Discover Taiwan's Startup Ecosystem

2024

Your Startup
My Island
Our TAIWAN

Startup Island TAIWAN is the national startup brand of Taiwan. The brand embodies the transformative journey from a burgeoning “startup island” to a formidable force on the global stage. It proudly showcases the unwavering ambition and prowess of Taiwan's startup ventures, highlighting their dedication and ability to enhance startup ecosystems worldwide.

Table of Contents

01

02

03

04

01

Snapshot of Taiwan

Nestled in the heart of East Asia, Taiwan shines as a beacon of innovation and progress, renowned for its dynamic economy and forward-thinking policies. This section provides an in-depth look into Taiwan, portraying it not only as a land of stunning landscapes, but also as a bustling center for innovation and technology. We commence with an overview of Taiwan, spotlighting its distinctive features, before delving into the compelling reasons that position it as an optimal choice for startups. Our exploration extends further as we dissect Taiwan's dual role as both a hub and a destination for innovation. Ultimately, we unravel the intricate layers of Taiwan's success story, propelled by visionary governmental initiatives.

Taiwan at a Glance

ECONOMY

Recognized as a high-income economy in East Asia by the World Bank

Renowned for its cutting-edge computer microchip manufacturing, Taiwan stands at the forefront of technological innovation. Manufacturing, spearheaded by small- and medium-sized enterprises (SMEs), remains a cornerstone of Taiwan's economy. Since the 1980s, Taiwan has achieved remarkable progress in high technology, with its information and communication technology (ICT) industry earning global recognition and esteem.

GDP

2023 GDP: 23.6 Trillion New Taiwan Dollars

GDP (Gross Domestic Product) growth in 2024 was forecasted at 3.43%.

POPULATION

Population of 23.58 million people

Comparable to that of Australia (25 million people) or the state of Florida (22 million people) in the USA.

AREA

Area of 35,980 square kilometers

Closely equivalent in size to the Netherlands, the state of Maryland in the USA, or about half the size of Scotland.

GEOGRAPHY

Diverse coastal and mountain landscapes

The island's terrain is predominantly mountainous, featuring a central range running from north to south. Yushan (Jade Mountain), standing as the highest peak in Northeast Asia, reaches approximately 3,952 meters (12,966 feet) above sea level. Taiwan's coastline spans approximately 1,566 kilometers (973 miles), offering sandy beaches, rugged cliffs, and an abundance of bays and harbors.

LOCATION

Positioned centrally in Asia

Taiwan is home to three of the top 10 largest shipping companies globally: Evergreen, Yang Ming, and Wan Hai.

Taiwan's strategic location in the Asia-Pacific, flanked by continental America to the east, Japan to the north, and the emerging markets of ASEAN to the south, positions it as an ideal gateway for maritime and aerial shipments, seamlessly connecting to vibrant regional and global markets. This advantageous position makes Taiwan a top choice for multinational corporations establishing operational headquarters in the region, offering convenient access to neighboring countries within a 5-hour flight radius. Destinations reachable within this timeframe encompass key business hubs, such as:

Japan: Tokyo, Osaka, Fukuoka, Sapporo, and Okinawa

South Korea: Seoul, Busan, and Jeju

Hong Kong

Singapore

Philippines: Manila and Cebu

Thailand: Bangkok

Vietnam: Ho Chi Minh City, Hanoi, and Da Nang

The Advantages of Choosing Taiwan

Taiwan stands out as the quintessential destination for those aspiring to thrive in the technology sector. With a stellar track record of achievements, a vibrant talent pool, and robust infrastructure, Taiwan beckons innovators, entrepreneurs, and visionaries seeking transformative opportunities. Discover why Taiwan stands as a preeminent hub for technology and a gateway to a promising future.

Leader in the tech industry

#1

Semiconductor & IC packaging and testing

#2

Global output value for flat panel displays

Top-tier digital infrastructure

#1

Number of mobile broadband users globally

#5

Internet bandwidth speed

Innovative talent pool

#16

In innovative talent pool globally

#3

In innovative talent pool in Asia

World-class healthcare system

#1

Global health care indicator

Comprehensive system for protecting IP rights

#4

Patent protection in Asia

Favorable work-life balance

#1

Favorite country for foreigners for 3 years

Destination for International R&D Investments

In recent years, Taiwan has emerged as a prime destination for major international corporations seeking to invest in and establish cutting-edge research and development facilities. This flourishing trend owes its success to Taiwan's prowess in the global semiconductor industry, bolstered by its top-tier R&D personnel, thriving industrial clusters, innovative capabilities, adept management of intellectual property rights, and outstanding response to the COVID-19 pandemic.

Presently, Taiwan hosts approximately 30 large international firms with R&D centers, pouring roughly NT$60 billion (US$1.9 billion) into investments and generating an estimated annual production value of nearly NT$340 billion (US$10.9 billion). Noteworthy among these is Google's expansive data center, the largest in Asia, and Microsoft's groundbreaking AI R&D center, the first of its kind in the region. Key highlights include:

Google

Largest hardware lab and main R&D hub outside of the U.S.

Microsoft

Launched the expansion of AI lab center in Taiwan in 2019

aws

Launched its newest innovation lab in Taiwan

cisco

Established an innovation center in Taoyuan

DECATHLON

Only innovation center outside of France in Taiwan

IBM

Opened a co-innovation hub with National Taiwan University

Globally Acclaimed Innovation Hub

International startup indicators and related assessments are invaluable tools for gauging Taiwan's entrepreneurial landscape.

The International Institute for Management Development (IMD) is a prestigious Swiss independent academic institute that has established a significant presence by introducing the IMD World Competitiveness Yearbook (WCY), an annual report. This report provides benchmarking and trend analysis derived from extensive research data, ranking countries based on their competency management for long-term value creation. Since its inception, the WCY has evolved into a global reference point for evaluating countries' competitiveness. Below, we highlight Taiwan's rankings in IMD's 2023 WCY and outline its overall performance trend over the past six years, demonstrating a consistent increase in ranking.

Similarly, **the "Global Entrepreneurship Monitor (GEM)" report**, published by Babson College in the United States and London Business School in the United Kingdom, provides a long-term evaluation of the development of entrepreneurial environments across countries. In recent years, Taiwan has consistently performed well in the GEM report, specifically in the National Entrepreneurship Context Index (NECI), securing a top-three position consistently.

Moreover, the international research institution **StartupBlink** conducts annual assessments of global startup ecosystems. Since its debut in the rankings in 2020, Taiwan has witnessed steady growth, currently holding the 24th position globally in the latest 2023 report.

Leading innovation policy advisory and research firm, **Startup Genome,** examines city ecosystems. Taipei has consistently ranked in the 21-30 range in the "Emerging Ecosystems Ranking" for 2020 and 2021. Despite a slight decline in 2022, Taipei rebounded to the 21-30 range in 2023, reaffirming its resilience and potential in the global startup landscape.

Indicator Name	2018	2019	2020	2021	2022	2023
IMD	17	16	11	8	7	6
StartupBlink	-	-	30	26	25	24
Startup Genome	-	-	21-30	21-30	31-40	21-30
GEM - NECI	-	4	3	3	-	3

In alignment with the various international benchmarks cited, Taiwan's startups have surged forward as a formidable driving force for economic development. They've not only nurtured nascent industries and competitive models, but have also injected fresh vitality into traditional sectors.

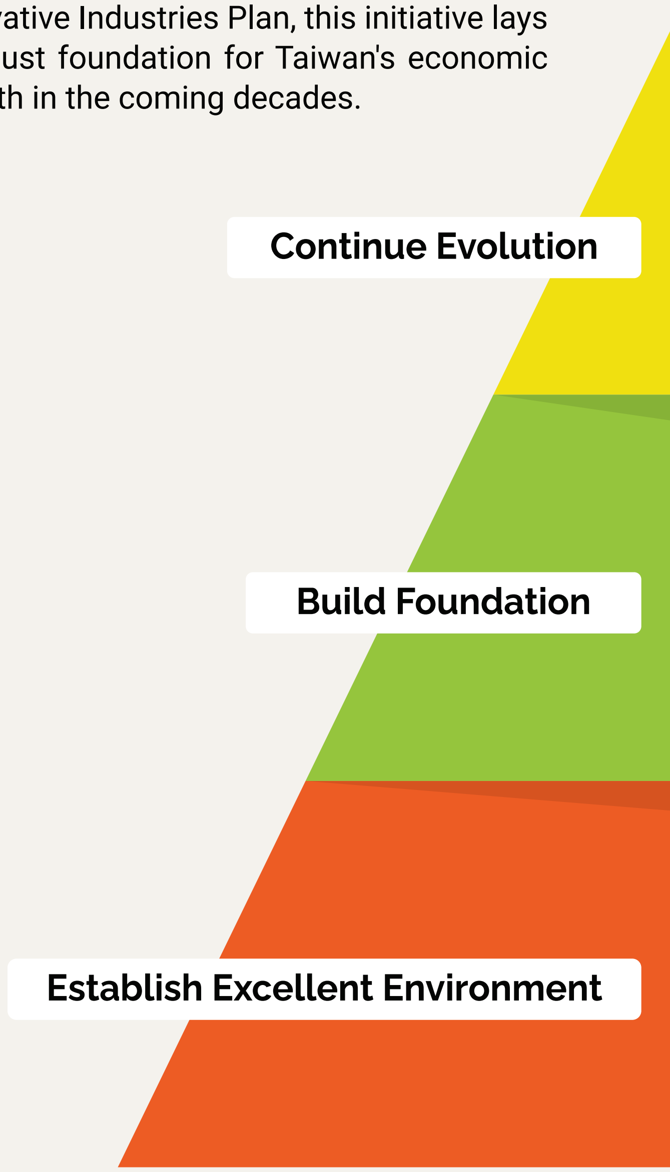
The upward trajectory in Taiwan's rankings across international entrepreneurial surveys highlights the global community's deep admiration for the country's startup ecosystem. This acknowledgment resonates with all stakeholders, spanning governmental and private entities alike.

