



2025

White Paper on Startups

Foreword

Innovation and entrepreneurship are the core engines driving economic growth and industrial innovation. They are also key to economic resilience as Taiwan's industries confront challenges brought about by the restructuring of the global supply chain, the transition to net zero, and the rapid iteration of AI technologies. With his National Project of Hope grand blueprint, President Lai Ching-te has elevated innovation and entrepreneurship into a national strategic priority. Guided by this vision, the Ministry of Economic Affairs is committed to advancing cross-domain integration and product-service innovation, positioning startups as the best partners for upgrading and transforming existing industries. Our goal is to establish Taiwan as a net exporter of innovative solutions and to secure an indispensable role within the global innovation ecosystem.

As of the end of 2025, the number of startups in Taiwan had increased to 10,552, spanning diverse industry sectors including healthcare, biotechnology, electronic hardware, green energy, software and analytics, retail, and cultural and creative industries. Among them, 278 companies had been listed on the public market, a testament to their solid capabilities in transitioning from startups to capital market participants. Early-stage investment in startups also continued to grow, reaching US\$3.34 billion in 2024 and reflecting strong confidence from capital markets in innovative solutions. This dynamic development has also gained international recognition. In the IMD World Competitiveness Yearbook 2025, Taiwan was ranked sixth globally, while the Global Entrepreneurship Monitor (GEM) ranked Taiwan third globally in the National Entrepreneurial Context Index (NECI). These rankings show that Taiwan possesses a world-class entrepreneurial ecosystem and also highlight its robust capacity to drive innovation and expand its global presence.

In March 2025, the Ministry released the first White Paper on Startups. By using detailed data on startup operations, financing, and policy resources, the report presented a comprehensive analysis of Taiwan's innovation and entrepreneurial ecosystem. It generated widespread positive response, with experts across academia, industry, and government offering valuable recommendations on entrepreneurial education, corporate collaboration, and internationalization strategies. This demonstrated that the white paper had successfully established an important platform for dialogue, for which I express my sincere gratitude.

Building on this foundation, the current white paper continues to use rigorous data to track the startup ecosystem dynamics. More importantly, it also reflects on the challenges and transformation opportunities facing Taiwan's innovation and entrepreneurship amid rapid global economic shifts. In response to stakeholder feedback, the white paper provides in-depth analysis on cultivating entrepreneurial talent, strengthening collaboration between corporations and startups, enhancing international policy linkages to raise visibility, and seizing opportunities in AI innovation. These insights form the basis for policy formulation and action directions. Looking ahead, we hope this white paper will continue to serve as a cornerstone for policy communication. We invite ecosystem partners to jointly deliberate strategies, pool collective wisdom, and reinforce Taiwan's innovation and entrepreneurial ecosystem, thereby expanding Taiwan's global influence.

A handwritten signature in black ink, appearing to read 'GJ Lee', with a stylized, cursive script.

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Chapter 1. Innovation and Entrepreneurial Ecosystem

Highlights

Faced with global competition, innovation and entrepreneurship have become essential drivers of national development. This chapter analyzes the current state of Taiwan's innovation and entrepreneurial ecosystem, investment activities, and regional clusters. It illustrates how Taiwan leverages its strengths in semiconductors, ICT, and AI, combined with the innovation capacity of startups, to showcase its entrepreneurial competitiveness that is on par with global leaders.

● Taiwan's Innovation Advantages and Features

- The government has elevated innovation and entrepreneurship into a national strategic priority, with policy focused on the Innovation and Entrepreneurship Rainforest Ecosystem. Measures include regulatory relaxation, investment facilitation, infrastructure development, and international linkages. Through the National Project of Hope and the Taiwan Chip-based Industrial Innovation Program, key technologies such as semiconductors and AI are integrated with startup innovation, with the goal of making Taiwan an exporter of innovative solutions within the next decade.
- Taiwan's innovation and entrepreneurial ecosystem has demonstrated strong competitiveness in international rankings, consistently performing well in policy support, infrastructure, and corporate efficiency. In the Global Entrepreneurship Monitor (GEM) 2025 National Entrepreneurial Context Index, Taiwan ranked 3rd worldwide.

● Overview of the Innovation and Entrepreneurial Ecosystem

- Taiwan's startup sector is thriving. There were 10,552 startups in 2025, which created 105,000 jobs. Of these, 278 companies were listed in the public market. Fiscal data from 2024 showed a 34% annual increase in sales revenue, while trade statistics from 2025 indicated a 29.38% annual increase in exports, reflecting

simultaneous growth in sales and exports. In the Artificial Intelligence (AI) and Analytics sector, Taiwan's global ranking improved by 15 places compared to 2010, underscoring shifting trends in innovation and entrepreneurship.

- In 2024, investment in startups surpassed US\$3.34 billion, which was a ten-year high despite a decline in global investments. Corporate venture capital played a pivotal role, indicating that established enterprises have become key drivers of the ecosystem. The top three investment areas for venture capital and corporate venture capital were Healthcare and Biotechnology, Electronic Hardware, and Energy.
- Taiwan has nearly 400 support organizations that provide strategic guidance and resource integration for startups. These include incubation centers, accelerators, and co-working spaces. In addition, the government also continues to offer comprehensive support in funding, talent, regulation, and market validation through cross-ministerial collaboration.

● Innovation Profile by Region

- In Taiwan, each region has developed its own unique innovation profile shaped by its industrial base. Northern Taiwan focuses on AI, semiconductors, and digital healthcare, while central Taiwan leverages its strengths in precision machinery to develop smart manufacturing clusters. Southern Taiwan, driven by the twin engine Startup Terrace Kaohsiung and Shalun Smart Green Energy Science City, promotes 5G, AIoT, and green energy technologies. On the other hand, eastern Taiwan integrates local revitalization with sustainable tourism and the "slow economy." Taken together, these four regions contribute to a balanced innovation landscape across the island.

Section 1. Taiwan's Innovation Advantages and Features

I. Policy: Up-to-date Policies to Drive Ecosystem Development

Over the past decade, Taiwan's policies have continued to encourage innovation and entrepreneurship, and strategies in step with global trends have been implemented to proactively support startups as a key driver of economic growth. Starting with the improvement of digital and smart infrastructure, the government has gradually expanded its efforts to mechanisms focused on regulatory relaxation and funding support. These initiatives have facilitated linkages between cross-regional innovation clusters and the international community, enabling startups to reach markets more quickly. In recent years, innovation and entrepreneurship have been elevated to the level of national strategy. With targeted investments in AI, next-generation communications, net zero transition, and semiconductors, the goal is to build the core capabilities required for industrial transformation over the next decade. In Taiwan, innovation and entrepreneurship have advanced from multi-sectoral policy initiatives to become a national strategic priority, with institutions, capital, infrastructure, and internationalization progressing in parallel.

