

# Singapore - Gateway to Asia

Over the last few years, Singapore has seen a growing number of international companies expanding their business operations in the region. Today, there are more than 25,000 international companies in Singapore, comprising more than 7,000 multinational corporations as well as thousands of small and medium-sized companies.

As Singapore positions itself for further growth, many global companies continue to find Singapore an invaluable partner in their global strategy. Over the last 40 years, Singapore has grown from a Third World country reliant on entrepôt trade to a developed nation with one of the world's highest per capita GNP.

Today, the island nation is well served with a world-class administrative and physical infrastructure. The country enjoys excellent standards of living across the population, and has a skilled workforce of highly educated and cosmopolitan people.

Strategically located at the centre of the major growing markets of China and India and the nascent economies of ASEAN, Singapore offers tremendous opportunities for markets, technologies, talents and business growth. With the best

business environment, extensive market connectivity, world-class infrastructure and the world's best workforce, Singapore is ideally positioned to be the gateway to Asia for global companies.

With more than 1,500 companies from China, 1,500 from India and 7,500 enterprises from the rest of Asia, Singapore also provides an excellent introduction to Asia for global businesses that seek to enter the regional markets.

**"Singapore has state-of-the-art infrastructure and a highly-educated, motivated and skilled workforce. Singapore's excellent communication and transportation infrastructure afford ... quick and easy access to ... customers in the region and around the world. It has one of the most valuable advantages of all, an excellent government that ensures a high degree of stability, growth and prosperity. Singapore - the Siemens gateway to Asia."**

**Hans-Dieter Bott**  
Managing Director, Siemens Pte Ltd



Singapore, a cosmopolitan city, links the East and the West and provides a platform for the meeting of global talents, ideas, funds and business.

## Building Enterprise Ecosystem

In order to remain globally relevant and competitive in this day and age, Singapore recognised that it is essential for the country to become a knowledge-driven global economy which uses intellectual capital to generate new wealth. Thus, creating a culture of entrepreneurship and innovation has become a top priority for Singapore.

The country continues to create and nurture a vibrant enterprise ecosystem - a conducive total environment for start-ups and companies of all sizes. With a diversity of players spanning the entire continuum of enterprises, from start-ups to growth stage companies and multinational corporations, these parties interact and transact with one another symbiotically, generating mutual spin-offs and positive network effects for one another.

The Singapore Economic Development Board (EDB) actively promotes and encourages the spirit of enterprise by creating a pro-business environment and providing support for start-ups and growth companies. With an array of initiatives such as co-investment and seed funding program, presence of venture capital funding, incubators and accelerators as well as R&D and test-bedding facilities, EDB ensures that Singapore continues to be a compelling location for start up companies to set up their business.

## Opportunities for Start-up

Singapore is Asia's least bureaucratic and most inexpensive location for start-ups. Last year, a total of 3,664 new high tech businesses and companies were established in Singapore, of which

### Incubatee Highlights

**Monin** is an international leading producer of premium and natural gourmet flavourings from syrup for commercial users. It set up its regional headquarters in Singapore in January 2005 through the French Chamber of Commerce. The company plans to set up production site, R&D facility to develop new tastes and products.

**Capsulation Technologies Pte Ltd**, a incubatee of the State of Brandenburg, is a Berlin-based nanotechnology company. It creates innovative, highly-specialised products by applying its unique Layer-By-Layer (LBL) Technology to existing and emerging needs in life science developments. The company has set up an R&D centre in Singapore to promote and develop its Asia Pacific regional activities.

**“Singapore was the first country in the Asia Pacific region to realise the potential of SMEs, and to develop measures to help small businesses 20 years ago already. And in the last three or four years, it has also been the country that has been most actively seeking to minimise administrative burden and make itself business-friendly in order to attract and nurture new business creation.**

**Perhaps the most visible manifestations of this are the Action Community for Entrepreneurship, and the two SEEDS financing schemes in operation. But pro-entrepreneurship initiatives are by no means limited to these examples; they can be found permeating all parts of government. These measures have already attracted new entrepreneurial ventures to Singapore, and more will surely follow.”**

**Patrick Turner  
Professor of Entrepreneurship  
INSEAD**

624 were foreign companies.

