

INNOVATION  
LAB  
ASIA

A GUIDE TO  
THE INNOVATION ECOSYSTEM OF

# SINGAPORE

INDUSTRIENS  
FOND FREMMER DANSK  
KONKURRENCEEVNE  
The Danish Industry Foundation



TECHBBQ

# PREFACE

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This guide gives you a quick introduction to the Singaporean innovation ecosystem, presenting the main business opportunities, the most important leads and most interesting stakeholders, as seen from a Nordic perspective.

This guide gives you a brief introduction to the Singaporean innovation ecosystem.

The guide presents the main business opportunities, the most important leads, and most interesting stakeholders, as seen from a Danish perspective. We give you a realistic understanding of the local startup scene, based on first-hand experience, and on-the-spot dialogues.

This publication has been developed by Asia House and TechBBQ as part of a series of guides to innovation ecosystems in the China Bay Area and Taiwan, India, Japan, Korea, and Singapore.

The series is published as part of the non-profit initiative **Innovation Lab Asia** to improve and enhance cooperation between Danish and Asian innovation ecosystems. The project is supported by the Danish Industry Foundation.

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# WHY SINGAPORE?

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Singapore seems to have it all. The city is clean and safe, with breezy spots and good infrastructure. People are generally well educated, the population is diverse, and it is the 5th most popular destination for expats. Government agencies are transparent, policies are friendly to entrepreneurs, and the official business language is English. It's also rich, with a GDP per capita twice the size of Denmark.

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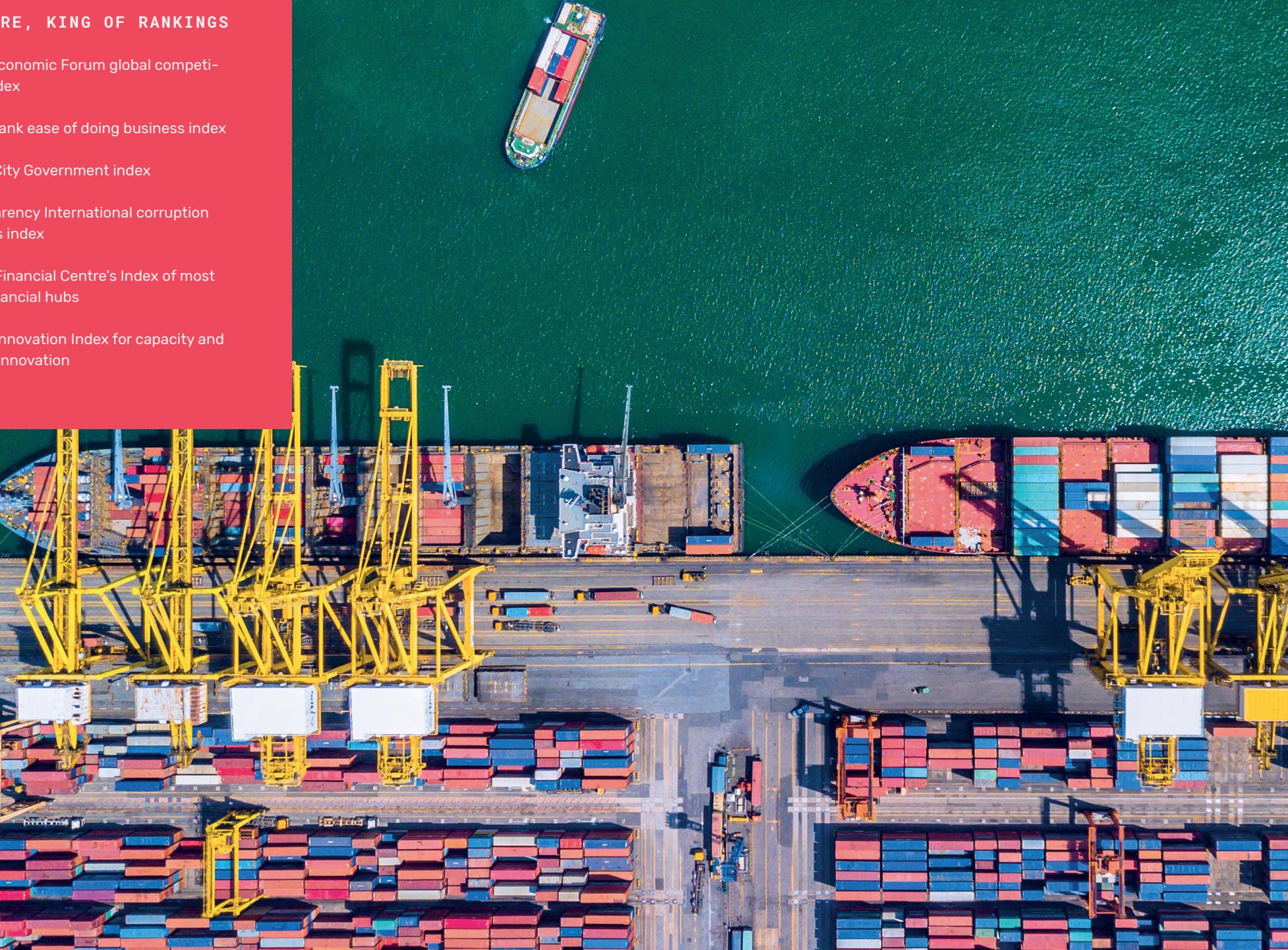
Singapore is situated at the very heart of Southeast Asia, making it the ideal stepping-stone to neighboring markets and a prime location for the headquarters of multinational corporations and organizations.