(I) Optimizing Institutions and the Investment Environment

To respond to rapid technology cycles, accelerated cross-domain integration, and increased global competition, initiatives such as Asia Silicon Valley, Smart Machinery, and DIGI+ Initiative have established the foundation for the development of IoT, smart connectivity, and innovation clusters. In 2018, the government launched the Action Plan for Enhancing Taiwan's Startup Ecosystem to provide early-stage funding support, foster talent development, implement regulatory adjustments, and create opportunities through government procurement. These measures have

gradually refined the entrepreneurship support system and established the operational framework of Taiwan's innovation and entrepreneurial ecosystem.

As deep tech, biomedicine, net zero, and cybersecurity become major areas of focus for startups, the government has updated the angel investment system. It has expanded the investment amount to NT\$10 billion and extended the eligibility window for startup applications from five years to eight years after establishment, allowing companies with longer R&D cycles to receive support aligned with the pace of technological and market maturity. In addition, to encourage enterprises to adopt new technologies and invest in startups, the Industrial Innovation Statute included investments in artificial intelligence and energy-saving and carbon-reduction technologies in tax credits. This framework helps distribute the risks and costs of innovation, forming a positive cycle for entrepreneurship.

(II) Developing Clusters and International Linkages

The Startup Terrace in Linkou and the Taiwan Tech Arena (TTA) serve as hubs for international cooperation in northern Taiwan. In the south, the Shalun Smart Green Energy Science City, the Startup Terrace Kaohsiung, and the 5G and AIoT Innovation Park provide testing and commercialization spaces across the energy, cybersecurity, marine technology, and smart city sectors, enabling startups to develop more rapidly in response to real market demands.

The establishment of the national startup brand Startup Island TAIWAN supports startups in entering international markets and elevates them onto the global stage. Through overseas exhibitions, venture capital linkages, and collaborations with multinational corporations, overseas startup bases have been set up in Tokyo and Silicon Valley under the Startup Island TAIWAN Hub initiative. These hubs not only provide startups with a more comprehensive support system for internationalization but also serve as important bridges for global startup talent and enterprises to connect with Taiwan.

(III) Innovation and Entrepreneurship as a National Strategic Priority

In 2024, the government designated innovation and entrepreneurship as a core element of the National Project of Hope, with the vision of transforming Taiwan into an exporter of innovative solutions within ten years. Clear targets were set, including the creation of 20,000 new startup jobs and the attraction of NT\$150 billion in investment annually. To achieve this, the government launched the Taiwan Chip-based Industrial Innovation Program and the Five Trusted Industry Sectors Promotion Plan, fully integrating entrepreneurship and innovation into the frameworks of national security and industrial upgrading. The Five Trusted Industries, which included Semiconductor, Artificial Intelligence, Military, Security and Surveillance, and Next-Generation Communications, were elevated to the status of strategic industries.

In addition, the government has also launched the Innovation and Entrepreneurship Rainforest Ecosystem initiative as the core of policy operations. This emphasizes that innovation depends not only on technology R&D or capital investment but also on the interactions among government, enterprises, investors, research, entrepreneurs, and talent. In so doing, technology, capital, talent, and markets are able to flow within the ecosystem. Guided by the principle of ecological collaboration and connectivity, Taiwan has advanced institutional support, directed investment, infrastructure development, and internationalization, enabling entrepreneurship to accumulate long-term momentum and receive support at every stage.

Building on this rainforest ecosystem concept, the government in 2025 launched Asia Silicon Valley 3.0 and the Ten AI Initiatives Promotion Plan, investing across technology, computing power, data, and applications. To lay the foundation for Taiwan's technological competitiveness in the next decade, the government also announced that beginning in 2026, it would invest more than NT\$30 billion in forward-looking sectors, including silicon photonics, quantum technology, AI drones,

smart robotics, and sovereign AI. To ensure startups and their teams can thrive in an environment with robust funding, regulation, talent, and markets, the National Development Fund has allocated NT\$10 billion as lead capital to encourage private investment into strategic industries and has established a Business Angel Investment Program to assist early-stage startup teams.

II.Environment: Robust Entrepreneurial Capacity with Well-developed Markets and Infrastructure

(I) Globally Recognized Capacity for Innovation

The aforementioned policy measures have enabled Taiwan to demonstrate strong competitiveness across multiple international rankings, earning high recognition for institutional quality, innovation capacity, and market freedom. In the IMD World Competitiveness Yearbook 2025, Taiwan ranked 6th globally, with business efficiency and government efficiency standing out as key supports for technological innovation. From 2018 to 2019, the World Economic Forum (WEF) listed Taiwan as a Super Innovator, placing it alongside innovation powerhouses such as the United States, Germany, and Switzerland in technological R&D, patent output, and innovation applications. In addition, the business magazine CEOWORLD ranked Taiwan 3rd worldwide in its 2025 report on the most technologically advanced countries in the world, reflecting Taiwan's strong competitiveness in R&D capacity, innovative applications, and adoption of new technologies. According to the 2025 Index of Economic Freedom from the U.S. think tank The Heritage Foundation, Taiwan has maintained its 4th position globally for regulatory transparency, investment protection, and monetary and financial freedom, all of which are core areas critical to business operations.

In evaluations of innovation and entrepreneurial ecosystem, the Global Entrepreneurship Monitor (GEM) ranked Taiwan 3rd worldwide in its 2025 National

Table 1-1. National Entrepreneurial Context Index: Taiwan's Scores, Rankings, and Trend

Entrepreneurial Framework Conditions (ECFs)	Score	Ranking	Trend
Entrepreneurial Finance	6.2	3	
Ease of Access to Entrepreneurial Finance	5.4	6	
Government Policy: Support and Relevance	6.6	3	
Government Policy: Taxes and Bureaucracy	7.3	2	
Government Entrepreneurial Programs	6.5	5	
Entrepreneurial Education at School	4.8	9	
Entrepreneurial Education Post-School	5.8	8	
Research and Development Transfers	5.7	5	
Commercial and Professional Infrastructure	6.6	5	
Ease of Entry: Market Dynamics	6.3	11	
Ease of Entry: Burdens and Regulation	5.7	7	
Physical Infrastructure	8.3	1	
Social and Cultural Norms	6.7	8	

Note: The scores range from 0 to 10, with higher scores indicating a more favorable entrepreneurial environment.