Government Strategy: Evolving from Within

In recent years, nations worldwide, Taiwan included, have placed a premium on forging new pathways for economic growth through innovation and structural reform. Acknowledged by the World Economic Forum as transitioning into an innovation-driven economy, Taiwan's government has embraced "innovation, employment, and equitable distribution" as fundamental pillars for future development. **To evolve from within, the government's economic growth strategy resembles a pyramid, with innovation and technology forming its core.**

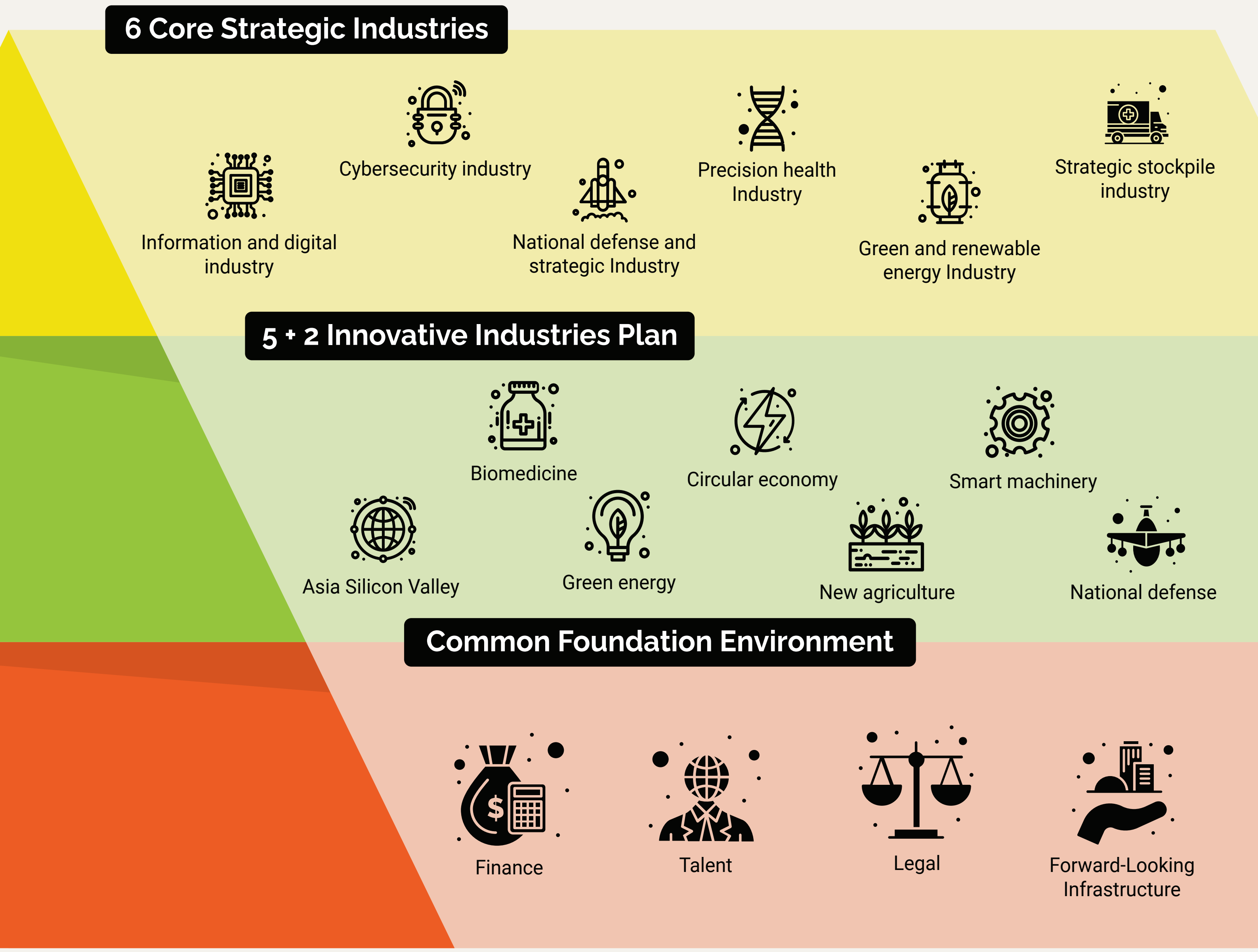
Focusing on five key sectors—smart machinery, IoT (as part of the Asia Silicon Valley Plan), green energy, biotech pharmaceuticals, defense, alongside circular economy, and new agriculture—the 5+2 Innovative Industries Plan aims to propel sustainable growth by igniting innovation and driving industry trends. By leveraging Taiwan's existing ICT industry, this plan aims to develop application services in these sectors.

Furthermore, building upon the 5 + 2 Innovative Industries Plan, the Six Core Strategic Industries initiative seizes early opportunities arising from the post-pandemic restructuring of global supply chains. This initiative positions Taiwan as a pivotal player in the global economy by encompassing information and digital sectors, cybersecurity, precision health, green and renewable energy, national defense and strategic sectors, and strategic stockpile industries. By efficiently allocating resources and industry support within the established framework of the 5 + 2 Innovative Industries Plan, this initiative lays a robust foundation for Taiwan's economic growth in the coming decades.



Moreover, as the government advances the six major strategic initiatives built upon the foundation of the 5+2 Innovative Industries plan, it places a strong emphasis on grassroots-level endeavors to optimize the common foundation environment crucial for bolstering the entire economic growth structure. This involves strategic planning of financial capital chains, implementation of bilingual talent policies, establishment and streamlining of relevant regulations, and execution of forward-looking infrastructure policies. Through these measures, the basic environment will undergo continuous reinforcement, catering to the needs of talent, capital, and infrastructure for the 5 + 2 Innovative Industries Plan and the 6 Core Strategic Industries Initiatives to flourish.

This marks a pivotal juncture in the Taiwanese government's economic development strategy, wherein technology and innovation play indispensable roles.



02

Innovation DNA & Startup Spirit

A Decade of Grwoth and Expansion

Navigating Deal Flow in Taiwan's Startup Scene

Diverse Sectors, Abundant Opportunities

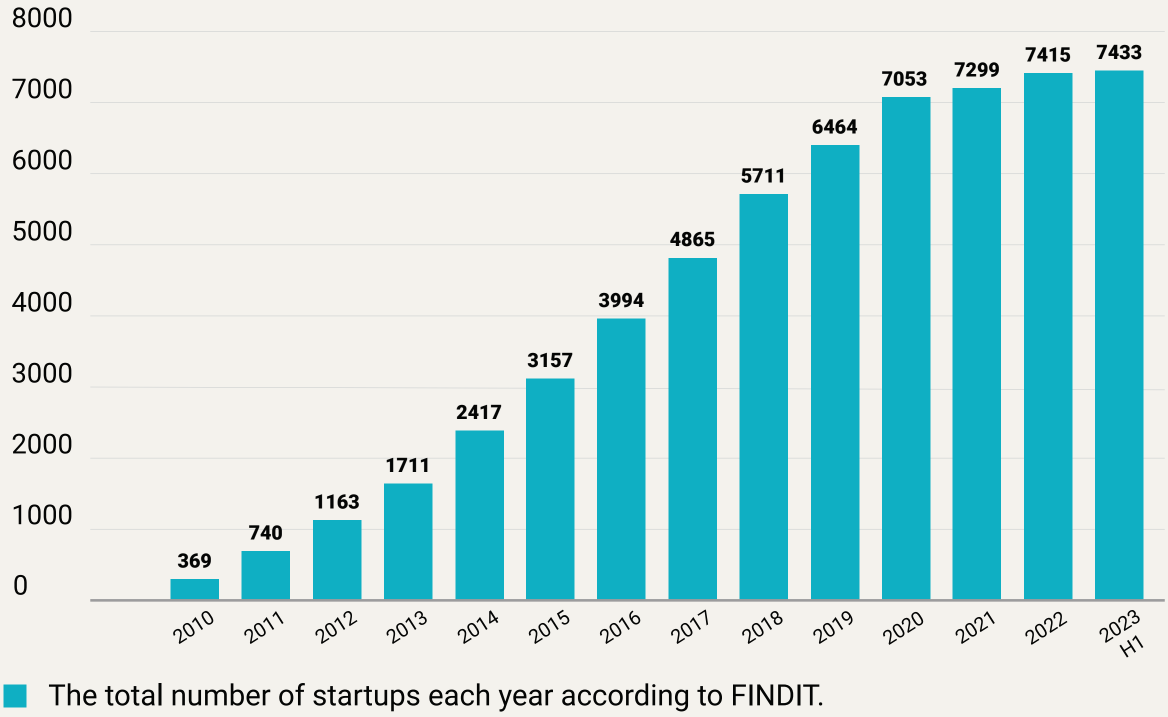
NEXT BIG | Startup Island TAIWAN

Having delved into Taiwan's prominence and importance in the global innovation and technology arena, let's now turn our attention inward to its vibrant startup ecosystem. In this section, we embark on an exploration of Taiwan's entrepreneurial DNA and spirit. Our journey begins with an overview of the startup landscape, followed by an analysis of investment trends and burgeoning industries. Furthermore, we'll shine a spotlight on noteworthy success stories by introducing the NEXT BIG startups, a program spearheaded by the National Development Council designed to spotlight Taiwan’s foremost trailblazers on the global stage.

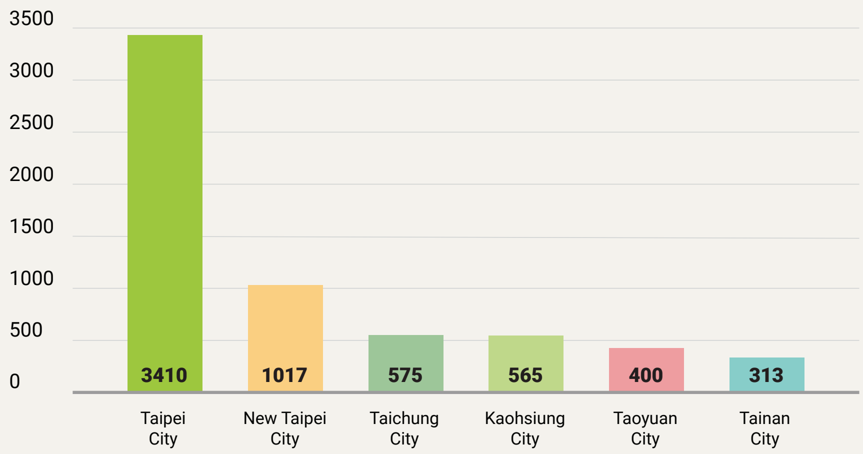
A Decade of Growth and Expansion

Since 2010, Taiwan has witnessed a steady rise in the number of startups, characterized by a particularly remarkable surge between 2014 and 2019. As of the end of June 2023, Taiwan boasts a total of 7,433 startup ventures, with 6,674 actively engaged, representing nearly 90% of the total. Impressively, 97.6% of these startups are domestically registered, with 63% adopting the structure of a company limited by shares and 34.6% operating as limited companies.

As of the end of June 2023, the total number of startup ventures in Taiwan stands at 7,433



The distribution of new startups in the six municipalities from 2010 to 2023 according to FINDIT.



A closer look at the registration locations reveals that Taiwan's six major municipalities serve as pivotal hubs for burgeoning startups. These cities naturally draw in more resources for startup endeavors and are favored destinations for launching new ventures. Taipei City takes the lead with 3,410 registered startups, followed by New Taipei City (1,017), Taichung City (575), Kaohsiung City (565), Taoyuan City (400), and Tainan City (313).

