertise and thought leadership in focus areas of specialisation
- Growing a distinctive global city, making Singapore a leading cultural capital and providing the best quality of life in Asia
- Developing facilities for financing of cross-border trade and project
THE SINGAPORE STARTUP ECOSYSTEM 2015

ECONOMY

GDP

S$390 billion

TOTAL TRADE

S$982 billion

INFOCOMM

TOTAL REVENUE IN THE INDUSTRY

S$64.2 billion

2007

S$167.1 billion

2014

INFOCOMM EXPORTS

69.7% of total revenue in 2014

R&D

RESEARCH SCIENTISTS AND ENGINEERS IN SINGAPORE (2015)

31,900

TOTAL R&D MANPOWER IN SINGAPORE (2015)

47,275

GROSS EXPENDITURE ON R&D (2015)

S$7.6 billion

PUBLIC EXPENDITURE ON R&D (2015)

S$3.1 billion

EASE OF DOING BUSINESS (2015)*

1/189

GLOBAL COMPETITIVENESS*

3/153

IMD WORLD COMPETITIVENESS YEARBOOK27

• Asia's least bureaucratic place to do business
• Most transparent country in Asia

TRANSPARENCY INTERNATIONAL 2014 CORRUPTION PERCEPTIONS INDEX28

• Least corrupt country in Asia
• 7th least corrupt country in the world

US$1.5 TRILLION ASSETS UNDER MANAGEMENT, MAKING SINGAPORE THE WORLD'S FASTEST GROWING WEALTH HUB29

1

EASE OF CONDUCTING TRADE*

1/118

GLOBAL COMPETITIVENESS

3/153

INFOCOMM 30

R&D31

TOTAL REVENUE

IN THE INDUSTRY

S$167.1 billion

2014

71%
of the 150,200-strong infocomm workforce in Singapore had qualifications of a bachelor's degree or higher in 2014

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Singapore has for decades been the perfect fit for those looking to do business in South East Asia.

Across nine countries, South East Asia counts a total population of over 625 million people, with a combined Gross Domestic Product (GDP) of nearly US$2.4 trillion (2014 figures). Between 2007 and 2012, this dynamic region averaged cumulative economic growth in the double digits.

For entrepreneurs, what is potentially the most exciting is the sight of this hugely diverse region pulling together as a unified market. Under the umbrella of the Association of South East Asian Nations (ASEAN), the ASEAN Economic Community (AEC) envisions “no substantial restrictions to ASEAN service suppliers in providing services and establishing companies across national borders within the region.” Beginning from 2015, the AEC positions the region as a single market and production base, making it more dynamic and competitive.

As a whole, South East Asia’s growth in GDP per capita is projected to continue, with an attendant rise in spending power. McKinsey notes that some 67 million households are part of the “consuming class” with the ability to make discretionary purchases, and this number could nearly double to 125 million households by 2025. Disposable income per citizen rose at an average Compound Annual Growth Rate (CAGR) of more than 9% between 2007 and 2012, outstripping that of the United States (average CAGR of 1.58%). Credit card transaction value is expected to grow to around US$187 billion in 2017.

Another projection that will be of particular interest to tech entrepreneurs and investors: the number of internet users in the region is expected to hit 360 million people in 2020, with a projected internet penetration rate of 62% representing opportunity and room to grow. In terms of hours spent online, the people of South East Asia already favour the internet over other mediums such as television and radio. The region’s e-commerce scene, with significant growth potential, lack of an established market leader and surging mobile e-commerce and social media user rates, has been fingered by observers as one to watch.

These details paint a clear picture – this is an ascendant market with tremendous potential. South East Asia represents an opportunity to get in from the ground floor of a major growth story, and Singapore remains its gateway.

**ASEAN+1 FREE TRADE AGREEMENTS (FTA) WITH CHINA, JAPAN, SOUTH KOREA, AUSTRALIA, NEW ZEALAND AND INDIA POSITION SOUTH EAST ASIA AS THE HUB OF GLOBAL SUPPLY AND TRADE CHAINS**

The Regional Comprehensive Economic Partnership will bring ASEAN together with six FTA partners and represent a market with a combined GDP of US$21.2 trillion (30% of world GDP) and a total of 3.4 billion people, making up nearly half of the world’s population.