Entrepreneurial Context Index (NECI) scores for 56 GEM economies, recognizing Taiwan's policy design, cultural environment, and resource allocation as supportive of entrepreneurial development. Taiwan's ranking was just behind the United Arab Emirates and Lithuania. The UAE leads in Entrepreneurial Education, from cultivating entrepreneurial concepts in primary and secondary schools to adult vocational training. Lithuania, on the other hand, offers a friendly and open business environment with relatively low market entry costs for entrepreneurs. The GEM index provides comprehensive evaluation dimensions and is highly valuable as a reference. Table 1-1 below outlines Taiwan's relative advantages and areas for further improvement.

(II) Sound Infrastructure and Policy Measures

The GEM global ranking shows that Taiwan has a high Internet penetration rate, with stable quality and reasonable costs. This allows startup teams in their early stages to focus on product development and market validation rather than worrying about access to basic communication services. In addition, Taiwan consistently ranks among the top in tax law and administrative efficiency, meaning that entrepreneurs face a relatively streamlined and transparent system from company establishment to taxes and administrative procedures. More importantly, the policy measures provide comprehensive resources to support entrepreneurs across all stages of startup development. These include early-stage startup grants, incubation centers at universities, accelerators and industry foundations offering mentorship, seed funding, and testing environments, as well as industrial innovation programs, R&D subsidies, angel investment schemes, and venture capital institutions. Corporate accelerators and industry clusters further provide technology validation and business matchmaking and help startups gain access to sales channels. As startups move to internationalize, public-private partnerships offer global marketing platforms and trade fair support to help startups expand overseas markets and venture into different sectors. These examples show that Taiwan's well-developed infrastructure and policy measures not only benefit domestic startups but also serve as a key for attracting foreign entrepreneurs and investors.

(III) Market Openness and Entrepreneurship Education

Taiwan scored relatively low on Ease of Entry: Burdens and Regulation, meaning that when startups enter the market, they face challenges from incumbent players, technological entry barriers, and regulatory restrictions. They often require significant time before successfully entering. In the future, if institutional design, innovation sandboxes, and entrepreneurship policies can promote corporate collaboration and

reduce technological or regulatory barriers, the performance of the Ease of Entry indicator could be improved. On Entrepreneurial Education, Taiwan's performance has improved slightly in recent years. Entrepreneurship-related courses are currently concentrated mostly in higher education or post-school entrepreneurship programs. However, there are relatively few opportunities at the compulsory education stage to cultivate entrepreneurial capacity and problem-solving skills. This remains an area where joint efforts from both the public and private sectors are needed. Introducing relevant courses earlier in the education system could help nurture startup talent with a strong entrepreneurial spirit. Moreover, current entrepreneurial trends have extended to cross-disciplinary issues such as AI applications, net-zero transition, digitalization, and sustainable development. Talent demand is no longer limited to single technical expertise but increasingly values hybrid capabilities that integrate cross-domain expertise with market judgment. If Taiwan can establish long-term, systematic training mechanisms to deepen these capabilities, it will be able to cultivate more well-rounded entrepreneurial talent.

Section 2. Overview of the Innovation and Entrepreneurial Ecosystem

Successful entrepreneurship depends on multiple factors, including capital, talent, technology, and regulations. In turn, their integration and realization require collaboration and efforts of different actors. Within the innovation and entrepreneurial ecosystem, startup teams and new ventures are the core players, and their successful development relies on external support and resources. Investors, incubators, and government agencies each play the role of facilitators, jointly creating an ideal growth environment by providing financial support, expertise, network resources, and policy backing.

In this white paper, startups refer to enterprises established within a certain number of years that possess innovative technologies, products, services, or business models, and are able to create market value, promote industrial upgrading, and drive employment through innovation. The FINDIT platform, maintained by the Small and Medium Enterprise and Startup Administration (SMESA) under the Ministry of Economic Affairs, compiles and updates domestic startup data through company self-registration and connections to project initiatives. The platform also regularly draws on information from government startup support programs, accelerators, domestic and international competitions, news reports, and incubators. Because startups are not necessarily filed with the government immediately upon their establishment, the platform collects basic data and operational information on enterprises with innovation potential, reviews their eligibility, and classifies them in accordance with the Directions of Recognition for Startups with Innovation Capability. Over time, the platform has developed into the largest and most comprehensive startup database in Taiwan.

I. Startups

This section uses the startup database from FINDIT to present an overview of startup operations within the innovation and entrepreneurial ecosystem. It further draws on official statistics from different government agencies to examine the number of firms, industry sector, years in operation, and employment figures, in order to understand their market distribution and development within their respective sectors. As of 2025, there were a total of 10,552 startups in Taiwan. Observing by years in operation, the survival rate has gradually increased over time with policy support. Startups less than one year old account for 0.52%, those operating for 1 to 3 years account for 5.36%, and those in the 3 to 5 year range account for 11.04%. This shows that surviving firms are able to gradually build stability over time. Notably, 82.81% of startups have been operating for more than five years, with 29.01% in the 5 to 8 year

Table 1-2. Distribution of Startups by the Number of Years in Operation

Unit: Number of Companies, %

Number of Years in Operation	Number of Startups	Share
Total	10,552	100
Less than 1 year	39	0.52
1 to 3 years	594	5.63
3 to 5 years	1,165	11.04
5 to 8 years	3,061	29.01
8 years or more	5,677	53.8

Table 1-3. Distribution of Startups by Company Type

Unit: Number of Companies, %

Type of Company	Number of Startups	Share
Total	10,552	100
Company Limited by Shares	6,623	62.77
Limited Company	3,929	37.23

range and 53.8% operating for more than eight years. As more than half of Taiwan's startups have operated for over eight years, it shows that many have transitioned from startup ventures into mature, stable enterprises. Looking at the company type, 62.77% of startups operate as companies limited by shares, indicating that more than half of startups aim from the outset to retain the possibility of expanding in the future or attracting outside capital. (See Table 1-2 and Table 1-3.)

