

2018 Taiwan Startup Ecosystem Survey

Summary of findings

November 2018

Foreword

Rapid progress in technological innovation and changing consumer behaviours are resulting in significant changes to business models, operations and ecosystems around the world. This is reflected in the rise of start-ups, which are breaking down traditional industry boundaries and introducing new competitive dynamics to the marketplace.

This is also the case in Taiwan, which has a thriving start-up culture and a growing group of talented, budding entrepreneurs. Government support is also critical. In February 2018, the National Development Council launched an action plan aimed at creating a robust start-up ecosystem, raising Taiwan's visibility internationally, and making it a leading start-up nation.

To better understand the local start-up landscape, PwC Taiwan conducted the [2018 Taiwan Startup Ecosystem Survey](#) in collaboration with the Taiwan Institute of Economic Research, the Taiwan National Association of Young Entrepreneurs, the Taiwan National Association of Small and Medium Enterprises, and the Taiwan Start-Up Hub of the Executive Yuan.

The survey used an online questionnaire and interviews (with venture capitalists, incubators/accelerators and advisory bodies) to analyse Taiwan's start-up ecosystem, looking at how entrepreneurs are influenced by a range of factors, such as government support, funding and capital market access, and collaborative interactions with larger-scale companies.



資誠



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Survey methodology

The **2018 Taiwan Startup Ecosystem Survey** is based on an online survey and interviews, which were conducted between 20 March and 10 July 2018. The Chinese-only report was released on 15 August 2018.

- › **Online survey** conducted between 20 March and 2 May 2018.

The survey population was sourced from start-ups that had received support from institutions like the Taiwan National Association of Young Entrepreneurs, the Taiwan National Association of Small and Medium Enterprises and Taiwan Start-Up Hub, as well as other start-ups contacted by PwC Taiwan.

The total survey population was 3,500, and 317 valid completed surveys (out of a total of 367) were collected, of which 178 respondents had already formally registered as companies in Taiwan.

- › **In-depth interviews** conducted between 24 May and 10 July 2018.

A total of 25 interviews were also conducted by PwC Taiwan with various start-up entities, venture capitalists, start-up incubators and accelerators, and large-scale enterprises from across Taiwan.

Download the full report at: www.pwc.tw/zh/publications/topic-report/2018-taiwan-startup-ecosystem-survey.html

