INTRODUCTION TO ASEAN TECH ECOSYSTEMS

Opportunities in ASEAN’s growth potential via Singapore

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About Myself

- 2002: Graduated B.Comm (Management), UniMelb
- 2011: Founded AGA, pro-bono advisory incubator and government-appointed incubator. 600 1-1 advisories, 38 startups raised an aggregated US$4.8m.
- 2015: Raised Tri5 Ventures, a S$10m seed fund, focusing on investments in ASEAN and those that impact the Singapore ecosystem
- 2016: Director of Make School Singapore

Evangelist
Singapore Tech ecosystem

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The landscape

ASEAN economic community 10 year plan

• 10 nation community
• 622 million people
• US$2.6 trillion collective GDP
• Deeper integration economically; enhanced connectivity; sector cooperation and people-centered ASEAN
• Many businesses using Singapore as a funding base and conduit into ASEAN.
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Snapshots of ASEAN markets
Snapshot - Indonesia

Language: Bahasa Indonesia (Official), English (limited)

Consumer:
- 138m Urban Population
- 108m Smartphones users:
  - Android (some local models)
  - Nascent e-Commerce scene
  - Emerging ICT Sector

Problems
- Traffic jams in major cities (up to 4 hours)
- Fragmented modern retail market
Snapshot - Indonesia

Upsides
- Technical talent pool
- Low cost of living

Opportunities
- E-commerce
- Retail

Known Startups:
- Mathari Mall – US$500m, e-Commerce Mall (Lippo Group)
- Go-Jek – Undisc, Transport/Logistics (Sequoia)
- Elevenia – US$50m, Marketplace, (SK Planet, XL Axiata)
Languages: Tagalog & English

Consumer:
2.3m Overseas Filipinos remittance (~US$27bn in 2014)
Growing middle class – Prudent spenders
Value seeking

Smartphones: 65M users – Android

Problems
Infrastructure (Transportation, Internet)
Snapshot - Philippines

Upsides
- Technical talent pool
- Low cost of living

Opportunities
- E-commerce
- FinTech (Remittance)
- Outsourcing Technologies (B2B SaaS)

Known Startups:
- CarMudi – US$25m, Ecommerce Marketplace (Tengelmann Ventures)
- ZipMatch – US$2.5m, Property (Monk’s Hill, 500 Startups)
- Lenddo – US$2m, Cashcash Pinoy (Hera Capital)
Languages: Vietnamese (Official)

Consumer Culture:
- Local Goods preference
- Emerging middle class
- Fragmented retail
- Everyone owns a motorcycle!

Smartphones: 51M users – Android

Problems
- Largely rural and dispersed
- Infrastructure
Snapshot - Vietnam

Upsides
- Rapid adoption of technology
- Fast growing economy

Opportunities
- E-commerce
- Digital Marketing
- Logistics

Known Startups:
- Shutta – Photography/Videography
- VeXeRe.com - Transport
Snapshot - Thailand

Languages: Thai (Official), English (Spoken)

Consumer Culture:
  - Value Seeking
  - Online shopping, mall goers
  - Sophisticated technology users

Smartphones: 42M users - Android

Problems
  - Falling consumer confidence
  - Economic uncertainty
Upsides
Low cost of living and business

Opportunities
Employment
Retail/Deals
Property
Fintech

Known Startups:
ClaimDi – Automotive Insurance
Omise - Payment
Languages: Bahasa Malaysia, English, Mandarin

Consumer Culture:
- Largely urban
- Deep internet connectivity
- Online shopping
- Mall clusters – Mall shoppers

Smartphones: 21M users - Android, iOS

Problems
- Weakening currency
- Political instability affecting businesses
Snapshot - Malaysia

Upsides

Modern cities
Growing Startup ecosystem

Opportunities

E-commerce
Retail

Known Startups:

Jobstreet – US$586m, Recruitment (Seek, Walden)
Grab – US$350m, Transport, (CIC, Didi Kuaidi, Softbank)
KFit – US$12m, Uber Gym Membership (Innoven, Sequoia, 500 Startups)
iFlix – US$45m, Video streaming (Patrick Grove of iProperty)

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Languages: English

Consumer Culture:
- High consumption habits
- Sophisticated technology consumers
- Online shopping, mall goers

Smartphones:
- 4.8M users – equal mix of Android, iOS
Why Singapore?

Top city for high ease of starting and running a business\(^1\)

Regional hub for SEA – Access to regional markets\(^2\)

Strong Startup Ecosystem – Accelerators, Startups, Govt \(^3\)

70% of VC deals in ASEAN in Singapore\(^4\)

\(^1\) 2016 World Bank Report
\(^2\) ASEAN FTA, Free Skies Agreement
\(^3\) Estimated 280 Series A startups and more
\(^4\) Preqin and SVCA Special Report: Singapore and ASEAN Private Equity Apr 2015 (537 deals of US$3.45b since 2008)
Government Initiatives

Smart Nation Initiative
US$12b RIE2020 over 5 years¹

US$750m Skills Future Initiative

US$150m Finance Innovation

US$90m ICT Manpower Training

¹ Services and Digital Economy (SDE), Health Biomedical Sciences (HBMS), Advance Manufacturing & Engineering (AME), Urban Solutions and Sustainability (USS)
Summary

ASEAN a diverse but many opportunities especially eCommerce

Growing market (unbanked, smartphone users)

Importance of using Singapore as a base HQ for region

VC funding significant (US$2b)
Thank you

Discussion!

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Christopher@tri5.asia