

PHILIPPINE INNOVATION AND STARTUP ECOSYSTEM: OPPORTUNITIES FOR COLLABORATION

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PHILIPPINE DELEGATION



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THE PHILIPPINES AT A GLANCE



6.8% GDP Growth 2021 - 2024



1.8% Increase in Population 2021 - 2024



13% Increase in MSMEs 2021 - 2024



3.37%
Increase in
Smartphone Penetration
2021 - 2024



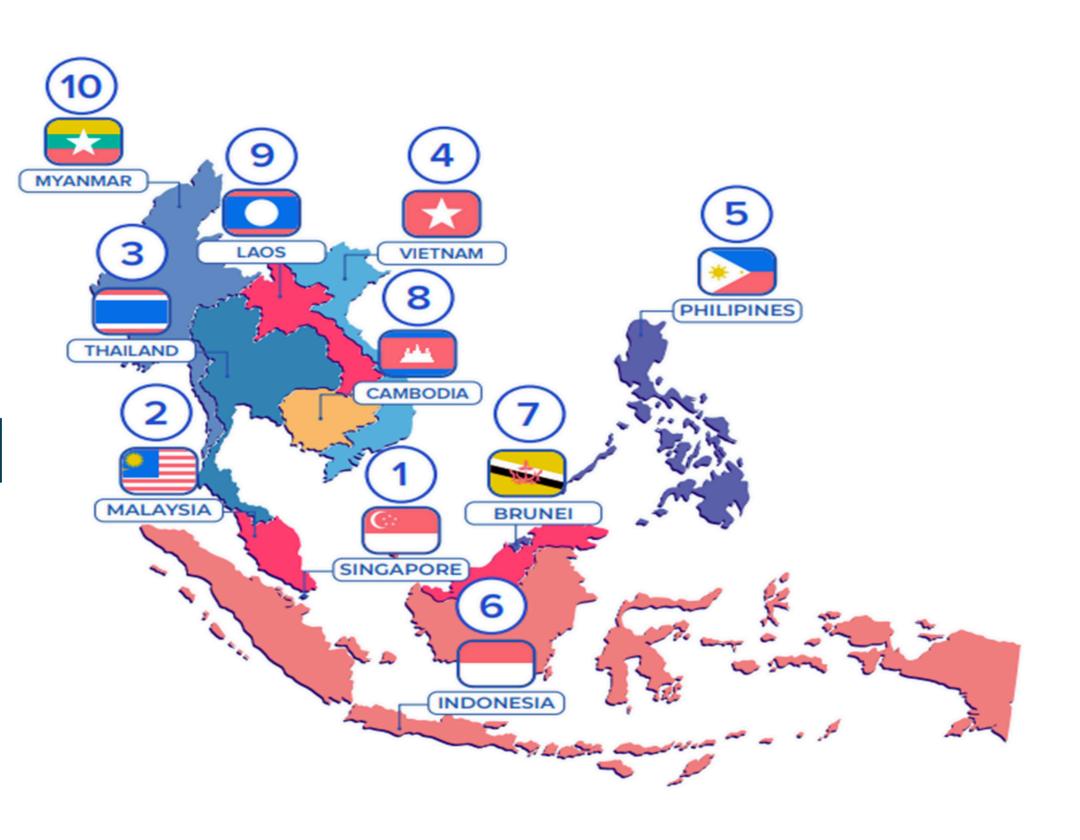
262%Growth in the #
of Cities with 5G
2019 - 2024



73.6% Internet penetration 2024



The State of the PHILIPPINE INNOVATION ECOSYSTEM



59th 2022 GII Ranking GII Ranking

69th Innovation Inputs 2023

52nd Innovation Outputs 2023 Infrastructure pillar improved in ICT Access and ICT use

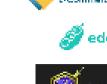
Human Capital and research pillar dropped

Institutions pillar showed no improvement

The ranking dropped due to weakness in scientific and technical articles and new businesses per thousand population

Intellectual property indicators declined

1000+ **Startups**

















AGRO-DIGITALPH





































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Incubators &

































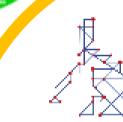












UPGRADE



VALUED AT





Capitalists



























Investors & Venture

















REAL TECH Holdings





























STARTUP ECOSYSTEM RANKING



National Rank	City	Global Rank	Rank Change
1	Manila	101	-6
2	Cebu	459	+9
3	Cagayan de Oro	698	-37
4	Davao	743	+208
5	Naga	831	+73

Philippines is 60th rank in 2024 which is lower in 2023

- Metro Manila has fallen 6 spots to 101st globally but remains the 5th best startup ecosystem in the SEA
- The Philippines retains a total of 5 cities in the Index after the addition of Naga at 952nd

CHALLENGES IN THE PHILIPPINE INNOVATION ECOSYSTEM





SCIENCE, TECHNOLOGY, AND INNOVATION-BASED INDUSTRIAL STRATEGY

To grow globally competitive & innovative industries

Embrace Industry 4.0

- Smart Manufacturing, AI, IIoT, 5G, etc.
- Leapfrog to new & emerging industries
- Transform industries towards an increasing share of STI-intensive sectors to GDP

Innovative MSMEs & Startups

- Upsize MSME & accelerate their growth
- Prepare SMEs for digital transformation
 Build robust startup ecosystem

Integrate Industry Development, Trade and Investment

- Link manufacturing with agriculture & services
- Deepen GVC participation
- Expand trade & investment



Enabling Economic Environment to attract more investments

- Simplification of processes, automation
- Power, logistics, infrastructure
- LGU competitiveness

Upskill/Reskill Workforce

- Build STI & research capabilities
- Upgrade education curricula
- Skills training programs, improve digital skills

Regional development, Innovation, Entrepreneurship

- Regional industrialization through innovation & use of essential technologies for development of regional industries
- Creation of new products, services, business models
- Promote research commercialization

THE PHILIPPINES



117M

population

51.2M

talent pool

1.2M

annual graduates

23.5

median age

MANILA STARTUP ECOSYSTEM

30th Top Asian Ecosystem in Talent & Experience 30th Top Global Ecosystem and 15th Top Asian Ecosystem in Affordable Talent

20th Top Asian Ecosystem in Funding 40th Top Global Ecosystem and 15th Asian Ecosystem in Bang for

Buck

Source: Global Startup Ecosystem Report 2024



Source: CMCI Portal Raw Data, Global Innovation Index 2024 Report

THE PHILIPPINES AS THE EMERGING STARTUP DESTINATION IN ASIA







The Philippines is rich in young and competent tech talent with the potential to discover and develop new solutions in various sectors. The median age in the Philippine is 25.7 years old, with an average of 800,000 graduates annually across a wide range of discipline.