Key survey findings

70%

of entrepreneurs started a business for the first time

3

top challenges on starting include funding, market conditions and talent

55%

target China as their main overseas market, followed by SE Asia, North America

12%

of respondents plan to go public in the next 3 years

48%

are willing to cooperate with larger companies to develop products/services

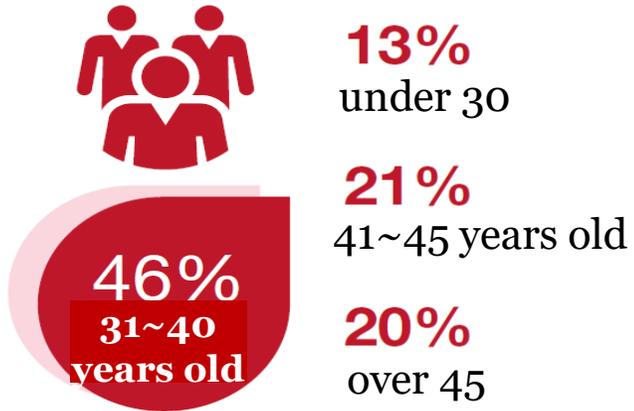
68%

would consider a takeover from a large-scale company

Entrepreneurs and start-up founders

Background profile - entrepreneurs

Age

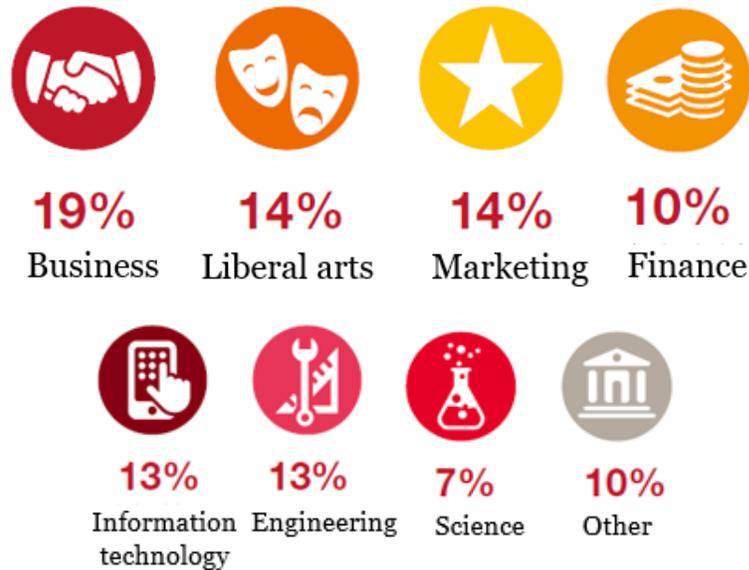


Gender

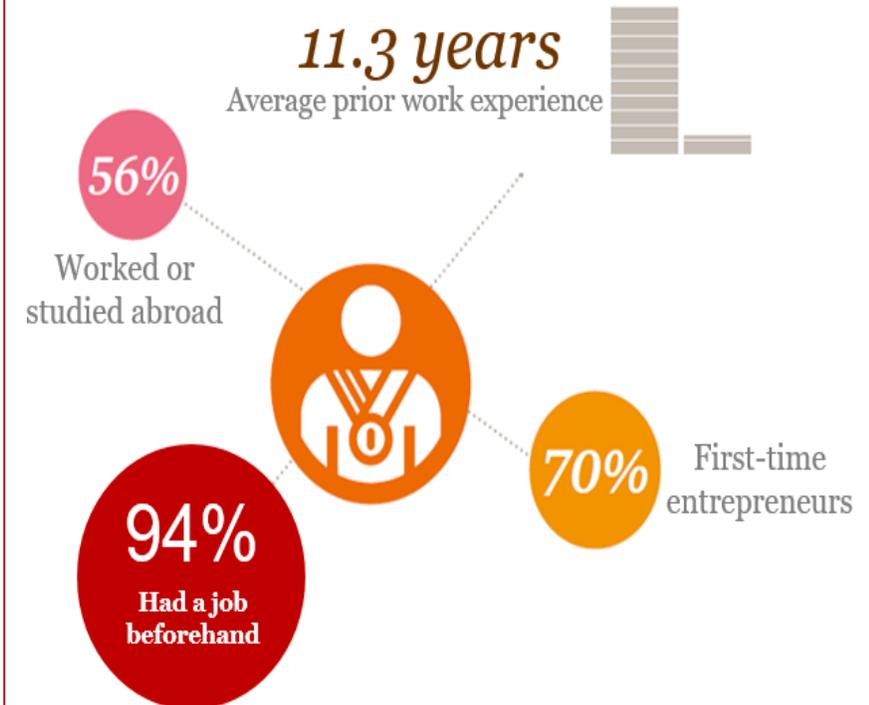


Academic background

57% have business or liberal arts backgrounds

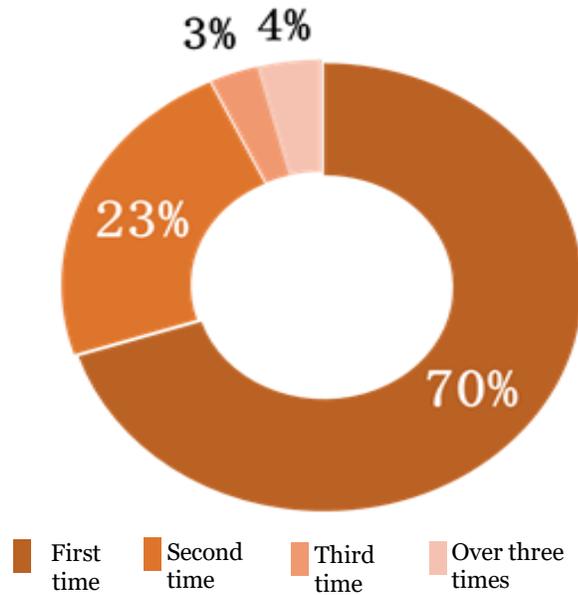


Prior work experience



Background profile - start-ups

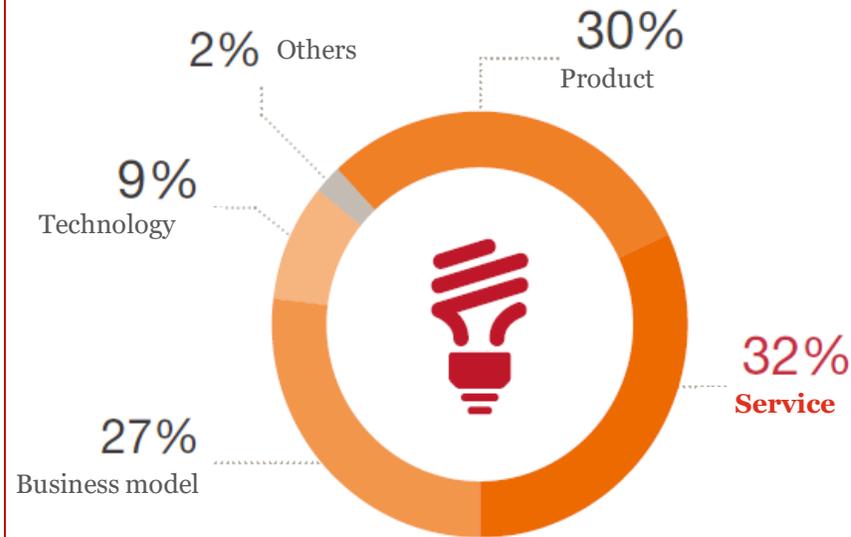
Start-up experience



Top motives for start-ups

1. New market opportunity (35%)
2. Better products/services (33%)

Innovation focus of start-ups



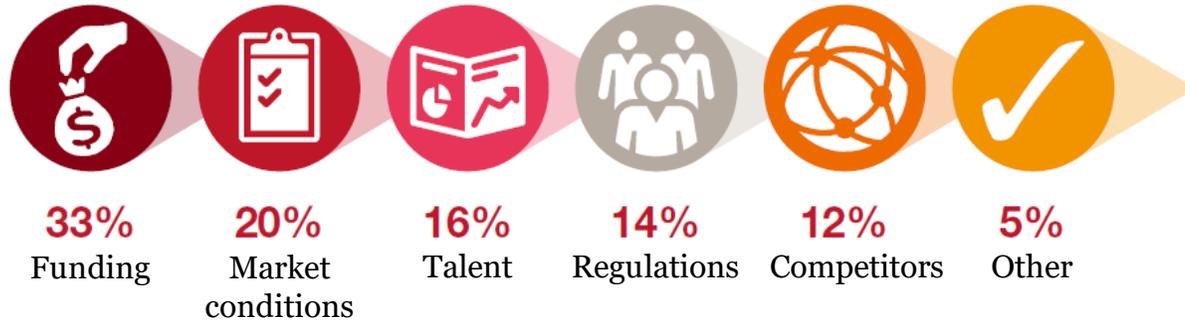
Sector focus of start-ups



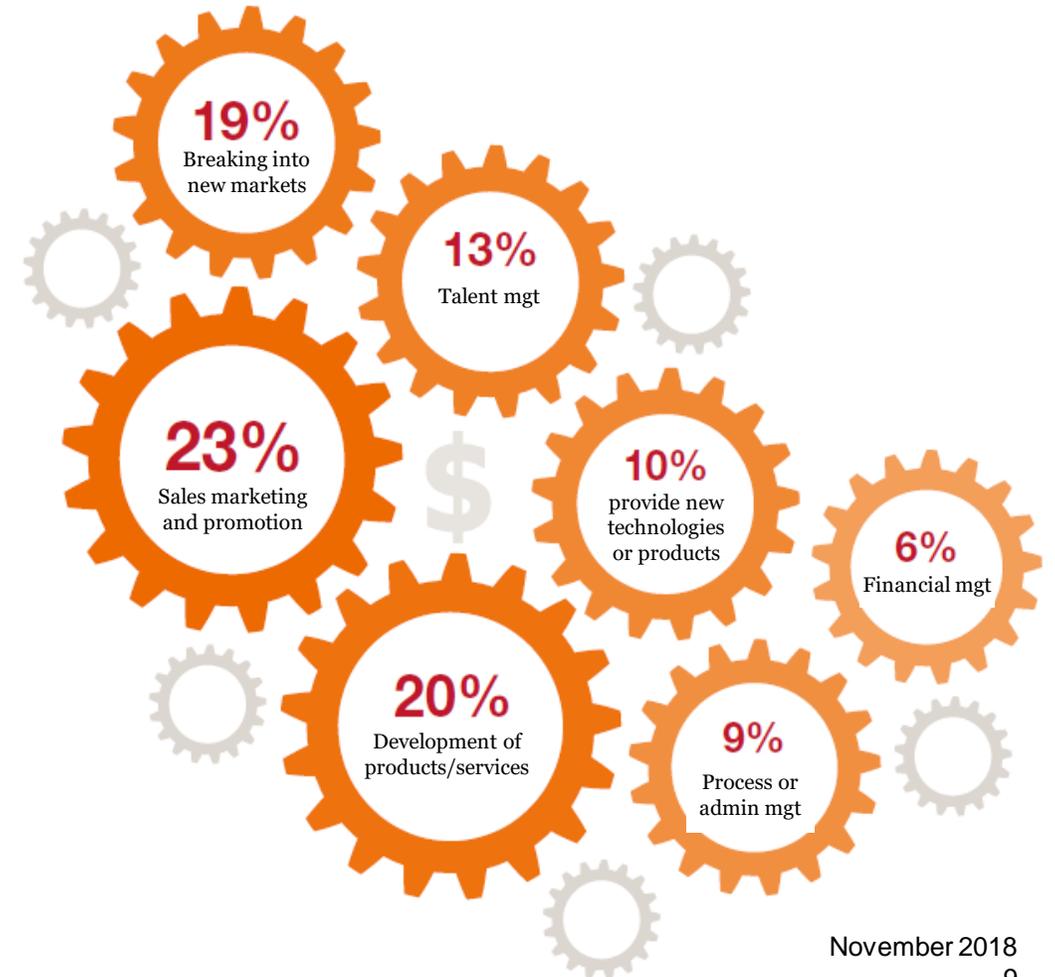
Operational challenges and opportunities

