

**OPENING ADDRESS BY MR PETER ONG,
CHAIRMAN OF ENTERPRISE SINGAPORE,
AT SLINGSHOT GRAND FINALS,
27 OCTOBER 2022, 2:30 PM**

Distinguished guests,
Ladies and gentlemen,

1. Good afternoon to all of you. A warm welcome to the SLINGSHOT Grand Finals, the startup event I am sure all of you have been waiting for.
2. Last year's competition was a hybrid one. The startups participated virtually, while the judges convened physically. While it was very engaging, it cannot compare to the electrifying energy in the room today.
3. In addition to bringing back live pitching, we also hosted an inaugural physical immersion programme last week for our Top 50 startups. Chosen from around 3,600 applications across more than 150 countries, the Top 50 startups flew in to experience Singapore's startup and innovation ecosystem first-hand. I was able to attend one of the sessions last week and found the exchanges meaningful. I am hopeful that the connections forged and the experiences that they were able to receive during the programme will bear lasting fruit.

Singapore's startup ecosystem in 2022

4. As I have done at past SLINGSHOT Finals, let me begin with a report on how Singapore's startup ecosystem has fared this year. StartupBlink's Startup Ecosystem Index ranked Singapore as top in the Asia Pacific and 7th in the world, climbing 3 spots from last year and 9 spots from the year before. This testifies to the resilience of our ecosystem amidst the pandemic.

5. However, the current macroeconomic environment has darkened considerably. Fundraising and listings prospects are less favourable. We minted 4 unicorns so far this year,¹ fewer than last year's tally of 11. Nonetheless, venture funding in Singapore continues at a healthy pace. We managed to close 517 deals for the first three quarters of this year, up 6% compared to the same period last year. At S\$11.4 billion, the amount is just shy of last year's S\$11.6 billion. There are, however, some interesting compositional changes within this number. While growth-stage funding drove most of the jump in total investments from 2020 to 2021, 2022 saw a 25% tapering of Series C and above rounds by value.

6. The uncertainties this year may have caused later-stage investors to perhaps hold back. Later-stage startups may also be more prudently managing capital to extend their runways. Those who can hold out may prefer to delay fundraising to avoid devaluation. Conversely, early-stage investors remain optimistic of younger startups' potential. Early-stage investments (up to Series B) saw an uptick to reach S\$5.5 billion for the first 9 months this year, an increase of 14% by volume and 45% by value compared to the same period last year.

- a. SunGreenH2, a company that uses proprietary electrolysis technology for green hydrogen production, is one example of an innovative early-stage startup that closed a funding round this year. Another is Equatorial Space Systems, a startup that develops novel low-cost and eco-friendly hybrid-engine rockets that run on their patented fuel.

7. Regardless, the combination of high inflation and rising interest rates presents a challenging business environment for companies. Tamed investor risk appetite and heightened focus on profitability are realities that all startups have to face. All the more, the government and our ecosystem partners will remain steadfast in rallying behind our startups.

¹ The four unicorns in 2022 are BioFourmis, Coda Payments, Insider and Livspace.

8. On this note, our number of startup partners, representing the density of connective tissue that collectively strengthens our ecosystem, has grown. Singapore has more than 3,900 tech startups today, supported by a network of over 220 incubators and accelerators. We also have over 400 Venture Capital managers and an estimated 700 Family Offices here in Singapore. This is a community that will continue growing. As the world's economic weight shifts towards Asia, Singapore has become a gateway to access Southeast Asia, a region brimming with opportunities. So our ecosystem partners help us to tap this growing secular trend, even as our startups tide over this difficult period.

9. To this end, we are committed to catalysing investments into startups through our vehicles like **SEEDS Capital** and **SGInnovate**. Jointly, they co-invested over S\$23 million across 26 startups so far this year, which correspondingly drew in about S\$128 million of private capital. Our **Venture Capital Fund Incentive** provides tax relief to encourage VCs to invest in Singapore-based companies. We also connect startups with partners and potential investors through the **Startup SG Network** website and monthly **Deal Fridays** dealmaking platforms. Beyond funding, other **Startup SG** schemes are designed to provide critical mentorship and venture building support to founders each step of the way.

Singapore's complementary approach as a gateway to the region

10. Our continued growth and success as a startup ecosystem hinges on Singapore's continued relevance to the region and to the world. We are a small market, with finite talent and resources. Global tech startups and ecosystem players come to Singapore to access Southeast Asia's growth. Meanwhile, regional startups and partners see Singapore as a launchpad to the rest of the world.