Government Support

The Innovative Startup Act provides programs and Incentives for startup and startup enablers, the Philippine Innovation Act facilitates the country's adoption of Innovation to drive Inclusive development, and the Ease of Doing Business Act speeds up the creation and entry of more businesses in the country. Additionally, the Foreign Investments Act encourages investments to help fuel the overall economy, and the CREATE law provides tax incentives for digital and innovative businesses.



Innovation Ecosystem

The Philippines established Regional Innovation Ecosystems to advance the country's inclusive innovation and entrepreneurship agenda. Through the RIICs platform, various programs of the Government and Private are being executed as a means to collaborate among various innovation stakeholders and address industry problems and needs of the regions.



SECTOR STRENGTHS









E-COMMERCE

FINTECH

LOGISTICS

GAMING



Cognitive AI, Inc. is a technology company founded by Gerry Amisola that specializes in AI solutions to help companies improve their decision-making capabilities and 'turn data into revenue'



Xeleqt A.I. augments internet-constrained work environments with connected A.I. machines that reduce 50% of bandwidth cost and 90% of data collection workloads using offline-first data processing and analytics.



Specializes in AI-based logistics and freight outsourcing services. Although now headquartered in Silicon Valley, it was originally founded in the Philippines.



Betterteem is a predictive analytics platform designed to preempt employee turnover, enhance engagement and improve retention.



Aiah develops advanced AI chatbots that enhance customer service interactions by providing sophisticated and independent problem-solving capabilities.











RA 11337 Innovative Startup Act

The Philippine Startup Development Program

DOST-DTI-DICT MOU on Startup Assistance Program, 2018



6677

THE THREE AGENCIES HAVE IDENTIFIED FOUR STRATEGIC
WAYS TO HELP TECHNOLOGY BUSINESS INCUBATORS
AND STARTUPS – COLLABORATION, POLICY,
PROMOTION, AND EDUCATION.

ROWENA CRISTINA GUEVARA
DOST UNDERSECRETARY









Build Startup Ecosystems and Networks



initiatives and geared Programs towards building a robust community technology will that promote support the entrepreneurship and establishment and development of innovative startups across the country.











Support Research & Development



Philippine government provides funding support to startups to overcome roadblocks. strengthen intellectual property (IP), refine their business model, and prepare business continuity plans for operations scale-up, service roll-out, and expansion.











Accelerate Startup Growth



Incubation and Acceleration programs are specifically designed to help startups strengthen market reach, increase founder talent quality, and scale their enterprises into sustainable businesses.













Increase Venture Funding & Infrastructure Support



The government will co-invest in startups through equity funding to help develop their products, scale up, and expand. Key Infrastructure will be established to support development of new and emerging technologies.













BUILDING THE STARTUP ECOSYSTEM AND NETWORK



SCALE is DICT's **startup mapping initiative** for the startup ecosystem.

24

Full Reports and Roadmaps 2022-23 5

Ongoing Locale Mappings 2024



Startup awareness activities are being conducted nationwide with 269 events and counting with a total of more than 27,000 attendees both online and onsite.

279

Events
Conducted
2022-23

40k

Total Participants **2022-23**



Education Higher Institution Readiness for Innovation and **Technopreneurship** (HEIRIT) **Program** provides universities with a structured preparatory program to guide and equip them to plan, implement, build start and embracing the emerging Start-Up community in their own university".

27
HEIS
Trained to
manage New TBIs

26.5
Million (Php)
Grant Funding

59

TBIs with Approved Funding

342.1M

Million (Php)
Grant Funding

Bootcamp 2023 puts a premium on providing mentors and aspiring mentors with the essential information and tools for them to be fully adept in digital startup development. It aims to pave the way towards a more digitally-empowered Philippines.









BUILDING THE STARTUP ECOSYSTEM AND NETWORK

13

RIICS Established

Regional Startup **Ecosystems**

95

Regional Events

120

Million (Php) **Grant Funding**

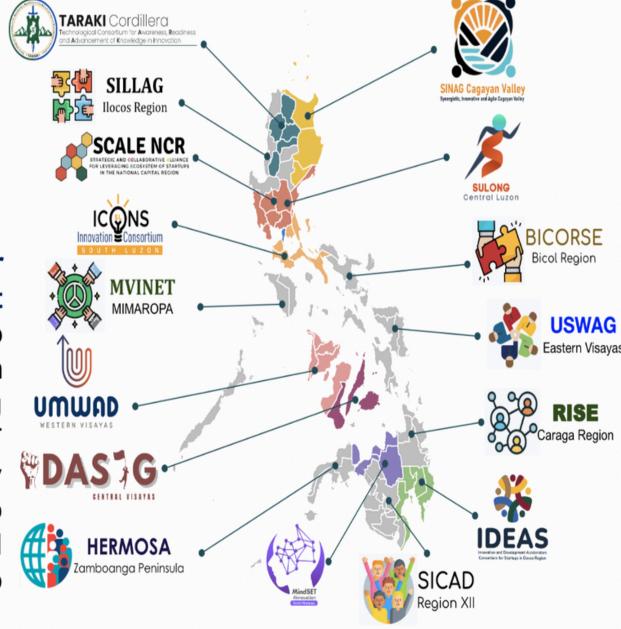




Centers (RIICs) serve as virtual or physical platforms which aim to increase collaboration among innovation stakeholders and innovative generate product, process, or service to address industry problems and needs of the respective regions.



Regional Inclusive Innovation Regional Startup Enablers for **Ecosystem Development** (ReSEED) Program aims to strengthen the startup ecosystem in the regions providing DOST funding support Technology PCIEERD-funded Business Incubators (TBIs) to establishing and lead formalizing a Regional Startup Ecosystem Consortium.









