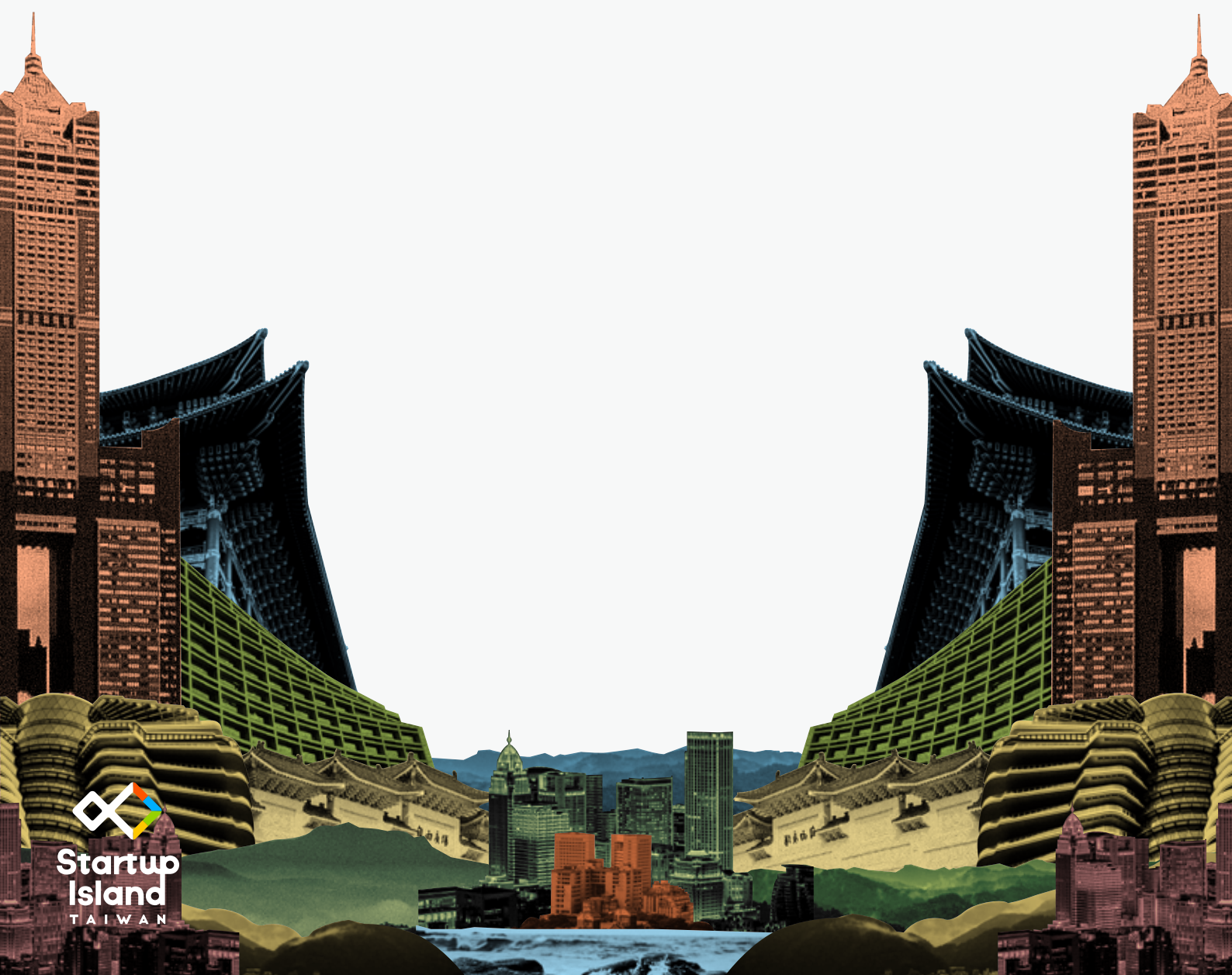


2021 TAIWAN

STARTUP INVESTMENT SCENE

REPORT

Latest Trends of Early Stage Startup Investments in Taiwan





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Startup Island TAIWAN

Startup Island TAIWAN is the national startup brand of Taiwan. The brand symbolizes a journey from a startup island to the international arena. It demonstrates to the world the strong ambition and capabilities of Taiwan startup companies as well as their intention and ability to contribute to other startup ecosystems around the world.

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Taiwan Institute of Economic Research

Taiwan Institute of Economic Research (TIER) was established on September 1, 1976 by Dr. Chen-Fu Koo as the first private independent think tank in Taiwan. The main purpose of the institute is to actively engage in research on domestic and foreign macroeconomics and industrial economics in order to provide consultations to the government and enterprises and to promote Taiwan's economic development.



FINDIT

FINDIT's mission is to integrate and provide valuable information related to innovative entrepreneurship and market, such as early-stage investment market dynamics, perspectives on the startup ecosystem, and latest ideas of technologies and media.



Crunchbase

Crunchbase is the leading provider of private-company prospecting and research solutions. 70 million users—including salespeople, entrepreneurs, investors, and market researchers—use Crunchbase to prospect for new business opportunities. And companies all over the world rely on us to power their applications, making over 6 billion calls to our API each year. To learn more, visit about.crunchbase.com/ and follow us on Twitter @crunchbase.

Editor's Note

This report is a collaboration with the FINDIT team of the Taiwan Institute of Economic Research (TIER) and Crunchbase in hopes of shedding light on the latest trends of the Taiwan investment scene. With the mission to integrate and provide valuable information related to innovative entrepreneurship and market, such as early-stage investment market dynamics, perspectives on the startup ecosystem, and latest ideas on technologies and media.

Taiwan's startup ecosystem is on the upward trajectory, gaining recognition and achieving good performances in the international arena. With this backdrop, the National Development Council (NDC) would like to create a unified identity system to represent the overall image of Taiwan's startup ecosystem.

To find the foundations of Taiwan's innovation and entrepreneurship DNA, the NDC held meetings and workshops with startup communities, key opinion leaders, and other government agencies. After rounds of discussions, the NDC and the community decided to jointly create the national startup brand, Startup Island TAIWAN.

Taiwan's industry and economy has always been driven by startups, innovation, and early-stage funding. From the strong roots of the semiconductor industry, to globally-reknown startups like Gogoro and Appier, Taiwan's economy is built on these ventures and entrepreneurs.

Within this report, we want to showcase the comprehensive ecosystem and innovation capabilities of Taiwan. We want to break down the early-stage startup investments happening in Taiwan. What are the trends? Who are the investors? What are some growing industries? How do we compare with global counterparts? Hopefully after reading this report, we can inspire you to learn more about everything happening in Taiwan, and eventually one day, invest in Taiwan.

Editor

Gary Nieh, Manager, Startup Island TAIWAN



Important Notes & Key Findings

We list down some Key Findings found in this report

Between 2015 and 2020, 1,421 early stage investment deals in Taiwan were closed, totaling over USD\$4.05 Billion.