Top challenges and priorities for Taiwan's start-ups

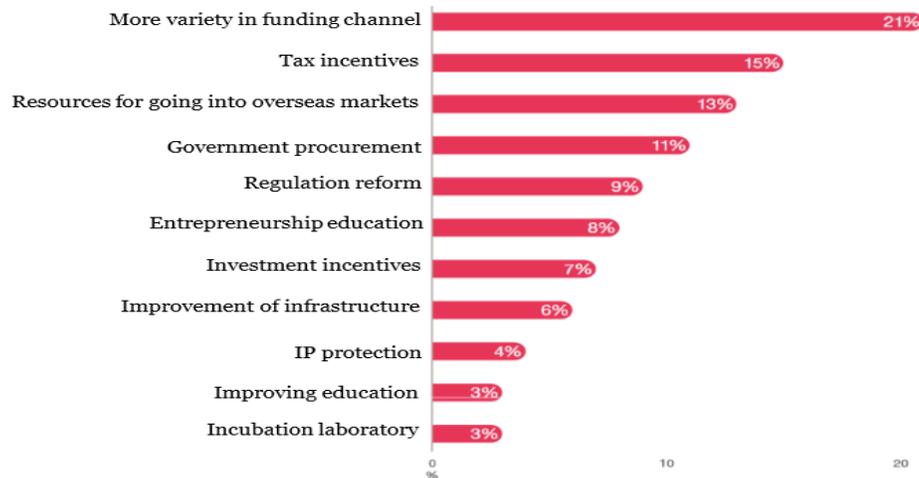
The biggest challenges when starting up



What areas need most improvement?