SUPPORTING RESEARCH AND DEVELOPMENT

ICT HEALTH		1	FOOD & AGRICULTURE		INDUSTRY & EMERGING		SOCIAL ENTERPRISE		
Startups Million		rtups M	33.8 illion (Php) nt Funding	21 Startups	53.4 Million (Php) Grant Funding	61 Startups	247 Million (Php) Grant Funding	26 Women-led Social Enterprises	120 Million (Php) Grant Funding
STARTUP SAULT FUND		SGP	TEKI			Fun	Tup Grant d Program ATION & COUNCIL ROY AND EMERGING TECHNOLOGIES EDOST-POLEERD	₹ WH	lWise
Grant Fund will ca startups with produ services currently	ucts or created	a Startup pre- Grant activ	In Health gram supports the commercialization vities of health inology	Grant Fund funding supp innovative st	ARRD Startup aims to provide ort to agri-based artups for them come R&D	Grant Fund a funding	ERD Startup aims to provide support to artups for them come R&D	Women Help Innovating Enterprise Program aims women-led	Social (WHWISE)

Prototype, or Minimum Viable Product stages in ICT-enabled sectors.

DOST SGF that aims innovations to support research activities of startups in the health sector.

roadblocks, to strengthen their intellectual property (IP) by means of protection and development appropriate IP strategies.

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enterprises who are in need of assistance in acquiring technology, R&D, technical assistance, and even mentoring for them to create impact and benefit to

more communities.







ACCELERATING STARTUP GROWTH

IDEATION



INCUBATION & ACCELERATION



SCALING & GROWTH

629

Received

158 **Participating Entrees** Schools



The Philippine Startup Challenge is DICT's flagship startup pitching competition

open for the Filipino Youth ICT-based Startups across the country. PSC aims to and dedicate its center efforts on the young and innovative minds of aspiring **Filipino** Student-Startup founders.

44

Startup Mentees



Step UP, or the Startup-Tailored **Empowerment and People-Focused Upskilling** Project.

are accelerator programs that mostly equity-free, are cohort-based fixed-term, include that programs mentorship and educational components. The end goal of the startup is a culminating activity where the participants are challenged to pitch their minimum viable products (MVP) during the Demo Day.

411 1,643 5,696 Startups Million (Php) Jobs **Incubated Grant Funding Generated**



Technology Business Incubator Program

is one of the strategies identified by Department of Science and Technology (DOST) to promote innovation and technopreneurship for the country's socio-economic development in a knowledge-based world economy.

48

Startup **Graduates**



Incubation. **Development, and Entrepreneurship** Assistance (IDEA)

aims to assist startups are transitioning from having a minimum viable (MVP) product established becoming businessesIDEA program

44

Deals Closed



Accelerating Development, Valuation, and Corporate **Entrepreneurship** (ADVanCE)

aims to assist startups progress through scaling up business operations and enable them deliver to products and services that address strategic societal needs. Startups are in the commercial stages of development.

Internationalization **Activities**



Global Acceleration Program (GAP)

Philippine immerses startups in the ASEAN to enable ecosystem them pursue international business development, fund-raising, and other strategic opportunities.





INCREASE IN VENTURE FUNDING





First government-led startup investment fund aimed to help startups develop their products, scale up, and expand.

Aims to develop the startup ecosystem in the Philippines by:

- Investing in startups alongside accredited co-investment partners
- Investing in selected venture capital funds that in turn will invest in PH Startups



500 Million (Php) Investment Funding 6
Co-Investment
Partners
Accredited





SOLX Technologies became the number 1st investee of the PH Startup Venture Fund together with Real Tech Holdings





is a <u>nationwide conference</u> with simultaneously occurring events showcasing the <u>Filipino startup community</u>

- To showcase the Filipino Startup Community
- To gather stakeholders and supporters of the startup ecosystem
- To inspire innovation and build communities across the region and globally showcasing Filipino startups

The Center for AI Research (CAIR)

A **public-private partnership** hub for data scientists & researchers to

 Perform collaborative Al R&D and technology application among government agencies, universities, research institutes, startups, SMEs, domestic large enterprises and MNCs

- Offer consultancy services and AI tech products
- Conduct data literacy programs and develop learning modules to upskill and reskill the workforce
- Attract leading global firms to set up R&D activities in the country

Focus Areas: Manufacturing | Services | Precision Agriculture | Construction | Finance/banking | Healthcare | Resilience Technology | Smart Cities

50+ tech startups in the Philippines are already using AI as a core technology in their business model

Fintech / E-Commerce / Digital Health / Sensors / Digital Services



























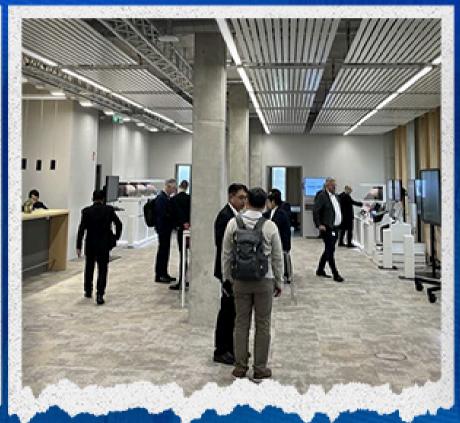




ESTABLISHING THE INDUSTRY 4.0 PILOT FACTORY IN THE PHILIPPINES









It will serve as a technology platform for various stakeholders; and a training and research hub where industries can have hands-on experience on Industry 4.0 applications.