(I) Startup Industry Sectors

Among the main industry sectors of startups, the top six account for about 47.45% of all firms. Healthcare and Biotechnology ranks first at 12.05%, with a total of 1,271 startups, making it the largest startup sector in Taiwan. By leveraging established

industry advantages and policy initiatives, this sector has established a solid foundation for development. The startup areas include clinical testing, drug development, health management, and medical technology applications. Moreover, compared with other industries, healthcare represents a universal and essential demand. With Taiwan becoming an aging society in 2025, the biomedical industry demonstrates long-term value through sustained R&D investment and stable market demand. These combined factors make it the leading sector for startup participation. (Refer to Table 1-4.)

Benefiting from Taiwan's strong industrial base and unique advantages, the second largest sector is Electronic Hardware (7.82%), which is composed of Semiconductors (1.74%), Communications (1.48%), and Other Hardware (4.6%). However, the strength of this sector extends beyond manufacturing. With efficient supply chains, a robust ecosystem, and dense talent pools, the cycle from concept to mass production in this sector is significantly shorter than in other countries, enabling rapid development of competitive products. For startups, the sector's strength lies not only in the speed of product realization but also in serving as a critical technological threshold for entering international supply chains and building market competitiveness. From sensors and optical modules to smart manufacturing equipment, many startups leverage specialized technologies to develop products and systems with integrated applications, showcasing Taiwan's strength in technology-driven entrepreneurship.

Following these are Food and Beverage (7.55%), Consumer Goods (6.94%), Media and Entertainment (6.86%), and Manufacturing (6.24%). Startups in these industries are expanding rapidly through digital transformation and technological innovation in design, manufacturing processes, supply chain management, and market demand. Diverse consumer needs and technological advancement provide abundant opportunities. As market demand evolves and internationalization advances, startups are increasingly combining manufacturing capabilities with market-oriented thinking, gradually shifting from product production to brand management and service provision. Taiwan's startups are thus expanding swiftly across these sectors.

Table 1-4. Number of Startups by Sectors

Unit: Number of Companies, %

Sector	Number of Startups	Share
Total	10,552	100
Healthcare and Biotechnology	1,271	12.05
Electronic Hardware (including Semiconductors, Communications, and Others)	825	7.82
Food and Beverage	797	7.55
Consumer Goods	732	6.94
Media and Entertainment	724	6.86
Manufacturing (including industrial automation, materials, metal processing, textiles, and machinery)	658	6.24
Information Technology and Internet Services	545	5.16
Digital Applications (Software)	452	4.28
Commerce and Shopping	426	4.04
Energy	381	3.61
Community and Lifestyle	380	3.6
Professional and Administrative Services (including legal consulting, financial consulting, accounting advisory, and other professional consulting services)	360	3.41
Education (including online learning, educational technology)	331	3.14
Advertising and Marketing (including MarTech, search engine optimization, CRM, and social media marketing)	328	3.11
Agriculture and Farming	326	3.09
Natural Resources, Sustainability and Social Impact	298	2.82
Transportation and Logistics	286	2.71
Real Estate	285	2.7
Financial Services	229	2.17
Artificial Intelligence (AI) and Analytics	225	2.13

Sector	Number of Startups	Share
Design (including visual design, image analysis, and UX design)	201	1.9
Sports	158	1.5
Privacy and Security	101	0.96
Other (including government and defense, blockchain, and science and engineering)	233	2.21

Overall, the sectors where startups are engaged have changed in recent years. This shift is closely related to the evolution of industrial structures and consumer consumption patterns. Comparing startups founded in 2010 with those established between 2024 and 2025 reveals significant changes in the distribution of firms across sectors. The 10 sectors with the largest shifts highlight the technological progress and changing social demands over the past decade. The most notable growth has occurred in Artificial Intelligence (AI) and Analytics, driven by the acceleration of digitalization, as well as the maturity of vertical AI applications and machine learning technologies. These breakthroughs have not only greatly expanded the possibilities for entrepreneurial ventures but also enhanced the technical capabilities of local startups in software development and system integration.

Natural Resources, Sustainability and Social Impact, Agriculture and Farming, and Energy sectors have emerged as promising industries for startups, driven by the combined influence of green transition within the global supply chain, climate change, and food security concerns. On the other hand, Community and Lifestyle and Food and Beverage sectors have been shaped by the emergence of contactless payment schemes during the pandemic and the widespread adoption of digital tools, creating a market environment conducive to startups. Domestic startups have focused on applications such as cloud kitchens, online-offline integrated services, and data analytics, driving the transformation of traditional service industries into technology-

driven service models. (Refer to Table 1-5.)

Government policies have further reinforced these industry sectors as critical battlegrounds for startups. Government initiatives included the 5+2 Industry Innovation Plan (including green energy technology) in 2016, the Pathway to Net-Zero Emissions in 2050 announced in 2022, and the subsequent Green Finance Action Plan 2.0. While generating significant attention and investment toward energy and sustainability, these initiatives have created substantial B2B market demand and encouraged startups to engage in green energy technologies, carbon management platforms, and circular economy solutions. The Taiwan Chip-based Industrial Innovation Program launched in 2023 and the Five Trusted Industry Sectors Promotion Plan (covering semiconductors and AI) in 2024 are guiding startups to combine their expertise in hardware development with AI research and application services. In addition, the government has begun introducing smart technologies to upgrade the Food and Beverage industry. In 2025, the Smart Rainforest Industrial Revitalization Plan promoted smart dining, integrating AI and digital technologies to help small and medium-sized food and beverage providers improve operational efficiency and sustainability. Other initiatives in 2025, which are expected to lay a long-term foundation for Taiwan's industrial development, included the Smart Robot Industry Promotion Program, the Next-Generation Communication Technology Development Program, the Unmanned Vehicle Industry Development Program, and the Chip-driven Industrial Innovation Upgrade in Biomedicine and Agriculture. Taken together, domestic startups are leveraging Taiwan's foundation as a hardware powerhouse to drive twin innovation in digital intelligence and green sustainability.