**ASEAN (THE ASSOCIATION OF SOUTH EAST ASIAN NATIONS) LOOKS LIKE CHINA 10 YEARS AGO. THE REASON MONK’S HILL IS AROUND IS TO BUILD THE NEXT GENERATION OF ASEAN GLOBALS.”**

Mr. Ong Peng Tsin of VC firm Monk’s Hill Ventures

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TRANSPORT CONNECTIONS BETWEEN SINGAPORE AND SOUTH EAST ASIA

5-4 HOURS' FLIGHT
South East Asia, access to more than 625 million people.

5-6 HOURS' FLIGHT
Asia Pacific, access to more than 4.2 billion people.
BUSINESS FAST FACTS

A business can be registered online in 15 minutes, is open to both locals and foreigners and costs of incorporation are low.

Only four documents are needed for import/export of goods – Singapore has perhaps the most streamlined, efficient trade regulations in the world.

Around 7,000 Multinational Corporations are headquartered in Singapore, ranking the country fifth in the world for large company headquarters density. Singapore is also the global leader in hosting foreign subsidiary companies.

CORPORATE TAX
WITHHOLDING TAX – INTEREST
ROYALTIES FROM PATENTS AND KNOWLEDGE
INDIVIDUAL INCOME TAX
GOODS AND SERVICES TAX

17%  15%  10%  0–22%  7%

NO TAXES ON CAPITAL GAINS, DIVIDENDS, ESTATES AND INHERITANCES
DOUBLE TAX AVOIDANCE TREATIES WITH MORE THAN 70 COUNTRIES

FOR START-UPS –
FOR THE FIRST THREE CONSECUTIVE TAX YEARS

“THERE IS A RECORD NUMBER OF (FINTECH) PROJECTS IN ASIA AT THE MOMENT AND THE MARKET IS BOILING. (IN ASIA) SINGAPORE IS THE FINANCIAL AND TECHNOLOGICAL CENTRE AND I BELIEVE THAT (THE ENVISIONED) UNITARY ASIAN CRYPTOCURRENCY WILL BE DEVELOPED HERE.”

Mr. Vladislav Solodkiy, Managing Partner of VC Life.SREDA
THE SMART NATION

In Singapore, adaptability and the ever-morphing search for global relevance have always been paramount. The latest evolution of this philosophy sees Singapore turn its attention to becoming a Smart Nation. It’s a dream of making just about every aspect of the living environment better and strengthening the connections between people, government and business in every direction. It’s not just about one city’s municipal issues – it’s about inviting the world to use Singapore as a test-bed, to take a shot at the global challenges we all face.

THE ETHOS OF OUR SOCIETY IS RATIONAL, TECHNOLOGICAL AND FORWARD LOOKING. WE HAVE ALWAYS LOOKED AHEAD, TRIED TO LOOK OVER THE HORIZON TO KEEP OUR ECONOMY OPEN, AND TO USE TECHNOLOGY TO OVERCOME OUR PHYSICAL CONSTRAINTS.

THE DIFFERENCE IN THIS CITY WANTING TO BE SMART IS SINGAPORE IS ALSO A COUNTRY. WE CAN TAKE A HOLISTIC NATIONAL VIEW, AND NOT JUST A MUNICIPAL ONE. WE ARE MUSTERING THE FULL RESOURCES OF OUR INSTITUTIONS, PEOPLE AND COMPANIES TO FOCUS DECISIVELY ON BIG, COMPLEX PROBLEMS, THINGS WHICH MATTER TO US AND OUR PEOPLE.

OUR ADVANTAGE IS THAT WE ARE COMPACT, WE HAVE A SINGLE LEVEL OF GOVERNMENT, WE CAN DECIDE EFFICIENTLY, AND SCALE UP SUCCESSFUL EXPERIMENTS AND PILOTS WITHOUT ANY DELAY. ALSO, WE ARE ABLE TO TAKE A LONG-TERM VIEW, AND SEE THROUGH BIG TRANSFORMATIONS TO THE END, UNTIL THEY BEAR FRUIT FOR CITIZENS. HERE, YOU CAN PROTOTYPE AND TEST-BED THE NEW IDEAS, AND YOU CAN SCALE...YOU GOT THE ESSENCE OF THE IDEA RIGHT...AND YOU CAN DEVELOP THE SAME IDEA ELSEWHERE. IF YOU CAN MAKE IT WORK IN SINGAPORE, YOU CAN HAVE THE CHANCE TO ADAPT AND APPLY TO OTHER CONTEXTS.

