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State of the Art



THE STARTUP ECOSYSTEM

IN TAIWAN

FLANDERS INVESTMENT & TRADE MARKET SURVEY

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TAIWAN STARTUP ECOSYSTEM

Bridging Opportunities for Flemish and Taiwanese
Ecosystem Players
March 2023

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2. MARKET OVERVIEW

2.1 TAIWAN STARTUP ECOSYSTEM – GLOBALLY AND IN ASIA PACIFIC

Taiwan's ecosystem has many strengths and promises much growth in the next couple of years. Taiwan is a high-tech island with abundant talents and dynamic manufacturing activities. It has brought forward the biggest contract chipmaker in the world, Taiwan Semiconductor Manufacturing Company (TSMC), and is home to the brand-name ICT products manufacturers Acer and ASUS, and the world's largest contract manufacturer Foxconn. Taiwan is number one when it comes to semiconductor IC packaging, number two in IC design TFT-LCD, and number three in personal computers. The science parks and industry clusters of Taiwan play an important role in the growth of the country's high-tech industry. Furthermore, Taiwan is also home to world-class data and research centers of major tech organizations, like Google and Microsoft.

It is in this context that Taiwan's startup ecosystem continues its upward trajectory. According to the latest StartupBlink report of 2022, Taiwan ranked 25th globally and 7th in the Asia Pacific region.

Rank	Country	Rank Change (from 2021)	Quantity Score	Quality Score	Business Score	Total Score
11	<u>The Netherlands</u>	–	4.42	12.71	3.38	20.505
12	<u>Switzerland</u>	–4	6.19	10.48	3.57	20.253
13	<u>Estonia</u>	–	4.14	10.77	3.34	18.243
14	<u>Finland</u>	–	3.99	10.18	3.68	17.852
15	<u>Ireland</u>	+3	3.88	8.54	3.49	15.914
16	<u>Spain</u>	–1	5.71	6.07	2.71	14.481
17	<u>Lithuania</u>	–1	4.07	7.00	3.13	14.194
18	<u>Denmark</u>	+4	3.06	7.45	3.69	14.193
19	<u>India</u>	+1	2.19	7.62	2.46	12.476
20	<u>Japan</u>	+1	2.41	6.61	2.93	11.947
21	<u>South Korea</u>	–2	1.43	6.95	3.25	11.626
22	<u>Belgium</u>	+1	2.71	5.29	2.80	10.806
23	<u>Austria</u>	+5	2.46	4.50	3.26	10.221
24	<u>Norway</u>	+7	2.09	5.05	3.26	10.209
25	<u>Taiwan</u>	+1	2.41	4.91	2.91	10.189
26	<u>Brazil</u>	–2	1.40	5.91	2.17	9.480
27	<u>United Arab Emirates</u>	–2	2.19	4.30	2.92	9.412
28	<u>Portugal</u>	–1	2.20	4.08	3.11	9.390
29	<u>Russia</u>	–12	2.27	4.52	2.57	9.355
30	<u>New Zealand</u>	+3	1.92	2.67	3.59	8.177
31	<u>Italy</u>	–2	2.56	2.49	3.04	8.090

Source: 2022 StartupBlink Report: Global Startup Ecosystem Index Ranking

Regional Rank	Country	Number of ranked cities	Global Rank	Rank Change (from 2021)	Total Score
1	Singapore	1	7	+3	23.408
2	Australia	15	8	+1	22.454
3	China	44	10	-3	20.663
4	India	37	19	+1	12.476
5	Japan	11	20	+1	11.947
6	South Korea	5	21	-2	11.626
7	Taiwan	6	25	+1	10.189
8	New Zealand	8	30	+3	8.177
9	Indonesia	5	38	+7	5.586
10	Malaysia	3	42	-2	5.416
11	Thailand	4	53	-3	3.752
12	Vietnam	2	54	+5	3.462

Source: 2022 StartupBlink Report: Startup Ecosystem Index Ranking in Asia Pacific Region

2.2 TAIWAN STARTUP ECOSYSTEM - LOCALLY

According to the Global Startup Ecosystem Report 2020 by Startup Genome, the Taipei City ecosystem is especially strong when it comes to AI, Big Data, and analytics. Take for example the MoBagel and Appier startups, which are both very successful AI-driven startups. Additionally, Taiwan also shows a lot of strength in terms of advanced manufacturing and robotics. Worldwide, Taiwan is responsible for producing 75% of personal computers, 50% of LCD screens, 25% of semiconductors, and 20% of smartphones. These companies are located in different cities of Taiwan and hence formulate startup ecosystems in cities outside the capital of Taipei.

Hereby we divide Taiwan’s startup ecosystem into three main regions: the northern region (consisting of Taipei City, New Taipei City, and Taoyuan City), the central region (consisting of Taichung City), and the southern region (including Tainan City and Kaohsiung City).





Source: <https://yourfreetemplates.com>

In the northern region, we find many startups in the Health Tech and Consumer Product sectors. Taipei City is known for being the most resourceful city for startups, with a majority of the island's startups and startup support organizations being placed here. The whole northern region is home to 72% of Taiwan's startups, 83% of accelerators, and 92% of venture capitals. ¹

In the central region, many startups are engaged in the precision machinery industry, of which 19% are Consumer Products, 18% are Information Tech and Applications, and 14% are Health Tech. The central region is home to 7% of Taiwan's startups, 3% of accelerators, and 2% of venture capitals. ²

The southern region accounts for many startups in the Consumer Product sector. In total, the southern region of Taiwan is home to 10% of Taiwan's startups, 7% of accelerators, and 2.5% of venture capitals. ³

The chart below provides an overview of the top startup industries per city. Health Tech is among the top 3 industries in almost every city.

¹ (StartupBlink & Taiwan Tech Arena, 2022)

² (StartupBlink & Taiwan Tech Arena, 2022)

³ (StartupBlink & Taiwan Tech Arena, 2022)



Taipei	Enterprise Services 12%	Health Tech 11%	Media & Entertainment 11%
New Taipei	Information Tech and applications 23%	Health Tech 16%	Consumer Products 14%
Taoyuan	Environmental and energy tech 17%	Health Tech 17%	Consumer Products 14%
Taichung	Consumer Products 19%	Information Tech and applications 18%	Health Tech 14%
Tainan	Health Tech 21%	Information Tech and applications 18%	Consumer Products 17%
Kaohsiung	Information Tech and applications 17%	Enterprise Services 16%	Consumer Products 13%