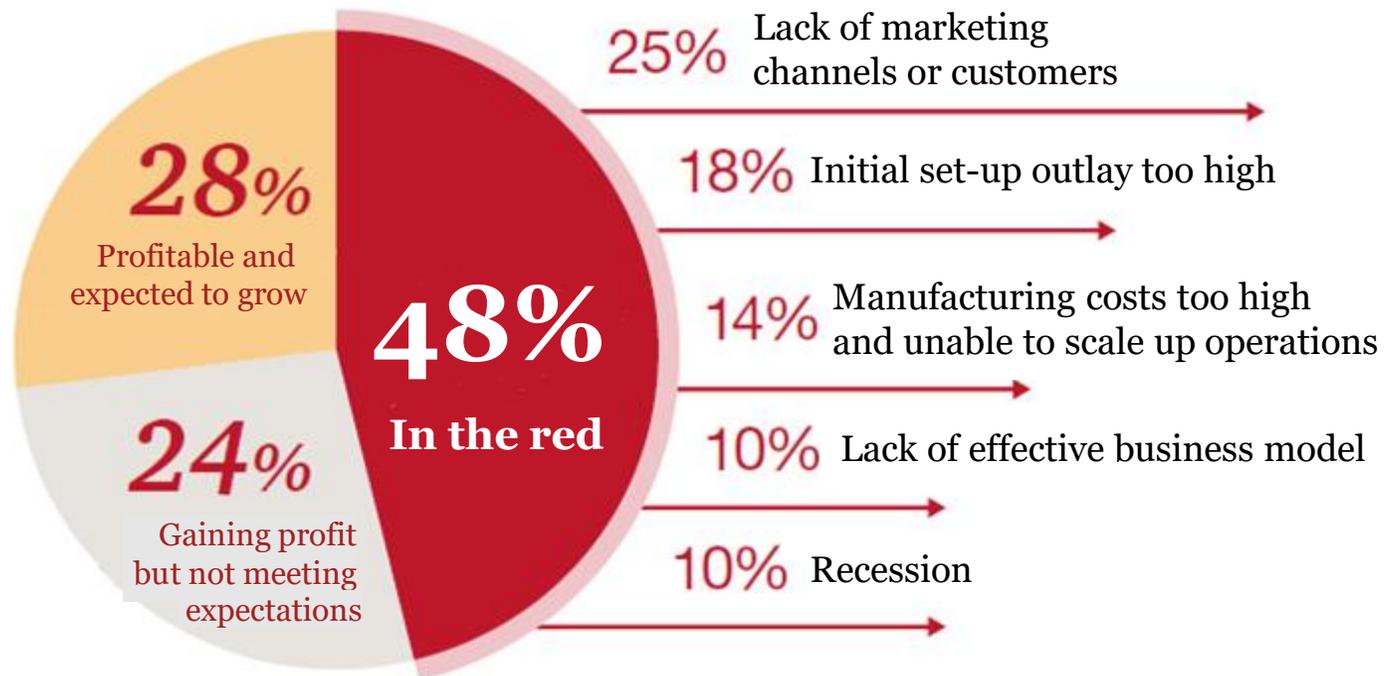


Demands for more government support

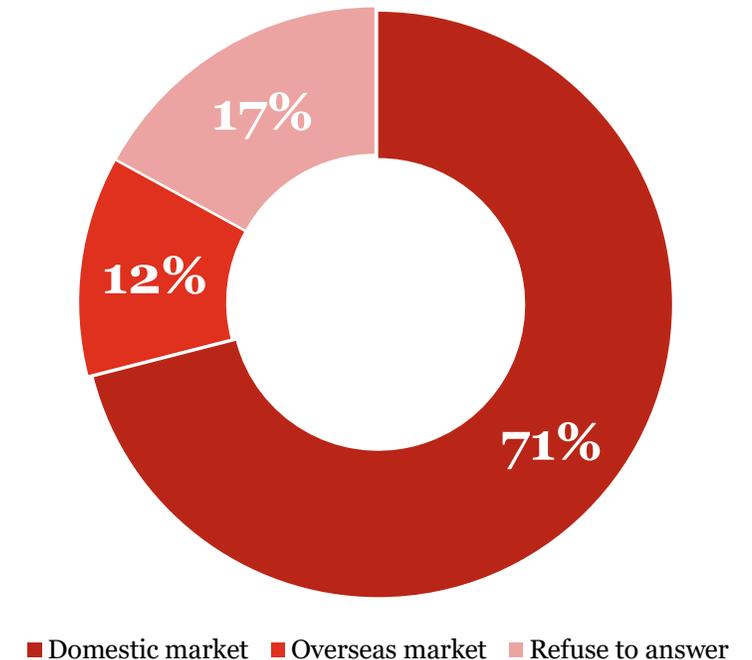


Weak profitability and lack of internationalisation

Current financial status and underlying reasons

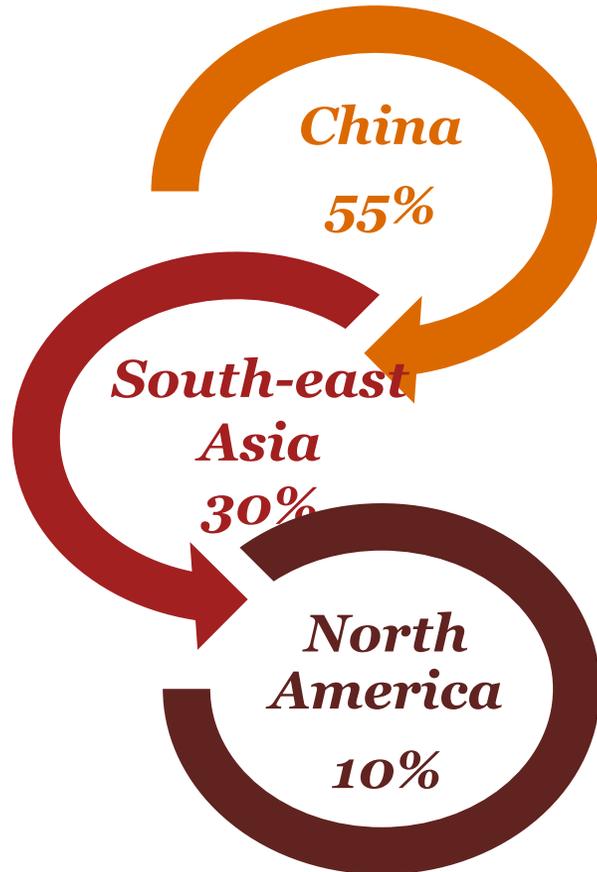


Geographic revenue sources

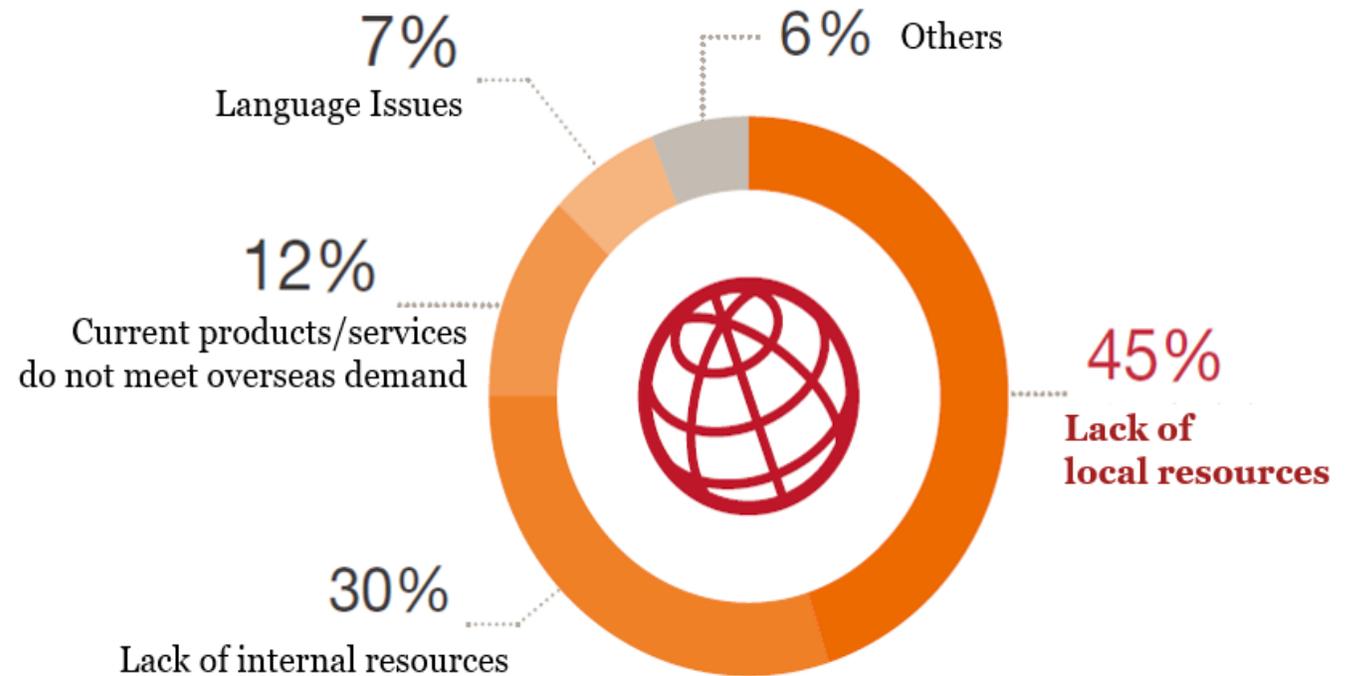