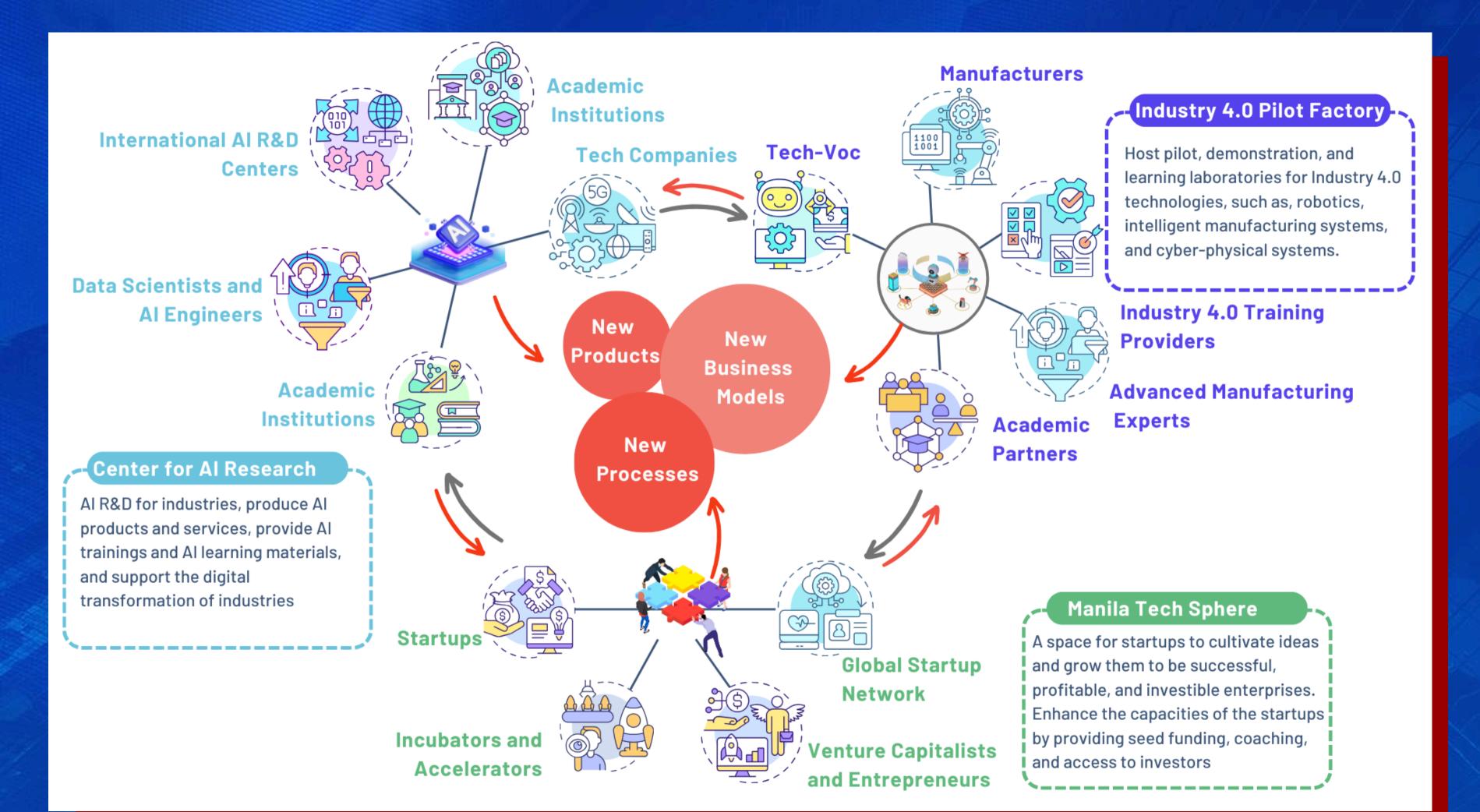
Photos from Bosch CU.BE in Ulm Germany and Siemens Digital Experience Center in Erlangen Germany

NATIONAL STARTUP ACCELERATOR PROGRAM

Powered by PLUGANDPLA

- Accelerate the growth of local startups.Bridge the gap between startups and corporations.
- Attract investments to drive economic growth and technological advancement.Foster a vibrant and supportive startup
- ecosystem.
- Create cutting-edge technologies and disruptive business models.
 Realize the Philippines' potential as an emerging startup destination in Asia.
 Elevate the country's global competitiveness in inner vetices.
- in innovation.