In 2020, there were 310 cases, compared to 2019 where there were 355 cases, indicating a 12.68% drop.

During 2020, a total amount of USD\$873 Million was invested, which is a 25.04% increase compared to 2019's USD\$698 Million.

We are seeing an increasing number of deals totalling over USD\$10 Million, the biggest cases include the KKday's US \$75 Million Series C funding and Kneron's US \$40 Million Series A+ funding.

Not much difference between 2015 to 2020 in terms of investment amount median, which averages 1 mil USD, 2020 median amount was 900k, slightly lower than the average.

Health Tech dominates the amount and number of deals with USD\$917 Million and 289 deals between 2015 and 2020.

With COVID-19 happening in 2020, digitalization has become the new normal for corporations, as a result, within health tech startup investment cases, digital health startups are becoming a rising topic.

Energy and Electronics deals are all seeing steady increase in terms of investment amount and number of deals through recent years.

Within energy tech investment cases, topics surrounding green energy like wind energy and solar power are seeing great improvement.

Corporates/ Corporate Venture Capitals (CVC) are the biggest startup investors in terms of the amount of deals involved, representing over half of the total number of cases.

The biggest investors in terms of total capital invested are VCs, with a total amount of USD\$3.065 Billion invested throughout 2015 to the end of 2020.

Overseas investors are involved in the least cases but average the largest amount per case, with an average of USD\$11.15 Million per case.

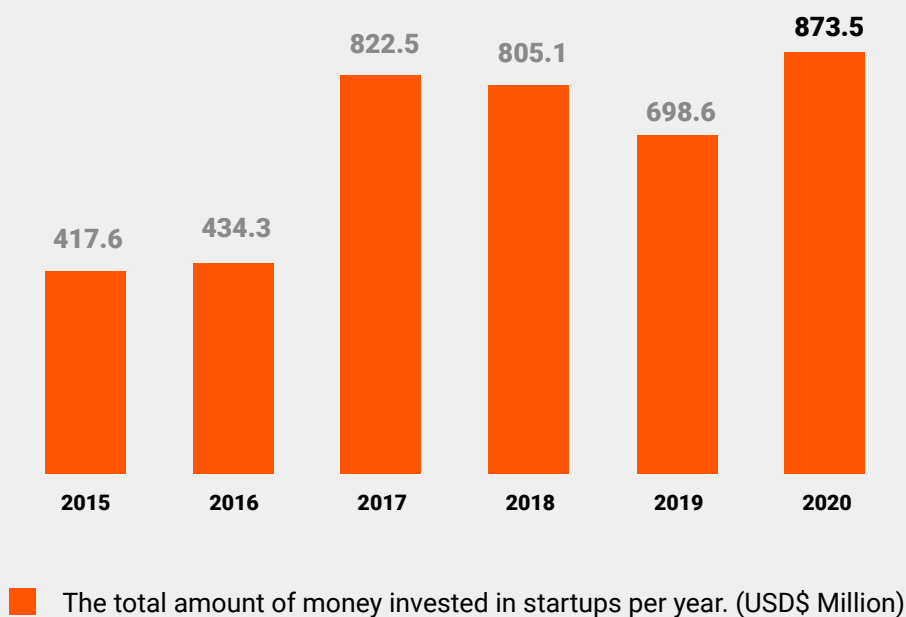
The National Development Fund (NDF) plays an important role in Taiwan's early-stage startup investment scene, investing in 248 cases and investing a total amount of USD\$474 Million.

The number of cases involving Corporates/ CVCs are increasing every year, with 2020 reaching a new high of 179 cases.

The Current Startup Investment Scene of Taiwan

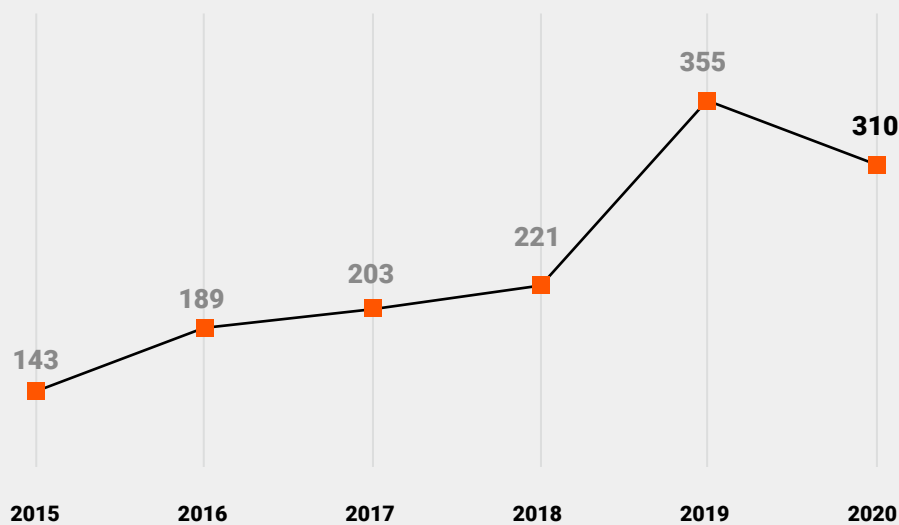
We breakdown some Key Findings from the Taiwan investment scene

Taiwan is a growing startup ecosystem with more and more investment deals happening every year. From 2015 to 2020, 1,421 early stage investment deals were done, totaling over USD\$4.05 Billion invested.



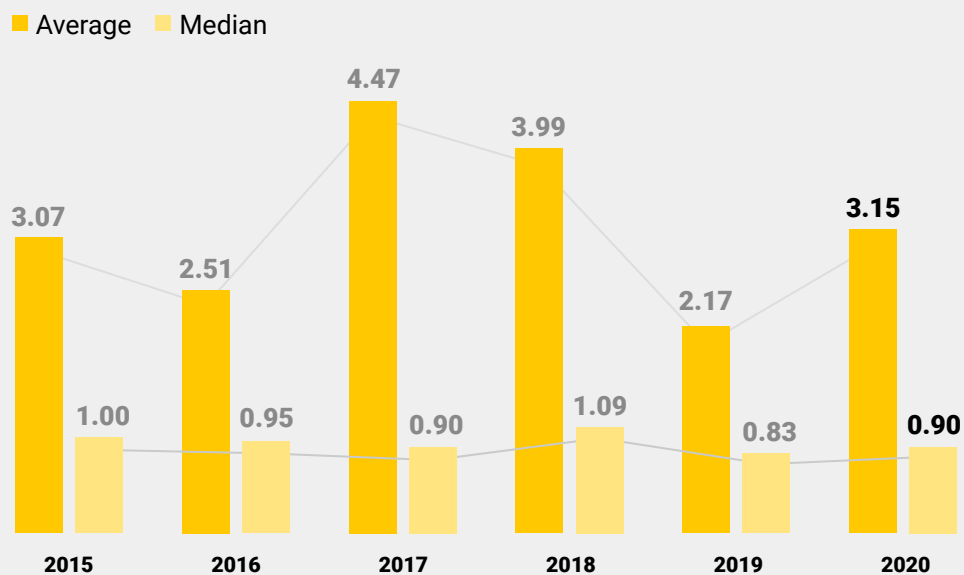
During 2020, 310 investments were completed. If you compare the number to 2019, which was 355 cases, we've seen a drop of 12.68%, mainly due to COVID-19 impacting the market and affecting the total amount of investment deals. However, we've seen an all-time high in total investment amount in 2020. With a total amount of USD\$873 Million invested, which is a 25.04% increase compared to 2019's USD\$698 Million. The explanation behind this number is due to more deals with more than USD\$10 Million involved, the biggest deals include KKday's USD\$75 Million Series C round and Kneron's USD\$40 Million Series A+ round.