Table 1-5. Changes in Startup Sector Rankings (Top 10 Advancing Sectors)

Sector	Ranking in 2010	Ranking in 2024 and 2025	Progress
Artificial Intelligence (AI) and Analytics	20	5	15
Community and Lifestyle	18	9	9
Natural Resources, Sustainability and Social Impact	17	9	8
Agriculture and Farming	11	4	7
Professional and Administrative Services	19	12	7
Energy	14	8	6
Financial Services	24	19	5
Food and Beverage	6	2	4
Digital Applications (Software)	11	9	2
Education	15	14	1
Privacy and Security	22	21	1

Note: Rankings are based on the relative share of startups in each sector by year, comparing changes in position over time. The share of startups by sector is calculated as (number of startups in a given sector ÷ total number of startups in that year) × 100%.

(II) Overview of Startup Operations

To better understand the current status and development of startups in Taiwan, the following section presents statistical data on employment, revenue, domestic sales, and exports to illustrate their operational performance and market presence. These figures reflect the tangible contributions of startups to economic activity, including job creation, revenue scale, and market expansion both domestically and

Table 1-6. Startup Sectors and Employment Share

Unit: %

Ranking	Sector	Share	Ranking	Sector	Share
1	Healthcare and Biotechnology	14.78	11	Artificial Intelligence (AI) and Analytics	3.32
2	Electronic Hardware	10.32	12	Natural Resources, Sustainability and Social Impact	3.11
3	Manufacturing	8.96	13	Advertising and Marketing	3.04
4	Food and Beverage	8.01	14	Real Estate	2.78
5	Information Technology and Internet Services	5.18	15	Professional and Administrative Services	2.77
6	Media and Entertainment	5.09	16	Digital Applications (Software)	2.52
7	Transportation and Logistics	4.58	17	Community and Lifestyle	2.36
8	Energy	4.26	18	Education	2.15
9	Commerce and Shopping	4.17	19	Financial Services	1.99
10	Consumer Goods	4.11	20	Agriculture and Farming	1.98

internationally. They also help assess the effectiveness of government efforts to build and support the startup environment.

According to labor insurance enrollment data from the Bureau of Labor Insurance under the Ministry of Labor, startups created 105,000 jobs in 2025. By sector, employment was highest in Healthcare and Biotechnology (14.78%), followed by Electronic Hardware (10.32%), Manufacturing (8.96%), Food and Beverage (8.01%), and Information Technology and Internet Services (5.18%). Together, these five sectors accounted for nearly half of all startup employment. Other notable sectors included Media and Entertainment (5.09%), Transportation and Logistics

Table 1-7. Number of Startups, Sales Revenue, Domestic Sales, and Exports

Unit: Number of companies; NT\$ million; %

	2023	Share	2024	Share
Number of companies	6,512	-	8,235	-
Sales Revenue	4,792.08	100	6,425.21	100
Domestic Sales	3,815.15	79.61	4,973.04	77.4
Export Sales	976.93	20.39	1,452.17	22.6

Notes: · The export sales revenues are based on amounts reported by companies when filing business tax returns. These may differ from the import/export statistics published by the Customs Administration of the Ministry of Finance due to fluctuations in exchange rates, scope of data, or actual calculations.

- Because company data have been anonymized, it is impossible to track changes in individual firms across different years. As a result, information such as business closures or shutdowns cannot be cross-referenced, which is a limitation of the dataset.

(4.58%), Energy (4.26%), Commerce and Shopping (4.17%), and Consumer Goods (4.11%). The top ten sectors collectively reached 69.47%. Close behind were Artificial Intelligence (AI) and Analytics (3.32%), Natural Resources, Sustainability and Social Impact (3.11%), and Advertising and Marketing (3.04%). (Refer to Table 1-6.)

According to data from the Fiscal Information Agency under the Ministry of Finance, as of December 31, 2024, there were a total of 9,576 startups established after 2010 and registered in Taiwan. Of these, 8,235 companies were actively operating and subject to business tax reporting, accounting for 86% of the total. In 2024, the overall sales revenue of startups reached NT\$642.521 billion, representing a 34% increase compared with 2023. Domestic sales grew by 30%, while exports increased by 49%. Nearly 80% of startup sales came from the domestic market, indicating that typically, startups develop their local market before moving into overseas markets. At the same time, the sharp growth in export value reflects the steadily improving international competitiveness of Taiwan's startups. (Refer to Table 1-7.)

To better understand the operations of startups across different sectors, this white paper cross-analyzes sales revenue by sector to present the overall sales, domestic sales, and exports in each sector. For overall sales, revenue was concentrated in Transportation and Logistics (15.73%), Electronic Hardware (15.67%), Commerce and Shopping (12.15%), Manufacturing (11.62%), and Energy, Sustainability, and Environment (9.1%). Altogether, they accounted for 64.27% of total revenue. (Refer to Table 1-8.)

Domestic sales were led by Transportation and Logistics (18.95%) and Business and Retail (16.74%), followed by Energy, Sustainability, and Environment (12.27%), Healthcare and Biotechnology (5.77%), and Manufacturing (5.59%). This showed that the domestic market was primarily concentrated in these sectors. On the other hand, export sales displayed a different revenue structure. Revenue was concentrated in Electronic Hardware (41.91%), Manufacturing (26.92%), Healthcare and Biotechnology (11.88%), and Transportation and Logistics (7.56%). Exports from Information Technology and Internet Services and other sectors were relatively small.

Taken together, the distribution of total sales, domestic sales, and exports showed clear differences in the relative market positions of each sector. Transportation and Logistics accounted for a high share of both total and domestic sales but a relatively low share of exports. Electronic Hardware exports were far more than other sectors; Business and Retail had a strong domestic share but was not among the leading export sectors; Manufacturing maintained significant scale in both total and export sales; and Energy, Sustainability, and Environment held a steady share in total and domestic sales but contributed relatively little to exports.

Table 1-8. Top 5 Startup Sectors by Sales, Domestic Sales, and Exports

Unit: NT\$100 million; %

Indicator	Rank	Sector	Sales	Share
Sales Revenue	1	Transportation and Logistics	1,010.6	15.73
	2	Electronic Hardware	1,006.84	15.67
	3	Commerce and Shopping	780.84	12.15
	4	Manufacturing	746.59	11.62
	5	Energy, Sustainability, and Environment	584.68	9.1
Domestic Sales	1	Transportation and Logistics	942.28	18.95
	2	Commerce and Shopping	832.68	16.74
	3	Energy, Sustainability, and Environment	610.09	12.27
	4	Healthcare and Biotechnology	286.7	5.77
	5	Manufacturing	278.08	5.59
Export Sales	1	Electronic Hardware	608.6	41.91
	2	Manufacturing	390.99	26.92
	3	Healthcare and Biotechnology	172.53	11.88
	4	Transportation and Logistics	109.72	7.56
	5	Information Technology and Internet Services	35.14	2.42

The operations of startups are linked to the industrial landscape of each region. An analysis of regional sales revenue across different application sectors shows the following distribution: In Northern Taiwan, the top five sectors by sales were Transportation and Logistics (16.85%), Electronic Hardware (15.11%), Commerce and Shopping (13.54%), Manufacturing (10.9%), and Energy, Sustainability, and Environment (8.62%). Together the industries accounted for 65.02% of the region's sales. These top five sectors matched the national ranking and covered a diverse range of applications. (Refer to Table 1-9.)

