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Singapore start-ups look to a changing France for growth

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CHIA YAN MIN ✉ chiaym@sph.com.sg 🐦 [@ChiaYanMinBT](https://twitter.com/ChiaYanMinBT)



Homegrown robotics and AI start-up H3 Dynamics is keen on opportunities in France. Seen here are founder and chief executive officer Taras Wankewycz (front), who is French, with his colleagues. BT PHOTO: KELVIN CHNG

Singapore

FRANCE is already well-known among food lovers and culture buffs, but the country is increasingly attracting attention from a different group - Singapore start-ups keen on partnerships and overseas expansion.

A growing number of Singapore firms are eyeing the French tech ecosystem - which has been garnering more global attention on the back of French President Emmanuel Macron's push to turn the country into a "startup nation".

Mr Macron has made innovation a key pillar of his agenda to breathe life back into the economy - the tax system, rigid labour laws and a culture of avoiding risks had previously hindered the growth of a more vibrant tech scene in France.

Earlier this year, Mr Macron announced that France will set up a 10 billion euro (S\$15.64 billion) fund to finance innovation and research.

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One of the most visible private efforts to boost the French tech ecosystem is Station F, the world's largest start-up incubator.

Housed in a former Paris train station, the airy 366,000 sq ft space opened in July 2017 - shortly after Mr Macron was elected - and was bankrolled by telecoms billionaire Xavier Niel.

Mr Niel, the vice-president of Iliad which owns France's second-largest mobile phone operator, invested 250 million euros of his own money in Station F. It aims to provide a complete ecosystem for budding entrepreneurs - from government administrative services to workshops and an upcoming housing extension.

In addition to 1,000 start-ups and 3,000 entrepreneurs, Station F also houses venture capital, private equity and other early-stage investors, and makes room for corporate partners such as Facebook, Microsoft and luxury goods conglomerate LVMH.

About 20 to 25 per cent of the start-ups at Station F come from outside France including the United States, Britain and China, said communications director Rachel Vanier.

"(These international start-ups) have seen the French ecosystem blossom in the past five years . . . Station F is a huge symbol of this growth and sheds light on the fact that Paris has become a major scene in the world of tech," said Ms Vanier.

The momentum in France's startup ecosystem has been gaining pace for a few years now, following the launch of the La French Tech programme, a publicly-funded initiative to promote French start-ups under a single brand in France and abroad.

Former French president François Hollande - whose administration launched the La French Tech programme - visits Station F to meet entrepreneurs a couple of hours each week as head of a non-profit foundation called La France s'engage or "France Commits", which funds social innovation startups.

France's emerging tech scene has not gone unnoticed in Singapore.

"Over the past two years there has been a notable change in terms of the interest and excitement about start-ups among traditional French corporates," said Julian Koo, co-founder and chief executive of healthcare tech startup Jaga-Me.

Jaga-Me is an online platform which links independent healthcare professionals with those receiving care at home. This allows patients to obtain long-term care at home instead of in an institution - improving their overall well-being and easing pressures on the healthcare system.

The company, founded in 2015, has more than 300 nurses and doctors on board in Singapore and is now exploring overseas growth opportunities, Mr Koo told The Business Times.

"The challenges faced by health systems internationally are similar, hence there is value we can bring from having proven our model with healthcare institutions in Singapore," he noted, adding that the company is eyeing France as a potential springboard into the European market.

Another Singapore company keen on opportunities in France is homegrown robotics and artificial intelligence start-up H3 Dynamics.

The company set up its European headquarters in France last year - drawn by the country's strong aerospace engineering ecosystem as well as the fact that founder and chief executive officer Taras Wankewycz is French.

The company is organised as a group of three firms in Singapore developing internet-connected field robots, AI-enabled analytics services and solar-hydrogen energy storage solutions for remote sensors, robots and drones.

H3 Dynamics has been working closely with a number of major French multinational firms though project details are still confidential, said Mr Wankewycz, who has lived in Singapore for seven years.

"As a Singapore company we want to become more integrated with the French tech ecosystem," he noted, adding that the company has already started building its team in France.

"We're using France as a base to expand into other parts of Europe, as well as the Middle East."

The company expects to double its staff strength in Singapore - which now stands at about 30 - by the end of the year on the back of its international expansion efforts. It is expected to log S\$6 million in sales this year.

Both Jaga-Me and H3 Dynamics were among a delegation of 15 Singapore companies which attended a major three-day tech and innovation festival in Paris. Called VivaTechnology (VivaTech), the event held from May 24 to 26 brought together 80,000 attendees, 8,000 start-ups and 1,400 investors from 103 countries.

Advanced materials firm Matralix - another company in the Singapore delegation to Paris - has also been working closely with major French companies and is looking to establish a presence in the country.

Founded in 2014, the company focuses on developing micro encapsulation systems - for example, methods of protecting and delivering active ingredients in cosmetics and pharmaceuticals. It develops manufacturing processes as well as research and development tools which can then be licensed out to larger firms for use in their labs and manufacturing.

"Our major clients in the pharmaceutical and cosmetics industries are in France," said Matralix chief executive Renuga Gopal, who spun off the company from research done at the National University of Singapore along with Saif A Khan, an associate professor of chemical and biomolecular engineering.

"Within Europe, France seems to be a good place for us given the recent string of activities we've had with companies there in the past two years," she added.

The company is focused on the cosmetics, pharmaceutical, personal health, agrochemical and food industries. The size of its projects can range from S\$50,000 to six-figure sums.

Singapore and France already enjoy deep business and innovation links.

France is Singapore's second largest trading partner in the European Union and the 16th largest globally. Total trade with France last year was close to S\$17 billion.

More than 1,900 French companies were based in Singapore as of last year. For instance, French beauty retailer Sephora has chosen Singapore to house its South-east Asia digital hub and lead the company's omni-channel strategy for the region.

French startups like intelligence company Kpler, data solutions provider Metron Lab and digital construction solutions provider Finalcad have also anchored their regional headquarters in Singapore.

INNOVATION FRANCE STARTUPS