

Singapore

Government to unify start-up support schemes under Startup SG branding

Given the fierce global competition for entrepreneurial talent and funding, it is important that the Singapore start-up scene has a coherent brand identity, says Minister of State for Trade and Industry Koh Poh Koon.



Start-ups working out of a JustCo co-working space. (File photo: Tang See Kit)

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SINGAPORE: The Government will establish an umbrella branding known as “Startup SG” to unify its support schemes for start-ups, Minister of State for Trade and Industry Koh Poh Koon announced on Friday (Mar 3).

Speaking during his ministry’s Committee of Supply debate, Dr Koh said that given today’s fierce global competition for entrepreneurial talent and funding, it is important for the Singapore start-up scene to have a “coherent brand identity” that “resonates among Singaporeans and the rest of the world”.

 “With the unified branding, it will be easier for budding entrepreneurs to identify the relevant schemes for their unique situations and needs,” he added. “Over time, we will work with other stakeholders to further strengthen this Startup SG brand”.

Dr Koh noted that there have been “considerable efforts” by various stakeholders to develop a thriving start-up scene in Singapore. As a result, there has been a “sizeable increase” in both the number and quality of start-ups.

The number of start-ups in Singapore has more than doubled, from 22,000 in 2003 to 48,000 in 2015. There have also been significant increases in the number and aggregate valuations of start-up exits, he added. “Notable successes include live customer support chat solution provider Zopim and online marketplace Lazada, which were acquired for about US\$30 million in 2014 and US\$1 billion in 2016 respectively.”


He also gave more details on the schemes under the Startup SG umbrella. They include Startup SG Founder to support first-time entrepreneurs, Startup SG Talent to support talent development for start-ups, and Startup SG Equity to incentivise equity co-investment for start-ups.

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Dr Koh added that the Government will also enhance “two key enablers” to give more support to start-ups – funding and talent.

ENHANCED CO-INVESTMENT SUPPORT FOR PROMISING START-UPS IN DEEP-TECH AREAS

In his speech, Dr Koh noted that equity financing is important to enable start-ups to grow and scale. But not all start-ups have the same funding needs or gestation periods. For example, start-ups that develop non-infocomm technology (ICT) or (deep-tech) technologies typically require higher capital outlay and have longer commercialisation runways, due to the prototyping process and trials they need to undergo.

 Hence, he said that as part of the Startup SG Equity scheme, the Government will enhance its co-investment support for promising start-ups in deep-tech areas like medical technology, clean technology and advanced manufacturing, to catalyse private sector investment for this group.

Support will be enhanced in two ways. First, the investment cap for the Government's co-investment portion for deep-tech start-ups will be doubled from S\$2 million to S\$4 million. "This enhancement allows the Government to tier our funding support for ICT and deep-tech start-ups according to their differing needs," said Dr Koh.

Second, the proportion of the Government's co-investment funding support for supported investments will be increased from 50 per cent to 70 per cent.

ENHANCEMENTS TO ENTREPASS WORK PASS SCHEME

Dr Koh also announced further enhancements to the EntrePass work pass scheme, which is meant for foreign entrepreneurs keen to start a business in Singapore.

Under the enhancements, the existing entry and renewal criteria will be revised. Dr Koh outlined three key changes:

Currently applicants are required to have a paid-up capital of at least S\$50,000 in their start-ups. But Dr Koh said this requirement will be removed, in order to welcome global entrepreneurs with good ideas to come in at an earlier stage.

The evaluation criteria will also be broadened for global start-up founders with an established track record.


The validity of each EntrePass will also be extended from the current one year to two years, after the first renewal at Year 2. "If the foreign entrepreneur can demonstrate progress at the end of the first year, the EntrePass will be extended for another year," he explained. "Thereafter, subsequent EntrePass renewals will be valid for two years."

Dr Koh stressed that Singapore needs to remain open to promising global talent. And the rising global protectionist sentiments that emerged in 2016 also present Singapore with the opportunity to position itself as an attractive start-up location for global talent, he added.

"Foreign entrepreneurs have the capacity to add to the vibrancy of our start-up scene", he said. "They complement our local start-ups through the cross-fertilisation of ideas, catalyse new partnerships and create good jobs for our people."

He added that as at 2015, foreign start-ups employed more than 19,000 workers in total.

ENHANCEMENTS TO ONLINE SME PORTAL

 Senior Minister of State for Trade and Industry Sim Ann reiterated that the Government is committed to supporting small- and medium-sized enterprises (SMEs), which she described as “at the heart of our economy”.

She noted that SMEs are sometimes not sure who to approach and what specific support is available to help them grow their businesses, and pointed out that there are SME Centres which serve as a first-stop for SMEs. These centres provide customised business advice and help SMEs better understand Government initiatives.

She also highlighted the Web-based SME Portal, which lists services suitable for SMEs at various business stages. By the second quarter of this year, the SME Portal will be enhanced with the addition of a “one-stop Tech Depot”. She said this would improve companies’ access to technology and digital solutions.

“The Tech Depot is a showcase of easily adoptable technology solutions. It will include A*STAR’s ready-to-go technologies as well as IMDA’s pre-qualified Infocomm and Media (ICM) solutions,” she said. “These can help companies improve inventory and asset tracking processes, supply chain management and planning processes.”

NEW PROGRAMME FOR SINGAPOREANS TO GAIN ON-THE-JOB TRAINING, EXPOSURE

Meanwhile, Parliamentary Secretary for Trade and Industry Low Yen Ling announced a new programme that will create more opportunities for Singaporeans to receive on-the-job training and gain exposure to regional infrastructure projects.

The new Professional Conversion Programme for Global Ready Infrastructure Talent (GRIT) will be launched in the second quarter of this year. It will subsidise a part of the participants’ salary.

“We target to place and train 300 individuals over the next five years to develop a pipeline of talent in infrastructure project development,” said Ms Low. She added that more details will be announced in the next quarter of this year.

Source: CNA/lc

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