Start-ups looking to expand overseas but lack resources

Top target overseas markets



Constraints on overseas expansion



Funding and capital market access

Start-ups keen to attract external investment

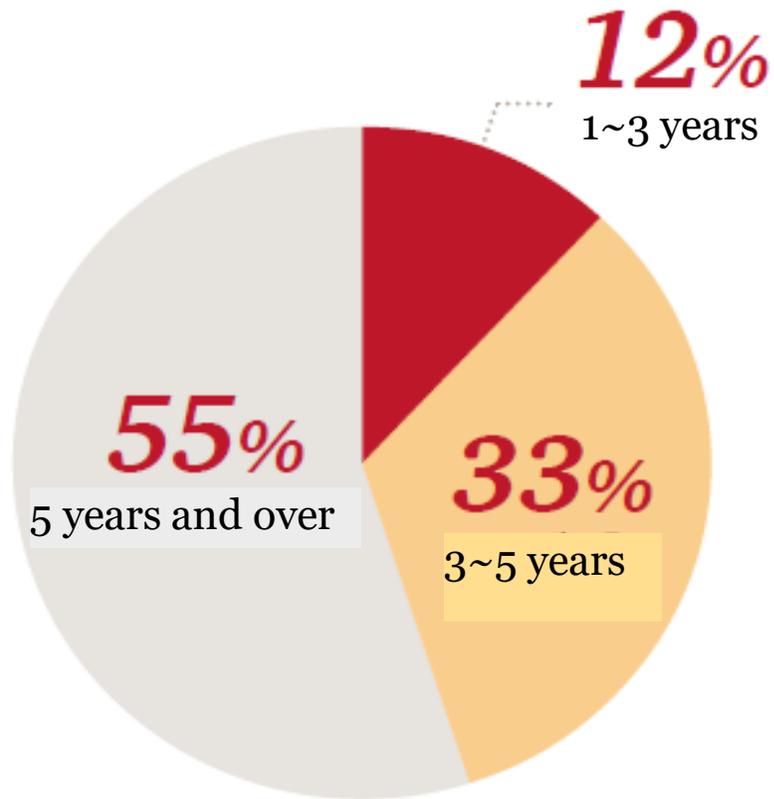
Top motives for choosing investors