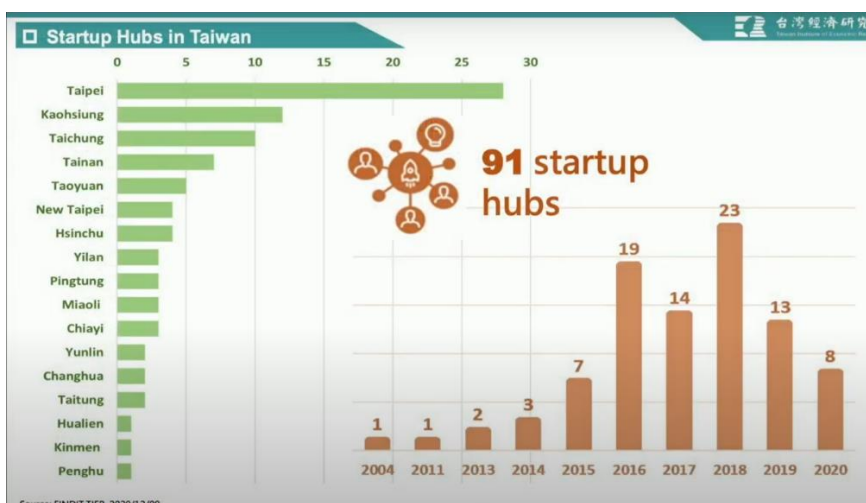
Source: Taiwan Municipalities Startup Ecosystem Report (<https://www.startupstadium.tw/reports>)

Each of the above regions provides attractive environments for startups, with the northern region being the most prosperous ecosystem that provides the most resources for startups. In Taiwan's major cities, there are various startup hubs and accelerator programs. To better understand the Taiwan startup ecosystem, we provide an overview of some notable hubs and accelerators below.

3. STARTUP HUBS IN TAIWAN

Startup hubs aim to provide a place for entrepreneurs and innovators to come together, communicate and share their ideas. The resources provided by these startup hubs can help businesses grow and flourish.

The graph below shows that in 2020 Taiwan had a total of 91 startup hubs. We can see a huge increase in startup hubs between 2015 and 2016, and also between 2017 and 2018. In 2019 and 2020 there was a slight decrease in startup hubs in Taiwan. The vast majority of startup hubs can be found in the capital, Taipei.



Source: Taiwan Startup Ecosystem. Hubs and Investments (<https://www.youtube.com/watch?v=sO3JbmyTkE0>)



The government has also strongly attempted to stimulate entrepreneurship in Taiwan and has set up several agencies to help startup founders. An example is Taiwan Tech Arena (TTA), which was set up in 2018 by the Taiwan Ministry of Science and Technology (MOST) and is a startup ecosystem-building program. In 2021, to create more opportunities in the southern part of the country, a southern equivalent, TTA South, was created in Tainan City. In 2018, the National Development Council (NDC) also created a 5-point action plan for a prosperous ecosystem.⁴

3.1 POPULAR STARTUP HUBS

Taiwan has been gradually appearing as a global startup hub. Below we have a look at some notable startup hubs in Taiwan and provide a short summary of each. For this overview, we will start in the north of the country and make our way down the island to the south, in the following order: Taipei, New Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung.



Source: Taiwan Startup Ecosystem. Hubs and Investments (<https://www.youtube.com/watch?v=sO3lbmyTkE0>)

3.1.1 Taipei City

The majority of Taiwan’s startup hubs are located in Taipei and the city’s ecosystem ranks at number one in the country. Furthermore, the Taipei startup ecosystem is ranked number 8 in East Asia and 47 worldwide.⁵ Taipei is a perfect location for Hardware & IoT, Transportation, and Social & Leisure startups. The StartupBlink Map, which ranks the startup ecosystems of various countries and cities, shows a total of 214 Hardware & IoT startups, 139 Transportation startups, and 109 Social & Leisure startups in Taipei City.⁶

⁴ (Lising, 2021)
 For more info on the Action Plan for Enhancing Taiwan’s Startup Ecosystem, go to:
https://www.ndc.gov.tw/en/Content_List.aspx?n=DD6EB3B5F084F394&upn=69E65819639628EC
⁵ (Startup Ecosystem Overview of Taipei City, 2022)
⁶ (Startup Ecosystem Overview of Taipei City, 2022)



Some mentionable startup hubs in Taipei are FinTechSpace, t.Hub, TSS (Taiwan Startup Stadium), and TTA (Taiwan Tech Arena). Many startup hubs are managed by accelerators.

- **FinTechSpace --- 金融科技創新園區**
(<https://www.fintechspace.com.tw/en/>)

FinTechSpace, instructed by the Financial Supervisory Commission of Taiwan (FSC) and co-funded by its private wing Taiwan Financial Service Roundtable (TFSR), is the first fintech-focused co-working space in Taiwan, and a tech-based environment for stimulating and accelerating the latest fintech innovation.

With support from domestic and international governments, financial & fintech industries, as well as academia sectors, FinTechSpace brings the whole Taiwan fintech ecosystem together. They do not only attempt to foster innovations and growth of domestic financial institutions but also to open the window for the Taiwan fintech industry to attract talents from campuses and tech start-ups all over the world.

Besides offering an accelerator program, FinTechSpace also offers an Innovation Lab program and the Digital Sandbox program. The Innovation Lab stimulates industrial innovation and boosts fintech technology development capabilities. The Digital Sandbox program is the first Open API Platform in Taiwan.

- **t.Hub --- 內科創新育成基地**
(<https://www.t-hubtaipei.com/>)

T.Hub is located in the Neihu Technology Park (NTP). T.Hub has partnered up with the Industrial Technology Research Institute (ITRI), whose resources can provide support to startups.

- **TSS (Taiwan Startup Stadium) --- 台灣新創競技場**
(<https://www.startupstadium.tw/>)

TSS is Taiwan’s leading ecosystem builder and is committed to cultivating global-minded entrepreneurs and to presenting the most innovative Taiwanese startups to the world. TSS was founded in 2015 and has already served 230+ startups with 120+ mentors, 500+ investors & 30+ corporations. TSS aims to build strong bonds among member startups and collaborate with local and International partners, such as international accelerators, conferences, partners, and corporates.

TSS offers coaching programs through bootcamps, workshops, and seminars to help entrepreneurs grow and succeed. TSS also offers a personalized accelerator coaching program, in which coaching is provided to guide startups to apply to international programs like Techstars, Y Combinator, Alchemist Accelerator, and more.

- **TTA (Taiwan Tech Arena) --- 台灣科技新創基地**
(<https://www.taiwanarena.tech/>)

TTA is considered Taiwan’s flagship startup ecosystem-building program. TTA was launched by the Ministry of Science and Technology and represents one of the diverse government initiatives to strengthen Taiwan’s innovative startup ecosystem. By fostering high-tech entrepreneurship in sectors like AI, semiconductor manufacturing, and software development, Taiwan Tech Arena is helping raise the country’s profile as a



major tech-focused incubation center. TTA counts more than 500 manufacturing companies as partners – these include system integrators, production partners, and mass-production companies.

TTA is a good place for technology startups. Located in the landmark building of Taipei Dome in the city center. it aims to create a high-quality environment for Taiwan’s tech startups and build a vigorous startup ecosystem. TTA works together with local and international accelerators to help startups build purposeful connections, for example, Sparklabs Taiwan, Techstars, Garage+, MuckerLab, FlyingVest, and more.