With the total investment amount increasing steadily, we are positive that with more deals coming in 2021, we will continuously see growth in the Taiwan capital market. Stay tuned for our next report, as we will uncover this data and give you more insight on the Taiwan early stage investment scene.

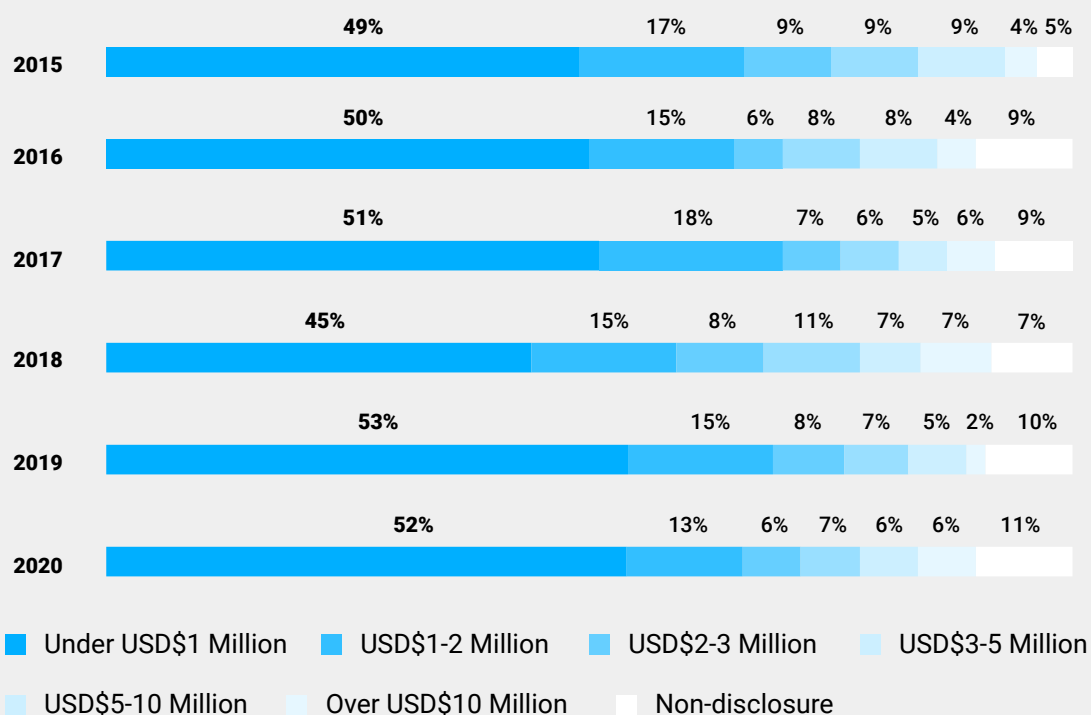


■ The total number of deals finished per year.

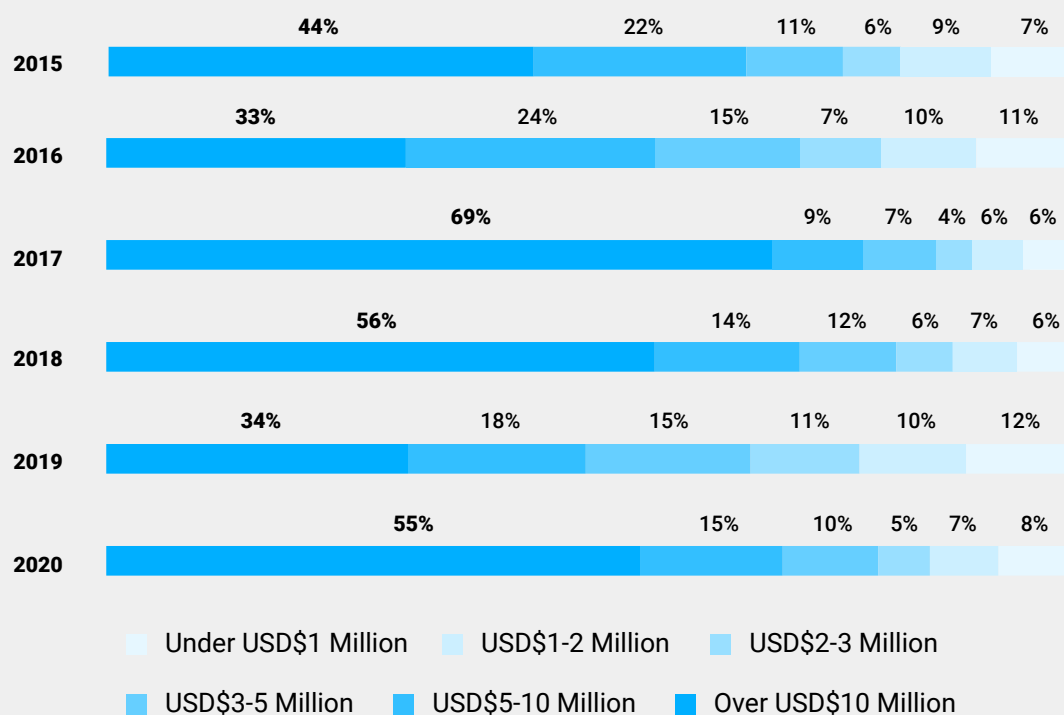
If we dive into the average amount of each deal. During 2017, the investment average amount is USD\$4.47 Million, 2019 with USD\$2.17 Million, and 2020 with USD\$3.15 Million. As you can see, the average amount varies due to a few large investment cases involved every year, so numbers are very volatile. However, if we dive into the median amount each year, data shows that there hasn't been much changes in numbers recently. From 2015 to 2020, the median amount of each investment deal is around USD\$1 million.



