

**Speech by Mr Peter Ong, Chairman, Enterprise Singapore
at SLINGSHOT Grand Finals on 2 November 2023**

Introduction

Distinguished guests,

Ladies and gentlemen,

1. Good afternoon to all of you and a very warm welcome to our SLINGSHOT Grand Finalists, SLINGSHOT judges, investors, mentors, and all who have joined us today.
2. What an electrifying season of SWITCH it has been, and we have now come to the highlight – the Grand Finals of SLINGSHOT 2023. Chosen from 4,700 applications across 150 countries, the Top 50 startups gathered in person last week to be exposed to Singapore’s startup landscape firsthand. We are very happy to see these startups immerse themselves in the startup and innovation ecosystem here. They familiarised themselves and connected with our key ecosystem partners to unlock new opportunities.

Global and regional scan

3. As I have done so on the same platform in previous years, I want to give an overall annual assessment of our tech startup landscape. Indeed, it has not been an easy time for startups this past year. The global landscape today is less optimistic than we had hoped. Macroeconomic conditions continue to present

challenges for tech startups globally, giving rise to a funding winter, lower valuations and cost pressures.

4. This has contributed to the overall fall in deal flow globally.
 - a. Investors are reassessing their strategies and adopting a more prudent approach. Some, however, see this as a healthy reset of the excessive risk-taking from prior years.
 - b. Southeast Asia is not spared. Amidst this climate of cautiousness, deal volume in Southeast Asia has declined by 30% in the first 9 months of 2023, compared to the same period last year.

5. Nevertheless, Southeast Asia continues to hold a strong growth trajectory, with opportunities for both investors and the startup ecosystem.
 - a. Southeast Asia is on track to become the world's 4th largest economy by the end of this decade, 2030. Southeast Asia has emerged as an alternative location for companies looking to diversify their supply chains.
 - b. This region is also seeing exponential growth in digitalisation, with the surge in adoption of AI by businesses. Companies in Southeast Asia are set to invest 67% more in both AI and Machine Learning in 2023 compared to last year. This shows that companies are on the lookout for innovation and solutions to increase their productivity, sustainability, and overall business value.

6. Southeast Asia continues to mature and attract sustained interest from the rest of the world. We see an increase in the number of larger global funds allocating capital for Southeast Asia.
 - a. In the first half of this year, 8 foreign funds with Southeast Asia allocations reached a final close, raising about US\$3 billion, and this is an increase from 5 funds that closed in the second half of 2022 raising around US\$2 billion.
 - b. In this region, what we are seeing is that dry powder is still available and waiting for the right opportunities for deployment. Those who are able to understand and navigate the intricacies of the markets in this region would be able to capture these opportunities.

Singapore remains a hotspot for fundraising in Southeast Asia

7. Even amidst the present economic climate, Singapore continues to be an attractive fundraising spot in the region for investors to seize these opportunities.
 - a. In line with global and regional declines, Singapore's deal volume for the first 3 quarters of 2023 was down by 21%, as compared to the same period last year.
 - b. Consequently, Singapore managed to attract 64% of Southeast Asia's deal flow by volume in the first 3 quarters of this year, an increase from 54% last year. This amounted to 410 deals valued at over US\$4 billion.
 - c. Further, capital is still flowing into Singapore, with a large majority of committed capital from venture investors flowing into Singapore-based VCs.

8. Additionally, we are becoming a deep tech hotspot for the region. Since the pandemic, interest in deep tech deals have been growing.
 - a. Deep tech accounted for more than a quarter of the region's total deal value in the first 3 quarters of 2023. This is the highest share compared to the same period in the past 3 years.
 - b. When compared with Southeast Asia, Singapore accounted for approximately three-quarters of the total deep tech deal volume, with Healthtech and Greentech attracting the largest volume of the deep tech deals.
 - c. Startups play an important role in driving innovation to address global issues facing the climate and our society. We encourage startups to leverage Singapore as a trusted node to develop prototypes, trial solutions and commercialise their IP to address large scale problems, including global health issues and the climate crisis.