Some 69% of respondents plan to seek investment from institutional investors in the next three years. The main reasons for doing so are to obtain access to globalised networks, funding, and specialist expertise.

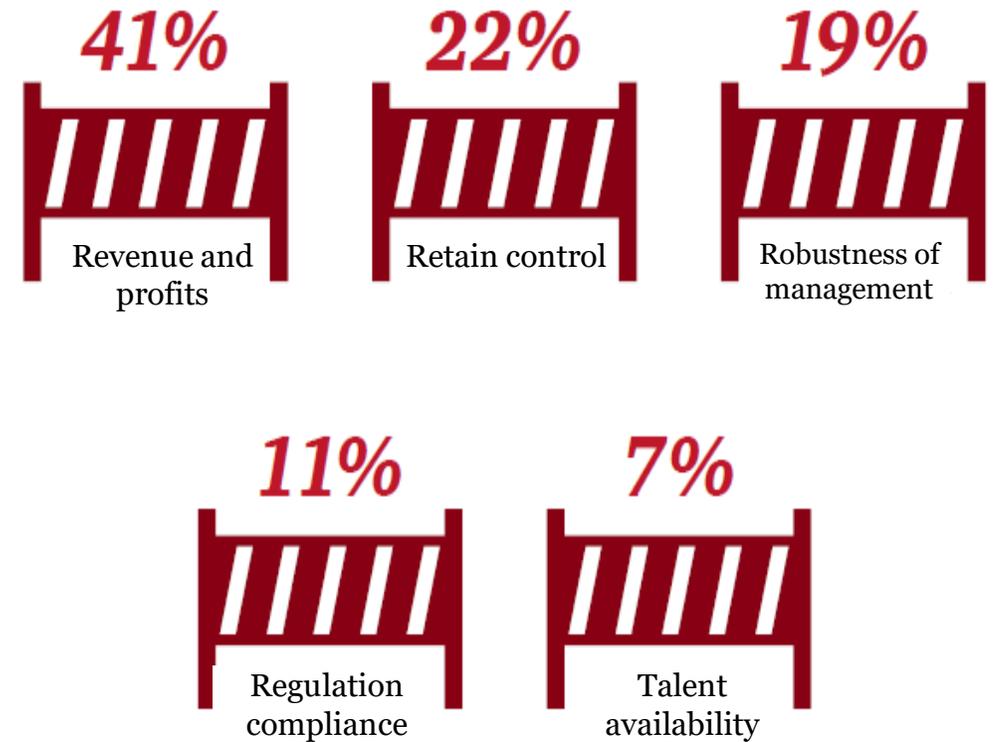


Start-ups' views on whether or not to go public

Any plans for to IPO in next few years?



