Singapore as a rising hub for cross-border innovation

A connected ecosystem can provide greater innovation opportunities beyond just the local market.

By Zhixin Tan Tue Aug 20 2019

This entry is part of KrASIA's collaboration with the event Experience the Power of Innovation and Collaboration (EPIC) (https://epic.ace.org.sg/) jointly organized by Singapore's Action Community for Entrepreneurship (ACE) and JTC.

KrASIA

Globalization has shrunk time and distances and has shifting the market from West to East. Next to Silicon Valley, new places for innovation like Beijing and Tel Aviv have sprung up. The global nature of the internet and technology companies gave rise to a flourishing cross-border innovation ecosystem.

Today, innovation occurs at at an unprecedented level of connectedness, to the point where cross-border innovation has become a new norm: larger networks are now seen as necessary to secure the best of ideas; they also open access to new market opportunities and business models.

Singapore's multi-cultural and international setting has allowed it to position itself as a hub for cross-border innovation. Despite being a tiny nation, it managed to nurtured several well-known international tech unicorns like Sea, Razer, Lazada, Grab, and Trax.

Launch of Innovation Enablers Network by Action Community for Entrepreneurship (ACE). Official photo provided by the organizer.

In his opening speech at the EPIC event (https://epic.ace.org.sg/) in Singapore last week, the Senior Minister of State at the Ministry of Trade and Industry, Koh Poh Koon said that today, Singapore houses more than 4,000 technology startups and over 100 startups enablers such as accelerators and incubators. He said that research and innovation clusters such as the One-North complex have contributed tremendously to the increasing vibrancy of the startup ecosystem in Singapore. It comprises a 50,000 people strong community of corporates, startups, enablers, institutes of higher learning and public research institutions. It is set to grow even further as Razer and Grab are opening their headquarters there next year, Koh said.

Gateway to Southeast Asia

Speaking at the panel discussion on cross-border innovation, Rock Oh, CEO and managing partner of Awesome Ventures highlighted the good flow of money in Singapore as a key magnet in attracting foreign companies to set up shop here.

As a result, the startup landscape in Singapore is very diverse and international. Chinese tech giants like Huawei and Baidu both expanded to Singapore recently. Artificial intelligence platform Near, having just raised a USD 100 million venture capital round (/singapore-headquartered-ai-platform-raises-usd-100-million-from-greater-pacific-capital/), is also headquartered in Singapore.

Singapore is often seen as the gateway to Southeast Asia with many startups setting up their headquarters in Singapore while having their operations and tech teams elsewhere, Oh said.

One recent example is Pinterest (/pinterest-opens-singapore-office-ahead-of-regional-expansion/), the San Francisco-headquartered social-sharing platform that is about to go public. It set up an office in Singapore ahead of regional expansion across Southeast Asia. Even Grab, which originated in Malaysia, later moved its headquarter to Singapore.

It's necessary to be able to think beyond the local market in order to succeed in the tech industry, said Yoav Elgrichi, one of the panelists and the founder of ImpacTech, (https://impactech.com/about/) an accelerator targeting early-stage start-ups who use technology in innovative ways to tackle social issues.

The importance of internationalization is the reason why ImpacTech, while headquartered in Singapore, has a presence in key cities around the world. It currently operates in Singapore, Thailand, Hong Kong, Japan and in Israel.

Another way of promoting cross-border innovation within the ecosystem is through establishing international accelerator programs that help startups expand to new markets and help them scale there. The official China-Singapore Innovation Launchpad (/enterprise-singapore-works-with-shanghai-accelerator-to-bring-singaporean-tech-startups-to-china/) is one example. The program brings Singapore startups to Shanghai and Chinese startups to Singapore.

Another example is Alibaba Cloud's China Gateway program that was launched in May this year. Speaking at the panel, Jessie Yu, senior product lead of Alibaba Cloud said the program allows startups to leverage on Alibaba's tech infrastructure in China as well as their local know-how as the startups expand into the Chinese market. For the startups, the China Gateway Program enables them to build and scale their company in China quickly and sustainably.

How to succeed in a new market

Having international companies enter Singapore, eager to succeed in new markets across the region, could also invigorate and set an example for local companies, who can lack the initiative to set high growth targets, according to some of the panelists.

It starts with the mindset. "A Singaporean mother will ask [her child] 'what did you learn in school' but an Israeli mother will ask [her child] 'what questions did

crucial for success as the company needs to be able to challenge the system and challenge the norm in order to create something new.

Singapore's many government-led initiatives for tech startups can be detrimental, however ironic it sounds. This means a lack of a desire for success and a belief that being able to continue operating is satisfying enough for many startups in Singapore, panelist Harry Lim, CTO of Ria Venture Capital, observed.

"[In terms of startups] we have quantity instead of quality. We have so many startups here but how many actually grow big?" Lim said.

One way to tackle expansion overseas, whether its from Singapore into the region or from other countries into Singapore, is to find the right ecosystem partners that will help open up access to local markets and provide the local know-how.

Yu gave the example of Chope, the Singaporean startup operating a real-time restaurant-reservation booking platform. The startup partnered with Meituan (/restaurant-platform-chope-partners-with-meituan-dianping-to-feed-chinese-tourists/), one of the world's largest online and on-demand delivery platforms for its expansion into the Chinese market. Gaining access to Meituan's 290 million users in China was a huge step forward for the Singaporean startup, and it's considered one of the few foreign startups that has made it in the cutthroat Chinese tech market.

We're KrASIA, a digital media company reporting on the most promising technology-driven

KrASIA

Follow us on

𝗳   🐦   in

(https(/https(/hwittbookwodd/AGTASffs.offkiah)any/krasia/)

KrASIA

🐦   𝗳   in   ©   🔗

(/)