3.1.2 New Taipei (Xinpei) City

New Taipei City is also home to some noteworthy startup hubs, with Linkou Startup Terrace being the largest.

- **Linkou Startup Terrace --- 林口新創園**
(<https://www.startupterrace.tw/>)
Established by the Small and Medium-size Enterprise Administration(SMEA) as an international startup hub, at the site of the former Universiade athlete’s village in Linkou, New Taipei City. Startup Terrace provides offices, housing, co-working space, an exhibition center, and other state-of-the-art facilities that make it the ideal place for startups to grow.

3.1.3 Taoyuan City

The startup ecosystem of Taoyuan is ranked third in Taiwan, it is ranked at number 37 in East Asia, and number 440 in the world. Globally, Taoyuan has risen 70 spots in the ranking since 2021. ⁷ The most popular industries in Taoyuan City are Hardware & IoT, Energy & Environment, and Health. On the StartupBlink Global Map, we can see 12 Hardware & IoT startups, 3 Energy & Environment startups, and 3 Health startups in Taoyuan. ⁸

The Department of Youth Affairs of the Taoyuan City Government has created startup hubs to promote youth entrepreneurship. They arrange get-togethers and offer consultancy services. These startup hubs are Andong Youth Start-up Hub, Hsinming Youth Hub, and TYCommander, (<https://tyc.tycg.gov.tw/>)

- **Andong Youth Start-up Hub --- 安東青創基地**
Andong Youth Start-up Hub focuses on AR/VR/MR technology.
- **Hsinming Youth Hub --- 新明青創基地**
Hsinming Youth Hub focuses on AI and smart robotics.
- **TYCommander --- 青創指揮部**
TYCommander takes IOT development as its main focus point.

⁷ (Startup Ecosystem Overview of Taoyuan City, 2022)

⁸ (Startup Ecosystem Overview of Taoyuan City, 2022)



3.1.4 Taichung City

Taichung’s startup ecosystem ranks fifth in Taiwan, 49th in East Asia, and at number 614 worldwide. Globally, Taichung has been moving up 256 spots in the ranking since 2021.⁹ Taichung is mainly an attractive location for startups related to Food Tech, Hardware & IoT, and Energy & Environment. On the StartupBlink Global Map, we find a sample of 12 Food Tech startups, 9 Hardware & IoT startups, and 6 Energy & Environment startups in Taichung.¹⁰

Some notable startup hubs in Taichung are For More Maker Space and Taichung Social Innovation Unit.

- **For More Maker Space --- 福爾摩沙雲創基地**
formore-maker.com
For More Maker Space gathers different resources for entrepreneurs to grow and become successful. For More Maker Space helps startups to expand to the South East Asia market and even to the global market.
- **Taichung Social Innovation Unit --- 臺中社會創新實驗基地**
<https://tccsiu.taichung.gov.tw/>
The Taichung Social Innovation Unit promotes social innovation and youth entrepreneurship.

3.1.5 Tainan City

The startup ecosystem of Tainan ranks fourth place nationally, 47th place in East Asia, and 586th place globally. Tainan has moved up 163 spots in the international ranking since 2021.¹¹ Tainan is a great place for startups related to Energy & Environment, Health, and Hardware & IoT. Tainan is also a good location for creative and innovative industries.

TTA South is located in Tainan.

- **TTA South --- 台灣科技新創基地**
taiwanarena.tech
TTA South is the southern equivalent of TTA in Taipei.

3.1.6 Kaohsiung City

The Kaohsiung startup ecosystem ranks at number 6 nationally, number 56 in East Asia, and at number 726 in the world. In addition, Kaohsiung’s ecosystem has risen 178 spots since 2021.¹² The Kaohsiung startup ecosystem clearly doesn’t rank as high as Taipei but is still a very attractive place for Hardware & IoT, Health, and Software and Data startups. On the StartupBlink Global Map, there are 12 Hardware & IoT startups, 10 Health startups, and 7 Software and Data startups in Kaohsiung.

Some notable startup hubs in Kaohsiung are KOSMOS and Pier-2 base.

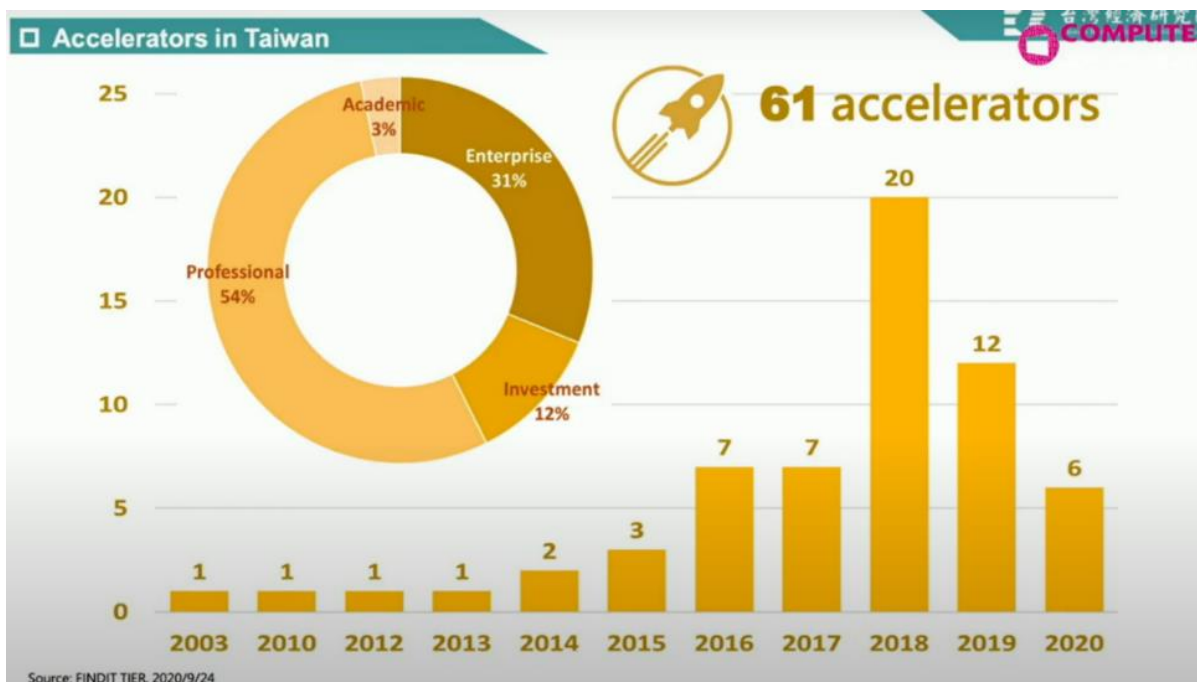
⁹ (Startup Ecosystem Overview of Taichung City, 2022)
¹⁰ (Startup Ecosystem Overview of Taichung City, 2022)
¹¹ (Startup Ecosystem Overview of Tainan City, 2022)
¹² (Startup Ecosystem Overview of Kaohsiung City, 2022)



- **KOSMOS**
KOSMOS is a technology park focused on XR that was founded by the government of Kaohsiung.
- **Pier-2 base --- 駁二共創基**
(pier2base.tw)
The pier-2 base is located near the harbor in Kaohsiung. Pier-2 has become an important place for artistic development in the South of Taiwan. It aims to provide a co-working space with an artistic atmosphere to stimulate creativity and growth.