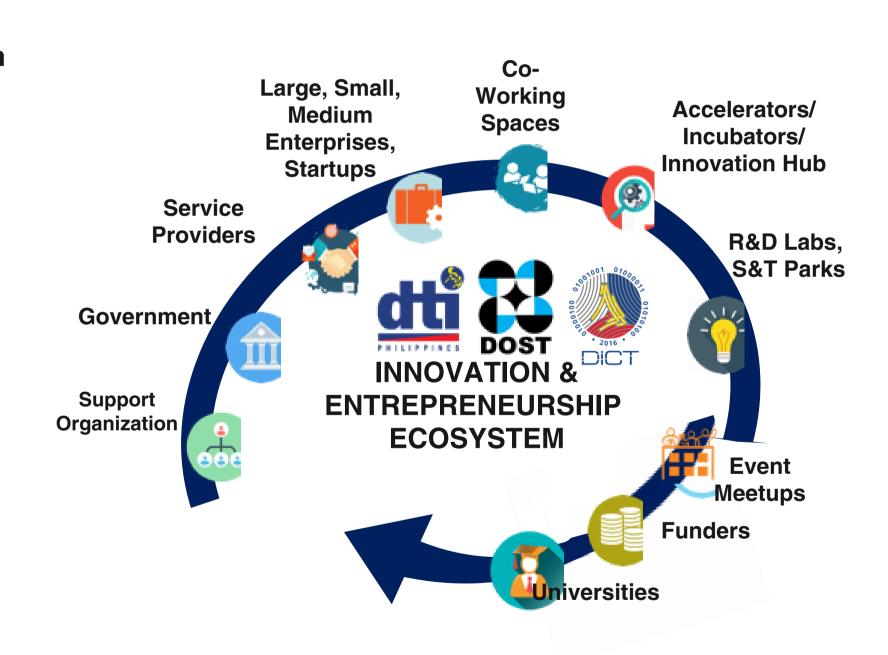




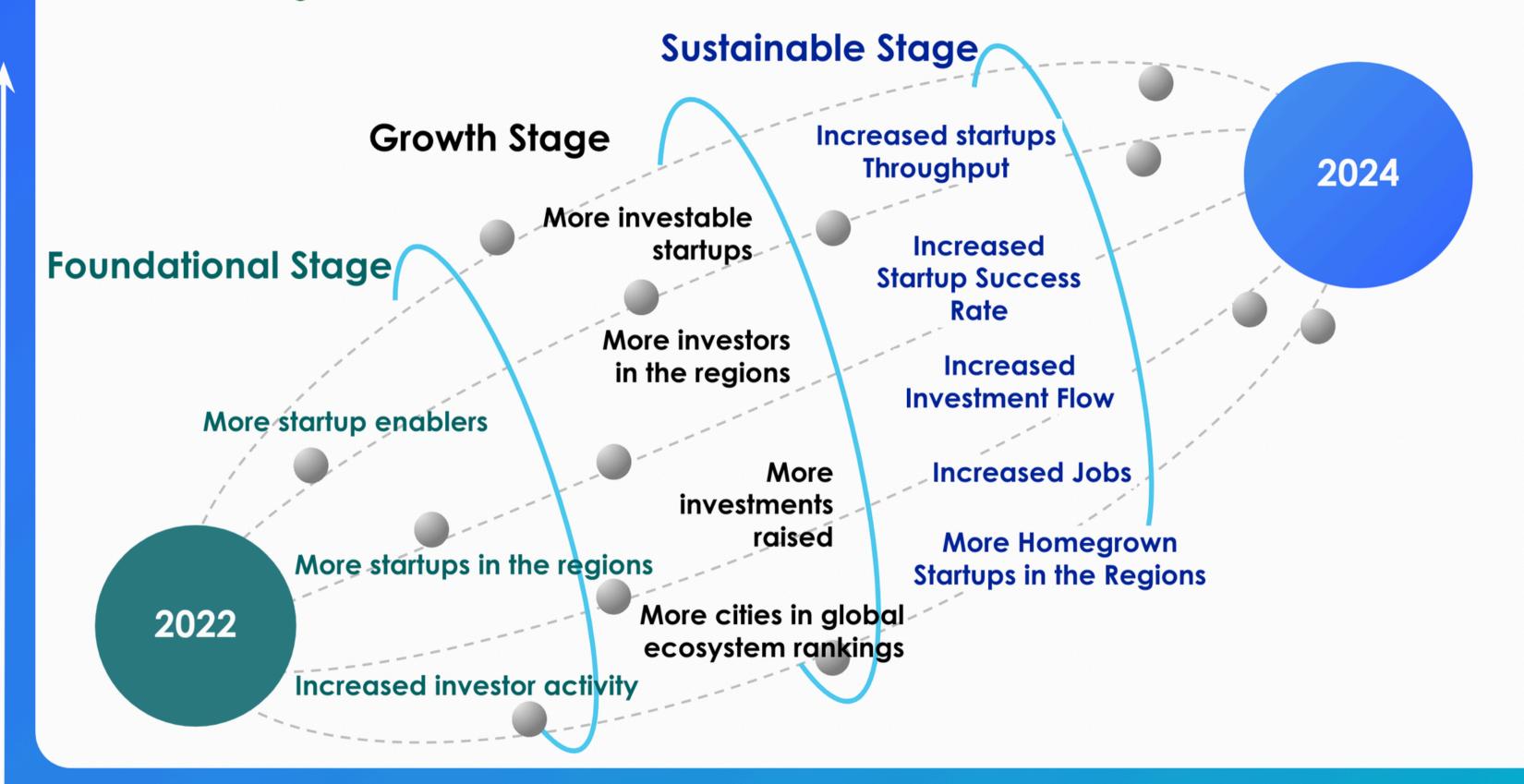
Bridging Innovation and Entrepreneurship 13 Regional Inclusive Innovation Centers in 11 Regions

S&T driven regional innovation system and commercialization of research based on collaboration

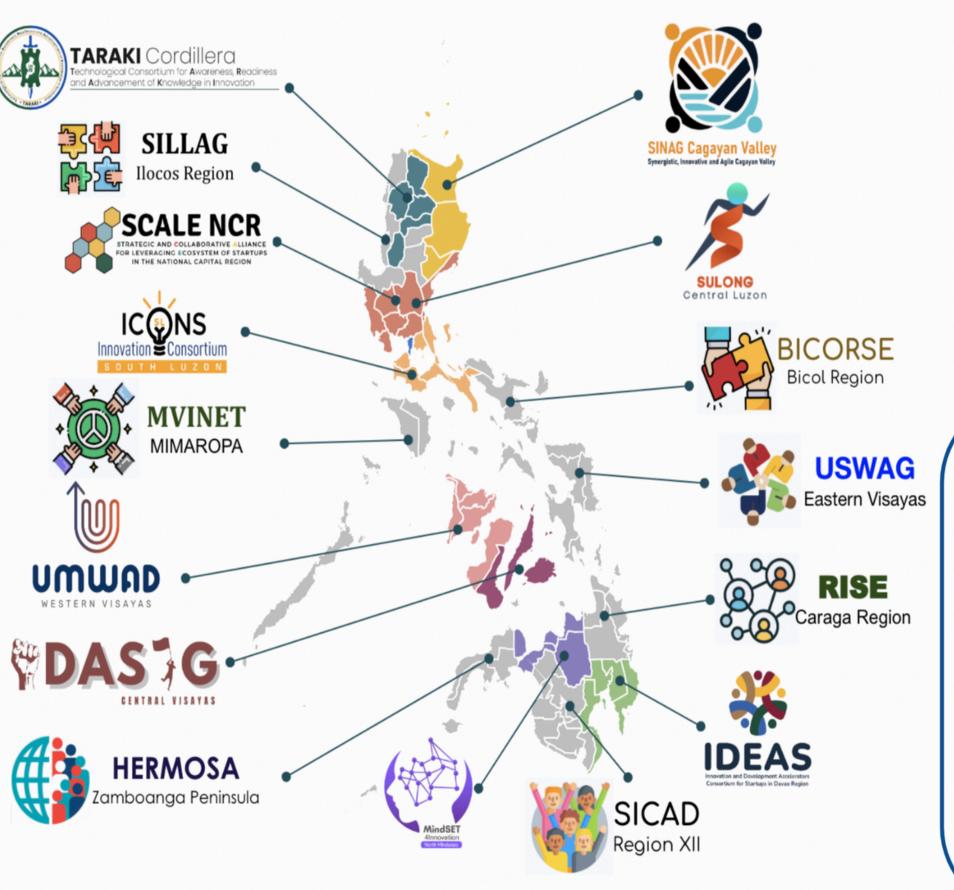
- ATTRACT: Accelerators Towards Transformative Regional Advancement and Transcendence in Cordillera
- SHINE Cagayan Valley: Sustaining Harvest through Innovation & Nurturing Enterprises
- THRIVE Central Luzon: Technological Hive of Regional Innovation through a Vibrant Ecosystem
- LINC Calabarzon: Linking Innovation Networks for Competitiveness in Calabarzon
- BRIDGE Bicol: Building Resilience and Innovation to Drive Growth of Enterprises in Bicol
- WEAVE Philippines: Weaving Towards a Global Vibrant Ecosystem Region 6
- Startup Island: Cebu
- INNOV8: Region 8
- Zampen Innohive: Region 9 Zamboanga
- ILIGANICE: Innovation through Leveraging Industry, Government, Academe Networks and Inclusive Community Engagements in Region 10-Iligan
- OROBEST: Optimizing Regional Opportunities for Business Excellence through STI in Cagayan de Oro
- Bukidnon PRIME: Bukidnon Program for Research and Innovation towards Excellence
- iSTRIKE Davao: Davao Regional Inclusive Innovation Center