9. Government investors, including SEEDS Capital, SGInnovate and EDBi, have also been catalysing smart capital into deep tech startups. For example, in the first 3 quarters of this year, the government's Startup SG Equity scheme invested around S\$45 million across 32 startups. SEEDS Capital, Enterprise Singapore's investment arm, has also been investing in deep tech areas like healthcare, sustainable technologies, green economy and quantum technologies.
 - a. One such investment by SEEDS Capital was in Groundup.AI, which develops industrial AI solutions for predictive maintenance and vehicle safety monitoring. It raised close to US\$2 million seed funding round this year to enable its expansion into overseas markets.

Working with partners to support startups in the global talent hunt

10. Beyond addressing the need for fundraising, we also support startups in the global talent hunt because talent forms the core of every successful business. I will highlight two of our talent programmes.
 - a. For example, the Tech@SG programme has supported over 100 fast-growing tech companies in hiring critical talent to scale over the last 3 years, spanning domains such as BioTech, FinTech and Cybersecurity.
 - b. Under the Global Ready Talent Programme, we also worked with our trade associations and Institutes of Higher Learning to support around 300 students with their overseas internships in Southeast Asia, China and India over the last 3 years.

11. Ecosystem partners like SGInnovate play a key role in nurturing the deep tech talent community here in Singapore. For example, SGInnovate launched Deep Tech Talent Central earlier this year as a gateway to access training programmes, networking events, and on-the-job training opportunities, all in deep tech. SGInnovate also runs a deep tech immersion programme that offers talent the opportunity to explore technical roles with startups at different product development stages.

12. We welcome startups, both local and foreign, to leverage the many opportunities and support in fundraising and talent programmes to address your needs for funding, global talent and opportunities to scale out of Singapore.

13. Let me now talk about how we want to further strengthen the overall startup ecosystem.

14. Startup Genome's Global Startup Ecosystem Report ranked Singapore 2nd in Asia in 2023. In terms of global ranking, we climbed 10 spots in 2023 to rank 8th in the world. Startup Blink ranked Singapore 6th globally and 1st in Asia. These rankings are a strong recognition of the dynamism of our startup community. Our rise in these ranks would not be possible without the work of our ecosystem partners.

15. Today, Singapore's 4,500 tech startups are supported by a vibrant network of over 400 VCs, 240 incubators and accelerators, as well as a strong base of scientific and research capabilities and corporate R&D labs.

16. Amid the challenging climate, EnterpriseSG will continue to bring partners together to grow the ecosystem here. Last year alone, we supported startups via 2,700 funding, incubation and mentoring projects under the Startup SG umbrella. We look forward to supporting even more startups this year. The crowd and energy at SWITCH 2023 gives us hope for an even better year next year. In addition, we announced the launch of three new Global Innovation Alliance nodes two days ago. With this, our GIA network has expanded to 21 cities where our startups can leverage our partner networks to accelerate their scaling up overseas.

17. One of our close partners is the Action Community for Entrepreneurship, or ACE, the national trade association for startups. ACE has been key in helping us grow the vibrancy of our startup community, organising community events and supporting their startup members to connect with a wide network of investors, mentors and foreign partners.

18. The Government will work closely with the private sector to grow our deep tech verticals. One example of a private-public partnership would be the Food Tech Innovation Centre (FTIC), a joint project between A*STAR and NURASA, the agri-food subsidiary of Temasek. The Centre serves as one-stop shop where foodtech startups can access pilot-scale facilities here in Singapore, including shared labs and test kitchens, as well as gain access to deep R&D know-how from the scientists and innovators at A*STAR.

19. Moving forward, EnterpriseSG will continue to work closely with our ecosystem partners to attract and groom a pool of experienced deep tech venture builders. These are accelerators that are multi-faceted, equipped with experienced entrepreneurs, innovators and hands-on investors, who are able to build deep tech startups from scratch. We hope to take the lead to grow more venture backable deep tech startups in Singapore.

Closing

20. I would like to end off by stressing a point about connectivity -Singapore's startup and innovation ecosystem does not exist in isolation. We have and will continue to make deliberate efforts to be connected to the global tech and innovation

community. We also extend an invitation to all startups and global partners, to leverage Singapore as an enabler to access the growth in our region, to build and nurture the next wave of groundbreaking startups that will solve the pressing challenges of our generation and the next.

21. With that, I thank you for joining us at SWITCH 2023 and for being a part of our innovation community. I look forward to the exciting solutions that the Top 10 SLINGSHOT finalists will be sharing with us shortly.

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