4. ACCELERATORS IN TAIWAN

The difference between startup hubs and accelerators is that a startup hub is a location where people can get together, while accelerators provide programs that can help startups grow and become bigger. In 2020, there were a total of 61 accelerators in Taiwan. Between the years 2003 and 2020 there has been a huge increase in accelerators, and especially in 2017-2018 we can observe a dramatic rise in accelerators in Taiwan.



Source: Taiwan Startup Ecosystem. Hubs and Investments (<https://www.youtube.com/watch?v=sO3JbmyTkE0>)

There are four different types of accelerators: professional, enterprise, investment, and academic accelerators. Professional accelerators focus on different types of industries (e.g. the sports industry) and provide the necessary resources for these particular industries. Enterprise accelerators are funded by Taiwan's big companies. These companies are looking for new ideas and opportunities. Furthermore, investment accelerators grant funding to those who are part of their program. Lastly, the academic accelerators are funded by universities.¹³

¹³ (COMPUTEX, 2021)

4.1 ACCELERATORS IN TAIPEI

Accelerators in Taiwan are mostly located in the Northern part of the island: in Taipei and New Taipei City. Below we provide an overview of the most notable accelerators.



Source: Taiwan Startup Ecosystem. Hubs and Investments (<https://www.youtube.com/watch?v=sO3JbmyTkE0>)

Anchor Taiwan

(<https://www.anchortaiwan.com/>)

Anchor Taiwan is a platform for corporates, startups, and investors to harness ecosystem building and venture capital for world-positive endeavors. Anchor Taiwan aims to promote collaboration between international entrepreneurs and local communities in Taiwan through a month-long program that focuses on cultural and market immersion as well as industry access.

AppWorks

(<https://appworks.tw/>)

AppWorks, founded in 2009, assists tech startups to grow successfully. They are especially focused on Web3 and AI/IoT. AppWorks is responsible for offering two major services. The first one, called AppWorks Accelerator, is directed toward seed-stage startups and aims to help them go from 0 to 1. The second one, AppWorks Funds, is directed toward growth-stage startups and offers financing to help them scale faster. Furthermore, there is also the AppWorks School, which equips talents with the necessary knowledge and tools to have a successful career in the startup world. AppWorks currently has a network of 472 active startups, 1522 founders, and 23390 employees. Some startups that have chosen AppWorks as their VC partner are 17LIVE, 91APP, and AMO.

Asia Blockchain Accelerator (ABA)

(<https://www.abatw.io/>)

In October 2019, the Taiwanese government launched the Asia Blockchain Accelerator, the first entity in Taiwan dedicated to distributed ledger technology. The government-backed ABA aims to create over 1 billion NTD (27,8 million €) of business value in two years and support the attractiveness of Taiwan as a blockchain center in Asia. Among many well-known companies, it also has a strategic partnership with Gifto, which provides the accelerator and its startups with experienced



advisors. The first project to be incubated is the Poseidon Network, which is a decentralized content delivery network.

ABA believes token economies will transform the way we structure information, incentives, and value transfer. ABA exists to support and usher in a new wave of blockchain applications and founders with a focus on compliance, track record, and longevity.

ABA provides a wide range of assistance to Taiwanese & foreign blockchain entrepreneurs with investment resources, training, business development, and talent recruiting. Their goal is to build a comprehensive ecosystem that maximizes the real business potential of blockchain technology.

Garage+
(<https://www.garageplus.asia/>)

Taiwan’s famous startup program “Garage+” was founded by Epoch Foundation, a renowned non-profit organization based in Taipei, Taiwan, with the support and sponsorship from major companies in Taiwan including TSMC, Delta Electronics, Quanta Computer, MediaTek, etc.. Garage+ doesn’t just provide a space for incubation but also fosters a thriving startup ecosystem supported by experienced and successful entrepreneurs. The vibrant community of Garage+ helps facilitate early-stage startups to build a team, enhance connections, strengthen core values, access fundraising resources, and eventually get to the top. Since 2012, 75% of Garage+ teams have received funds from professional investors and have continued to grow business in various industries.

MOX
(<https://mobileonlyx.com/>) (<https://orbitstartups.com/>)

MOX, which is now part of Orbit Startups, is aimed at emerging and frontier markets. Orbit Startups has a network of 310 startups spread over 40 countries and is part of SOSV, which is an international global capital firm.

Sparklabs Taipei
(<https://www.sparklabstaipei.com/>)

Sparklabs is a startup accelerator and venture capital. They help startups go international and receive funding. Sparklabs Taiwan is part of the Sparklabs Group, which was first founded in Silicon Valley. Sparklabs has a global vision and is looking for startups who share their global perspective. They provide a 3-month accelerator program for seed to early-stage startups and host the largest Demo day in Taiwan which helps founders network with investors. Sparklabs has offices in Taipei’s Taiwan Tech Arena (TTA) and Kaohsiung’s Startup Terrace.

TAcc+
(<https://taccplus.com/en/home-2/>)

TAcc+ is an accelerator in Taiwan focused on IoT, and healthcare-related domains. TAcc+ also has an international program, which is directed towards global startups who show interest in the Asia market.

Taiwan Blockchain Alliance (TBA)
(<https://tballiance.org.tw/en/index.php>)

The National Development Council, the blockchain industry, academia, and research institutes jointly established the “Taiwan Blockchain Alliance” (TBA) on July 12, 2019. The objective of TBA is to create an ideal ecosystem for the development of the blockchain industry. Its strategies include facilitating government-industry-academia idea exchange, promoting cooperation among local



and international players, introducing blockchain-based applications to different business sectors, and strengthening talent cultivation.

Techstars

[\(https://www.techstars.com/\)](https://www.techstars.com/)

Techstars is one of the biggest pre-seed investors globally. Techstars focuses on various industries, like Web3, CleanTech, Health Tech, and FinTech. Techstars offers three-month programs for startups and is also unique in that it offers mentorships. Techstars organizes various events in different cities, like the Techstars startup weekend and the Techstars startup week directed towards those interested in the startup community. They also organize a Demo day where startups can display the developments they have made.

VIVEX

[\(https://vivex.vive.com/eu/\)](https://vivex.vive.com/eu/)

VIVEX is focused on the XR, 5G, and AI industries and supports startups worldwide. They work with and invest in early-stage businesses in the seed, series A, and series B stages.