Moreover, alongside the surge in startups, numerous aspects of Taiwan's entrepreneurial ecosystem have experienced significant growth and expansion. Let's delve into some key areas:

	2015	2023
Number of startups	3,157	7,433
Number of investment deals	262	422
Investment amount ($B USD)	0.84	22.2
Number of accelerators	10	78
Number of unicorn startups	0	4

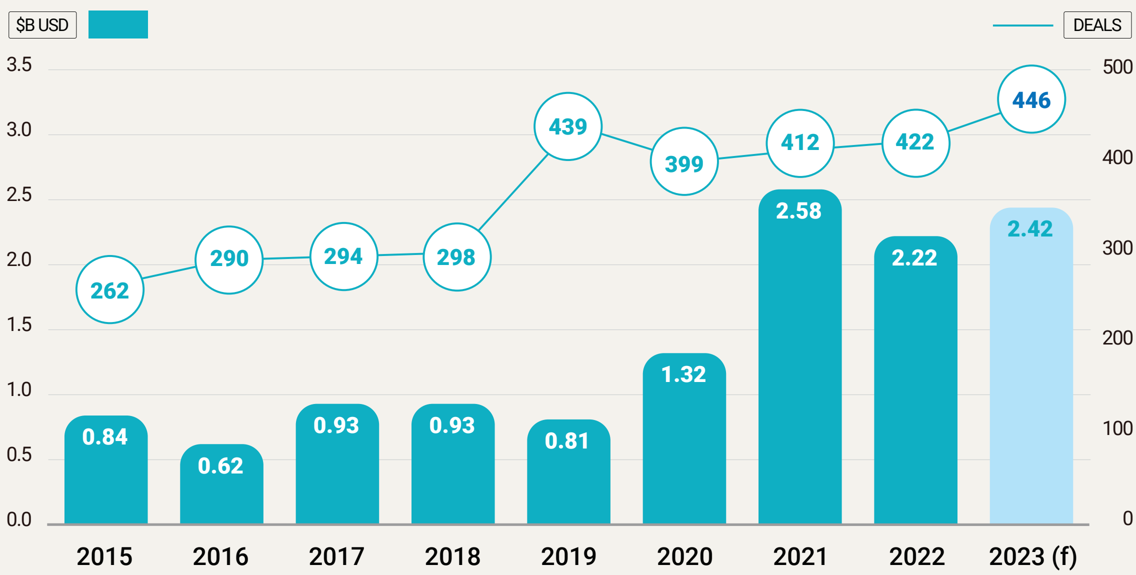
Navigating Deal Flow in Taiwan's Startup Scene

The fervor for early-stage investments serves as a compass for the development of startups. From 2015 to the first quarter of 2023, Taiwan experienced a remarkable surge in early-stage investments, amassing an impressive total of $10.79 billion. In 2019, buoyed by active participation in the National Development Fund's Angel Investment Program, transaction volumes soared to unprecedented heights, with 399 deals and investments reaching $1.32 billion, despite the challenges posed by the pandemic in 2020.

Since 2021, both the Taiwanese government and businesses have swiftly pivoted their focus toward achieving net-zero emissions and promoting green sustainability initiatives. Investments in renewable energy, energy conservation, and energy management have led to numerous multi-million-dollar transactions.

In 2022, the momentum in green energy and biotechnology themes persisted. Despite a 13.85% decrease in investment scale due to fewer mega-deals, investments remained substantial, totaling $2.22 billion. The first quarter of 2023 alone witnessed 105 deals amounting to $530 million.

Early-Stage Investment Trends from 2015 to 2023



Diverse Sectors, Abundant Opportunities

Taiwan Early-Stage Investment Trends (2015-2022): Industry Heat Map

		2015	2016	2017	2018	2019	2020	2021	2022
Number of Investment Deals	Health and Biotechnology	59	59	58	57	74	83	77	75
	Energy	4	5	9	17	26	44	60	64
	Hardware	53	52	52	51	71	62	57	50
	Information Technology & Software	16	18	23	33	37	38	34	41
	Manufacturing	40	35	37	34	38	23	31	32
	Media & Entertainment	14	22	22	14	18	18	20	21

		2015	2016	2017	2018	2019	2020	2021	2022
Amount ($M USD)	Energy	1.9	14.3	50.5	131.5	51.3	393.9	896.4	715.3
	Health and Biotechnology	235.9	216.0	102.1	122.9	124.6	201.4	675.8	380.8
	Hardware	102.4	91.0	84.4	133.7	153.1	233.5	258.8	322.9
	Manufacturing	82.7	45.3	87.7	94.1	40.4	45.9	115.3	134.2
	Information Technology & Software	14.6	25.6	53.1	54.1	90.3	38.7	143.3	129.2
	Information Security	8.6	6.2	11.8	21.2	26.7	2.7	25.6	88.7

Note: The data period is from January 1, 2015, to December 31, 2022.

Data source: FINDIT platform

In what fields do these well-funded startups operate? It's evident that the most sought-after area is Health and Biotech, accumulating a total of 563 investment deals from 2015 to the first quarter of 2023, amounting to $2.12 billion USD. This sector has consistently attracted significant investment, particularly in 2021, witnessing numerous investments exceeding tens of millions of USD. In 2022, there were 75 investment deals in the Health and Biotech sector, totaling $381 million USD. While the number of deals remained relatively stable, the total investment amount experienced a notable decline compared to the $6.76 billion USD in 2021 (approximately 20.3 billion NTD), mainly due to a reduction in large-scale investment projects.

Next is the energy sector, which has garnered increasing attention in recent years due to the growing focus on achieving net-zero emissions and promoting sustainable green energy. From 2015 to the first quarter of 2023, the energy sector witnessed a total of 252 transactions, amounting to $2.64 billion USD. More than 90% of these investments occurred after 2020. In 2022 alone, there were 64 deals totaling $715 million USD.

When discussing successful and promising startups in Taiwan, it's imperative to highlight the NEXT BIG startups program, spearheaded by the National Development Council (NDC) of Taiwan. NDC proactively contributes to enhancing Taiwan's global presence in the startup ecosystem, leveraging the established national startup brand, Startup Island TAIWAN, as its cornerstone. A pivotal element of this endeavor is the continuous evolution of the NEXT BIG program, aimed at recognizing and showcasing outstanding startups supported by both the startup community and industry leaders. This initiative embodies Taiwan's innovative spirit, inspiring the next generation to embrace innovation. Externally, it showcases Taiwan's startup and technology prowess on the global stage. **TOGETHER**, we aim to **GO BIG.**

NEXT BIG not only represents the national startup brand but also epitomizes the growth potential across diverse industries, akin to the transformative role played by TSMC in the semiconductor sector. The steadfast dedication of Taiwanese entrepreneurs has historically laid a robust industrial groundwork, positioning Taiwan as a key player in the global technology landscape. To usher in a new era of technology, Taiwan relies on the innovation-driven contributions of startups. Through the NEXT BIG program, these exceptional startups are not solitary entities but a united force of trailblazers spearheading the technology era.

The NEXT BIG program operates as a collaborative endeavor, engaging representatives from the startup community, industry pioneers, and various government agencies, such as the Ministry of Economic Affairs and the National Science and Technology Council. Employing a rigorous selection process, inclusive of consensus discussions and site visits, startups showcasing the potential to drive industry transformation and demonstrate significant growth prospects are identified as NEXT BIG startups. The 22 recommended NEXT BIG startups span critical sectors, including education technology, smart health, defense aerospace, sustainable solutions, lifestyle, and more. The subsequent section offers an introduction to the 22 NEXT BIG startups selected in previous years.

Together Go Big

1

AmazingTalker

EduTech

Year Founded: 2016

Amazing Talker is a global online language learning platform offering 1-1 and group tutoring in over 140 languages to learners of all ages. Founded in 2016, AmazingTalker has attracted over 2,800,000 students and 11,000 tutors to its platform. Utilizing special algorithms and AI, AmazingTalker is committed to helping everyone quickly find suitable tutors and learn various languages and subjects online. The company has achieved nearly a 400% annual revenue growth rate, with 70% of its revenue coming from overseas markets. AmazingTalker aspires to become the first unicorn in Taiwan's education startup industry.

2

CoolBitX

Fintech

Year Founded: 2014

CoolBitx is committed to innovating and advancing blockchain security technology through its leading solutions: CoolWallet and Sygna Bridge. CoolBitX's flagship product, CoolWallet, is a credit card-sized Bluetooth hardware wallet supporting various tokens, including Bitcoin, Ethereum, Litecoin, XRP, ERC20, and more. Founded in 2014, CoolBitX aims to address the evolving needs of the digital asset space. With their product Sygna Bridge, they also offer tailored software services to simplify compliance processes and enable compliance with anti-money laundering regulations in multiple countries.

3

CuboAi

Health Tech

Year Founded: 2017

CuboAi is the world's first AI-powered baby monitor, offering real-time detection of newborns' safety, sleep conditions, and overall health. CuboAi's Smart Baby Monitor sets itself apart from competitors by integrating proactive AI for baby safety. Unique features include "AI Covered-Face & Rollover Detection" and "AI Breathing Motion Detection". Since 2017, their product has been sold in over 140 countries, including the United States, Canada, the United Kingdom, Australia, Japan, Europe, and Singapore. With over 150,000 units sold worldwide, CuboAi has become the leading brand in the Asia-Pacific region. CuboAi has received 20 global awards for brand marketing and product innovation, including two CES Innovation Awards in 2020 and 2022.

4

CYCRAFT

Cybersecurity

Year Founded: 2017

CyCraft is a disruptive innovator in the field of AI cybersecurity, addressing long standing challenges, such as automation deficiency and the absence of AI, in industrial cybersecurity. With a venture capital investment of NTD 250 million, CyCraft utilizes AI-forensic algorithms to significantly enhance incident response performance, allowing companies to achieve optimal digital resilience with minimal effort. CyCraft's clientele includes prominent Japanese firms like Hitachi and Mitsubishi. For two consecutive years, it has been recognized as a partner for enhancing cybersecurity among small and medium enterprises by the Tokyo Metropolitan Government. In Taiwan, CyCraft has garnered acclaim from over two hundred government agencies, law enforcement, financial institutions, and listed companies.

5

Social Media

Year Founded: 2015

Dcard is Taiwan's largest next-generation social media platform. Boasting 8 million registered members and over 20 million monthly unique visitors, Dcard has expanded its commercial reach to encompass diverse business models and overseas markets. It offers a range of services, including advertising, e-commerce, the original character IP "dtto friends," and the video brand "Dcard Video," which has over 1 million subscribers on YouTube and holds significant sway among the youth demographic. In 2018, Dcard ventured into the Hong Kong and Macau markets, and in 2021, it launched "Dtto," a community platform tailored for Japanese university students.

6

Fintech

Year Founded: 2016

EUI is committed to providing secure and convenient cross-border financial services to establish a global inclusive financing network. Its flagship product, the EUI Money platform, incorporates RegTech, Big Data, and AI identity verification technologies, along with internationally compliant remittance transaction mechanisms. As a fintech company permitted and approved by the Taiwanese government, EUI's platform offers an efficient and secure solution for cross-border transactions, addressing Taiwan's high demand for foreign worker services. Covering countries, such as Indonesia, the Philippines, Vietnam, and Thailand, EUI plays a pivotal role in promoting inclusive financing by facilitating remittance services through legal and secure channels.

7

funnow

Lifestyle

Year Founded: 2015

FunNow reigns as the leading local lifestyle marketplace in Southeast Asia, with a presence spanning multiple countries, including Taiwan, Hong Kong, Thailand, Malaysia, and Japan. Leveraging AI technology, FunNow's platform caters primarily to service-oriented retail businesses with limited digital presence, particularly small and medium enterprises in hospitality, food and beverage, massage, and beauty. Offering a diverse array of booking services across over 15 categories, FunNow collaborates with more than 5,500 vendors and serves a community of 2.4 million registered members. It has established partnerships with the MICHELIN Guide, Reserve with Google, and Tripadvisor, earning recognition from leading venture capital firms and listed companies, and emerging as Taiwan's most promising internationally-focused lifestyle service application.

8

GoFreight

SaaS

Year Founded: 2017

GoFreight's mission is to simplify the complexities of freight forwarding. With the world's largest cloud-based all-in-one software, GoFreight revolutionizes the $300 billion freight forwarding industry by redefining the operating system through cutting-edge technology. Providing comprehensive solutions that simplify, streamline, and optimize freight forwarding operations, GoFreight delivers unparalleled efficiency and profitability. With its innovative products, forwarders can reduce costs, increase sales, effortlessly adapt to the digital era, and gain a competitive edge in the global market.