Table 1-9. Shares of Startup Sales by Region: Top 5 Industry Sectors

Unit: NT\$100 million; %

Northern Taiwan			Central Taiwan		
Sector	Sales	Share	Sector	Sales	Share
Top 5 sectors	3,651.93	65.02	Top 5 sectors	207.61	47.1
Transportation and Logistics	946.71	16.85	Healthcare and Biotechnology	54.74	12.42
Electronic Hardware	848.47	15.11	Manufacturing	52.07	11.81
Commerce and Shopping	760.46	13.54	Transportation and Logistics	42.6	9.67
Manufacturing	611.97	10.9	Food and Beverage	32.52	7.38
Energy, Sustainability, and Environment	484.33	8.62	Electronic Hardware (Communications and other hardware)	25.68	5.83
Southern Taiwan			Eastern Taiwan		
Sector	Sales	Share	Sector	Sales	Share
Top 5 sectors	257.02	71.03	Top 5 sectors	3.04	73.85
Energy, Sustainability, and Environment	94.22	26.04	Food and Beverage	2.35	57.17
Manufacturing	81.87	22.63	Consumer Goods	0.3	7.24
Food and Beverage	30.48	8.42	Agriculture and Farming	0.18	4.45
Consumer Goods	29.15	8.06	Community and Lifestyle	0.16	3.97
Transportation and Logistics	21.29	5.88	Energy, Sustainability, and Environment	0.04	1.02

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Environment (8.62%). Together the industries accounted for 65.02% of the region's sales. These top five sectors matched the national ranking and covered a diverse range of applications. (Refer to Table 1-9.)

In Central Taiwan, the leading five sectors were Healthcare and Biotechnology (12.42%), Manufacturing (11.81%), Transportation and Logistics (9.67%), Food and Beverage (7.38%), and Electronic Hardware (5.83%). Electronic Hardware included only communications hardware and other hardware, as semiconductors did not meet the minimum retrievable sample size and were therefore excluded. These five sectors together accounted for 47.1% of sales in Central Taiwan. In Southern Taiwan, the top five sectors were Energy, Sustainability, and Environment (26.04%), Manufacturing (22.63%), Food and Beverage (8.42%), Consumer Goods (8.06%), and Transportation and Logistics (5.88%). Collectively, they represented 71.03% of the region's sales. In Eastern Taiwan, the top five sectors were Food and Beverage (57.17%), Consumer Goods (7.24%), Agriculture and Farming (4.45%), Community and Lifestyle (3.97%), and Energy, Sustainability, and Environment (1.02%). Together, they accounted for 73.85% of the region's sales. Overall, the four regions showed some differences in sales composition by sector. The North was dominated by transportation, electronics, and commercial services. The Central and Southern regions performed better in manufacturing and sustainability-related sectors, while the East was primarily driven by food, beverage, and consumer markets. This reflected the close linkage between startup development and regional industrial structures.

(III) Startup Import and Export Performance by Region

According to the International Trade Administration under the Ministry of Economic Affairs, the amount of startup imports and exports has increased year by year. In 2025, total exports reached NT\$147.911 billion, while total imports amounted to NT\$119.651 billion, both higher than the full year levels of 2023 and 2024. This

indicates that startups are not only active in exports but also rely on imports of technologies or intermediate goods from other markets for production. Looking at 2025 export figures, mainland China (including Hong Kong and Macau), the United States, and the 18 New Southbound Policy countries were the top three export markets. Exports to mainland China (including Hong Kong and Macau) and the United States grew by 15.54% and 11.75%, respectively. Exports to the 18 New Southbound Policy countries showed the largest increase, rising from NT\$9.157 billion in 2023 to NT\$15.972 billion in 2024 and further to NT\$36.014 billion in 2025, which represented a year on year growth rate of 125.48%.

From 2023 to 2025, the top three import markets were mainland China (including Hong Kong and Macau), Europe, and the United States. In 2025, imports from Europe grew significantly, rising from NT\$14.392 billion in 2023 to NT\$27.336 billion in 2025, making Europe the second largest import market for startups. In addition, imports from the 18 New Southbound countries also grew significantly, from NT\$4.293 billion in 2023 to NT\$8.28 billion in 2025. There is thus a need to continue to monitor the trade activities of local startups in these markets. (Refer to Table 1-10.)

Table 1-10. Annual Changes in Startup Import/Export Amounts by Region

Unit: NT\$100 million; %

Region	Export				Import			
	2023	2024	2025	2024-2025 Growth Rate	2023	2024	2025	2024-2025 Growth Rate
Total	1,065.23	1,143.23	1479.11	29.38	871.35	943.34	1196.51	26.84
Mainland China (including Hong Kong and Macao)	329.82	323.26	373.51	15.54	355.59	448.25	499.16	11.36
U.S.	305.77	329.97	368.75	11.75	95.37	125.82	126.33	0.4
18 New Southbound Policy countries	91.57	159.72	360.14	125.48	42.93	72.11	82.8	14.81
Europe	181.8	173.24	168.46	-2.76	143.92	103.63	273.36	163.79
Japan	58.16	64.26	94.29	46.73	76.17	70.38	72.88	3.56
South Korea	51.87	48.65	57.23	17.64	92.01	60.59	66.95	10.5
Others	46.24	44.12	56.73	28.56	65.36	62.57	75.04	19.94

(IV) Startup Market Listing Performance

Based on data from the Taiwan Stock Exchange and Taipei Exchange, as of the end of 2025, a total of 278 startups were listed on the public market (including the TWSE main board, TPEX, Taiwan Innovation Board, Emerging Stock Board, and the Go Incubation Board for Startup and Acceleration Firms, GISA). The highest share of startups was on the Innovation Board (45.45%), where the listing requirements focus more on innovation rather than traditional profitability indicators. The goal is to enable startups that meet specific innovation

standards to enter the public market more quickly and connect with investors. The second largest share was on GISA, accounting for 40.74%. Both the Taiwan Innovation Board and GISA are public market platforms designed to support startup development but have relatively lower entry thresholds into the capital market. They also provide investors with earlier access to growth oriented firms. Startups on the Emerging Stock Board accounted for 34%. This board serves as a transitional stage before companies move on to TPEX or TWSE listing, functioning as the largest and broadest platform for trading and bridging startups with capital. Overall, the data show that these platforms have successfully fulfilled their policy mission of connecting startups with funding. (Refer to Table 1-11.)