The RESERVE SEED Startup Ecosystem Framework



Objectives of ReSEED for the Regional Startup Ecosystems



Track 1: Foundational Track (Year 1)

- Institutions/organizations onboarded
- Regional Startup Ecosystem Consortium formalized with organizational structure
- Startup Ecosystem Mapping conducted
- Regional events conducted
- Regional Startup Development Plan Developed
- Regional Development Council (RDC) Resolution Secured

Track 2: Growth Track (Years 2 to 3)

Year 2

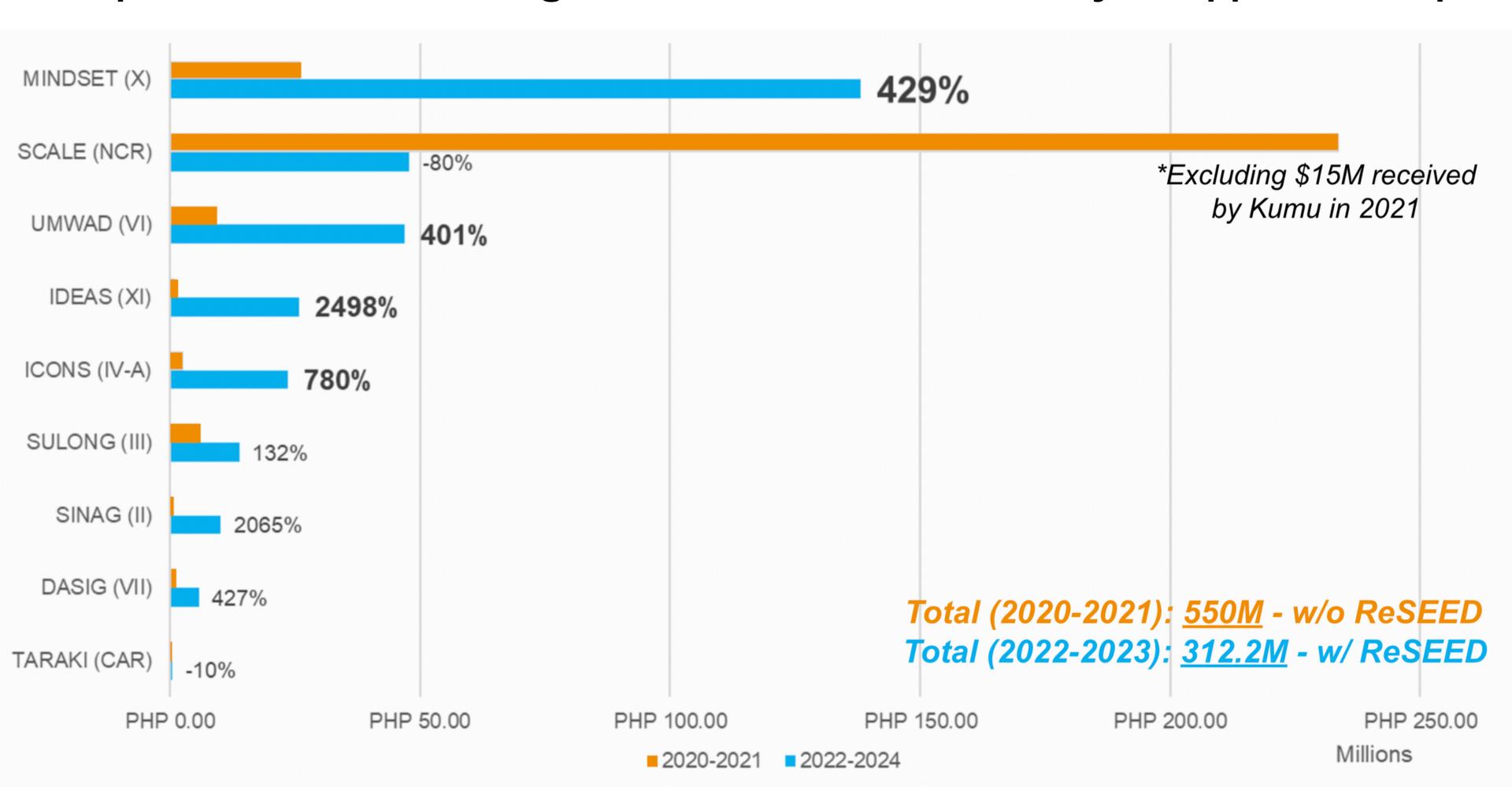
- Partnership with an Accelerator
 Established
- Regional events conducted
- Provincial startup mapping activities conducted
- Linkage with Focal
 Organizations in less active
 provinces established
- Local investors engaged

<u>Year 3</u>

- Regional events conducted
- Local/city ordinance for startups and startup enablers established
- Regional Investor Group Established
- 5-year Regional Startup Development Roadmap Established
- Less active provinces with increased startup activities
- Startups Accelerated with a partner accelerator



Impact of the ReSEED Program: Investments Received by Philippine Startups





PLATFORM FOR INNOVATING SUCs FOR INDUSTRY 4.0 (PISI)

- Spearheaded by the Philippine Association of State Universities and Colleges (PASUC)
- Of the more than 2,000 HEIs in the Philippines, 114 are SUCs (more than 50% of the total population)
- Aggregate and capitalize intellectual capital of state universities and colleges