11. How can Singapore anchor our position as a gateway and partner to both the region and the world? This requires that we deepen our understanding of how others work, to complement the needs and strengths of each market. We should also continue to cultivate mutually

beneficial relations with neighbours and like-minded countries, across different dimensions of government, businesses, and individuals. Let me elaborate on this concentric framework that guides our strategy.

12. At the highest government-to-government level, we have an extensive portfolio of bilateral and multilateral trade and economic agreements. In recent years, this portfolio has expanded to include frontier agreements on the digital and green economy, with countries such as South Korea and the UK. Just last week, Singapore and Australia signed the Green Economy Agreement, targeting new areas like sustainable agriculture and green shipping corridors. More of such agreements are in the works.

13. At the business-to-business level, Enterprise Singapore has established initiatives to strengthen cross-border collaborations.

a. First, we provide market immersion and acceleration programmes for our startups in 15 cities through the **Global Innovation Alliance (GIA)**. Working with partners in these markets, we run programmes in cities like Jakarta, Ho Chi Minh City, Bangalore, Bangkok, Beijing, Berlin and San Francisco. Our GIA partners also support international startups to scale up in Asia through Singapore.

i. One such beneficiary of our GIA programme is Edufied, a Singapore-based startup that uses blockchain technology to verify job candidates' educational certificates and credentials. Through our GIA Manila partner, Plug and Play, the founder connected with the venture building arm of Filinvest Development Corporation, a Filipino conglomerate. The result is a new startup FilPass, a seamless platform for digital identification and authentication. The platform enables credentials to be verified for service delivery and secure transactions, across sectors like retail and education in the Philippines.

ii. Do watch out for the announcement of 2 new GIA nodes later tonight.

b. Second, we work with international corporates on **Open Innovation Challenges**. For example, the Southeast Asia Open Innovation Challenge provides startups and SMEs with opportunities to partner corporates in the region, to innovate and testbed their ideas and accelerate market access.

i. Kaaryaka is a Software-as-a-Service (SaaS) startup that won the 2021 challenge by Apical Group, an Indonesian palm oil conglomerate. The startup is helping Apical develop a cloud-based platform to encourage smallholder farmers to adopt its sustainability programmes.

c. Third, we launch **Co-Innovation Programmes** to foster joint innovation projects between companies in Singapore and overseas. The Yangtze River Delta Joint Innovation Call earlier this year is one such example. Through the call, we received 50 submissions from Singapore companies proposing collaborations with partners in Shanghai, Jiangsu and Zhejiang.

14. Last and perhaps most importantly, at the people-to-people level, we want to adopt a complementary approach towards talent. Now that borders have mostly reopened, our skilled talent must gain exposure to overseas markets and grow their networks there. Startups keen to gain traction in Southeast Asia should also develop a regional strategy. They should spend time in these markets with local partners who can share insights and advice on how to navigate the local terrain.

a. Today, young talent can access overseas internships under our **Global Ready Talent** programme. We are keen to broaden the pool of host companies to include more foreign startups and tech companies. This will increase internship opportunities for more young Singaporeans to cultivate a global ready mindset.

- b. I am also pleased to note that our Minister for Trade and Industry, Mr Gan Kim Yong, launched the **Tech:X** “Tech Exchange” programme with his Indonesian counterpart, Minister Airlangga, back in August. While details are still being worked out, this agreement will allow young tech talent to gain work exposure for a limited time in the other country. Such arrangements encouraging bilateral and even multilateral talent flows are win-win. They allow our young people to build stronger cultural and regional affinity that can serve them well in operating businesses in the region for the rest of their careers.

Conclusion

15. Singapore’s startup and innovation ecosystem does not exist as an island alone. As geopolitical and economic pressures cause some to turn inwards, we see only stronger impetus to build bridges and linkages within the concentric circles of engagement. The challenges that lie ahead require strong collective action and innovation for all of us to tackle.

16. On that note, I want to thank you for being a part of our evolving startup and innovation community. Your participation at SWITCH attests to this. I am inspired by the ambition of the startups and commitment of partners that I have met this week. I look forward to hearing the market winning solutions that the Top 10 SLINGSHOT finalists will be sharing with us shortly.

17. Thank you very much, and all the best to the participating startups that we will see on stage later.