9

Gogolook

Cybersecurity

Year Founded: 2012

Gogolook stands as a global leader in AI-driven digital fraud prevention and risk management services. Its flagship product, Whoscall, has amassed over one billion downloads worldwide, boasting the most comprehensive phone number database in East Asia and Southeast Asia, earning acclaim from multinational law enforcement agencies. Originally focused on telecom fraud prevention, Gogolook has expanded its services to encompass digital communication, fintech, and enterprise fraud prevention SaaS, spanning over 30 countries, including Taiwan, South Korea, Japan, Hong Kong, Thailand, Brazil, and Malaysia. The company plays a vital role in the global fraud prevention industry chain.

10

gogoro

Energy

Year Founded: 2011

Gogoro is a leading smart electric scooter, moped, and motorcycle brand in Taiwan. Leveraging the power of innovation, Gogoro reshapes urban energy distribution and consumption through its battery swapping and vehicle platforms, creating a smart, proven, and sustainable ecosystem that redefines urban mobility. Recognized as the most innovative company in Asia-Pacific, Gogoro has facilitated over 450,000 daily battery swaps and nearly 560 million total battery swaps to date, saving over 930,000 tons of CO_2 since its launch in 2015. The Gogoro battery-swapping network spans 45 cities worldwide, serving 2.8 million ecosystem subscribers.

11

GREENVINES

Skincare

Year Founded: 2010

Greenvines is a unique lifestyle brand of fresh and personal care products that reshape our lives in a better, healthier, and more sustainable way. Rooted in the belief that "innovation can be sprouted," Greenvines extends its product lines to encompass green personal care products tailored to real bodily needs. Notably, Greenvines holds the exclusive distinction of being the only B Corp in Asia to receive the "Best for the World" environmental award for five consecutive years. Grounded in science and sustainability principles, Greenvines eliminates over 2,700 non-essential ingredients, simplifying daily skincare routines into sustainable practices. With extensive investment in R&D, Greenvines continuously introduces innovative products embraced by consumers and lauded by over 50 media outlets.

12

hahow

EduTech

Year Founded: 2015

Hahow, the Taiwanese term for "school," stands as Taiwan's premier online learning platform for professionals, offering diverse professional programs. Since 2015, Hahow has garnered nearly one million members and over 700 instructors, providing over 1,000 courses. With a revenue growth rate exceeding 300 times since its inception, Hahow aspires to become the "Netflix of education." Consistently recognized by HolonIQ as one of the top 50 innovative education technology companies in Taiwan and the top 150 in Asia, Hahow expanded its reach with "Hahow for Business" in 2020, partnering with major enterprises, such as Taiwan Mobile and Cathay Financial Holdings. The company aims to dismantle outdated educational frameworks, enabling ordinary individuals to share their potential with others.

13

Health 2 Sync

Health Tech

Year Founded: 2013

Health2Sync serves as Asia's largest chronic disease management platform, integrating devices, data analytics, and cloud-based services to improve disease management outcomes. Since 2013, Health2Sync has been tackling the issue of insufficient medical and financial resources for diabetes care. With over 1 million registered users and 400+ platform partners worldwide, Health2Sync holds the largest market share in Asia Pacific, partnering with top anti-diabetes giants Abbott, Novo Nordisk, and Sanofi.

14

iKala

AI

Year Founded: 2011

iKala is a leading AI transformation solutions provider from Taiwan, "enabling AI competencies" in enterprises through AI-driven cloud management and MarTech solutions to optimize operational efficiency and increase customer engagement. Available in 7 countries, iKala's solutions and SaaS products serve over 1,000 enterprises and top-tier brands, including Fortune 500 companies, facilitating business transformation.

15

inline

SaaS

Year Founded: 2016

Inline offers restaurant operators a comprehensive customer management system to effectively interact with customers before, during, and after dining experiences, whether in-house or takeaway. Trusted by over 8,000 restaurants annually across Japan, Australia, Thailand, Malaysia, Singapore, Hong Kong, and Taiwan, Inline enables establishments to serve and stay connected with their clientele. Leveraging Inline's platform, restaurants seamlessly handle reservations and deposits through a world-class distribution network, including OpenTable, Google, Apple, Instagram, Trip Advisor, and 50+ other consumer apps. Additionally, thousands of restaurants utilize Inline's cost-effective online food ordering platform. As of 2023, restaurants have catered to 100 million unique customers and processed US$250 million in online transactions via Inline.

16

KDAN MOBILE

SaaS

Year Founded: 2009

Kdan Mobile is a global SaaS company offering a diverse range of cloud-based software solutions, including the e-signature service, DottedSign, and various productivity and creativity-related solutions. With over 200 million downloads and more than 10 million registered members worldwide, Kdan Mobile's products have garnered widespread adoption. Notably, 65% of users hail from Europe and America, with 30% from Asia and 15% from Africa and Australia. Kdan Mobile strives to empower users to embrace the value of mobile work, foster innovative thinking, and unlock business potential.

17

kkday

Travel

Year Founded: 2014

KKday is a leading e-commerce travel platform seamlessly connecting travelers with authentic local tours and activities. Since its inception in 2014, KKday has evolved into Asia's most expansive travel e-commerce platform, offering over 30,000 itineraries across 92 countries and 550 cities worldwide. The company has secured significant investment, totaling US$75 million in C round funding from esteemed investors like Cool Japan Fund, National Development Fund, CDIB Capital Group, Darwin Venture, and others. With a workforce of over 900 professionals spread across 12 offices throughout Asia, including Taiwan, Hong Kong, Singapore, Korea, Japan, Malaysia, Thailand, the Philippines, Indonesia, Vietnam, Shanghai, and Australia, KKday is dedicated to enhancing travel experiences globally.

18

nextDrive

ESG

Year Founded: 2013

NextDrive leads the way in cutting-edge energy management solutions, pioneering energy IoT technology with its comprehensive software and hardware integration services. From energy gateways to cloud computing and device data management platforms, NextDrive optimizes power usage efficiency and accelerates the transition to net-zero with advanced data analysis. Since entering the Japanese market in 2017, NextDrive has formed partnerships with Japan's top 5 power companies, including Tokyo Electric Power and Chubu Electric Power. In early 2023, the company received the prestigious "New Energy Award of the Year" from the Ministry of Economic Affairs of Japan for its innovative "IoE Energy IoT Platform" and "Ecogenie+ Home Energy Management Solution."

19

Pinkoi

Ecommerce

Year Founded: 2011

Pinkoi leads the design e-commerce landscape in Asia, utilizing its Lifestyle AI Model to empower designers worldwide through SaaS services. Breaking through conventions, Pinkoi fosters a design ecosystem that resonates with consumers while helping designers realize their dreams. With a presence in cities like Hong Kong, Tokyo, and Bangkok, Pinkoi serves as a two-way platform catering to both design brands and design enthusiasts. Committed to creating memorable moments and fulfilling aspirations for an ideal lifestyle, Pinkoi leverages cross-border e-commerce to connect people through design.

20

TRON FUTURE 創未來科技

Spacetech

Year Founded: 2018

TronFuture emerges as one of Taiwan's fastest-growing defense and space technology companies, embodying the Mandarin phrase meaning "to create future technology." Leveraging Taiwan's semiconductor leadership, TronFuture has brought to market the revolutionary "Ultra-thin Active Phased Array Antenna" technology. This achievement positions their flagship products, including the "Drone Defense System," "Low Earth Orbit Satellite Communication Payload," and "Synthetic Aperture Radar," as global frontrunners. With all core technologies developed and manufactured domestically, TronFuture has undertaken numerous projects for the Taiwan Space Agency (TASA) and the Industrial Development Bureau of Taiwan.

21

17LIVE

Internet

Year Founded: 2015

17LIVE stands as Asia's largest live streaming platform, committed to nurturing real-time human connections and fostering close-knit communities worldwide. Since its inception in 2015, it has expanded its reach to Japan, Hong Kong, Southeast Asia, the United States, and beyond. With over 550,000 global monthly active users and more than 87,000 contract streamers, the 17LIVE app is accessible in over 130 regions globally. Employing AI and machine learning technologies, 17LIVE offers authentic, zero-time-difference streaming services with the aim to empower human connections. Positioned with a global footprint and cutting-edge technology, 17LIVE is on its way to lead the live streaming industry.

22

91APP

SaaS

Year Founded: 2013

91APP stands at the forefront of Taiwan's software industry, facilitating the swift entry of brands into the e-commerce sphere through innovative solutions like Taiwan's first Online Merge Offline (OMO) retail software cloud service. Beyond OMO, they offer the "Commerce Cloud" and "Marketing Cloud," enabling companies to navigate their digital transformations seamlessly. In May 2023, 91APP became Taiwan's first publicly listed SaaS company, with a market value exceeding NT$40 billion. Positioned as an industry leader, 91APP is poised for sustained success in the dynamic e-commerce landscape.

03

Taiwan's Startup Support Structure

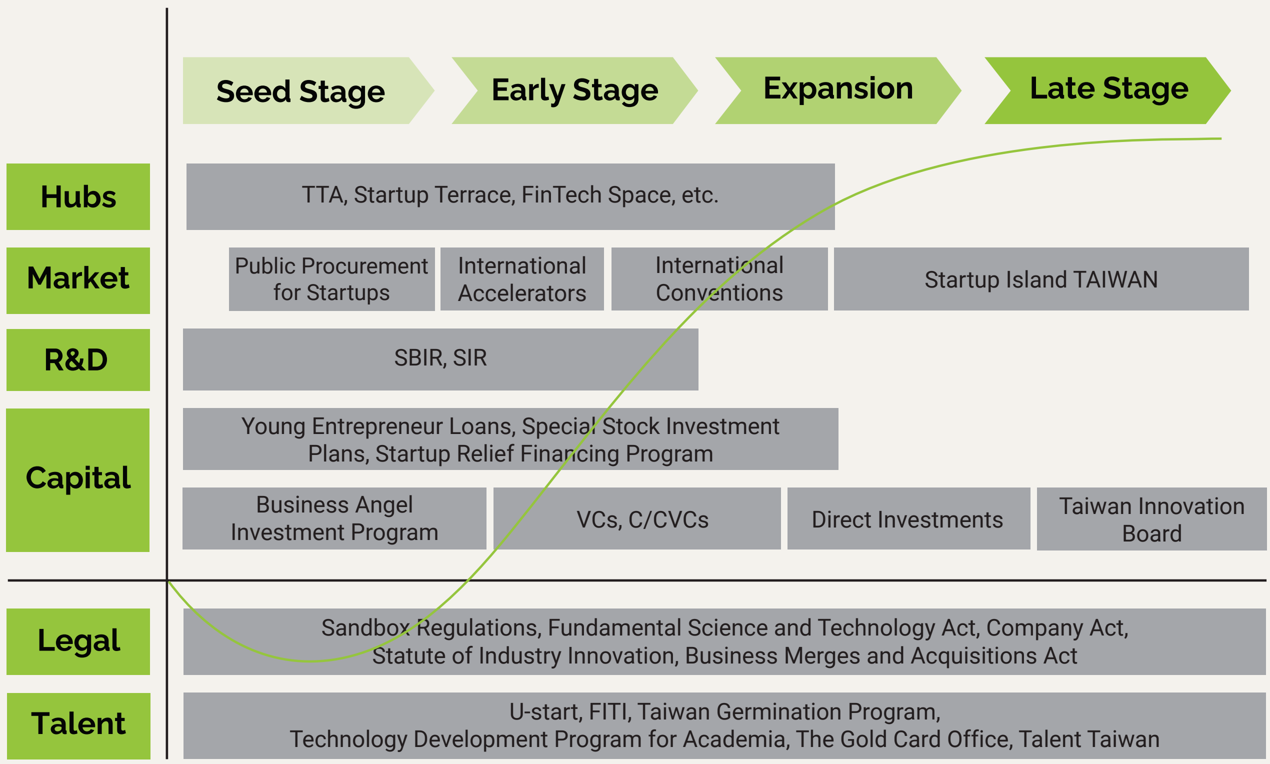
Shifting gears, let's now delve into the intricate structure of Taiwan's ecosystem. We'll closely examine the regulatory framework and government policies, which play vital roles in nurturing startups and the ecosystem itself. Additionally, we'll provide an overview of the various accelerators in Taiwan, followed by an exploration of key startup hubs. Lastly, we'll analyze the investment landscape within Taiwan's startup ecosystem.