The country's vibrant venture capital (VC) industry, with 159 VC and private equity firms managing S\$16.4 billion (US\$9.8 billion) in funds, provides ample access to funding for promising start-ups in Singapore.

In addition, the EDB's Startup Enterprise Development Scheme (SEEDS), a co-financing equity scheme by EDB and third-party investors, also provides a source of funding for seed-stage enterprises. Since its inception four years ago, it has funded about 148 enterprises, of which a quarter is of foreign origin—from Europe, USA, Korea, Japan, China, India, Australia and New Zealand.

Singapore also provides many strategic partnership opportunities for start-ups and growth companies. The island nation is home to some 95 incubators and accelerators, among which 35 are foreign, such as China TORCH Centre, India Centre, Japanese External Trade Organization (JETRO) Business Support Centre, Nordic Centre, State of Brandenburg, and French Chamber of Commerce.

These international incubators help many foreign small and medium sized enterprises (SMEs) to set up their operations in Singapore. A large number of European SMEs have been leveraging on the expertise and network of these foreign incubators to make Singapore their launchpad to Asia. The six European incubators in Singapore currently house more than 300 enterprises from a variety of sectors such as aerospace, infocommunications, electronics, logistics, chemicals and biomedical

**"The abundance of quality deal flows that we see at Upstream Ventures is evidence of Singapore's success in building a vibrant entrepreneurial ecosystem that fosters innovation.**

**Excellent IP protection, established legal and governance practices, unparalleled infrastructure, in terms of transportation, telecom, a sophisticated captive market, an extensive network of incubators and research centres, and multiple sources of finance and exit opportunities accelerate the process of value creation for entrepreneurs and investors.**

**Besides encouraging home-grown innovation, the building blocks of the ecosystem prove attractive to foreign entrepreneurs looking for the ideal springboard into Asian and global markets."**

**Carmelo Pistorio  
Managing Director, Upstream Ventures**

sciences.

The French Chamber of Commerce's experience in Singapore has been very encouraging. It has seen a quadrupling in the number of incubatees in just one year, from three in 2004 to 12 in 2005.

Recognising the importance of these incubators and accelerators in catalysing the process of starting and growing the company, EDB introduced the Locally-based Enterprise Advancement Programme (LEAP). LEAP provides financial assistance to private sector-driven multipliers like busi-

## HOTEvents

**HOTDate** is a brokerage event styled on the concept of speed dating- allows technology buyers and sellers to meet one another on short but intensive one-on-one seven minute dates. Participants are then rotated after each session, to ensure exposure to the maximum number of potential contacts.

**HOTSource** provides an avenue for multinational corporations and large companies to outline their procurement roadmaps and hence give insights to the budding technopreneurs on how they can tailor and pitch their products to these buyers.

**HOTPitch** offers technopreneurs an "elevator pitch"-style opportunity to reach out to venture capitalists, business angels and other potential investors. Start-ups looking for funding have two minutes to sum up their business plans and sell them to a gathering of investors.

ness incubators and accelerators, VCs, business trade associations to accelerate the growth and expansion of enterprises and industries.

## Entrepreneurs Community

To ensure the best possible start, there is HOTSpots (HOT- Hub Of Technopreneurs), the joint private-public sector programme to create an island-wide network of facilities for technopreneurs.

The 12 HOTSpots provide choice locations for technopreneurs to set up and build their businesses. Comprising a total of more than 2 million sq ft, the locations also offer tenants common facilities such as access to meeting rooms, business centres, exhibition atriums and even recreational facilities such as cafes, gyms and swimming pools!