■ Average and median amount of USD\$ within deals happened in Taiwan per year. (USD\$ Million)



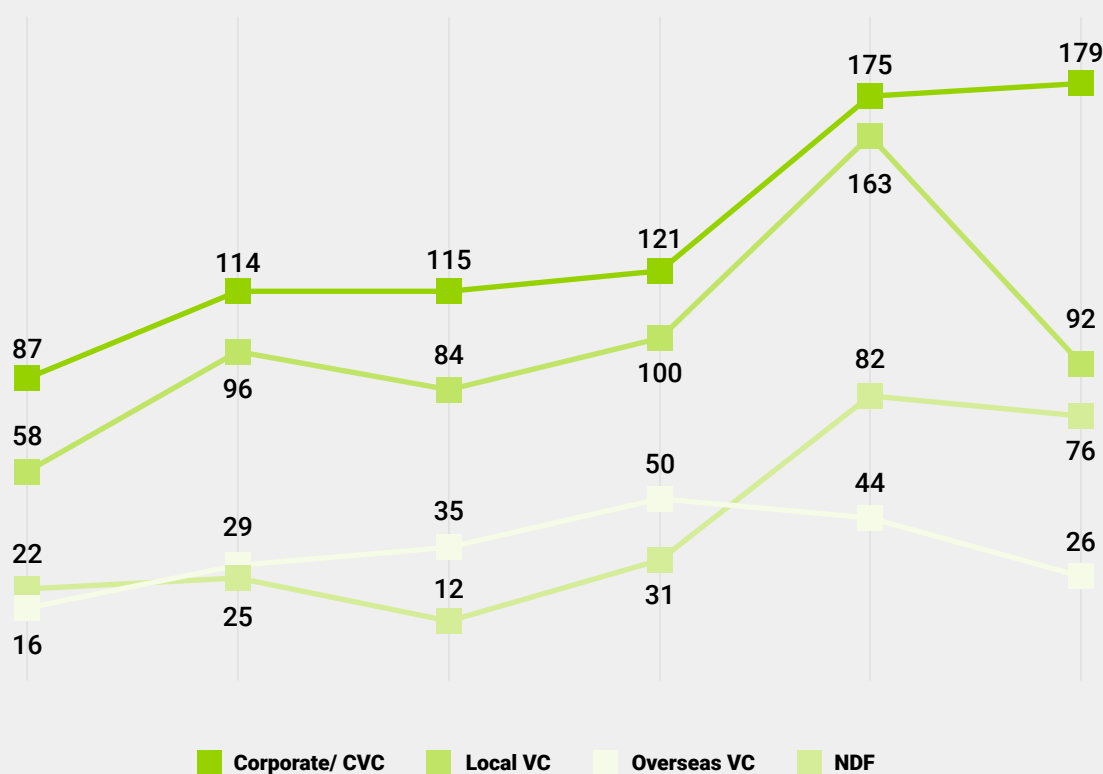
■ Percentage breakdown of deals happened in Taiwan by deals from 2015 to 2020.



■ Percentage breakdown of deals happened in Taiwan by funding amount from 2015 to 2020.

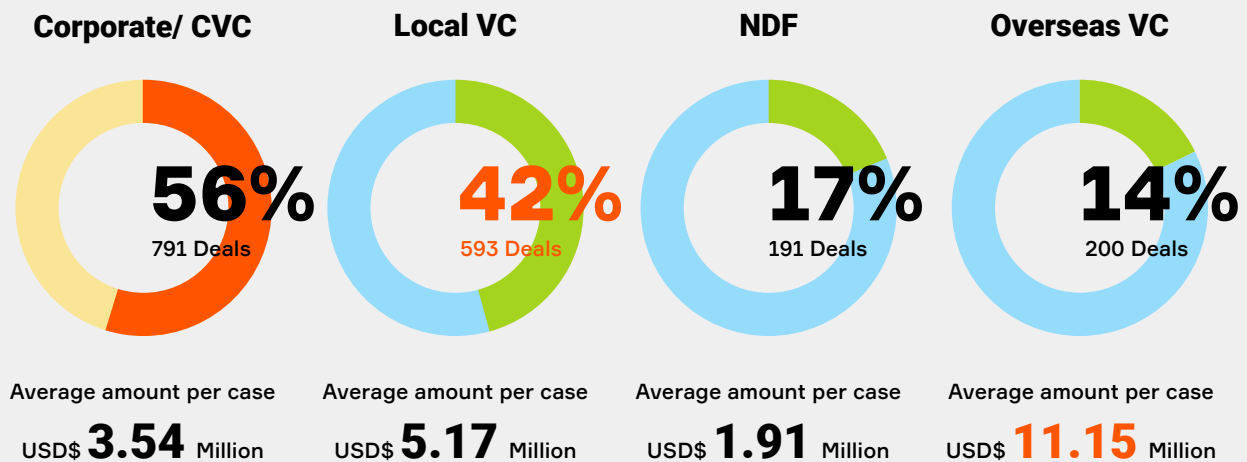
Looking at the distribution of investors in Taiwan, we can see that 56% of deals were dealt by local corporations or CVC's, totaling an investment amount of USD\$2.8 Billion from 2015 to the end of 2020. Within all early-stage investors, CVCs and corporate investors have been putting in more money and investing in more cases every year, with 2020 at a new high of 179 invested cases. In the previous report we've written - "The 2021 Taiwan Industrial Transformation Report", we showcased the strong ties between Taiwan's industry development and innovation, which demonstrates why CVC and corporate involvement in startup investments have been so important in Taiwan, and why it's the driving force behind Taiwan's early-stage investment scene.

However, if we look at the amount of money invested, local VCs are actually the biggest players, investing in USD\$3.065 Million in total from 2015 to the end of 2020. However, if we look at the largest average amount invested in each case, overseas VCs dominate this field with USD\$11.15 Million invested in each deal.



This graph breaks down the composition of investors (Corporate/ CVCs, VCs, Government, Overseas VCs) from 2015 to 2020 based on cases invested in each year.

On a side note, corporations are typically strategically investing and often do not disclose their investments to the public. As a result we don't see many full-scale reports on these investment deals since many of them are done under the radar and not shown to the public.



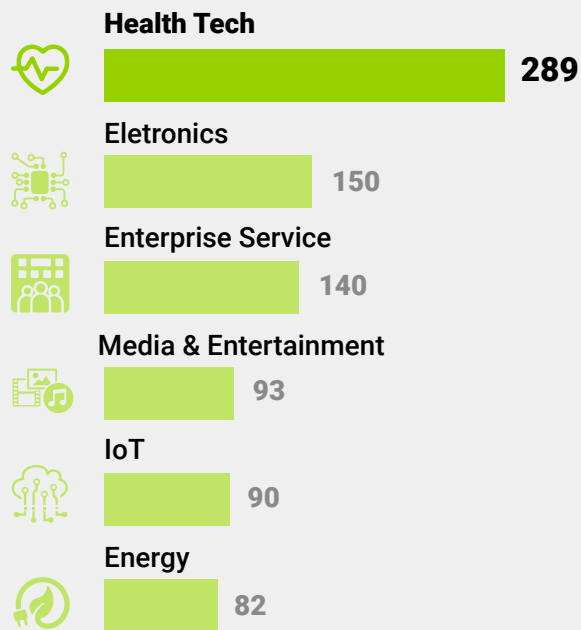
■ This graph breaks down the composition of investors (Corporate/ CVCs, VCs, Government, Overseas VCs) in Taiwan, including the average percentage of each type of investors, and the number of deals completed by each type of investors from 2015 to 2020.