Fostering Excellence in Startups: Policy Support

In 2018, the international research institution StartupBlink conducted an analysis and research report on the global startup ecosystem. The report indicated that countries with higher levels of government support tend to rank higher in the startup ecosystem. Supporting the development of the startup ecosystem involves a diverse range of policy tools that governments can utilize. How does the Taiwanese government support the development of innovation and entrepreneurship? Over the years, the government has played a significant role in optimizing the entrepreneurial environment by actively allocating resources in various aspects, such as technology development, talent cultivation, funding availability, and market expansion.

From 2020 to 2022, both central and local governments collectively invested in 250 projects, with a total budget of 11 billion New Taiwan Dollars (NTD) (excluding National Development Fund investments). These projects provided resources and support in the form of subsidies, investments, guidance, training programs, assistance with domestic and international market development, loans, branding initiatives, competitions, incentives, talent development, and the establishment of environments and working spaces, among other forms of support. The illustration below demonstrates the government resources corresponding to different stages of startup development.

Government Allocated Resources Aligned with Startup Development Stages



Government Empowering International Talents in Taiwan

Talent Taiwan stands as a comprehensive resource hub, offering essential guidance and support to foreigners and new arrivals in Taiwan. Its overarching goal is to emerge as the go-to destination for individuals and families embarking on their journey in Taiwan, providing invaluable aid as they navigate the intricacies of settling into the country.

By 2030, Taiwan aims to attract up to 400,000 global talents across various fields. To achieve this ambitious target, Talent Taiwan is committed to attracting top-tier international talent while addressing the common challenges faced by foreign residents during their time in Taiwan.

As a national service center, Talent Taiwan is dedicated to the recruitment and seamless integration of foreign talent into Taiwan's vibrant community. It strives to serve as the ultimate resource for individuals and families exploring opportunities and establishing roots in Taiwan. Through its assistance desk, Talent Taiwan offers clear and comprehensive information on visas, as well as guidance on employment, housing, banking, education, taxes, and more.

The Taiwan Employment Gold Card program, overseen by the International Talent Taiwan Office, is part of Talent Taiwan, the nation's primary hub for attracting and assisting foreign professionals. Launched in 2018, this program offers a multifaceted card bundling a resident visa, work permit, Alien Resident Certificate (ARC), and re-entry permit. Holders can freely enter and exit Taiwan over a period of 1-3 years, with online application options available without sponsorship.

Qualification hinges on a professional skills assessment, not requiring pre-secured employment. The card's fee ranges from US$100 to US$310, contingent on the applicant's nationality and card duration.

As an open work permit, it caters to job-seekers without the need for pre-arranged employment or employer backing. Initial Taiwan-based Gold Card holders meeting set criteria may apply for a 50% tax exemption on annual salary income exceeding NT$3 million for the first five years. After three years, they may pursue permanent residency (excluding Hong Kong and Macao residents), with advanced degrees from Taiwanese universities counting towards the residency requirement. Additionally, Employment Gold Card holders engaged in professional work or self-employment in Taiwan can enroll in the National Health Insurance system for themselves and their dependents immediately, bypassing the six-month waiting period.

The National Development Fund

Unlike private funding, government investments often come with policy objectives. One such objective of the National Development Fund (NDF), established by the Executive Yuan, is to foster the growth of emerging and strategically important industries, ensuring that promising companies are not hindered due to a lack of funding. The NDF's investments in startups prioritize catalyzing growth rather than solely seeking financial returns. By assuming some of the risk during the early stages of startups, the NDF facilitates their expansion to a point where they can attract additional investment from both domestic and international entities, thereby stimulating the capital cycle.

The NDF's investment channels in startups include various avenues, such as angel investment, venture capital investment, co-investment, direct investment, and a special stock investment project initiated during the COVID-19 pandemic.

DIRECT INVESTMENT

As of October 2023, the cumulative investment amount of the NDF's direct investment business has reached NT$100.009 billion. In certain cases, particularly large investments were granted, such as KKday, which received a Series C investment of US$75 million (approximately NT$2.25 billion) in 2020, in a funding round joined by Cool Japan Fund, NDF, CDIB Capital, and Darwin Venture Management.

ANGEL INVESTMENT

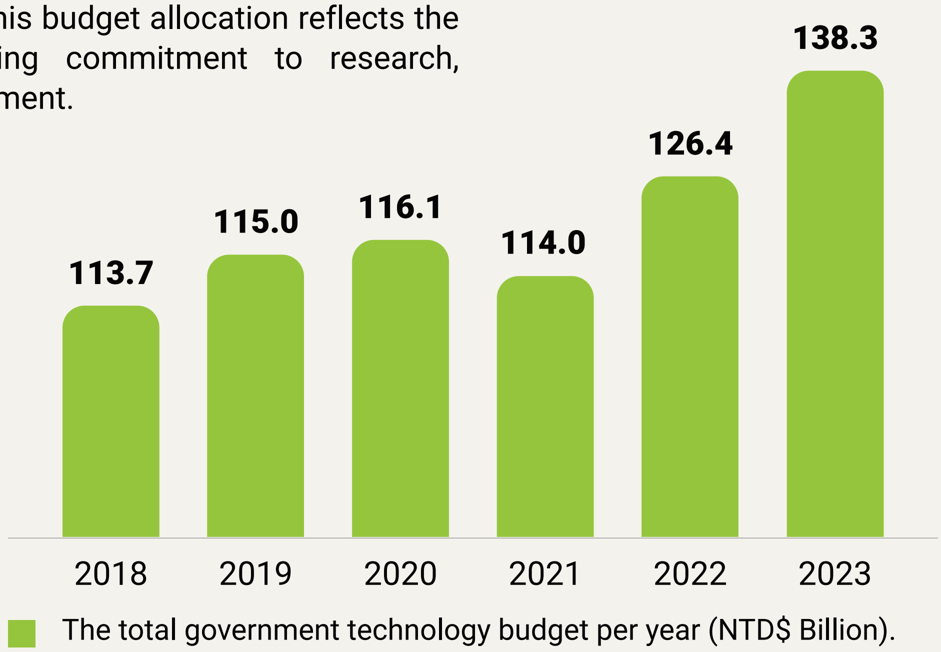
For early-stage startups, the angel investment program earmarked NT$5 billion, approving investments in 241 startups (such as Hahow, Pinkoi, CuboAI). By October 2023, the cumulative amount of NT$3.312 billion of the program's funding has led to additional investment of NT$11.926 billion from other parties. There have also been co- investments focusing on cultural and creative industries, strategic manufacturing, strategic services, etc. In summary, a cumulative total investment of NT$15.073 billion was made by the end of October 2023.

VC INVESTMENT

As of September 2023, a total of NT$176.06 billion was invested in collaboration with venture capital for startup investment, including funds raised by venture capital firms like JAFCO, 500 Startups, Draper, etc. Furthermore, for investments in the national-level investment company Taiwania Capital, five funds totaling NT$19.757 billion were raised. These investments targeted sectors like IoT, biotech, medical, and technology. Taiwania Capital also managed an NDF-funded Central and Eastern Europe investment fund of NT$6 billion.

Driving Innovation: Taiwan's Technological Agenda

Taiwan's commitment to technological advancement is enshrined in the "Fundamental Science and Technology Act". This legislation mandates the government to present a vision, strategy, and a biennial overview of technological development. It further obliges the government to gather insights from the National Science and Technology Conference, held every four years, encompassing domestic and global technological landscapes and various countries' technology development strategies. This information is used to assess Taiwan's current challenges and compile a white paper on science and technology, outlining the future vision of a technology-based society. In the past three editions of the science and technology white paper, the focus has centered on aligning technological development with industry and societal needs. To achieve this vision and compete effectively in the global research and development arena, the government has substantially increased the technology budget. For the year 2023, the technology budget has reached a record high of 138.3 billion NT dollars, marking a significant growth rate of 13.8%. This budget allocation reflects the government's unwavering commitment to research, innovation, and development.



Government Research and Subsidy Programs

Mastering innovative technologies with commercial potential is no easy task but is indeed the key to entrepreneurial success. Unique products or services can grant a competitive edge, hinder competition, and open new business avenues. Government support in funding, guidance, and networking aids entrepreneurs at different stages, fostering access to research and development.

Below are research and subsidy programs in Taiwan:

Small Business Innovation Research (SBIR)

Support innovation research and development and talent cultivation in R&D.

Government Ministry / Department

Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs (MOEA)

U-Start Plan for Innovation and Entrepreneurships

Build a strong foundation within the culture of campus innovation and entrepreneurship, fostering an environment that is conducive to entrepreneurial activities on campus.

Government Ministry / Department

Ministry of Education

Service Industry Innovation Research (SIIR)

Encourage innovative research and development projects with high technological standards and market feasibility.

Government Ministry / Department

Administration of Commerce, Ministry of Economic Affairs (MOEA)

National Key Fields Industry-University Cooperation

Cultivate talent in key areas and foster industrial strength.

Government Ministry / Department

Ministry of Education

From IP to IPO Program (FITI)

Empower academic research teams with entrepreneurial support, laying the groundwork for their journey into entrepreneurship.

Government Ministry / Department

National Science and Technology Council (NSTC)

Technology Development Program for Academia

Promote the commercialization of academic research achievements.

Government Ministry / Department

Ministry of Economic Affairs (MOEA)

Taiwan Germination Program

Encourage industry-academia collaboration to foster new startups or facilitate external acquisitions.

Government Ministry / Department

National Science and Technology Council (NSTC)

Taiwan Research-Institute Entrepreneur Ecosystem Program (TREE)

Build Taiwan's ecosystem for research-based startups, accelerating the transformation of corporate technology achievements into new ventures.