In addition to providing business with the hard infrastructure, HOTSpots also provides a platform for VCs, business angels and technopreneurs to interact. A series of networking and business matchmaking events, aptly named HOTEvents, allows the HOTSpots community of 2,100 local and foreign businesses to network, exchange ideas and form partnerships.

**"HOTSource is a fantastic opportunity for Microsoft to partner with HOTSpots members and partners to support the growth of the local software ecosystem. The event provides start-up and technopreneurs insight into how to engage and partner with Microsoft. And in exchange, Microsoft gains a deeper understanding of the needs of the Singapore software community and can provide support accordingly."**

**John Fernandez  
Director, Emerging Business Team, Microsoft Inc.  
Presenter at HOTSource**



HOTPitch— Technopreneurs have two minutes to sum up their business plans and sell them to a gathering of investors

## Singapore, the Global Entrepolis

Singapore today is a Global Entrepolis – a compelling global hub for business and investment where entrepreneurs and enterprises converge, spark and realise innovations, forge partnerships, and create value in manufacturing and services industries. In one compact location, ideas are pitched, deals are sealed and partnership forged, thus making Singapore the ideal location for companies that seek to go global.

Singapore's enterprise ecosystem at work is encapsulated in the annual event: Global Entrepolis @ Singapore (GES). GES, initiated by EDB three years ago, is the embodiment of Singapore as a nexus of funds, partners, market and innovations. GES is jointly presented by EDB and the Singapore Business Federation.

GES 2005 brought together 14,000 participants from more than 60 countries. At the event, more than S\$900 million (US\$535 million) in 46 new projects were announced.

GES continues to be an exciting and a fruitful networking session for industry players and entrepreneurs.

## Vibrant and Lively Society

Indeed, Singapore has evolved over the last decade to become not only a vibrant economy but also a lively society - with a busy and eclectic entertainment and cultural calendar, and a dynamic and creative performing arts sector. Singapore's cosmopolitan and open society attracts a wide diversity of global talents, who bring with them great ideas and innovative products.

Without a doubt, this country is brimming with abundant opportunity. With the right mix of pro-enterprise environment, a diverse and excellent talent pool, transparent government and excellent



Networking event at GES

connectivity Singapore is a choice location for global businesses that seek to participate in the booming Asian economy.

The article is contributed by Singapore Economic Development Board (EDB)

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## Global Entrepolis @ Singapore

Global Entrepolis @ Singapore (GES) is an umbrella event comprising more than 40 international industry and business-related conferences and a mega exhibition showcasing the latest in technology – all under one roof.

International business participants, VCs, innovators and entrepreneurs from China, India, the Middle East, ASEAN, USA and Europe converged at GES 2005. Many were repeat participants who had tasted success at GES over the last two years.

GES has continued to deliver value to its participants and it has gained recognition as the one big networking event, where funds, markets, partnership and ideas interact and transact.

GES 2006 will be held in Singapore from 30 October to 2 November 2006

| Facts on GES | GES 2003   | GES 2004   | GES 2005   |
|--------------|------------|------------|------------|
| Participants | 10,500     | 12,000     | 14,000     |
| Deals sealed | S\$150 mil | S\$500 mil | S\$900 mil |

### What they said about GES:

**“I am very impressed with the wide diversity of the businesses they represent as well as the nationalities and races they come from. GES is a total global gathering”**

Carel van den Driest  
Chairman, Royal Vopak

**“The event is a rich source of information on emerging trends in technology and innovation, not to mention an important source of potential business opportunities.”**

Masakazu Naito  
Director Group General Manager, Hitachi Asia

**“GES really gives the opportunity to connect with networks of supporting organisations. It also gives a very good picture on the strategic business focus in this region, and therefore can help in the plan on how to localise our marketing strategy and products to Singapore and Asia.”**

Alan Russel  
Managing Director, PERA Neville Clark, UK