Mergers and acquisitions are one of the important international indicators for measuring how startups perform in public markets. Both Japan and South Korea have incorporated M&A into their policy tools to support startup development. Japan, by adopting a policy open to innovation, encourages large enterprises to acquire startups by providing relevant R&D subsidies. On the other hand, South Korea has regulations that offer M&A financing and tax incentives to increase the willingness of large enterprises to acquire small and medium-sized startups.

In Taiwan, several representative M&A cases occurred in 2025. ACT Genomics, a company specializing in tumor biology, cancer genomics, and bioinformatics analysis, was acquired by Delta Electronics in June. With service locations in Taiwan, Hong Kong, Singapore, and Japan, the company provides services such as cancer drug analysis, monitoring of recurrence and drug resistance, risk assessment, and immunotherapy evaluation. Another representative M&A case was the acquisition of Bora Biologics, a subsidiary of Bora Pharmaceuticals, by Tanvex BioPharma. Bora Biologics primarily engages in biologics CDMO (Contract Development and Manufacturing Organization) services. It operates an antibody drug R&D center and a pilot plant compliant with cGMP (current Good Manufacturing Practice) standards.

Table 1-11. Performance of Startups in the Domestic Public Market

Unit: Number of companies, %, year

Public Market	Number of Startups	Startup Share	Average Years Since Founding at IPO (Startups)	Average Years Since Founding at IPO (All Companies)
Total	278	11.43	7.4	15.82
TWSE Listed	38	3.62	8.95	16.7
TPEX	56	6.41	8.05	15.67
Taiwan Innovation Board	10	45.45	7	15.23
Emerging Stock Board	119	34	7.51	15.91
Go Incubation Board for Startup and Acceleration Firms (GISA)	55	40.74	5.51	9.88

Note: Startup Share = (Number of startups listed in the public market ÷ Total number of companies listed in that market) × 100%

The company possesses capabilities in large-molecule biologics development and multi-country clinical trial production. Its technology and production capacity were the main targets of the acquisition.

II. Investments

The global venture capital market contracted overall in 2024. According to CB Insights, the number of global VC transactions fell to 26,961, which was a 19% year-on-year decline and the lowest level in eight years. However, deal values and valuations in the early stages (seed and angel rounds) continued to rise, signaling a structural shift in capital flows. Faced with tighter funding, delayed exits, and increased geopolitical risks, investors have become more rational and cautious, shifting their focus toward startups with clear technological advantages or market potential.

Against this global trend, Taiwan's market stood out. In 2024, Taiwan's early-stage investment¹ market grew despite the global slowdown, reaching a ten-year high. A total of 605 investment deals were recorded, with an aggregate value of US\$3.34 billion (approximately NT\$100.2 billion), surpassing the NT\$100 billion milestone. Corporate venture capital (CVC) was the primary investor group, followed by traditional venture capital (VC). Although the number of investment transactions declined by about 4.7% compared to the previous year, the overall investment amount increased by 4.5%, showing that capital was increasingly concentrated on projects with greater potential and maturity. From 2024 through the first quarter of 2025, participation by both VC and CVC exceeded pre-pandemic levels, indicating that Taiwan's startup investment ecosystem is growing in both the investment amount and the quality of funded projects. The following sections outline the investment stages and focus areas of different types of investors in Taiwan, including angel investors, VC, CVC, and government investment.

(I) Angel Investment

Angel investors not only provide funding during the startup stage but also act as companions to help startups access resources and networks. Although startups are often still immature at this stage, angel investors evaluate the founding team's execution capability, the product's market potential, and overall industry development before offering support. Taiwan's startup investment community has flourished

¹Startup investment data is collected and regularly published by the FINDIT research team. Sources include media reports, self-disclosures by funded startups, the National Development Fund annual report (as of Q1 2025), investor disclosures, investment information from listed companies (as of Q1 2025), the Crunchbase database, integrated startup platforms, and company registration records from the Administration of Commerce. After data collection and consolidation, subsequent tasks include data cleaning, transaction consolidation, standardization of institutional names, round classification, sector categorization, and conversion of investment amounts into U.S. dollars.

over the past decade. The number of angel investment transactions has increased steadily since 2016, driven by the Business Angel Investment Program of the National Development Fund, which encourages angel participation. Due to the pandemic, demand for biomedical innovation increased, and angel investment peaked in 2021 with 62 transactions totaling US\$277 million. The amount was a tenfold increase compared to 2015, reflecting rapid growth in angel participation. Since 2022, however, the investment market has cooled, and angel investors have become more cautious in funding early-stage startups. (Refer to Figure 1-1.)

Among domestic angel organizations active over the past decade, notable participants include AVA Angels with 28 transactions, Smart Capital with 26, NCTU Angel Club with 22, and Taipei Angels Investment with 10. However, the timing of the investments varied. For instance, investments from Smart Capital were concentrated between 2019 and 2022 but slowed in the following two years. By contrast, AVA Angels was relatively aggressive between 2021 and 2024, making it one of the most active angel groups in Taiwan in recent years. Apart from angel investment organizations, individual angels have also been a major driving force. From 2015 through the first quarter of 2025, out of 338 angel investment transactions, individual angels accounted for at least 163, roughly half of the total number of investments. This underscored their importance in supporting startup development.