Government Ministry / Department

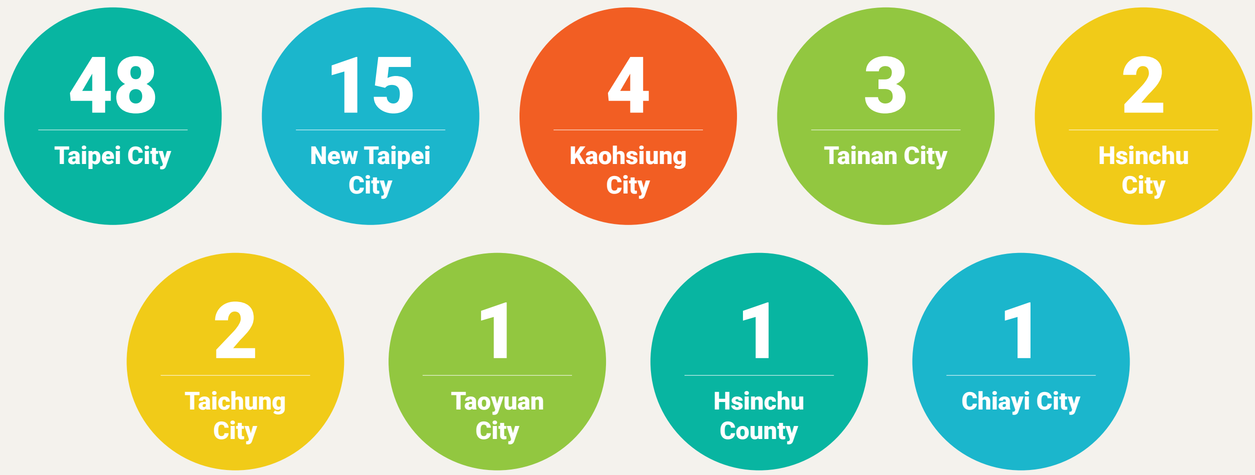
Ministry of Economic Affairs (MOEA)

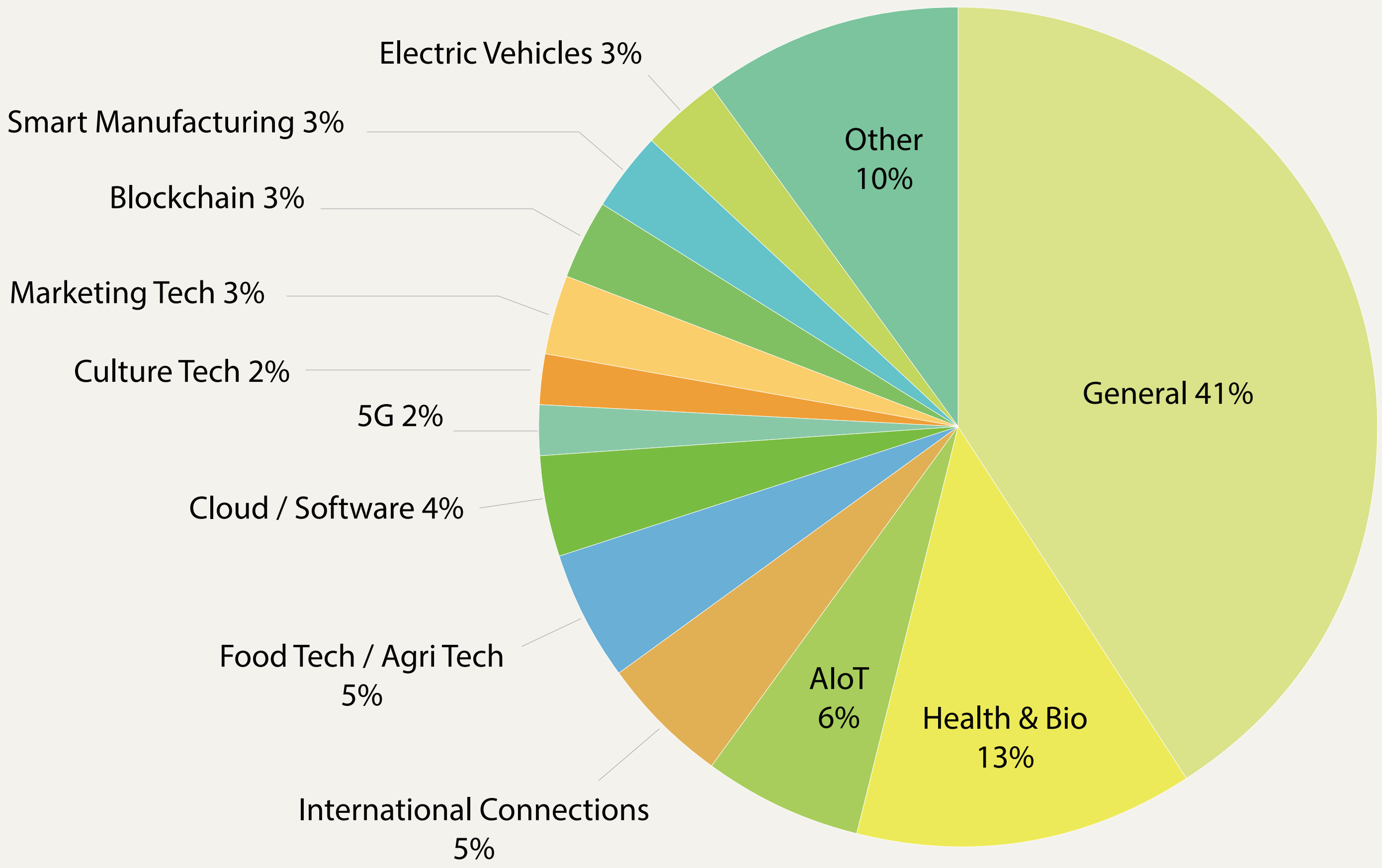
Startup Accelerators

A robust startup ecosystem thrives on innovative startups at its core, backed by supportive government policies, and bolstered by a network of partners, such as accelerators, startup hubs, and investors. These partners offer crucial services, collaboration opportunities, and funding, nurturing the growth of startups.

The concept of accelerators - organizations dedicated to propelling startup growth - has gained global prominence over the years. Although Taiwan joined this movement relatively late, recent years have seen a surge in the establishment of accelerators fueled by government backing and corporate involvement. These accelerators, diverse in their geographical scope, industry focus, and operational models, are steadily evolving towards internationalization.

Currently, there are a total of 78 accelerators across Taiwan, with the northern region being the hotspot for establishment. However, the distribution has gradually expanded to include the central and southern regions.



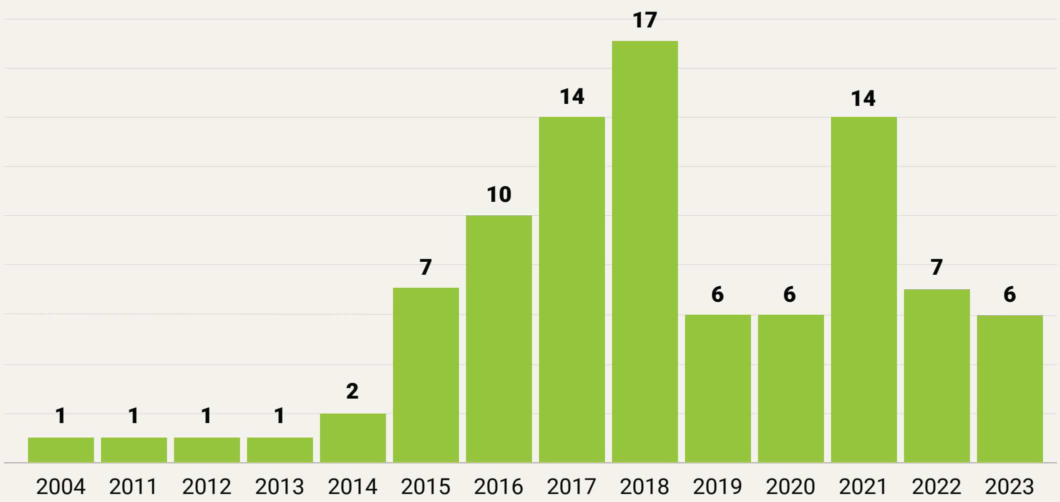


The startup accelerator landscape in Taiwan is predominantly influenced by versatile interdisciplinary programs. Among these, accelerators specializing in the information services industry command the largest share. Over time, there has been consistent growth in the health and biotech sectors. Notably, partnerships like the one between BE Health Accelerator and Show Chwan Hospital, alongside Taipei Medical University's BioMed Accelerator, play pivotal roles in driving innovation in the biotech field.

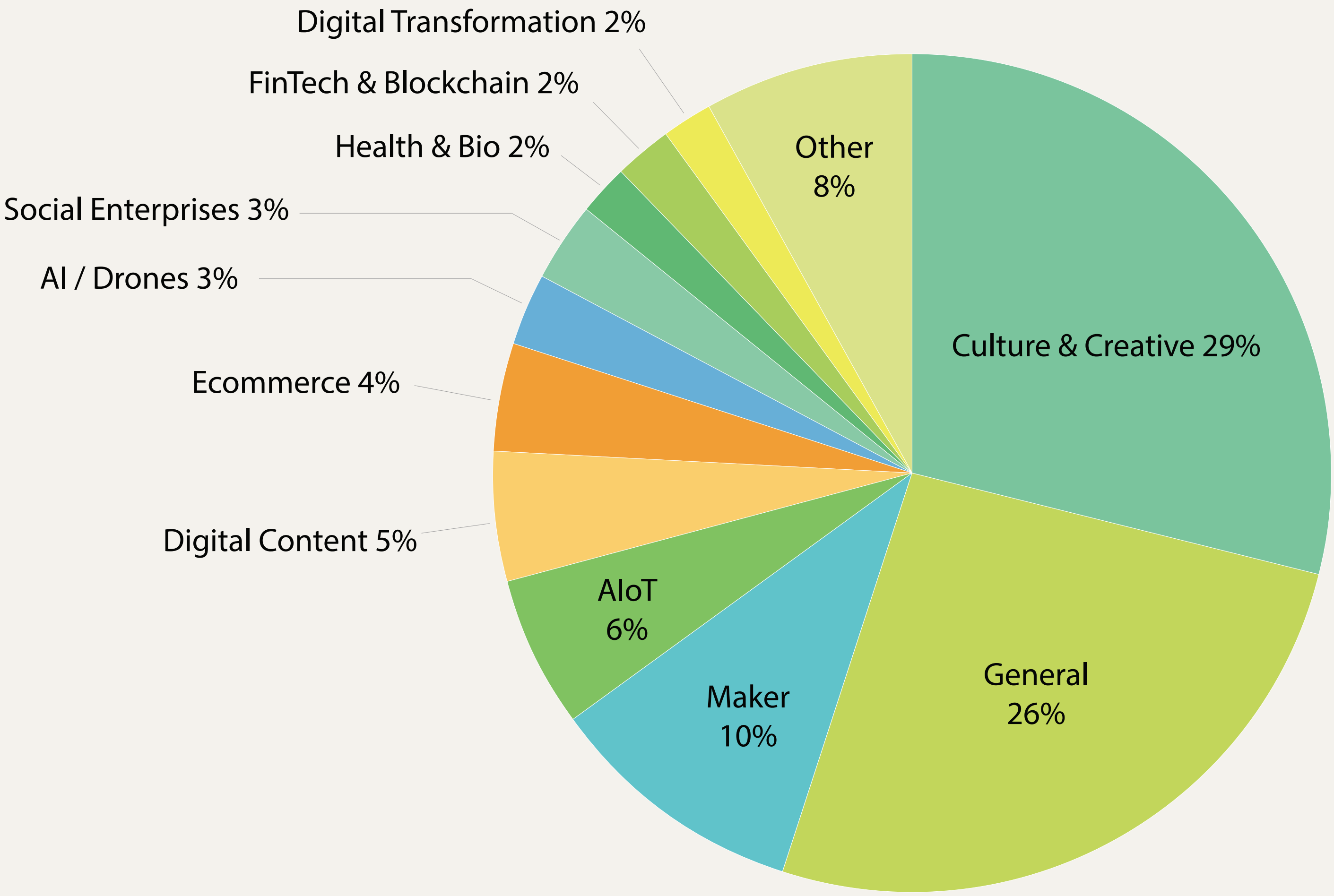
Startup Hubs

Startup communities, often known as startup hubs, form dynamic networks centered around entrepreneurs. These hubs not only facilitate exchanges among startups, aggregate entrepreneurial knowledge, and provide valuable resources but also serve as crucial intermediaries between startups and governments. Beginning around2015, both central and local governments in Taiwan have been actively establishing numerous startup communities.