5. STARTUP INVESTMENT IN TAIWAN

In this part, we discuss some of the major institutions, organizations, and funding initiatives for startups in Taiwan

Taiwan’s top industry for startups is concentrated in Health Tech. Between 2015 and 2020, there were a total of 289 cases on healthcare totaling US\$917 million.¹⁴ This is probably because Taiwan ranks among the world’s best healthcare systems. Moreover, Taiwan has a highly efficient nationwide electronic healthcare record system that provides startups with good test opportunities and a good marketplace. Besides, startups that provide B2B software and hardware, electronic components, and blockchain technology also attract VCs. In 2020, Taiwanese blockchain startups attracted US\$44.8 million.¹⁵ Other leading sectors in terms of total deal amounts and total invested amount are Energy Tech and Electronics. Green energy has been a rising industry that has been gaining more and more importance, with an increasing amount of investors wanting to invest in green energy industries, especially in solar energy, batteries, and wind power.¹⁶ Electronics is Taiwan’s largest source of foreign direct investment (FDI). Despite the 2020 pandemic, the electronics industry was still able to thrive because of the growing call for desktop computers, laptops, and tablets.¹⁷

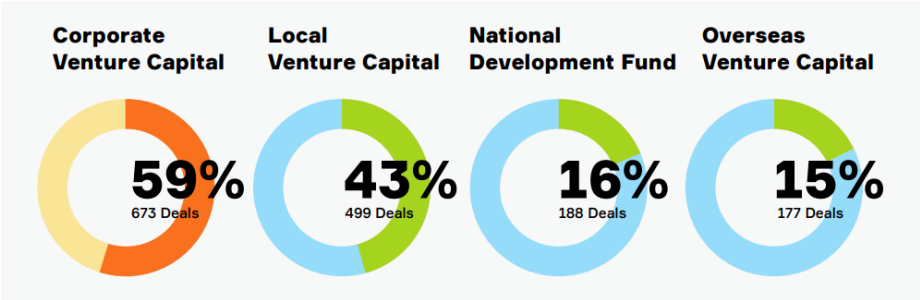
A unique characteristic of the Taiwanese startup ecosystem is that the government plays an important role in investing in the startup scene. For example, Taiwan’s National Development Council (NDC) launched the Business Angel Investment program in order to improve the angel investment environment in Taiwan, which has increased VC funding.¹⁸ The governmental National Development Fund (NDF) ranks as the 3rd largest source of investment.

¹⁴ (Startup Island Taiwan, 2021b)
¹⁵ (Startup Island Taiwan, 2021b)
¹⁶ (Startup Island Taiwan, 2021b)
¹⁷ (Startup Island Taiwan, 2021b)
¹⁸ (StartupBlink & Taiwan Tech Arena, 2022)



Corporate ventures account for the leading investor, followed by Taiwan’s dynamic venture capital industry. In recent years, overseas venture capital firms also constitute the main investors of the Taiwanese startup ecosystem.¹⁹

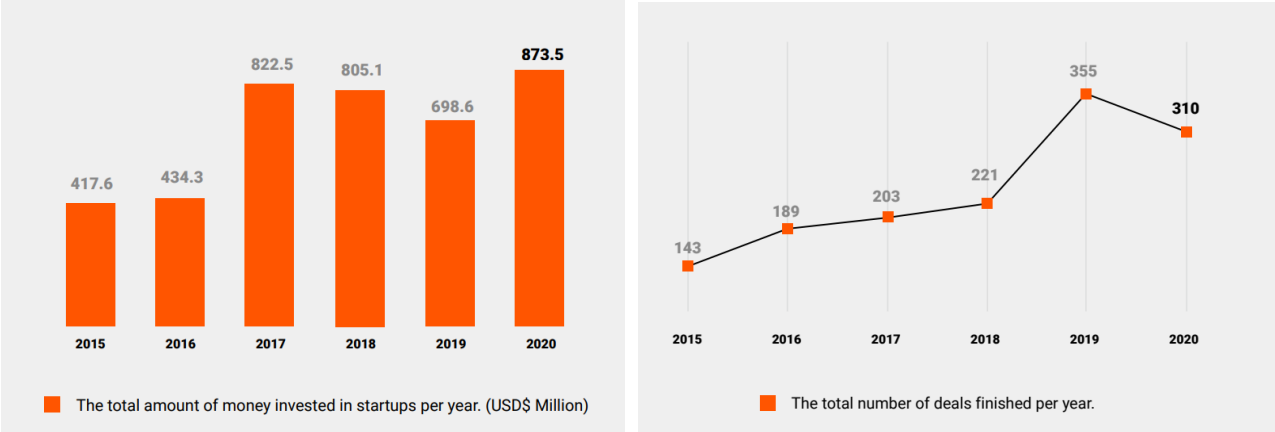
Looking at the data of the 2021 Taiwan Municipalities Startup Ecosystem Report, we can see that corporate venture capitals (CVC), as the largest startup investor, consists of 59% of all startup deals. Next is local venture capital, representing 43% of deals, followed by National Development Fund (16%), and overseas venture capital (15%).



Source: 2021 Taiwan Municipalities Startup Ecosystem Report (<https://www.startupstadium.tw/reports>)

Note: most investments are formed by multiple companies, VCs, or investors, this is why the total percentage is over 100%.

The graph below provided by the 2021 Taiwan Startup Investment Scene Report illustrates that investments in Taiwanese startups have been increasing over the past couple of years. This illustrates that Taiwan’s ecosystem is flourishing and growing. The total amount invested in startups has even doubled between 2015-2020. When it comes to the total number of deals, however, we can observe a decrease in deals between 2019 and 2020, this mainly has to do with the covid outbreak impacting the number of deals. Despite a drop in the number of deals, the deals have gotten bigger, and more deals with more than USD\$10 million have been conducted.²⁰



Source: 2021 Taiwan Startup Investment Scene Report (<https://www.startupstadium.tw/reports>)

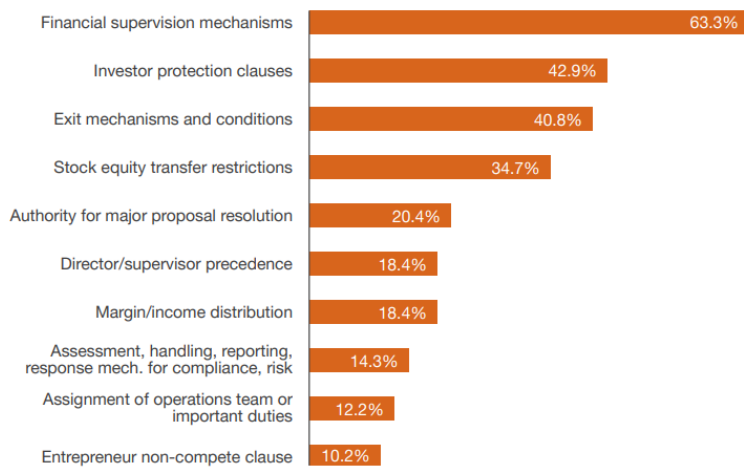
According to the 2022 Taiwan Startup Ecosystem survey, the rights and conditions that investors value the most in investment agreements are financial supervision mechanisms (63.3%), investor

¹⁹ (StartupBlink & Taiwan Tech Arena, 2022)

²⁰ (Startup Island Taiwan, 2021b)



protection clauses (42.9%), exit mechanisms and conditions (40.8%), stock equity transfer restrictions (34.7%), and authority for major proposal resolution (20.4%).



