



Two new blocks for the whiz kids

JTC LaunchPad @ one-north will enlarge and improve facilities for startups in Singapore's version of Silicon Valley by the end of the year

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When Block 71 - a drab, 1970s factory building on Ayer Rajah Crescent - was relaunched three years ago as a central office and incubation space for startups, many weren't sure it would work. ST PHOTO: KUA CHEE SIONG

 Heart of Singapore's startup ecosystem

Singapore

WHEN Block 71 - a drab, 1970s factory building on Ayer Rajah Crescent - was relaunched three years ago as a central office and incubation space for startups, many weren't sure it would work. Its neck of the woods, a good walk from any MRT station, made it hard to get to; its standalone, seven storeys of nondescript wall-to-wall units were hardly inspiring.

Yet, it has become the closest thing Singapore has to a Silicon Valley: the epicentre of Singapore's startup ecosystem, one of the most compact in the world, housing as many as 262 startups, 20 incubators and 1,000 talents. Observers believe it has the potential to produce a wave of tech superstars.

Building on its success, the JTC LaunchPad @ one-north was announced in March this year. It will comprise Block 71 and two more blocks, 73 and 79, as well as new amenities such as food kiosks, collaboration spaces, shared meeting rooms and sports facilities (*See infographic here*).

The expansion, delivering at least 12,000 square metres worth of additional space, marks an important milestone in Singapore's journey to build a vibrant and sustainable startup cluster, JTC told The Business Times.

By the end of this year, both new blocks will be completed, and the LaunchPad will see a 90 per cent occupancy rate, comprising some 31 incubators and 441 startups, of which 91 will have their own space and the other 350 will be housed in incubators, JTC said.

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Accelerators, corporate partners (banks and law firms), venture capitalists, and community and social enterprises have also been urged to join the growing startup community at the LaunchPad.

At this time, major tenants include Infocomm Investments, Exploit Technologies, JFDI.Asia, SingTel Innov8 Ventures, NUS Enterprise, and the recently privatised ACE Ltd.

ACE (Action Community for Entrepreneurship), the country's flagship entrepreneurship agency, had in September announced plans to set up shop at the LaunchPad alongside news of its privatisation; it is now led by entrepreneurs and investors after the government's exit - a move welcomed by industry players.

And this is only one of the many ways the local startup scene has evolved since Block 71.

At least 27 Singapore-based startups have been acquired in the last three years, in buyouts totalling over US\$500 million. There is also more money for startups in the pipeline; just this year, Golden Gate Ventures launched a S\$50 million early-stage fund, Monk's Hill Ventures a S\$100 million Series A and B fund, and Catcha Ventures a US\$75 million growth-stage fund.

Moreover, the Entrepreneurship Review Committee, set up by ACE last year to recommend ways to enhance the entrepreneurship landscape, has unveiled its first set of results, calling on private sector players to do more to drive the spirit of enterprise here.

And they have. Local banks, for instance, have been eager to partner social media and mobile banking startups to reach their customers anytime, anywhere; OCBC Bank has even introduced a collateral-free loan that provides startups as young as six months old with easier access to funds up to S\$100,000.

The government, too, has continued to play its part as facilitator, injecting some S\$60 million to grow medical technology startups here from September, and enabling over 160 partnerships between large organisations and SMEs (small and medium-sized enterprises) - startups included - under the Partnerships for Capability Transformation programme since 2013.

"The difference between us and Silicon Valley, New York City or others is the amount of government intervention," Teo Ser Luck, Minister of State for Trade and Industry, said during the LaunchPad announcement in March. He added that while the government used to play a big role in catalysing the startup ecosystem, moving on, it would take on a more supportive and strategic role, such as designing the LaunchPad.

"The LaunchPad is a milestone for us, but it is just a small step. We are . . . building the environment and the ecosystem for entrepreneurs . . . (who bring) to life new products, services and business models . . . that renew and re-energise the sectors," said Mr Teo. "If this is successful, we will build more of such clusters."

*More than one way to give startups that leg-up

*A home and a school for startups