As of June 2023, Taiwan boasts a total of 93 operational startup hubs, with 2018 marking the most intensive year for their establishment. In terms of geographical distribution, 71% are concentrated in the six major municipalities, with Taipei City leading with the highest proportion.



The distribution of new startup hubs from 2004 to 2023.



Startup hubs in Taiwan can be categorized into two main types: those focused on specific industry niches and those offering comprehensive support across diverse industries. Out of the 24 general hubs, more than half were established before 2018. In the Greater Taipei area alone, there are 10 such communities, including Startup Terrace, InnoSquare, Taiwan Tech Arena, Taiwan Startup Stadium, Taipei Co-Space, t.Hub, and Center for Innovation Taipei.

Taiwan Investment Scene

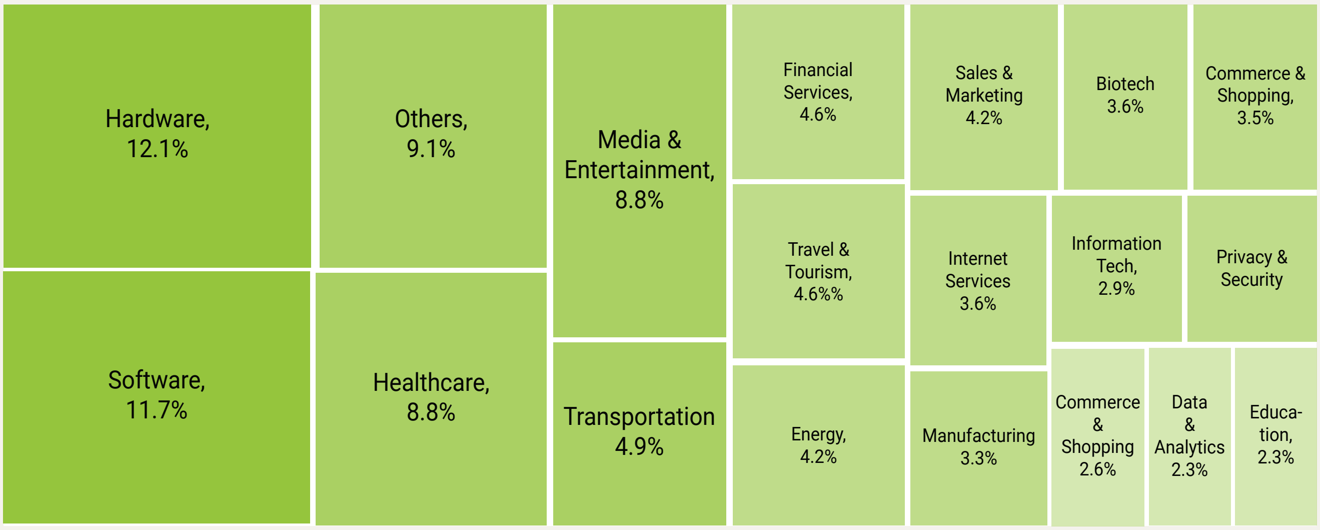
Angel Investment Landscape

Angel investors are inclined to support early-stage ventures, backing them before the product matures and a complete business model is established. However, investing at this nascent stage, when the product is still in the validation phase, with potential amounts in the millions, poses challenges in proving market competitiveness and the feasibility of execution. Hence, demonstrating team execution capabilities becomes paramount, as it is a key consideration for angel investors. The participation of angel investors in Taiwan has seen steady growth since 2016, experiencing a significant surge from 2020 to 2021. In 2021, the number of participants reached a new high at 54, with a total investment amounting to 270 million USD. Notably, 47 of these investments (approximately 87%) were early-stage investments made before Series A funding.

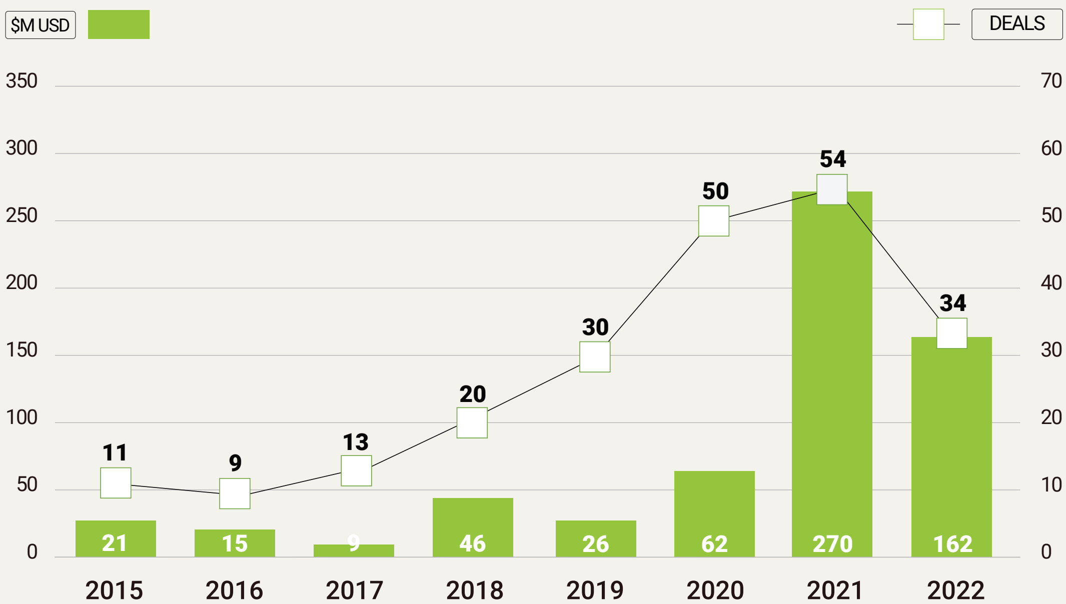
In Taiwan, various groups are actively involved in angel investing, including organizations like NCTU Angel Club, Taipei Angels Investment, and Tsinghua Angel Club. Private angel organizations such as AVA Angels, Taiwan Global Angels (TGA), Silicon Valley Taiwan Angels (SVT Angels), Taiwan Leap Venture, and XChange Angel Investment also contribute significantly.

Angel investments in Taiwan are most actively engaged in the following sectors: Hardware (12.1%), Software (10.7%), Media & Entertainment (9.1%), and Healthcare (9.1%). Within the Hardware sector, there's a specific focus on electronic components. In Software, the application of artificial intelligence technologies stands out as a highly participated subdomain, often involving venture capital or corporate partners. In Healthcare, approximately 25% of angel investments are related to medical devices.

Angel Investment Distribution from 2015 - 2023Q1



Angel Investment Trends from 2015 to 2022



C/CVC Investment Landscape

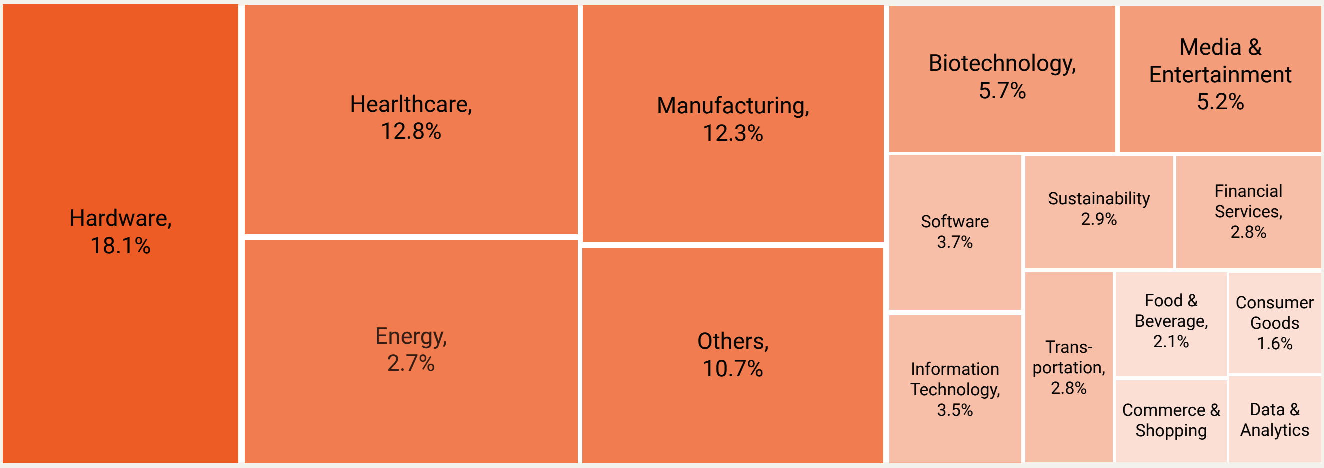
In Taiwan, corporate participation in startup investments has emerged as a prominent practice, with investment volume and activity rivaling that of domestic venture capital. In recent years, a mutually beneficial model has evolved, leveraging the strengths of both sides to drive innovation.

Corporate participation in startup investment, often termed Corporate or Corporate Venture Capital (CVC), has been steadily rising in Taiwan since 2018, becoming a major force in overall startup investments. In 2022, two significant investments exceeding one billion USD occurred in the energy industry, showcasing the growing influence of corporate investment.

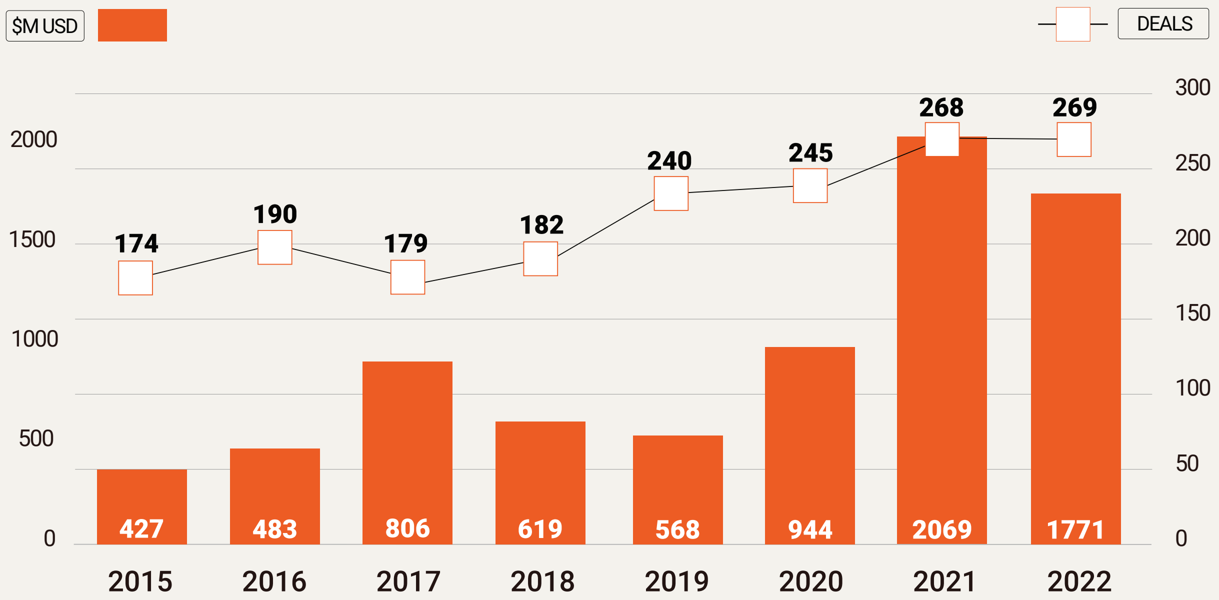
Analyzing the changes in the distribution of investment sectors from 2015 to 2022, the top four industries in corporate investment were hardware (18.4%), healthcare (12.7%), manufacturing (12.5%), and energy (12%). The hardware industry saw a substantial 315 transaction cases, including 8 large-scale transactions exceeding 20 million USD, predominantly in the electronics or IC industry. Following closely, the healthcare sector recorded 218 investment cases.