Singapore’s Prime Minister Lee Hsien Loong frames the Smart Nation drive as a logical extension of the country’s philosophy
Across Singapore government agencies, more than 11,000 data sets have been made publicly available for analysis and innovation.

While Singapore’s economic development in the early days often bore the strategic imprint of the government, this next stage will see private entrepreneurship come to the fore, with the solutions and economic growth of tomorrow coming through the diversity of entrepreneurship. It is innovation that will provide solutions to issues in healthcare, urban planning and mobility, security, living environments and citizen-centric services. Start-ups will be able to flourish in this petri dish environment of experimentation and test-bedding.

“PART OF OUR PLAN IS TO ACTIVELY ENGAGE THE GLOBAL TECH COMMUNITY IN OUR SMART NATION VISION AND ENCOURAGE COLLABORATION WITH LEADING TECH ECOSYSTEMS ACROSS THE WORLD. YOUNG, INNOVATIVE TECH ENTREPRENEURS AND STARTUPS CAN HELP TACKLE SOME OF THE MOST PRESSING CHALLENGES FACING GROWING CITIES AND NATIONS TODAY, BROUGHT ABOUT BY THE INEVITABLE TRENDS OF AGEING POPULATION AND URBAN DENSITY.”

Mr. Steve Leonard, the Infocomm Development Authority of Singapore (IDA)’s executive deputy chairman

“AS SINGAPORE BUILDS ITSELF INTO A SMART NATION, WE ARE GROOMING MORE INNOVATION-DRIVEN TECH COMPANIES IN SINGAPORE THAT CAN TACKLE IMPORTANT WORLDWIDE CHALLENGES AND SCALE GLOBALLY.”

Dr. Alex Lin, Head of Infocomm Investments
Efforts to encourage a start-up culture in Singapore started in the 1990s, through competitions, financing programmes and incentives. A more concerted push began in the mid-2000s with initiatives becoming more refined, eventually leading to start-up events, accelerators and incubators mushrooming in recent years. Today, Singapore's vibrant start-up ecosystem is placed 10th in the 2015 Global Startup Ecosystem Ranking, becoming one of the top tech start-up hubs in the world.

Entrepreneurship is crucial to Singapore's drive towards becoming an innovation-centric economy. Between 2011 and 2015, the government allocated S$16 billion to strengthen Singapore's research, innovation and enterprise ecosystem. The vision of the future? A dynamic innovation-driven economy where start-ups grow globally, create knowledge-based jobs and continue to nurture a thriving ecosystem.

Put in place by various government agencies, there are more than 10 funding programmes in 2015, including loans, grants, equity financing and tax incentives for start-ups to tap on, and government schemes that help entrepreneurs with office space, access to experienced mentors and tailored acceleration programmes. As Prime Minister Lee Hsien Loong puts it: “After that, it is for you to launch, go for it and shoot for the stars.”

Under the National Framework for Research, Innovation and Enterprise, a number of schemes are designed to launch start-ups, commercialise R&D and catalyse technology entrepreneurship. These include:

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<th>SCHEMES &amp; PROGRAMMES</th>
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<tr>
<td><strong>EARLY STAGE VENTURE FUND</strong></td>
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<td>On a 1:1 matching basis, the National Research Foundation (NRF) invests with venture capitalists (VCs) with a focus on Singapore-based early stage tech companies. Success stories have included location search tech company YFind and Clearbridge Biomedics.</td>
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<tr>
<td><strong>TECHNOLOGY INCUBATION SCHEME</strong></td>
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<td>This scheme for start-ups incubated by seeded tech incubators sees the NRF co-invest up to 85% (capped at S$500,000).</td>
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<tr>
<td><strong>INNOVATION CLUSTER PROGRAMME</strong></td>
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<td>Aimed at deepening ties between companies, R&amp;D institutions including universities and government agencies, this scheme encourages the formation of innovation clusters for quick commercialisation, job creation and sector growth. Clusters already shortlisted for funding include additive manufacturing, medical diagnostics, speech &amp; language tech as well as membranes.</td>
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Spring Singapore, the country's enterprise promotion agency, offers a number of co-investment programmes:

| **SPRING SEEDS** |
| Dollar for dollar co-investment up to S$2 million with independent third-party investor. |
| **BUSINESS ANGEL SCHEME** |
| Co-investment with pre-approved business angels, dollar for dollar up to S$1.5 million. |