## SINGAPORE, KING OF RANKINGS

- # 2 World Economic Forum global competitiveness index
- # 2 World Bank ease of doing business index
- # 2 Smart City Government index
- # 3 Transparency International corruption perceptions index
- # 4 Global Financial Centre's Index of most efficient financial hubs
- # 5 Global Innovation Index for capacity and success in innovation

From a startup point of view, Singapore has some obvious attractions. Key to Singapore's global success has been its focus on innovation, and its ability to attract foreign direct investment. Today Singapore has a strong talent base, and is a global financial center, attracting startups far and wide to raise capital. Singapore regularly sees upward of USD 3.5 billion in VC investment in a single quarter.

On the downside, Singapore is one of the most expensive cities to live in; not great for early stage startups. Also, due to its strong ecosystem and favorable policies, startups from around the world are trying to make a name in Singapore. Competition is intense, and key-decision makers may be hard to reach, even sometimes blasé. Thus, early stage foreign startups must temper their expectations and need to be patient and persistent while knocking on doors.



## MAIN ECOSYSTEM OVERVIEW



### SINGAPORE

- The city-state of Singapore is consistently ranked as one of the wealthiest and most advanced societies in the world. It has a vibrant innovation ecosystem, with a strong investor presence, transparent governance, the world's second largest port, and the entire ASEAN region at its doorstep.



# SINGAPORE

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## THE ECOSYSTEM AT A GLANCE

Singapore is one of the world's most dynamic innovation ecosystems, benefitting from good governance, pragmatic policy, and a strong VC environment.

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Unlike many other countries, Singapore allows foreigners to own 100% of their companies, meaning you don't need local partners to establish a company. In most cases, you can also operate your business from your home country, avoiding the high cost of living in Singapore. That said, if you're considering using Singapore as a launch pad into Singapore or any of the neighboring countries, e.g. Malaysia, Indonesia, or Vietnam, you still need to allocate considerable time and resources to local teams and partners.

The Singaporean government has launched several highly supportive schemes, including the Startup Tax Exemption Scheme, the Slingshot@Switch competition, and the Entrepass visa scheme. Thus, if your startup is headquartered in Singapore, the first USD 73,000 of income generated is tax-free, you may deduct R&D expenses, and there is no capital gains tax. In addition, startups will find specific schemes for select verticals, such as Deeptech and Greentech.

Another main attraction of the Singaporean ecosystem is the prospect of funding. Recent unicorns like Grab (originally from Malaysia), and Trax (Israeli founded), have established themselves in Singapore due to the access to VC and regional markets in Asia and Southeast Asia. In addition, Singapore has several popular crowdfunding platforms, such as MoolahSense and FundedHere.

However, these advantages have also created a distorted picture of Singapore as a startup center. While many entrepreneurs choose to have their HQ in Singapore in order to raise venture capital and enjoy the benefits of good Singaporean governance, it is common to find the bulk of their teams and much of the actual innovation within the market they are launching in.