Position the Philippines as a globally competitive leader in Industry 4.0



2020-2024 BIPH

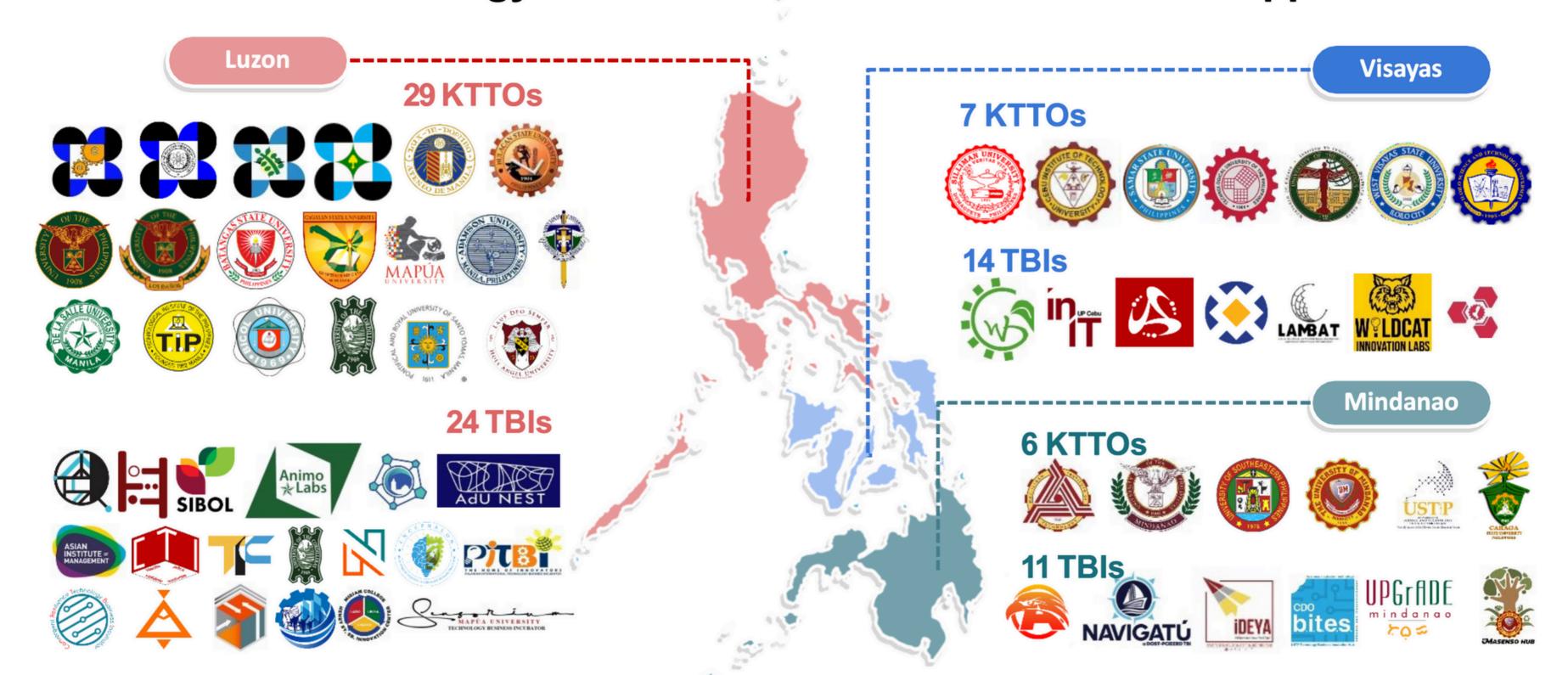






KTTO: 12 Knowledge and Technology Transfer Offices

TBI: 59 Technology Business Incubators Across the Philippines



TRAININGS PROVIDED BY THE TBIS













Pitching

Branding

Design Thinking

Proposal Writing

IP Protection

Technopreneurshi

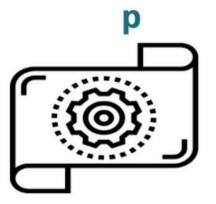












Accounting/ Financials

Corporation/ Registration

Team Development

Business Development

Customer Discovery

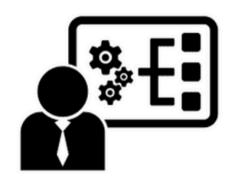
Prototype Development



Marketing



Technology Validation



Project Management



Data Privacy



Negotiation/ Investor Relation



Laws/ Contracts



Pioneering the KIST Park Development at Batangas State University







BatStateU KIST Park is the first of its kind Special Economic Zone through Proclamation No. 947 last May 22, 2020 under the Philippine Economic Zone Authority (PEZA)



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New Partner
Private
Accelerators of
the PH Startup
Ecosystem





























Investor Partners



Engr. Elpidio Paras President & Chief Executive Officer at Parasat Cable TV, Inc.



Matthew Kolins Holding Senior Positions at



Leopoldo Molinos Executive Director, Fil Chi Chamber of Lanao



Henry Chong Kaya Founders



LLK Partners.



James Yu Founder JY Dimsum and FilChi Chamber of Lanao



Joseph De Leon Manila Angel Investors Network (MAIN)



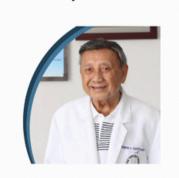
Simon Bauer Founders Launchpadc



Warlito Guerra Tremonte Group, Inc.



Provided investment to 2 startups of MC TBI



Dr. Gustillo from Bacolod provided P1.5M investment to Ayo Biomed Tech Inc. (TUPV Hive incubatee)



investment to AIMHI (iDEAS DAVAO)



Provided P6.7M investment to WELA (CDO bites & QBO incubatee)



Provided P100,000 investment to MoM (BULSU incubatee)



Provided P1M investment to WELA (CDO bites & QBO incubatee)

> **CEO Valley** provided P1M to clinic+, an incubatee of iDEAS **DAVAO**



Provided **P100,000** investment to Alipugpug Tech (UM incubatee)

Joe Gene Quesada provided P3.3M investment to WELA (CDO bites & QBO incubatee)

Henry Banayat provided P50,000 investment to 3 startups of TARAKI





iLED Foundation provided **P250,000** investment to Mulave Foundation (WVSU incubatee)

Private individual provided P23.6M (OBXS P12M, Virtualahan 7M, and AIMHI) (iDEAS DAVAO)

From PRIVATE/ CONFIDENTIAL **INVESTORS** provided investments to TBI incubatees amounting to

P779M







UNLOCKING FILIPINNOVATION

Passage of Republic Act No. 11293 or the Philippine Innovation Act on 17 April 2019

Adopts innovation as a vital component of the country's development policies to drive inclusive development.

Promotes growth and national competitiveness of MSMEs.

NATIONAL INNOVATION COUNCIL

The National Innovation Council (NIC) is a 25-member council that will steer the whole-of-government coordination and collaboration, and remove the fragmentation in innovation governance.