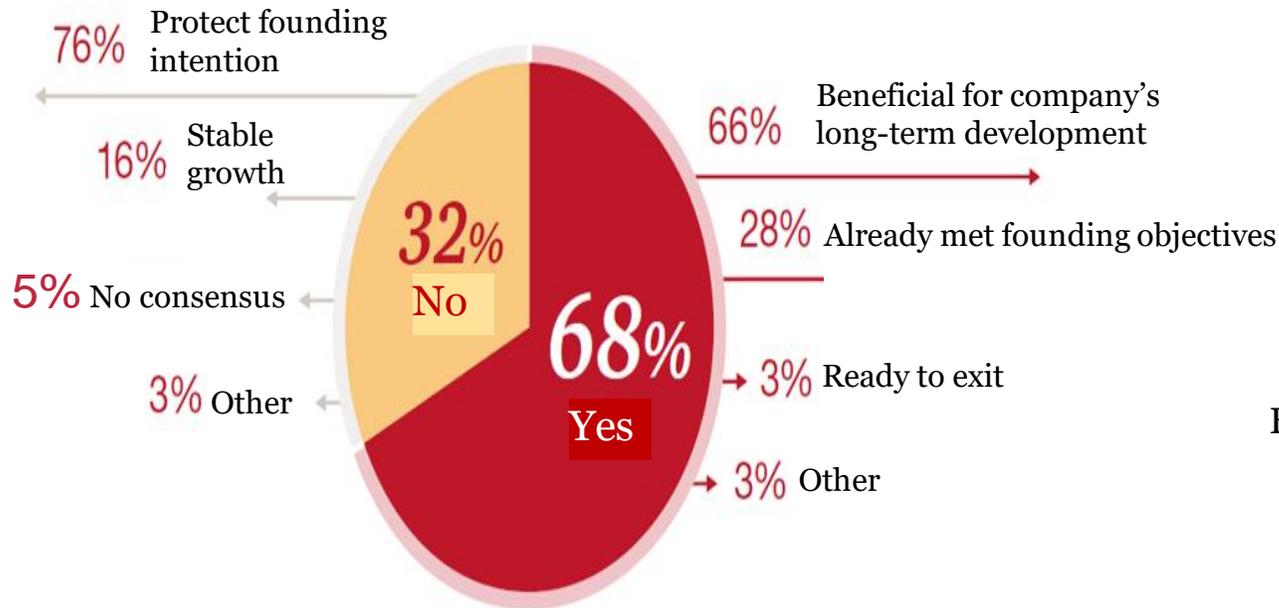
Top considerations for going public



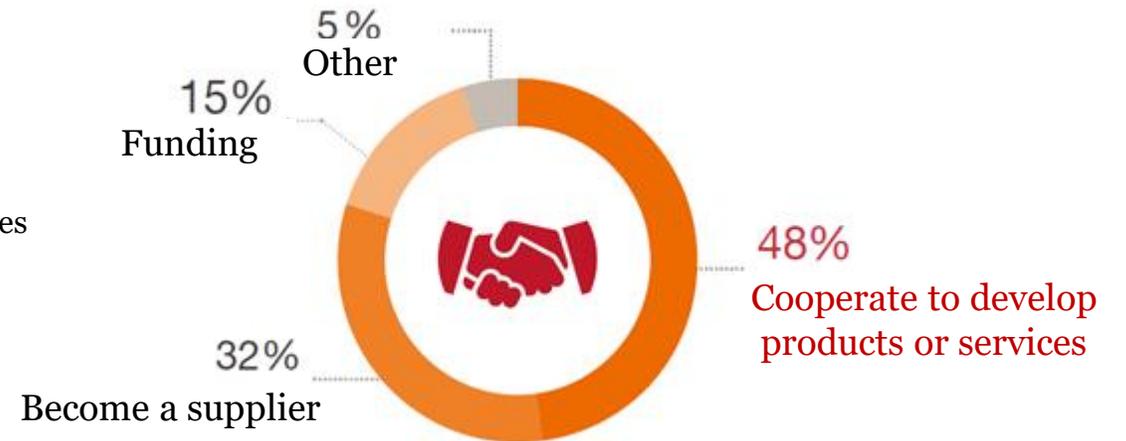
M&A and corporate collaborations

How do start-ups view cooperation with big companies?

In the next 3-5 years, would your start-up consider accepting a takeover offer from a large-scale company? Why or why not?



What kind of business interaction or relationship would you wish to make with a large-scale company?



Contact us

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