#### STARTUP GENOME ON SINGAPORE

- Ranks # 4 globally for availability of VC
- Ranks # 4 as the global ecosystem for Blockchain
- Ranks # 5 as the global ecosystem for Fintech
- Ranks # 14 on top global startup ecosystems





## THE SINGAPOREAN MARITIME SECTOR

- Singapore has the world's second largest container port
- There are around 1,000 vessels in the Singapore port - at any given time!
- A ship arrives or leaves Singapore every 2-3 minutes
- Singapore is connected to a total of 600 ports in more than 120 countries
- The maritime sector contributes to around 7% of Singapore's GDP

## MAIN LEADS

Copenhagen Fintech and the Danish Embassy in Singapore have created the most successful Danish case story for startups looking to Asia, establishing a strong platform for Fintech collaboration. However, Singapore's reputation as being the easiest access point to Asia for international startups has paved the way for several other strong Nordic platforms that may have relevance for Danish startups, and not just within Fintech.

• **Copenhagen Fintech** has been spearheading cooperation between Denmark and Singapore for more than four years and offers services to Fintech companies looking to land in Singapore from Denmark and vice-versa. Copenhagen Fintech has partnerships with the main Fintech ecosystem players in Singapore, including a cooperation agreement between the Danish Financial Supervisory Authority and the Monetary Authority of Singapore to help companies expand into each other's markets and explore joint innovation projects. For any Fintech company looking to expand into the Asian region, Copenhagen Fintech is a one-stop shop.

• **The Nordic Innovation House Singapore** opened in September 2018, providing Nordic startups and scaleups with a soft-landing pad in Southeast Asia. The Innovation House mainly accommodates startups during the first 6-12 months of their arrival in Singapore, but their services extend beyond this period. The house can help companies connect with local partners and gain an understanding of the market through their own extensive local network.

**Antler** is an accelerator and VC for early-stage startups founded in 2018 by Norwegian entrepreneur Magnus Grimeland in Singapore. Antler has since expanded to 8 locations, including Stockholm and Oslo. The Singapore team includes many Nordic employees, making them particularly equipped to understand how to bridge Nordic startups into the local ecosystem. Entrepreneurs and companies can apply to the accelerator through a simple process on Antler's website. Antler additionally shares office space with the Nordic Innovation House Singapore, and both organizations collaborate closely.

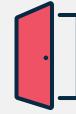
• **Rainmaking** made the first efforts to establish a new startup program in Singapore focused on shipping and logistics in 2018. The first area to be addressed is AI within transport. Rainmaking has been in Singapore for around 5 years, in sectors such as Energy and Fintech working under the Startup Bootcamp accelerator program, and has built up an understanding of how to build startup success in the region from the perspective of Nordic stronghold areas. Rainmaking works primarily with mature startups with a validated POC, and can help companies connect with the top maritime and logistics firms globally.



## OTHER LEADS

Innovation Lab Asia has established contacts with several interesting organizations in Singapore that might prove relevant for Danish startups. We can facilitate further contact if needed.

- **SG Innovate** is a program set up by the government of Singapore to support Deeptech startups. Though publicly funded, it is run as a private company, so the management team can engage in experimental and flexible ways of supporting startups. SG Innovate will help any Deeptech startup in Singapore with everything from investment to talent development to recruitment, and additionally works to build the AI ecosystem in Singapore through activities such as partnerships, events, and hackathons. SG Innovate collaborates with the European AI Alliance and has experience helping European Deeptech companies land in the region.
- **Padang & Co** is a company that helps corporations co-create with startups. They are supported by Unilever, and generally work with startups relevant to Unilever's core business. As access to the Singaporean market can be difficult due to intensive competition, Padang & Co can help startups enter the market with a strong corporate partner already active in the ASEAN region. Though Padang & Co often do their own startup scouting, they host many startup community events and are open to connecting with startups from all over the world.
- **The Singapore Economic Development Board (EDB)** is one of Singapore's leading public agencies promoting international investment and startups to Singapore. While they mainly collaborate with larger tech companies and the manufacturing sector, EDB will work directly with startups if they are related to important business sectors like Digital tech, Cleantech, Biotech, and Healthcare. EDB works closely with Enterprise Singapore to attract top entrepreneurs and startups to the region and can help startups learn about the right business and policy schemes to tap into.