Chairperson

President of the Philippines

Vice-Chairperson

Secretary of the NEDA

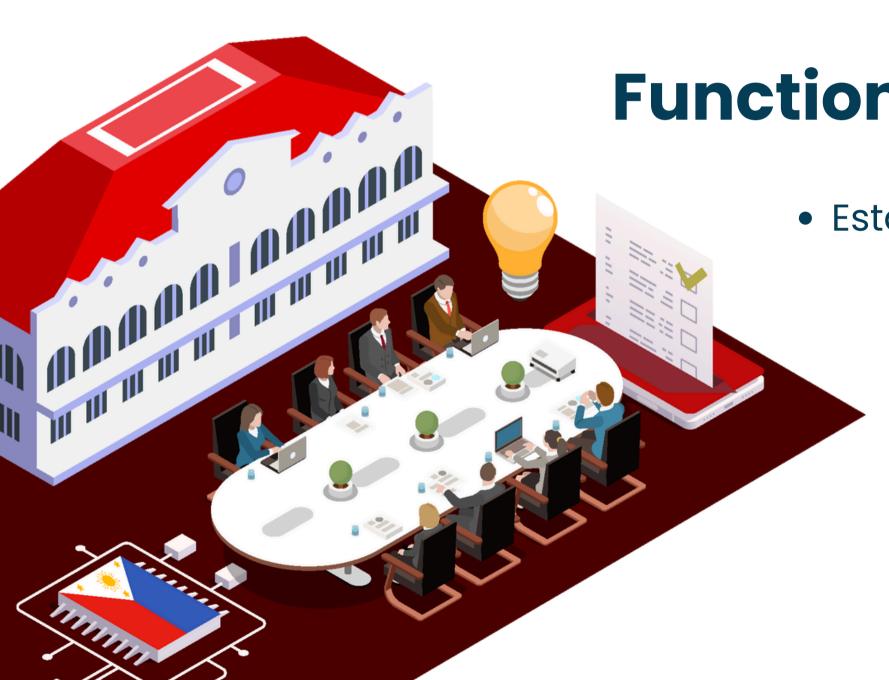
16 Ex-officio Members

DOST, DTI, DA, DENR, DOH, DOTR, DOE, DND, DICT, CHED, DBM, DILG, DepEd, DFA, DOLE, IOPOPHL

7 Executive Members

from the ranks of businesses (large enterprises), entrepreneurs (MSMEs), arcademe, and scientific commonly

NATIONAL INNOVATION COUNCIL



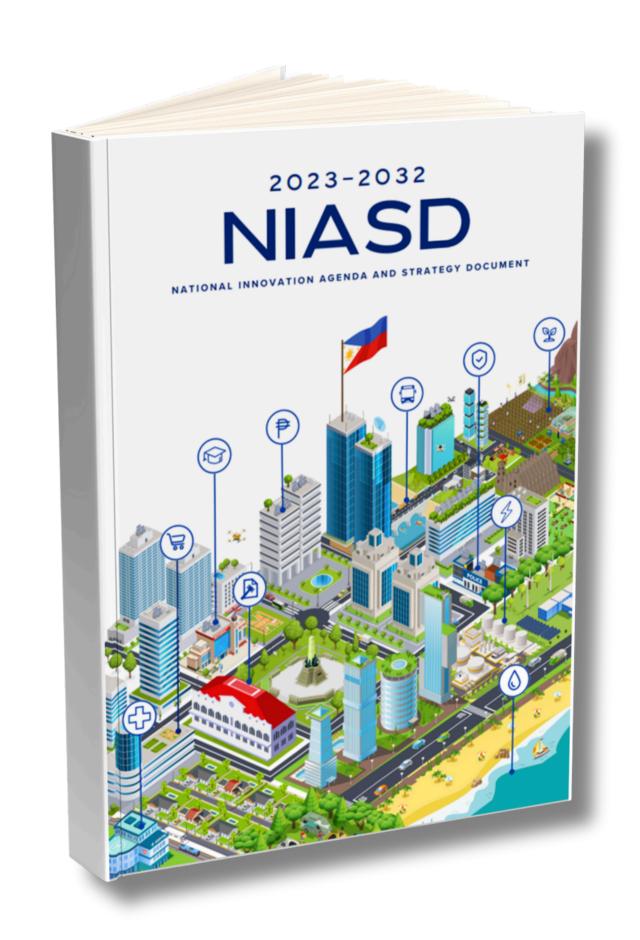
Functions and Mandate

• Establish and administer the Innovation Fund

 Develop the country's strategic vision for innovation and long-term innovation goals and priorities

 Develop the National Innovation Agenda and Startegy Document (NIASD)

NATIONAL INNOVATION AGENDA AND STRATEGY DOCUMENT (NIASD 2023-2032)



DTI x ADB: Promoting Industrial Sustainability and Transformation through Innovation and Entrepreneurship (PRISTINE) Project

Strengthen innovation, startup, Industry 4.0 ecosystem

- Develop industry transformation maps for priority sectors
- Strengthen startup incubation and acceleration ecosystem
- Support new technologies adoption/adaptation in key industries

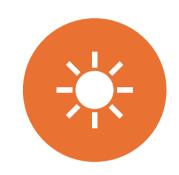
Establish industrial transformation and green transition

- Establish the DTI National Innovation Gateway housing advanced technology centers
- Establish Regional Innovation hubs that will feature renewable energy, smart technologies for resilience, agriculture, emobility, etc.

Enhance institutional capacity for innovation

- Strengthen the institutional capacity of DTI and select STI institutions
- Develop talent pool in industry 4.0 training and assessment, startup eco- system operation, and S&T Parks management

PRISTINE: Priority Industries and Focus Sectors



Renewable energy



Agriculture and agro-industry



Semiconductor and electronics



Electric vehicle and autonomous vehicle



Artificial intelligence and ICT



Health and Pharmaceutical

Accelerating the Development of S&T Parks: Cultivating Innovation, Collaboration, and Industrial Transformation and Discovering the Country's Future Industry

Breakthroughs



Batangas State University: semiconductor, smart manufacturing and tech, engineering education



University of Science and Technology of Southern Philippines: RE, renewable materials, agri processing, semiconductor, microelectronic device



DTI National Innovation
Gateway
Metro Manila





University of the Philippines: RE, EV, health tec, pharma, AI, supercomputing, agritech





Mariano Marcos State
University: RE, climate/green
tech, food tech, agriculture,
tourism, creatives, tourism

NATIONAL INNOVATION GATEWAY



The permanent space for the Industry 4.0 Pilot Factory and the Center for Artificial Intelligence Research (CAIR);



An SME innovation academy;



Startups, financial intermediaries, enterprise tenants;



Academic and think tanks space for forward-thinking education and tech policies; and a



One-stop government solutions for businesses and investors.







THANK YOU

Let us INNOVATE and COLLABORATE!