Note that most investments involve multiple companies, VC's, or investors, so the total percentage is over 100%.

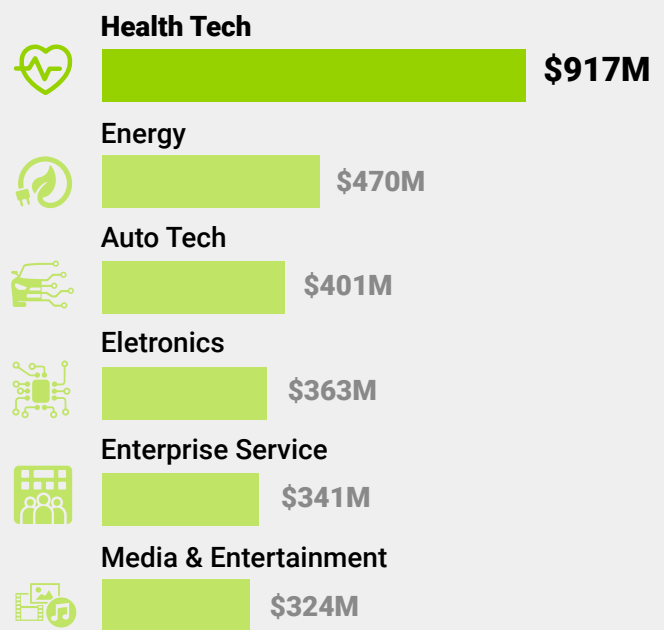
One special aspect about Taiwan's startup ecosystem is government involvement. Growth in recent years can be attributed to the Taiwanese government's investment and efforts in numerous initiatives like startup hubs, subsidies, startup support programs, and strengthening the startup ecosystem. In fact, in 2017, the NDC started a program through the NDF, called the Business Angel Investment Program. Through this program, NDF established a match-with-investor startup investment mechanism to improve the angel investment environment in Taiwan. Through co-investments in startups alongside angel investors, this 5-year program has already allocated an amount up to \$2.4 billion NTD, and has made over 165 startup investments since the program began.

Between 2015 and 2020, the Business Angel Investment Program already comprises 17% of all early-stage startup deals. The growth of startup funding in Taiwan can definitely be attributed to this program, as it has become one of Taiwan's biggest individual investment programs.

Deals



Amount (USD\$)



The top startup industries of Taiwan in terms of total number of investment deals and total funding amount from 2015 to 2020.

There are three industries we want to dive into, Health Tech, Energy Tech, and Electronics.

From the FINDIT report on Taiwan's Early-stage investment scene, we can see that these three industries are either dominant in total deal amounts and total invested amount, or either up-and-coming topics with increasing amount of deals and total investment amount each year.

Deals

	2015	2016	2017	2018	2019	2020
Health Tech	37	49	38	53	55	57
Eletronics	12	19	14	25	38	42
Energy	2	3	6	12	23	36
Enterprise Service	15	18	16	23	39	29
Blockchain	1	4	6	14	18	17
Media & Entertainment	10	21	16	14	17	15

Amount (USD\$ Million)

	2015	2016	2017	2018	2019	2020
Energy	1.6	14.1	50.4	121.8	46.4	235.3
Health Tech	187.4	188.9	68.3	230.1	116.0	126.2
Eletronics	13.5	38.2	37.2	53.8	98.9	121.5
Travel	0.1	15.9	4.2	18.5	10.7	75.5
Media & Entertainment	22.9	58.8	69.8	92.8	20.4	59.7
Blockchain	0.1	7.5	18.9	106.6	70.6	44.8

■ Health Tech

Taiwan's Health Tech has ranked #1 in both the amount of total dollars invested and the number of total investment deals for a few years already. According to the Numbeo Health Care Index By Country 2020, Taiwan ranks number 1 in the world in health care and health care experience. Taiwan also has one of the world's largest healthcare systems and data pool, titled National Health Insurance (NHI), which was instituted in 1995 with the population coverage reaching 99% by 2005. With COVID-19 happening in 2020, digitalization and cloud services became the new normal for corporations, as a result, within the health tech startup investment cases, digital health startups are becoming a rising topic, with increasing cases and funding. Since 2015, there are 289 cases totaling USD\$917 Million invested in the Health Tech industry such as biotechnology, pharmaceuticals, cloud medical services, and medical devices.