## OTHER GATEWAYS & ACCESS POINTS

- **The Singapore Week of Innovation and Technology (SWITCH)** is the largest startup event in Singapore, with 12,000 attendees gathering for a weeklong event focused on innovation, especially within Deeptech. SWITCH merged with the Singapore Fintech Festival in 2019 to provide better networking opportunities for participants. The **Slingshot@Switch** event, organized by Enterprise Singapore and Startup SG, is a competitive pitching competition held at the event to help startups showcase to investors, with winners receiving grants and free workspace.
- **Startup SG Equity** is a scheme in which the Singaporean government will co-invest with independent, qualified 3rd party investors into eligible startups based in Singapore. The program is open to startups in all sectors, but is especially focused on Deeptech, Health, Smart cities, Advanced Manufacturing, and Greentech. Applications are on a rolling basis.
- **Early Stage Venture Fund (ESVF)** is a state-run fund helping small high-tech companies in Singapore grow through co-investments by the Singapore government and local private-sector players. The fund brings in venture capital firms to help grow the ecosystem by matching VC investments in early-stage tech startups on a 1:1 basis. The fund has invested nearly USD 74 million into Singapore-based startups. Success stories include HungryGoWhere, Ninja Van, Brandtology, and YFind.



# STRONGHOLDS & OPPORTUNITIES

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The Singaporean startup ecosystem mirrors Singapore's status as a financial hub and is very focused on **Fintech**. The Monetary Authority of Singapore (MAS) is a strong supporter of innovation within the financial sector and Blockchain is a major focus point. Singapore ranks third in size of ICOs (Initial Coin Offerings).

**Maritime Tech** is another classic Danish stronghold and with Singapore's position as one of the busiest ports in the world, this is a very attractive place for startups that work with maritime technology.



## FINTECH

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- As a major financial hub, it is no surprise that Singapore's startup ecosystem is strong within financial technology. The Fintech ecosystem is undoubtedly the most famous feature of the Singaporean startup ecosystem with more than 40 Fintech innovation labs in Singapore alone and 500+ Fintech startups.
- The government is a strong supporter of the Fintech sector and provides a range of initiatives and support programs. The Monetary Authority of Singapore, the central bank and financial regulatory authority of Singapore, is a key stakeholder that provides attractive regulations and solid infrastructure.
- According to Reuters global Fintech ecosystem ranking, Singapore has surpassed Hong Kong as the main Fintech hotspot of Asia. A regulatory sandbox for Fintech innovation provides an environment where startups can test their products safely before launching.



## MARITIME TECH

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- Based on funds raised, Singapore is the fifth largest market in the Asia-Pacific in 2018. The amount of funds raised was USD 365 million in 2018, more than double the previous year.
- The Intellectual Property Office of Singapore has launched a so-called "Fintech Fast Track" program that lets Fintech companies efficiently apply for patents. The purpose is to support the Fintech ecosystem and foster new innovations by enabling startups to market and commercialize their solutions faster.
- Singapore is home to the biggest Fintech event in the world. In 2018, the annual Fintech Festival attracted more than 45,000 attendees from 130 countries, making it a natural platform for startups wanting to connect and understand what Singapore's Fintech ecosystem has to offer.
- Singapore and Denmark are both small nations with open economies and strong maritime sectors.
- Singapore has the second busiest port in the world and one of the highest degrees of innovation. The Maritime startup scene in Singapore is a place where one would expect to find some of the frontier solutions in maritime technology.
- The world shipping industry has pledged to be totally carbon neutral by 2050, and Singapore's maritime heavyweights are actively seeking startups working on innovations within decarbonization.
- The Maritime and Port Authority (MPA) of Singapore is the national government body in charge of the maritime business sector and has been very active in nurturing innovation in the maritime sector. It has a great number of partners, MOUs, and collaborations locally as well as abroad and is constantly expanding its international network.
- The government of Singapore has launched PIER71, an acceleration program that aims to support tech startups and foster innovation in the maritime industry. PIER71 is a collaboration between the Maritime and Port Authority and NUS Enterprise, the startup arm of the National University of Singapore.
- The Danish VC and startup accelerator Rainmaking has launched a new Transport & Logistics program in Singapore that connects startups with the largest companies in the Maritime industry to work together toward reaching sustainability goals.

This report has been  
developed by

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In a collaboration  
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