S’pore must grow deep-tech start-ups: Expert

More investment in higher-risk sectors will boost start-up scene

Walter Sim
Japan Correspondent
in Kawasaki-mi-ha, Chiba

Not enough government money was pumped in to support deep-tech start-ups, a leading Singapore industry expert said yesterday, in the run-up to the launch of government-owned firm S$100m start-up venture.

Dr Wee Hua Nam, director of the National University of Singapore (NUS) Entrepreneurship Centre, said more investment in higher-risk sectors with a longer gestation period will be required if the Republic’s start-up scene wants to match advanced economies in these areas. He was addressing a panel at the seventh Asia Entrepreneurship Award (AEA), a Japanese start-up pitch contest in Kawasaki-mi-ha.

The city, located about 40 minutes east of Tokyo, is home to several academic and research institutions that work with start-ups to create technology that is test-bedded in the city.

The city is also home to the start-up incubator Kawasaki-mi-ha Open Innovation Lab, which has entered into a working agreement with Singapore’s NUS, to allow start-ups from the two countries to tap each other’s spaces.

Dr Wee, who also lectures at the NUS BizSchool, said Singapore’s efforts to generate fund and grow its start-up ecosystem have helped it remain an investment climate. But there have been some setbacks.

“Maybe there is too much government money going into supporting every general start-up,” he said.

Amidst all this, the government has often seen a rise in the number of start-ups that do not deserve funding.

What this means, he said, is that there is too much investment for start-ups, and that著 there is a need for the higher-letter commercialisation of deep technology, which requires more time and where there has been some funding.

One challenge is the need for more investment in higher-risk sectors with a longer gestation period, which will help create successful companies.

“We have to start from not just throwing more money at it, but also think of how we can actually get people with such necessary global experience involved, to start their next business or investment in Singapore,” he said.

The NUS recently announced a partnership with UniCredit’s Global Startup Accelerator, which focuses on startups in the healthcare sector.

The AEA counts among its partners major European firms: NTT Dainippon Screen, ANZ, JPMorgan, and KBC.

Since the contest started in 2012, two Singaporean start-ups have emerged as winners, with another three in runners-up positions.

Last year’s second-prize winner was Velofit, a Singaporean startup providing artificial intellige-nc-based visual search and image recognition services. Its global clients include Japanese brands such as Uniqlo, Belkin, and Kin-ecare.

This year, there was one Singa- pore start-up among the 20 semifinalists: Prolifics, which taps big data to provide workforce analytics, especially for open-concept offices. Although it was not among the fi- nal six, its chief executive, Mr Steve Ong, 28, said he hoped the chance to pitch in Tokyo at an investor pitch event would help it grow its foothold in Japan, where it launched its first customer three months ago.

Prolifics, which was founded in March 2013, has raised $100,000 in investor funding, its clients include Capitol Land, Tan Tock Seng Hospital, Unilever, and Procter and Gamble.

“We hope to form strategic partnerships with different groups, including commercial property developers with tenants who can use our services,” he said.

This may give us a stake in the game... in Japan, it is all about the relationship...