■ Energy Tech

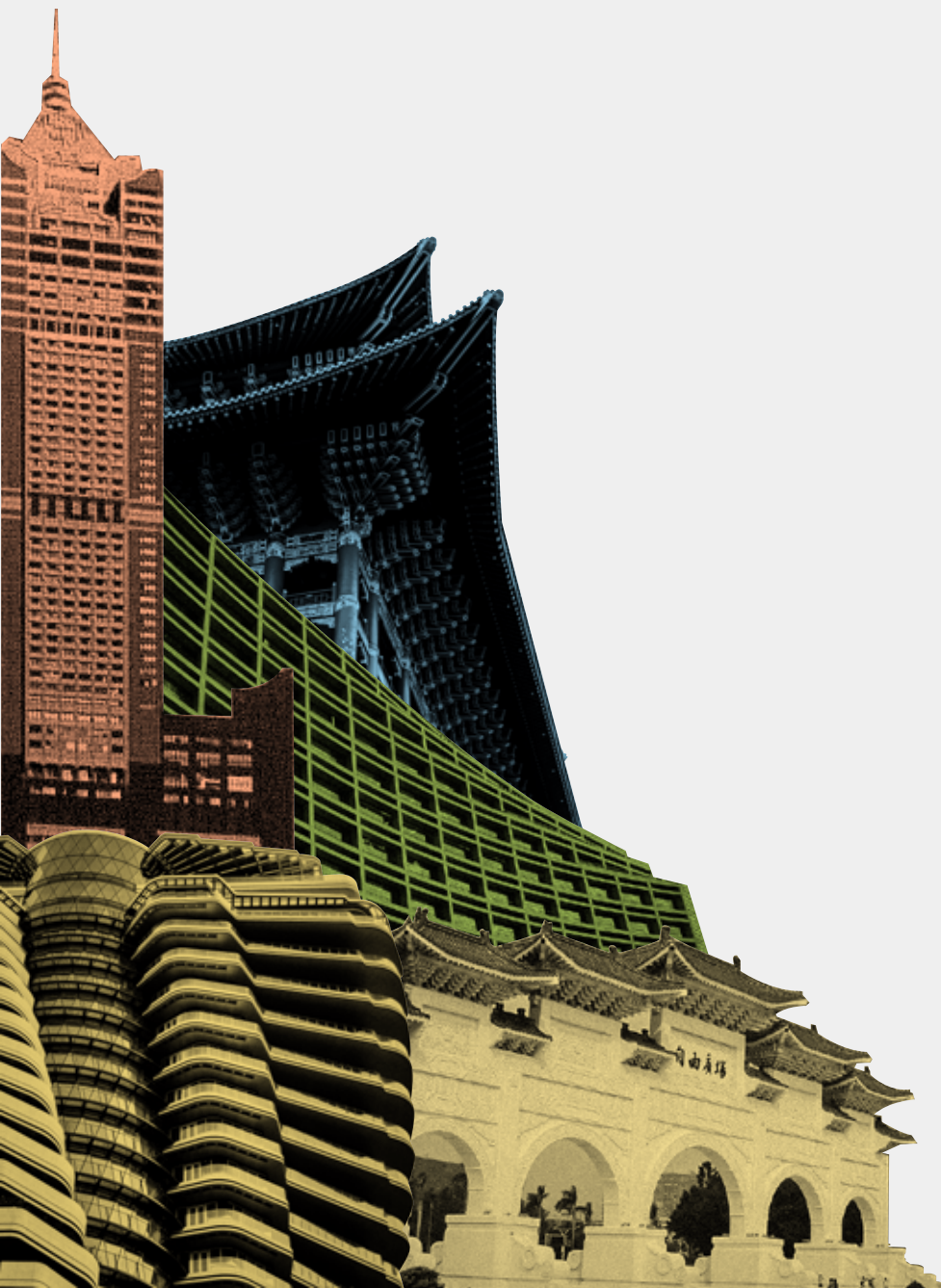
In recent years, we've seen a surge of cases and money poured in the Energy Tech industry. With 2020 even topping Health Tech and becoming number one in total amount of money invested with USD\$235.3 Million being invested. The reason for the increase of Energy Tech investment cases may be due to ESG topics surrounding green energy like wind and solar getting a lot of funding, which are invested by large corporations in Taiwan that are all seeking ESG and Green Energy solutions for Taiwan's heavy industry and factories.

■ Electronics

Taiwan has always been a leader of Original Equipment Manufacturing (OEM) and Original Design Manufacturing (ODM), with many factories and corporations playing key roles in the global supply chain. In fact, a large amount of the daily used tech components and particles worldwide are manufactured and assembled in Taiwan or by a Taiwanese manufacturer. Startups that produce electronic components like IC design or communication components also appeal to these manufacturers, which are seeking solutions for their factories or digitalization. It's also a common practice for business units in Taiwanese corporations to spin off and develop products and solutions specifically for their parent company. As a result, we've seen 150 deals totaling an amount of USD\$363 Million since 2015 invested in electronic component startups.

Leading Sectors of Taiwan

In this section, we dive deep into the leading sectors of Taiwan - Health Tech, Energy Tech, and Electronics.



Health Tech

Asia is paving the way for digital health ecosystems, and potential ecosystem orchestrators can generate value by taking bold, strategic actions. The Asia Pacific digital health market was valued at USD\$14.1 billion in 2019 and is expected to witness a 32.9% compound annual growth rate (CAGR) from 2020 to 2026, according to an industry report by Graphical Research.

The Healthcare industry is on a high command of talents, technologies and investments. It has the characteristics of high tech, high risks and high remuneration. Thus, the industry is always a preference for global VCs. The Healthcare industry is the most active and with the highest investments among early investment markets in Taiwan. Apart from that, startups that established after 2010 have become the main targets for the healthcare industry investment in Taiwan.

More startups that have been established in recent years are investing in Healthcare tech in Taiwan. In 2020, there were 63 startups that were invested in such a realm and the median of their established year is 2016, which was 2015 in the previous year. As the statistics showed in the study, there were 10 companies that were invested till the end of August in 2021. What's more, their median of the established year is 2018. These results reveal that investors preferred very-young startups in the Healthcare industry in Taiwan.

On the whole, most of the investments in Healthcare technology in Taiwan are in the early stage. According to the records from 2015 to July, 2021, A round and previous rounds are approximately 71% which is the most in the investment records. There are only 1% in late stage investments. In 2020-2021.7, there are five cases that are A round investments among the top ten biggest cases. On the other hand, 39% of the investments are under one million, 22 % are between 1-2 million dollars. 11% of investments are between 5 and 10 million, and approximately 6% of the investments are 10 million USD above.

The development of medicine and treatments is characterized to be time-consuming in regards to their invention process and research. According to the research made by Findit Taiwan, the realm of medicine and treatments was the highest investment with approximately 740 million USD. Though there are only 33% of all the cases in the Healthcare industry, the amount is up to 63% of all. By the way, the average investment scale is bigger than other realms as well. Secondly, the amount of investments in medical equipment is up to 220 million USD, approximately 19% of all, and digital healthcare is also up to 190 million USD which is 16%.

From 2018 to the first 7 months of 2021, the cases of investments in digital health care are more than other realms. The realm now becomes a popular target among the healthcare industry. It also reveals that the status of medicine and ICT in Taiwan are leading the revolution in medical industries.

As for the medicine aspect, companies that are invested are mainly in biopharmaceuticals, Pharmaceutical Ingredients, medical imaging medicine invention and CMO/CRO/CDMO companies. Because the regulations are lifted and the command of research in medical institutions, innovative medicine and treatments are viewed as a popular choice for investors.

On the other hand, Taiwan boasts a world-class medical system, extensive clinical research capabilities, a national health insurance database, and a Biobank that may be used for scientific research as well as precision medicine. Furthermore, Taiwan's biomedical sector is supported by a strong Information Communication Technology (ICT) industry and has a comprehensive value chain. The potential for cross-domain collaboration between medical and ICT is enormous. The National Health Insurance Program continues to gain international acclaim. According to the CEOWORLD magazine's 2019 review of the healthcare index of 89 nations throughout the world, as well as the Numbeo 2020 Health Care Index evaluation, both publications rated Taiwan #1 in the world. The island is also making efforts to promote digital health. In 2013 the NHI MediCloud System was launched, which allows medical information from various hospitals and clinics throughout hospitals, counties, and cities to be successfully exchanged, regardless of holidays or time of day. Also, to assist clinicians in quickly interpreting CXR pictures, the National Health Insurance Administration and National Taiwan University Hospital created the "Taiwan SARS-CoV-2 Classifier" AI-pneumonia-decision-making platform "Taiwan SARS-CoV-2 Classifier." Because AI spotted the suspected symptoms, the patient will be confined right away until a rt-PCR result is obtained, reducing the danger of exposure to medical personnel.