In terms of total investment amounts, the energy industry continues to garner the most attention, with a total investment reaching 1.908 billion USD. Compared to the period before 2019, there has been a significant increase in investment interest in the energy sector, attributed to recent government policies, notably the shift towards a non-nuclear homeland and new energy policies by 2025. This underscores the lucrative investment opportunity that the green energy industry presents for corporations, particularly with robust policy support.

C/CVC Investment Distribution from 2015 - 2023Q1



C/CVC Investment Trends from 2015 to 2022

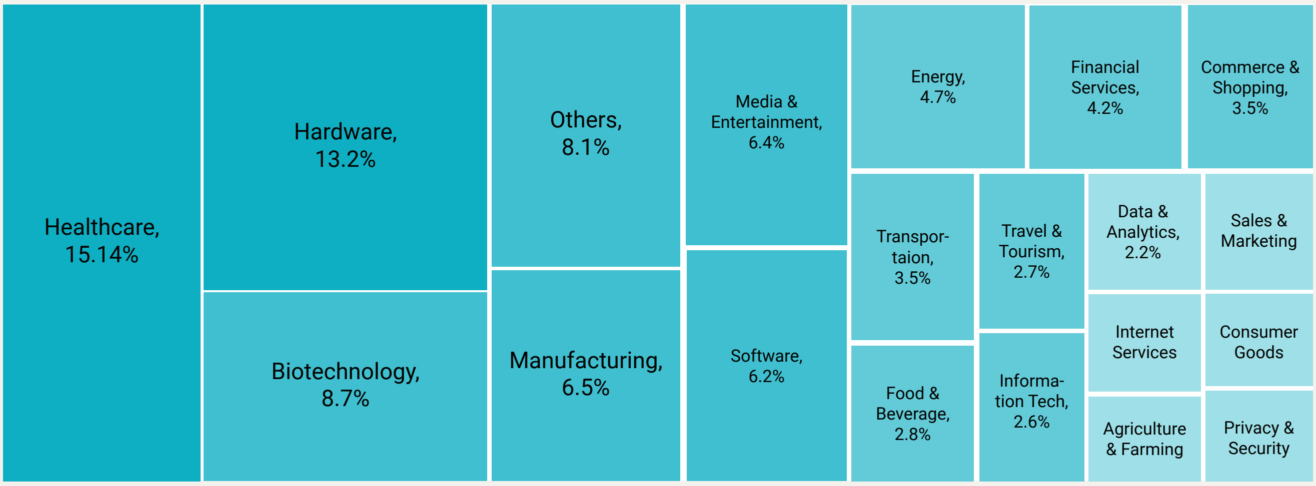


VC Investment Landscape

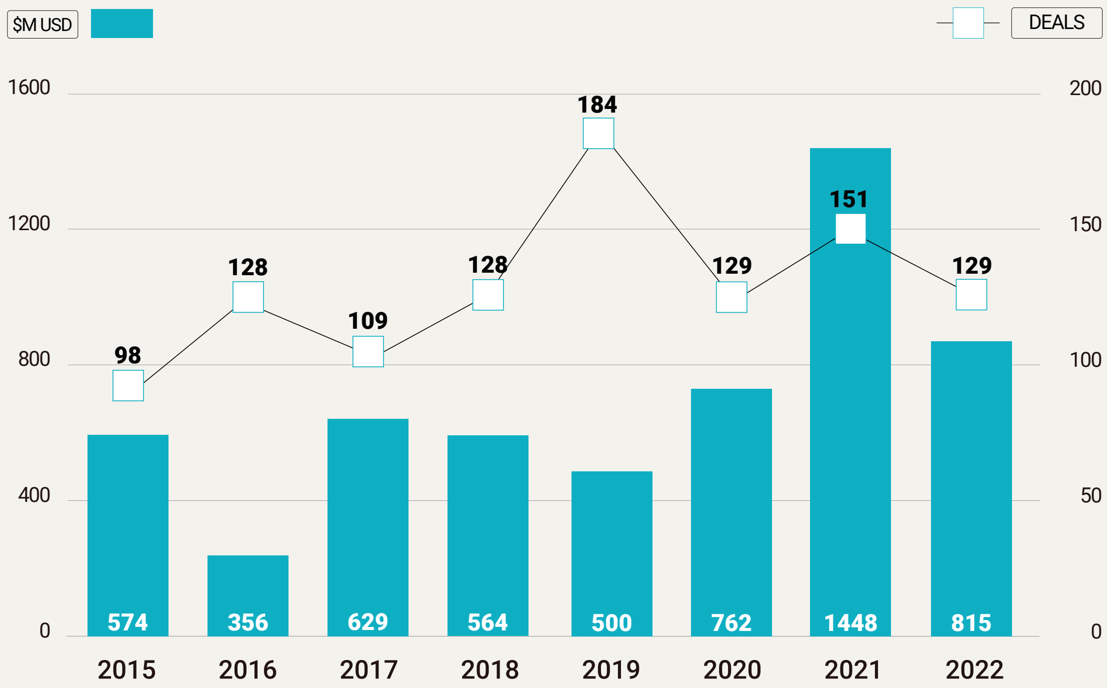
Between 2015 and 2022, Taiwan has seen the rise of over 500 domestic and international venture capital units actively engaging in startup investments. Reviewing the landscape of domestic venture capital, we witnessed a historical peak in investment transactions in 2019, with 184 transactions. By 2021, the investment amount soared to $1.448 billion USD. While there wasn't a significant decrease in the number of investment transactions, there was a notable decline in the investment amount, as depicted in the graph below. Particularly striking was the 52% decrease in large-scale investments exceeding $20 million USD, dropping from 17 cases in 2021 to just 9 cases in 2022. In 2021, large-scale investment cases were predominantly concentrated in the energy, biotechnology, and healthcare sectors. However, by 2022, large-scale investment cases exceeding $20 million USD became more diversified across industries. As of the first quarter of 2023, large-scale investment cases are primarily focused on the biotechnology and healthcare industries.

Analyzing investment participation in Taiwan's startup ecosystem reveals that the hot sectors for funded startups are healthcare (15.4%), hardware (13.2%), and biotechnology (8.8%), aligning with the preferences of angel investors. Venture capital firms, due to their larger funds, tend to inject capital into industries with high capital intensity, such as biopharmaceuticals, advanced electronics, or semiconductors, representing startups with deep tech potential. Active investors in the manufacturing sector often have affiliations with banking and financial conglomerates, including Hua Nan Commercial Bank, Cathay Financial Holding, Fubon Financial, and others. Meanwhile, investors in the latter category include Headline Asia (formerly Infinity Venture Partners), CTBC Venture Capital, CDIB Venture Capital, Darwin Venture, and others.

VC Investment Distribution from 2015 - 2023Q1



VC Investment Trends from 2015 to 2022



04

Startup Island TAIWAN The National Startup Brand

The Story Behind It All

Catalyzing Growth: What We Do

The Story Behind It All

Origin & Background

In the past decade, Taiwan's startup ecosystem has soared to new heights, earning international recognition and achieving remarkable success. In light of this, the National Development Council (NDC) of Taiwan embarked on a mission to establish a unified identity system that would encapsulate the essence of Taiwan's vibrant startup community.

Delving deep into the DNA of innovation and entrepreneurship in Taiwan, the NDC initiated an ambitious project. Through extensive interviews and exchanges with stakeholders across Taiwan's startup landscape, including communities, startups, key opinion leaders, and government agencies, a compelling narrative began to emerge. Over the course of a year, a shared vision took shape, heralding a defining moment in Taiwan's entrepreneurial journey.

In 2019, this collective vision materialized into the bold proclamation of Taiwan's national startup brand, "Startup Island TAIWAN." More than just a name, this branding initiative represents a transformative narrative—a shift from local recognition to global prominence. It encapsulates Taiwan's unwavering commitment and capability to drive global innovation and entrepreneurship, positioning the island nation as a pivotal player on the world stage.

Concept & Vision

Diverse Culture

Daring Innovation

Leading-Edge Technology

Endless Creativity

Taiwan, a society of diversity, tolerance, and freedom, has long been a key partner in the global high-tech industries. Many entrepreneurs have built thriving business empires from the ground up on the island. As innovative ideas flourish in Taiwan, its startups are poised to embrace new trends and challenges as vast opportunities.

The logo of Startup Island TAIWAN features abstract mountains mirrored in the ocean, symbolizing infinity and DNA, reflecting the boundless dynamism of Taiwan's startups and the entrepreneurial spirit ingrained in its people. The auxiliary designs corresponding to the logo's four colors depict Taiwan's rugged terrain, representing cutting-edge technology, and the adventurous spirit of Taiwanese entrepreneurs, respectively. The dancing butterfly symbolizes Taiwan's cultural diversity, while the light bulb signifies its endless creativity.

Beyond mere branding, Startup Island TAIWAN serves as a strategic vehicle, propelling Taiwan onto the global stage. It acts as a conduit for international expansion, leveraging Taiwan's strengths to amplify its global influence as an innovative powerhouse. It embodies the courage and resilience of Taiwan's entrepreneurs, inspiring boundless possibilities as they embrace challenges head-on.

Catalyzing Growth: What We Do

GLOBAL PRESENCE

Elevating the international stature of industry leaders of Taiwan's startup ecosystem.

ECOSYSTEM CONNECTIONS

Cultivating a dynamic network where international startups flourish within Taiwan's dynamic entrepreneurial landscape, and vice versa.

COURSES & WORKSHOPS

Providing enriching educational experiences and hands-on workshops to empower entrepreneurs with essential skills and knowledge.

BUSINESS DEVELOPMENT

Empowering startups with resources to accelerate their growth and impact, while seizing business opportunities through participation in international exhibitions.

INTERNATIONAL CONNECTIONS

Forging pathways for startups to engage globally, fostering collaborations and market expansion, while facilitating access to overseas resources.

Your gateway to Taiwan's startup ecosystem.

Startup Island
TAIWAN

Published by National Development Council / Startup Island TAIWAN
Edited by Startup Island TAIWAN
Research by Taiwan Institute of Economic Research

Contact: contact@startupislandtaiwan.info

www.startupislandtaiwan.info
www.facebook.com/startupislandtw
www.instagram.com/startupisland.tw
twitter.com/StartupislandTw

Inviting the world to discover its technological wonders from the *outside in.*

Promoting Taiwan from the *inside out.*

Bridging Taiwan to the World

Startup Island TAIWAN