Q: When your institution signs investment agreements with startup enterprises/teams, what rights and powers/conditions do you give especial importance to? (Check at most three) Sample size = 49
 Note: Financial supervision mechanisms: e.g., providing regular financial reports and auditing rights; Investor protection clauses: e.g., preferred liquidation, anti-dilution provision, preemptive right, most-favored treatment; Exit mechanisms and conditions: e.g., redemption rights, co-sale rights, consignment rights

Source: 2022 Taiwan Startup Ecosystem Survey (2022 Taiwan Startup Ecosystem Survey – PwC Taiwan)

5.1 LEADING FUND SUPPLIERS

Some leading fund suppliers in Taiwan are listed below:

- ACE Capital**
[\(http://www.theacecapital.com/\)](http://www.theacecapital.com/)
 ACE Capital is a venture capital firm focused on the tech industry. They are mainly focused on investments into seed and early-stage companies, mainly in North and South East Asia.
- Appworks**
[\(https://appworks.tw/\)](https://appworks.tw/)
 Appworks does not only offer an accelerator program but is also one of the most active early-stage VCs in Greater Southeast Asia. They finance 20-30 deals per year and invest from \$200K to \$15M per deal. Some notable startups that have chosen Appworks as their VC partner are 17LIVE, 91APP, and AMO.
- CDIB Capital**
[\(https://www.cdibcapital.com/\)](https://www.cdibcapital.com/)
 CDIB Capital, established in 2006, is a leading Asia-based investment firm. They have over 10 years of private equity investing experience, 30+ portfolio investments, and \$1.2 billion total assets under management.
- Cherubic Ventures**
[\(https://cherubic.com/\)](https://cherubic.com/)
 Cherubic Ventures is a venture capital fund focused on investing in the most ambitious founders from angel to pre-IPO. Their team is distributed over San Francisco, Shanghai, and Taipei. Some notable startups they have worked with are 91APP, Calm, and Hims & Hers.



- **Cornerstone Ventures**
(<https://cornerstonevc.tw/en/mainpage/>)
Cornerstone Ventures mainly focuses on investing in digital startup teams. They have a preference for teams that utilize new technologies, like AI. The size of their investments is between US\$ 200K – 1M. Some notable startups that have chosen Cornerstone Ventures as their partner are GoFreight, USPACE, and FundPark.
- **Hive Ventures**
(<https://www.hiveventures.io/>)
Hive Ventures is a venture capital firm that invests in early-stage teams. They focus on AI, Digital Designs, Automation, and more.
- **Industrial Technology Investment Corporation (ITIC)**
(<https://itic.com.tw/>)
ITIC, founded in 1979, is the venture capital arm of the R&D consortium - the Industrial Technology Research Institute (ITRI). They have invested over US\$400 million across various stages, sectors, and time zones. Their expertise in technology is exceptional and they offer vast R&D resources to their startups and partners.
- **SOSV**
(<https://sosv.com/>)
SOSV is an international venture capital firm offering multi-stage investment. They have offices in San Francisco, New York, Newark, Shenzhen, Shanghai, and Taipei. They focus on deep-tech founders who aim to have a significant impact on human health and the climate. Some notable portfolio companies are NotCo, R-Zero Systems, and OpenTrons.
- **Taiwania Capital**
(<https://en.taiwaniacapital.com/>)
Taiwania Capital was founded in August 2017 by the National Development Fund and private enterprises. It is Taiwan's first venture-capital firm that is backed by the state. Taiwania Capital's Fund I closed USD 150 million in funds for startups that focus on cloud computing, enterprise software, autonomous systems, AI, IoT, robotics & drones, information security, next-gen semiconductors, and sensors. They mainly focus on investing in early-stage startups and in the technology and biotech industries.
- **Top Taiwan Venture Capital**
(<http://www.toptaiwan.com.tw/toptaiwan/>)
Top Taiwan Venture Capital is a venture capital management firm that was founded in 1996 and aims to invest in the following industries: technology, biotechnology, renewable energy, consumer retail, food and beverages, healthcare, and auto parts.
- **WI Harper**
(<https://wiharper.com/>)
WI Harper was founded in 1993 and is a cross-border venture capital firm. WI Harper invests in early to growth stage startups in the US, Greater China, and Asia Pacific. They have offices in San Francisco, Beijing, and Taipei.
- **500 Startups**
(<https://500.co/>)
500 Startups invests in early-stage tech companies. They have invested in more than 2600 startups worldwide, including Canva, Credit Karma, and The RealReal. Their team is distributed over more than 20 countries, including Taipei, Taiwan.



6. PROMINENT TAIWANESE STARTUPS

With a population of over 23 million people, Taiwan has a relatively small, but vibrant startup scene. Below is an overview of selected prominent Taiwanese startups.



Graphic Source: Asia Silicon Valley Development Council, Taiwan (<https://www.asvda.org/Page?itemid=76&mid=1076>)

Appier (<https://www.appier.com/en/>)

Appier, founded in 2012, is an AI-powered startup. They use AI to understand customer preferences, anticipate customer actions, and help business decision-making. Their total funding amount is \$164.5M, raised over seven rounds, with their latest funding being raised on February 1, 2021 from a venture series round.

Gogoro (<https://www.gogoro.com/>)

Gogoro, founded in 2011, offers a battery-swapping service for electric vehicles. Powered by AI, it provides a much faster and cleaner way to power your vehicle. You can easily swap your battery on the go at a nearby GoStation. For seven years in a row, Gogoro has been leading in electric scooter sales in Taiwan. Gogoro has raised a total of \$1.1B in funding. Their latest funding was collected on September 28, 2022 from a Post-IPO Debt round.

iKala (<https://ikala.tv/>)

iKala is a human-centered AI company that aims to empower businesses through AI. iKala has raised a total of \$30.3M in funding over 3 rounds, with their latest funding being collected on August 19, 2020 from a Series B round. In 2021, Appier became Taiwan’s first digital unicorn as well as its first exit after going public on the Tokyo Stock Exchange.

JustKitchen (www.justkitchen.com)

JustKitchen is a startup company that operates cloud kitchens, also known as ghost kitchens or virtual kitchens. Founded in 2019 and based in Taiwan, the company operates in several locations across Asia, including Taiwan, Hong Kong, and Singapore. JustKitchen partners with food brands and chefs to create menus and recipes for its cloud kitchens. It also uses data analytics to identify popular food trends and optimize its offerings.