Due to the excellent biomedical development environment, Taiwan has also attracted internationally renowned pharmaceutical companies to collaborate with. For example, in 2020, AstraZeneca and Amazon Web Services teamed up with the Taiwan government and carried out the "Beyond BioMed Accelerator". Janssen and a Taiwan think-tank collaborated to provide grants to research and development plans for the early treatment of diseases including lung cancer and diabetes. SmartLabs and Mass-Challenge also set up accelerators in Taiwan to cultivate outstanding Taiwanese biomedical startups.



Energy Tech

Taiwan's government views green energy as an important industry. Current president Tsai Ing-Wen announced the Program for Promoting Six Core Strategic Industries in 2020, which includes the green and renewable energy industry. On the other hand, the National Development Council published 《Taiwan's Pathway to Net-Zero Emissions in 2050》. In the report, one of the main strategies is "energy transition". It is written that "Creating a green energy industry ecosystem" is the main method under the strategy.

As the restrictions in Taiwan are lifted and other related policies, more corporations are eager to invest in green energy industries. In 2020, 《Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies》 assigned companies to reveal their contributions on ESG as a part of evaluation for investments. As a result we've seen a large increase in total invested amount in the energy tech industry during 2020, which includes many investment cases invested by large corporations in Taiwan. According to the statistics by FINDIT, green energy startups received a total amount of USD\$349 Billion which is 600% the total investment amount in the previous year.

Solar energy, batteries, and wind power are the top invested technologies in Taiwan's green energy industry. Because the technologies and market is more mature compared to other sectors in the energy tech ecosystem, many investors choose to invest in these technologies before seeking other energy tech investment opportunities. The battery tech industry is one of the main targets for investors, due to the high demand for technological components in the global manufacturing chain. Instead of the cost-down and low margin OEM method, many Taiwanese startups in the battery industry aim to develop new technologies as its main goal. As the records show, in recent year startups in the battery tech ecosystem with more capital invested are mostly equipped with higher technologies with more research and development (R&D) budget. Wind power is also an up-and-rising technology worth noticing within the energy tech industry. Companies related to offshore wind turbines in Taiwan have been heavily invested in recent years due to ESG regulations and corporations finding solutions for sustainability .

Most of the investors in the green energy or energy tech industry in Taiwan are domestic corporations. During 2020, 4 of the top 10 early-stage investment cases with the most capital involved were energy tech startups, showcasing the awareness of corporations and the high demand of ESG and sustainability startups in Taiwan. We can expect that more foreign investors joining in the green energy development of Taiwan.

Ranking	Company	Investment Amount (USD\$ Million)	Investors
2	StarShinging Energy	USD\$66.7 Million	AU Optronics, Fubon Life Insurance, Taiwan Life Insurance, Fubon Financial Holding Venture Capital, Konly Venture
4	Century Huaxin Wind Energy	USD\$28.3 Million	Century Iron & Steel, HIGH-TEK Harness Enterprise, Hsin Kuang Steel Co, Tai-Shing Engineering & Construction
8	LeadsunFox Greenergy	USD\$21.2 Million	FIT Holding, TransGlobe Life Insurance, Shin Kong Life Insurance, Taiwan Life Insurance
9	NFCI Reneable Power	USD\$18.7 Million	WIN Semiconductors, Farglory Life Insurance

■ Notable energy tech investment cases in Taiwan during 2020.

Electronics

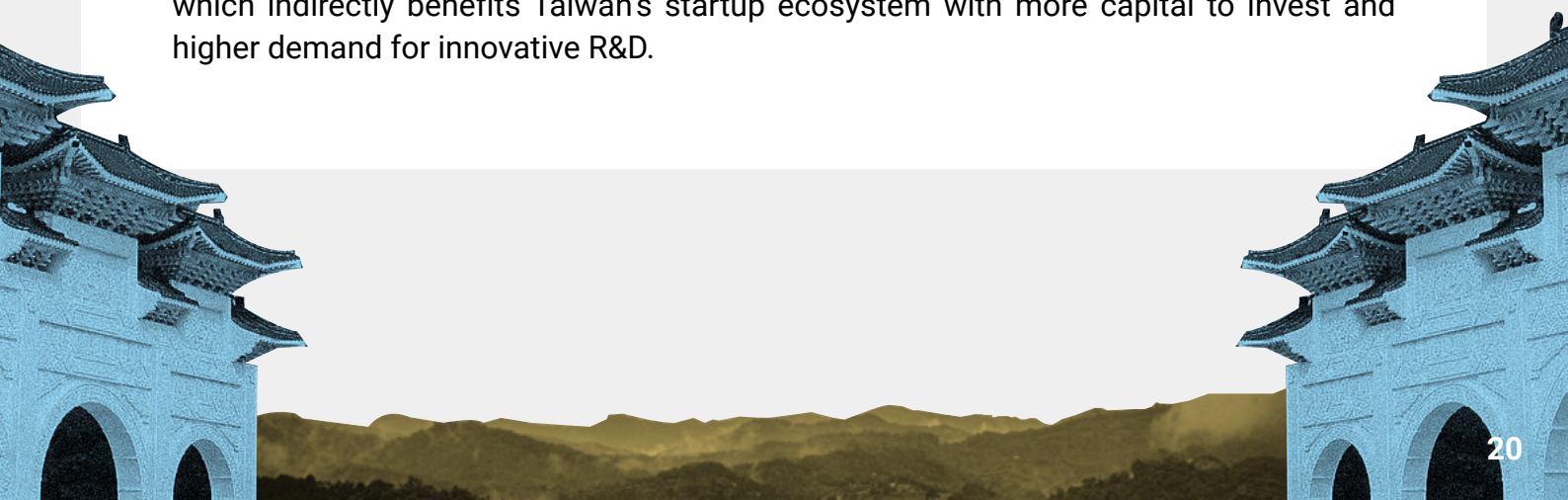
Since Taiwan is home to the world's largest semiconductor manufacturer, it's no surprise that the electronics industry is Taiwan's greatest source of foreign direct investment (FDI). According to GlobalData, the electronics sector accounted for about 16% of green-field FDI projects in Taiwan in 2019–20, more than any other sector.

Surrounding cities of Taipei City including New Taipei City, Keelung, Taoyuan, and Hsin-chu, each city has also established supply manufacturing factories and produce critical electronic device components. This emphasizes the need for an integrated electronics vertical industrial supply chain, which allows businesses to collaborate with and enhance the whole value chain, from product design to R&D, to manufacturing and market validation.