**GRANTS**

| **INTERACTIVE DIGITAL MEDIA PROGRAMME OFFICE – iJAM** |
| Up to S$250,000 in seed funding for start-ups through appointed incubators. |
| **ACTION COMMUNITY FOR ENTREPRENEURS (ACE) START-UPS SCHEME** |
| Grant of up to S$100,000 on a 70:30 basis of funds raised by entrepreneur. |
| **TECHNOLOGY ENTERPRISE COMMERCIALISATION SCHEME (TECS) BY SPRING** |
| Up to 100% of qualifying costs with a cap of S$250,000 for proprietary ideas at concept stage. Up to 85% of qualifying costs for further R&D for working prototype, with a cap of S$500,000. |
Between 2005 and 2013, the number of start-ups in Singapore doubled from 24,000 to 42,000. Now, start-ups employ more than 300,000 people on the island, and the Global Entrepreneurship Monitor Report found that one in five Singapore-based respondents intend to start a business in the next three years.\(^46\)

In the last three years, at least 27 Singapore-based start-ups have been acquired in deals totaling more than US$500 million.\(^47\) In 2013, VC investment in Singapore-based tech firms totalled US$1.71 billion, according to the Asian Venture Capital Journal figures.\(^48\) Investment in Singapore-based start-ups represented 19\% of VC funding in Asia, putting Singapore ahead of Japan, South Korea and Hong Kong. The island also led the way in VC deals done in Southeast Asia, comprising 40\% of all deals made in this market of more than 600 million consumers.\(^49\) The effects have flowed through the ecosystem - serial entrepreneurs who made successful exits in recent years such as Eddie Chau of Brandtology and Darius Cheung of tenCube are on to their next start-ups.

Singapore’s global appeal can be seen from the diversity of entrepreneurs that have chosen to launch their businesses here, including start-ups from Spain, the United States, France, Lithuania, Indonesia, Vietnam, Australia, the Philippines, Norway and Kazakhstan.

To help companies that initially lack a track record, the government has also launched the Accreditation@IDA programme for accredited early stage companies to be considered first when it comes to government tech projects.

Hackathons covering a diverse array of topics have proliferated and are now regular fixtures on the calendar. Multinational and local corporations, facing challenges to their business, are running accelerators and entrepreneurial bootcamps in a bid to find the next big disruptive innovation in-house.

The Development Bank of Singapore (DBS) worked with Startupbootcamp to run a
blockchain hackathon and eventually went on to launch
DBS Hotspot, a pre-accelerator for financial tech start-ups and
social enterprises; while the
Unilever Foundry is a platform
that connects start-ups with
innovative solutions to the

corporate giant’s global network.

There are plenty of synergies in
these partnerships and amongst
the different stakeholders
and such cooperation is set
to deepen with more than
7,000 multinational companies
anchored here in Singapore.

Perhaps the best avatar of
Singapore’s start-up scene is
Block 71, a building in the Ayer
Rajah Industrial Estate rescued
from demolition and transformed
within three years into the
start-up epicentre of the island.
Tagged by The Economist
in 2013 as “the world’s most
tightly packed entrepreneurial
ecosystem”, Block 71 houses
more than 1,200 people working
in some 260 start-ups and 25
incubators/accelerators.

Such has been the success
of Block 71 that another two
neighbouring buildings have
been made ready for start-ups.
The newly built Block 73 and the
renovated Block 79 offer space
for another 200 operations,
including accelerators, banks, law
firms, VCs, community and social
enterprises and incubators.
Together with Block 71, they
form LaunchPad@one-north,
Singapore’s start-up core.

The Block 71 brand has also
made its way across the Pacific
Ocean, with NUS Enterprise,
SingTel Innov8 and Infocomm
Investments coming together
to establish Block 71 @ San
Francisco. This office in San
Francisco’s South of Market
(SoMa) supports Singapore tech
start-ups in making the jump into
the United States market, as well
as help US-based entrepreneurs,
companies and investors find
out more about trends and
opportunities in Singapore and
Southeast Asia.
One of the focal points through which Singapore grows its start-up scene is Infocomm Investments Pte Ltd (IIPL). A wholly-owned subsidiary of the Infocomm Development Authority (IDA), IIPL manages more than US$200 million in an investment-led effort to develop a sustainable start-up ecosystem.

IIPL is not just an investment arm. It’s an ecosystem builder, a connection and deal maker, and community flagbearer. Through IIPL and other agencies, the Singapore government works to establish the foundations for a start-up scene that will eventually mature into a self-sustaining ecosystem. At the build phase, IIPL has been forging partnerships with local and global accelerators from across the sectoral spectrum, with the goals of providing mentorship to start-ups and the co-creation of quality-focused deals.