JustKitchen is another success of Taiwan's unicorn and the forerunner of exit by going public on the Canadian Stock Exchange in 2021.

Kdan Mobile (<https://www.kdanmobile.com/en>)

Kdan Mobile, founded in 2009, makes cloud-based software for workplace mobility. They have raised a total funding amount of \$22.2M over 4 rounds. The latest funding was raised on July 19, 2021 from a Series B round.

KKday (<https://www.kkday.com/zh-tw>)

KKday is a travel e-commerce platform that lets travellers find special local experiences. Founded by a group of travel lovers, they aim to provide the best activities and tours for fellow travellers. KKday has raised a total of \$127M in funding over 7 rounds, with their latest funding being collected on June 14, 2022 from a Series C round.

MoBagel (<https://mobagel.com/>)

MoBagel aims to encourage businesses and societies to become AI-driven. They have 5 offices, distributed over Taipei, San Jose, Beijing, Tokyo, and Shanghai. MoBagel is a Series A startup that has collected over \$21M in funding.

Numbers Protocol (<https://www.numbersprotocol.io/>)

Numbers Protocol is a software firm that has created a decentralized photo network. It aims to create more trust and value in digital media. By making it possible to verify and trace digital media through new, innovative processes, Numbers Protocol aims to draw attention to issues of misinformation, copyright, and royalty distribution. Numbers Protocol has a total funding amount of \$6.4M, collected over 15 rounds. Their latest funding was raised on December 1, 2021 from a Non-equity Assistance round.

17LIVE (<https://about.17.live/>)

17LIVE is a live streaming platform aiming to connect users with the world and allowing them to express their talents. 17LIVE has presence in Japan, Taiwan, the United States, and India. 17LIVE has collected a total of \$51.1M in funding over 4 rounds, with their latest funding being raised from a Series D round on May 11, 2020.

91APP (<https://www.91app.com/?lang=en>)

91APP is a prominent Omni-Channel commerce solutions provider. 91APP helps retail brands achieve better brand presence, helps them attract, keep, and grow their customer base, helps them manage their Web Store and App, and more. 91APP has collected a total of \$9M in funding over 1 round, which was a Series A round.



7. STRENGTHS OF THE TAIWAN STARTUP ECOSYSTEM

Taiwan is a tech-savvy country with an eye for innovation and technological advancements. According to the Global Startup Ecosystem Report 2022, Taipei City is in the top 100 emerging ecosystems worldwide.²¹ These emerging startup communities are still at an earlier stage of growth but have the potential to become very important global players in the future. Below we provide an overview of the major strengths and opportunities that Taiwan has to offer.

7.1 FAVORABLE LOCATION

Located in the center of the Asia-Pacific region, Taiwan is easily accessible from other Asian countries in the region as well as from the Americas. This close connection makes it easier to form collaborations and partnerships. Taiwan also has close links to Silicon Valley and other ecosystems.

7.2 GOVERNMENT SUPPORT

Taiwan's startup ecosystem is strongly supported by the government. The government is actively promoting entrepreneurship and wants to make Taiwan an attractive ecosystem for startups. One way in which the government has been trying to attract more entrepreneurship is by making it easier for foreign talents to come to Taiwan. Taiwan's Ministry of Foreign Affairs hands out Entrepreneur visas, which are visas for entrepreneurs that want to reside in Taiwan to build their startups. In 2018, the government also issued the Taiwan Employment Gold Card, which consists of a work permit, resident visa, Alien Resident Certificate, and a re-entry permit.²² Some well-known entrepreneurs like Steve Chen (co-founder of Youtube), Kevin Lin (co-founder of Twitch), and Jameson Hsu (serial entrepreneur and angel investor) currently reside in Taiwan with this Gold Card. Other government initiatives are the Business Angel Investment program and the Small Business Innovation Research (SBIR) program, the latter helps SMEs in technology research and innovation.²³

7.3 TECHNICAL CAPABILITIES & STRONG TECH PRESENCE

Taiwan is home to some of the highest-ranking (technical) universities in the Asia-Pacific region, which positively impacts the startup scene. Some major tech organizations, like Google and Microsoft, also have data and research centers in Taiwan.

7.4 FOREIGN-FRIENDLY ENVIRONMENT

Taiwan is often described as a very foreign-friendly environment. A 2022 survey by Internations, an expat network located in Munich, ranks Taiwan in the top 3 expat destinations.²⁴ Expats

²¹ (Startup Genome, 2022)

²² For more info on the Taiwan Gold Card, go to: <https://goldcard.nat.gov.tw/en/about/>

²³ (Startup Island Taiwan, 2021)

²⁴ ("Where Expats Should (Not) Move in 2022," 2022)



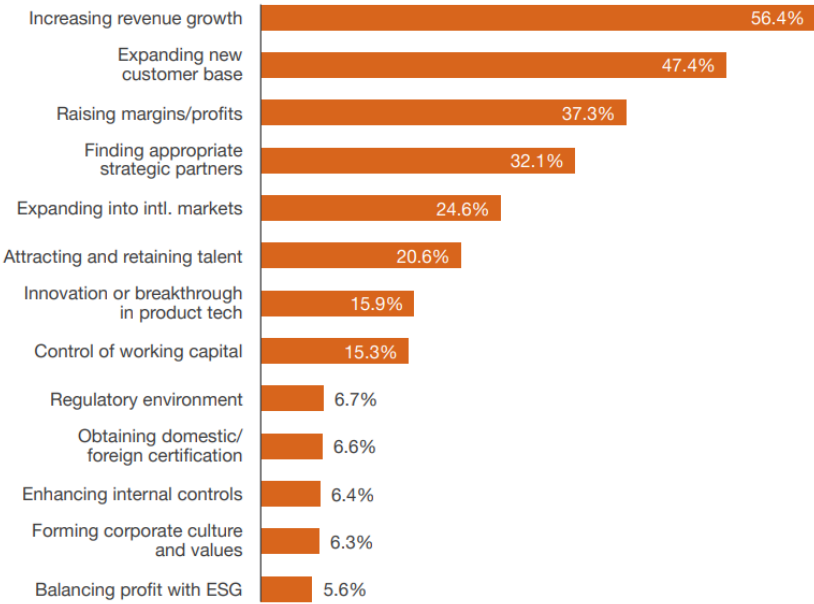
participating in the survey appreciate Taiwan’s affordable healthcare, the country’s safety, and also the friendliness of its people.

7.5 EDUCATED WORKFORCE

The Taiwanese workforce consists of a skilled and well-qualified group of people, providing the country with much brain power and opportunities for innovation.

8. CHALLENGES FOR TAIWANESE STARTUPS

The major challenges faced by Taiwanese startups are summarized in the graph below provided by the 2022 Taiwan Startup Ecosystem Survey.²⁵ The three major challenges that Taiwanese companies will face in the next 2-3 years have to do with increasing their revenue growth (56.4% of startups indicated this will be one of their top challenges), expanding their new customer base (47.4% expressed concern regarding this) and raising their margins and profits (37.3% of startups perceived this as a challenge). Further challenges for startups concern finding appropriate strategic partners (32.1%), expanding to international markets (24.6%), and attracting and retaining talent (20.6%).