Due to the trade war between the US and China since 2018, the supply chain disruptions induced by COVID-19, geopolitics, and the growth of innovative technologies have all had a significant impact on the global ICT industry. This industry has shifted to regional production. This has given Taiwan an advantage since it has strong and dependable upstream and downstream industrial supply chain clusters, as well as appropriate IT hardware and R&D personnel to meet the needs of the global semiconductor, IT hardware, network communications, and smartphone industries.

The 2020 COVID-19 pandemic has had a massive impact on the global manufacturing chain, affecting both heavily on the supply and demand sides. As a result, the world economy has been sent into a tailspin. Despite the worst effects on the economy, we've seen an increasing demand on desktop computers, laptops, and tablets, which all gained from increased stay-at-home demand in 2020 due to the pandemic. Taiwan's electronics manufacturers all seen benefits from high demand on tech products and have seen great improvement in sales and orders, resulting in more resources and capital flowing into Taiwan's startup ecosystem from these Taiwanese corporations.

Regarding the island's three primary subsectors: the semiconductor industry, IC design, and OSAT (Outsourced Semiconductor Assembly), these all experienced strong growth in orders and revenues in the third quarter of 2021 as chip demand continued to surge, which indirectly benefits Taiwan's startup ecosystem with more capital to invest and higher demand for innovative R&D.



Comparing to Other Markets

The following would showcase the global venture funding breakdown in 2020 by regions.

In this sector we want to showcase happenings around the world and global counterparts of Taiwan to draw comparisons and similarities.



North America

North American venture capital financing fell marginally in the first half of 2020, to \$64.1 billion, from \$70.7 billion in the first half of 2019.

■ United States of America

California has a greater focus on late-stage and tech growth compared to other states and regions in the US and worldwide, with 73 percent of investment flowing to these projects. New York and Massachusetts were also strong states for venture capital funding.



Asia Pacific

Despite being the first hotspot of the COVID-19 epidemic, Asia's financing increased by about 8% in the first half of 2020 compared to the same period in 2019.

■ India

India's financing increased by a factor of ten in the first half of 2020, from \$5.6 billion in 2019 to \$19.4 billion in 2020.

■ Indonesia

Indonesia achieved \$2.5 billion in funding in the first half of 2020, the highest amount the country raised in the first six months of the year in the past five years. Indonesia has taken use of technology to streamline the formerly complex logistics business as digital technology evolves and becomes more broadly available.

■ Australia and New Zealand

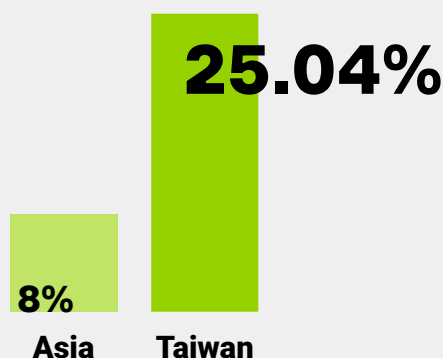
While both New Zealand and Australia have seen growth in recent years, New Zealand has seen an increase in early-stage funding; in the first half of 2020, 86 percent of investment dollars went to early-stage funding, and New Zealand's \$102 million in funding went to seed, angel, or early-stage rounds. In Australia, just 37% of all capital went to seed, angel, or early-stage companies in the first half of 2020.

■ Japan

In Japan, venture companies raised ¥580 billion (\$5.1 billion), up around 60% from a year earlier and surpassing the previous annual record high logged in 2019, according to a Japanese research company. Among them, biotech venture Spiber Inc., based in Tsuruoka, Yamagata Prefecture, raised ¥34.4 billion from U.S. investment fund Carlyle Group and other investors, according to a Carlyle press release in September. The Chinese government has been tightening its control of domestic information-technology giants such as Alibaba Group Holding Ltd. to rein in their economic clout, and some global investment previously bound for China could be diverted to Japan, according to the Japan Venture Capital Association.

■ Taiwan

Like other counterparts of Asia, Taiwan has had a great 2020 in terms of startup investments, despite COVID-19 impacting every aspect of the global market. We've seen an all-time high in the total investment amount in 2020. With a total amount of USD\$873 Million invested, which is a 25.04% increase compared to 2019's USD\$698 Million.



- Taiwan has seen tremendous growth compared to the whole Asia Pacific region.



Europe

In the first half of 2020, Europe received \$17 billion in financing, down 20% from 2019, but still up from the previous two years.

■ France

Given the scope of France's venture capital ecosystem, as well as the country's ability to maintain strong fundraising statistics during the epidemic, it's worth recognizing the country's achievements. In the first half of 2020, the continent received over \$2.8 billion in venture capital funds, down somewhat from the first half of 2019, but still much greater than the previous three years.

■ Belgium

Despite the fact that Belgium's venture investment ecosystem is smaller than that of other countries, such as the United Kingdom and France, and receives less attention, it's notable noting its funding rise despite the epidemic. Belgium had a total revenue of \$604 million in the first half of 2020, up from \$458 million in the first half of 2019.



South America

In the first half of 2020, South America received \$914 million in financing, down from 2019 but growing considerably from 2016-2018. The highest investment round in the analyzed time period was a \$1 billion deal for Colombian startup Rappi, with the next largest round coming in at \$300 million.

■ Brazil

In the first half of 2020, Brazil accounted for 90% of all venture capital financing in South America.



Africa

In the first half of 2020, Africa suffered the most significant setback of any continent in terms of venture capital.

Summary

Although Taiwan has a compact land area and a relatively small domestic market, the country has accumulated numerous resources to boost energy into innovation development. Both the public and the private sectors have been involved in startup development in recent years. With programs such as the NDF and numerous other initiatives to boost startup growth, Taiwan is becoming more and more ideal for startups to start their business. In recent years, we've started to see more and more new startups attracting the attention of both local and foreign investors. Though the average amount in each investment case hasn't really improved much, we are seeing the total amount of cases increasing throughout each year. This indicates that the general market is on a growing trajectory, and also showcases that Taiwan's startup ecosystem is becoming more and more lively.

One important thing for Taiwanese startups to do is to combine their technologies with existing mature manufacturing industries in Taiwan, the reason being that more than 50% of investments happening in Taiwan are with corporations or CVCs. Also, the main reason Energy Tech and Electronics startups receive so much funding is also because of corporate investments. Their businesses are not to challenge or disrupt the existing industry, but to solve a specific pain point for corporations. Though these kinds of startups might not always be in the spotlight or make headlines, they are vital and a key to the early-stage investment market of Taiwan.

All in all, we are very excited and proud of what Taiwan startups have accomplished in the past few years. Though recent years have been a tough time for the worldwide capital market due to the widespread COVID-19, we are confident that these Taiwan startups are up for the task and ready to adapt to new normals and rapid market shifts. We look forward to new opportunities that came along with COVID-19, such as digital transformation, cloud services, and smart manufacturing to name a few. We hope that our report can shed light on the early-stage investment scene and showcase to you that Taiwan is a beautiful island with lots of great investment potential.

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