Officially opened in February 2015, BASH does exactly what it says on the tin: Build Amazing Start-ups Here. An innovation-focused collaborative environment for the start-up community to converge upon, BASH brings together investor advice, mentorship, co-working spaces, media studio, prototyping labs, networking space and accelerator bootcamps in Singapore’s largest hothouse for start-ups. Located at Block 79 at JTC Launchpad, BASH is the go-to place for start-ups and entrepreneurs, VCs, angel investors, accelerators, incubators, technology folks of all stripes, ahead-of-the-curve corporations seeking the next big disruptive idea and media. In short – it’s an entire ecosystem in a single location.

Within BASH and outside of it, IIPL also works with accelerator partners including Joyful INFOCOMM INVESTMENTS

Clockwise from top:
1. Brewery - A space for community building activities: A meeting point for ideas to brew over a cup of coffee
2. Hatchery - The workspace that supports accelerators and builds start-ups
3. Prototyping Lab - Mr Steve Leonard, Executive Deputy Chairman of IDA (left) and Dr Alex Lin, Head of IIPL (right) in conversation.
4. Chill - The hangout area for the tech community members to meet, mingle, exchange ideas, pitch to investors and expand their network.

Frog Digital Incubator (JFDI), Startupbootcamp FinTech, Jungle SeedPlus, SPH Plug and Play (a partnership between Singapore Press Holdings, California-headquartered Plug & Play and IIPL) and most recently the FinLab, a joint venture between the United Overseas Bank and IIPL.
The Singapore government has been engaging with accelerators in public-private partnerships, with the goals of driving innovation, growing a sustainable start-up ecosystem and creating value. The first such partnership was signed between Infocomm Investments (IIPL) and one of Asia’s leading accelerators, Joyful Frog Digital Incubator (JFDI) in March 2014.

As the anchor investor, IIPL actively introduces high potential start-ups to the accelerator programme and participates in the recruitment, evaluation and selection process. The network of serial entrepreneurs, investors and innovators that start-up founders can connect to and bounce off is also deepened through the combined efforts of IIPL and accelerators.

The accelerator effect has been clear from the first two cohorts from the JFDI-IIPL programme: graduating start-ups raised funding faster and at valuations between four to six times that of previous fundings. Glints, a career discovery and development platform, is one such success story, having closed an over-subscribed seed funding round of S$475,000 after graduating from the JFDI-IIPL programme.

IIPL’s saw three more accelerator partnerships since then: the second partnership was sealed with European financial tech accelerator Startupbootcamp FinTech in October 2014, while the first corporate accelerator with Singapore Press Holdings and California-headquartered accelerator Plug and Play started in mid 2015. Rounding up 2015 was a fourth partnership, a joint venture between the United Overseas Bank and IIPL, that launched the FinLab, a second financial tech accelerator targeting startups around this region.

The goal at the end of the acceleration is a carefully honed business model and a start-up ready for investment by experienced, well-informed, and connected investors. Accelerator programmes culminate in a demo day, where start-up founders pitch to investors and senior executives of large corporations seeking disruptive solutions for their businesses.
THE SINGAPORE STARTUP ECOSYSTEM 2015

THE CLOSE:
CALL TO ACTION

“We are beginning to see such an entrepreneurial culture in Singapore,” says Singapore’s Prime Minister Lee Hsien Loong. “(Start-up district Launchpad) brings together the government, the start-ups, the venture capitalists and the talent... (and) has been described as the world’s densest start-up ecosystem. At the beginning, (government) grants were chasing projects...today, the projects are chasing the grants, and I feel much better.”53

To drive these cultural and societal changes, the very machinery of government is being transformed. Accompanying this is a sense that as a society, Singapore is venturing into new, intriguing territory. “We are reorganising the way we work, trying to accommodate into a very big and structured organisation, small pieces which are chaotic in a constructive way.”

Opportunities abound for the hungry entrepreneurs, tech specialists, engineers, scientists, artists, visionaries, craftspeople and world changers. What we do here may transform the way people live, interact and build communities worldwide.

You are invited.

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ENDNOTES


49 Chng, G. (2014, September 28). Spore is top start-up spot in S-E Asia. $578m in venture capital deals, 40% of acquisitions in region happen in Republic. The Straits Times.