Q: What are the challenges your company will face in the next 2-3 years? (Check at most three)
 Sample size = 700

Source: 2022 Taiwan Startup Ecosystem Survey ([2022 Taiwan Startup Ecosystem Survey – PwC Taiwan](#))

Like other economies in the region, a risk-averse mindset is a challenge for the growth of Taiwan’s startup economy, in addition to a need to improve English skills to allow entrepreneurs to target international markets. The abundance of high-quality corporate jobs and a tight job market are creating a scarcity of talents.

²⁵ (PwC Taiwan, 2022)



Besides, the Taiwanese population is rather small, so it is important for Taiwanese startups to have a global perspective when it comes to their products and services.²⁶ A better understanding of the foreign market might help grow Taiwanese startups' chances of going global.

Finally, despite the government's efforts to make Taiwan more attractive for startups, it seems that the public still needs convincing to want to become entrepreneurs.²⁷ By creating more successful startups one wishes to attract more local people to the startup scene. Successful startups like Gogoro (offering a battery-swapping service for electric vehicles), Appier (an AI-powered platform), 17Media (a social media app), and KKday (a travel e-commerce platform) have the potential to inspire others and attract more talents to the Taiwanese startup scene.

9. OPPORTUNITIES FOR FLEMISH STARTUP STATKHEOLDERS

Many international startups explore or even land in Taiwan for three reasons:

- (1) To enter the Taiwan market as a stepping stone to the neighboring Asian markets

Taiwan is an ideal soft-landing pad for the rest of Asia since Taiwan is one of the largest FDI sources in Asia. Taiwanese diaspora are well established in Southeast Asia and China. Many Taiwanese companies and business people have existing channels that startup founders can leverage on when it comes to access into Asia. Besides, the internet speeds in Taiwan, Intellectual Property Protection, and cultural familiarity with many other Asian Pacific countries also favour Taiwan to be the launchpad for many global startups.

- (2) To build their product research, development, prototyping, and testing in Taiwan.

Taiwan is a relatively mature market and it has well-established IP protection and high-quality manufacturing. For early-stage startups, Taiwan can offer the right resources for prototyping and hardware-software integration. For software startups, the openness and consumer habits in Taiwan market, in general, provide a fitting environment for testing and piloting new services. On top of that, the island has an educated workforce abundant with tech talents. Startups engaging in IC design and sensors will also find channels for Taiwan's advantageous semiconductor fab capacity, especially some micro-fabs designed especially for startups.

- (3) Foreign as well as local startups can combine their technologies with existing mature manufacturing industries in Taiwan. More than 50% of investments happening in Taiwan are with corporations or corporate venture capitals.

Even though Taiwan itself, with 23 million people, is not a huge market, Flemish companies are encouraged to explore it as a gateway to the Asian Pacific countries and pilot their products or services from Taiwan before entering much bigger markets.

²⁶ (Jennings, 2020)
²⁷ (StartupBlink, 2021)



9.1 EVENTS

We thus would like to bring attention to the opportunities in Taiwan for Flemish startup ecosystem stakeholders. Below are some promotional events suitable for participation.

FinTech Taipei

(<https://www.fintechtaipei.tw/website/Index>)

FinTech Taipei is an annual event that displays the innovativeness of Taiwan's financial technology. One can attend numerous activities including an international forum, an application seminar, and a FinTech demo show. The 2023 edition is scheduled to be held in October.

InnoVEX

(<https://www.innovex.com.tw/en/index.html>)

InnoVEX is a startup exhibition of COMPUTEX TAIPEI that started in 2016 and has grown to be Asia's leading tech startup expo. This exhibition has been growing every year and offers various events including matchmaking sessions, pitch contests, and forum sessions. The 2023 edition is held from May 30-June 2 where Flanders Investment and Trade will participates with an Image Booth to accommodate and showcase Flemish startups.

MeetTaipei

(<https://eng.meettaipei.tw/2022>)

MeetTaipei is a yearly event that started in 2014. Meet Taipei has grown into one of the largest annual gatherings of the global startup community in Asia. Between 2014 and 2021, 176 000+ visitors have attended, 2 900+ startups have exhibited, and there have been 190+ stage shows. The event is powered by Business Next Media (<https://en.bnext.com.tw/>), the most influential technology and business media in the country, and in collaboration with MeetTaipei, Taiwan's biggest startup community. With the goal of showcasing the most complete startup ecosystem, this event allows one to get in contact with the key players and resources of the Taiwan startup scene. The 2023 edition will most likely be held in November.

Smart City Summit and Expo (SCSE)

(<https://en.smartcity.org.tw/index.php/en-us/>)

Smart City Summit and Expo is Asia's biggest hybrid smart city tradeshow presenting IoT solutions. Its areas of interest are smart healthcare, transportation, building sustainability, and startup communities. The 2023 edition takes place in both Taipei and Kaohsiung. The Taipei event is held from March 28 -March 31 (in the Taipei Nangang Exhibition Center Hall 2), and the Kaohsiung event takes place from March 30-April 1 (in the Kaohsiung Exhibition Center). This year's edition is expected to attract 150 000+ visitors and 600+ exhibitors, there will be 1000+ matchmaking sessions and 60+ forums.

Startup Global Program

(https://garageplus.asia/program_international)

The Startup Global Program, organized by Garage+ and Epoch Foundation, is an 8-day program that aims to strengthen connections between international startups and top-tier Taiwanese companies. They organize 2 batches per year, the first batch is held from late May to early June. The second batch takes place in early December. The program is aimed at growth-stage startups in AI & Big Data, IoT & Smart Device, Digital Health, AR & VR, Robotics, and Green Tech. The program offers many benefits, including a booth and demo in COMPUTEX, one-on-one meetings with decision makers, 8-day accommodation, and flight ticket subsidy.



Taiwan Tech Arena

[\(https://www.taiwanarena.tech/\)](https://www.taiwanarena.tech/)

<https://500.co/accelerators/500-global-accelerator-taiwan-with-tta>)

Taiwan Tech Arena was set up by the Taiwan Ministry of Science and Technology in 2018. Their areas of interest are AI or advanced technology in IoT, ICT, biotechnology, healthcare, robotics, smart city, and fintech/insurance technology. TTA collaborates with 500 Global Accelerator Taiwan to organize an 8-week accelerator program that focuses on startup growth, business foundations, and scaling globally. The 2023 edition will most likely be held from August until October.

Flemish companies are welcome to contact Flanders Investment and Trade – Taipei office for further information or assistance.



Startup Island Taiwan. (2021). 2021 Taiwan Municipalities Startup Ecosystem Report. In *Startup Stadium*. Retrieved February 9, 2023, from <https://www.startupstadium.tw/reports>

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Datum publicatie: 27/02/2023