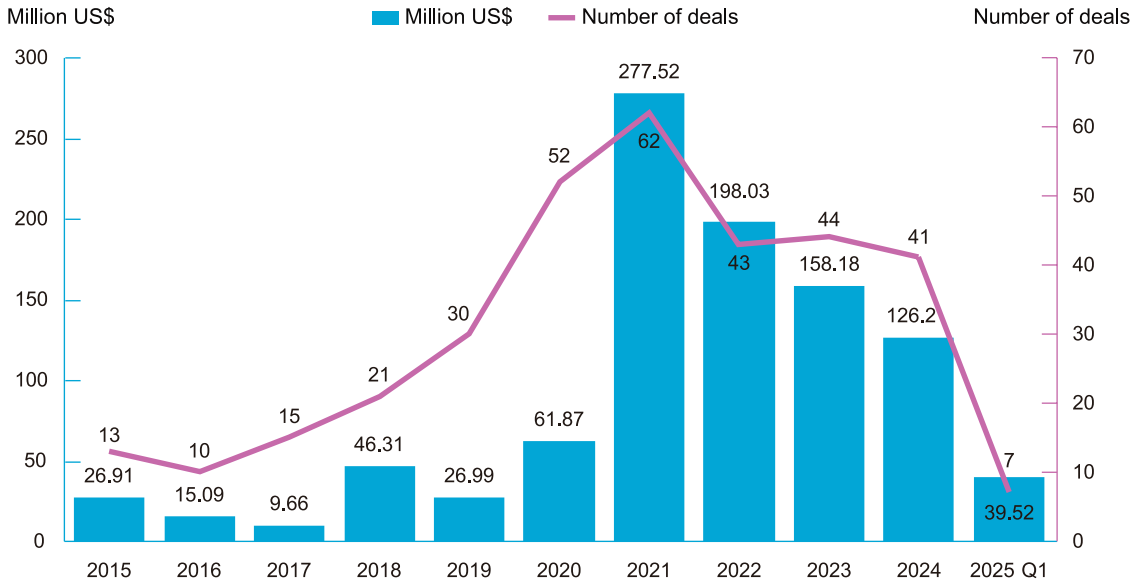


Figure 1-1. Angel Investment, 2015 to Q1 2025: Annual Changes in Transaction Amounts and Deal Counts

1. Investment Stages

Data from 2020 through the first quarter of 2025 show that angel investment has long been concentrated in early-stage rounds prior to Series A, accounting for more than 80% of transactions. However, beginning in 2024, the number of deals in Series B to Series C rounds started to increase slightly. According to FINDIT research, these later-stage deals accounted for 7.3%, indicating that some angel investors were gradually shifting their focus toward relatively more mature startups. Looking further at investment behavior in 2025, angel investors strengthened joint investment with CVCs. All seven transactions involving angels were co-invested with CVCs, with about half in the healthcare sector. This reflected a change in angel investors' preferences regarding both investment stages and industry selection.

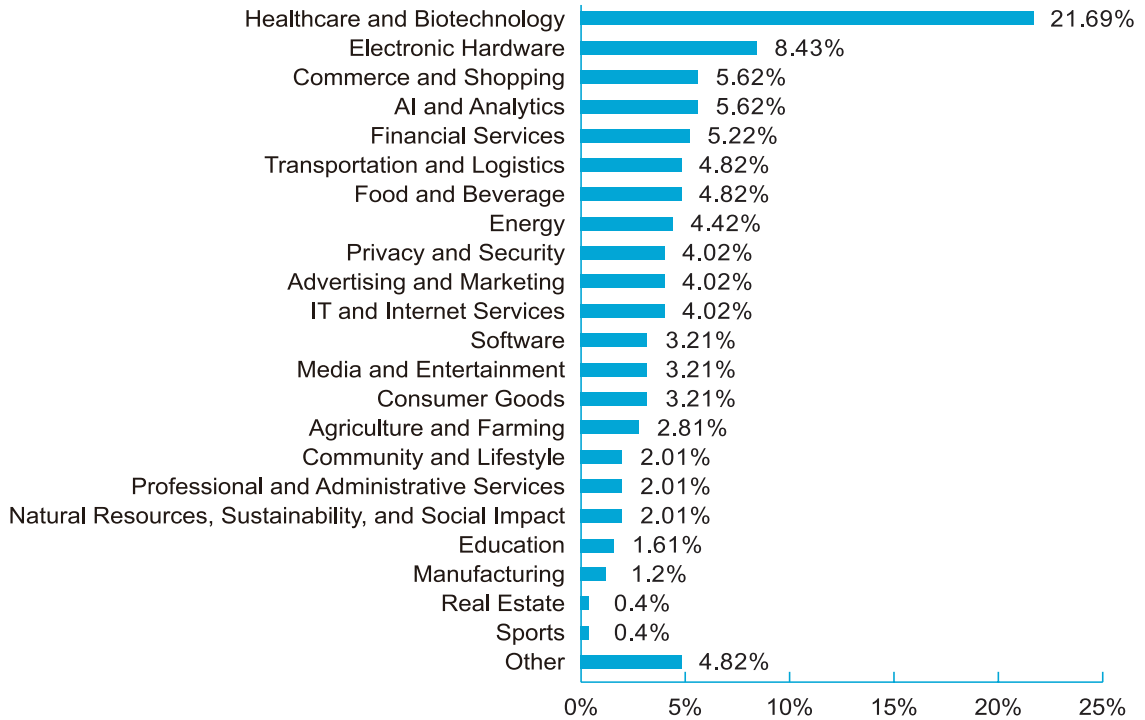


Figure 1-2. Angel Investment by Sector: 2020 to Q1 2025

2. Investment by Sector

From 2020 through the first quarter of 2025, angel investments were distributed across five major target sectors: Healthcare and Biotechnology, Electronic Hardware, Commerce and Shopping, AI and Analytics, and Financial Services. Among these, Healthcare and Biotechnology stood out most prominently, with medical device startups receiving the largest investment share, accounting for 25% of transactions. Other sub-sectors, such as biotechnology, artificial intelligence, and medical diagnostics, also attracted significant attention from domestic angel investors.

Medical devices were particularly favored because their R&D and regulatory approval timelines were relatively predictable, typically around three to five years. In addition, Taiwan's strong foundation in electronics and precision manufacturing enabled medical device startups to quickly complete prototype design and advance into

small-scale trial production and market validation. Overall, this investment distribution highlighted a clear preference among Taiwan's angel investors for integrated hardware-software startup models that combine manufacturing capabilities with digital technologies. (Refer to Figure 1-2.)

(II) Venture Capital

Venture capital (VC) is primarily carried out by investment institutions through private equity. In addition to providing funding, VCs also combine market, financial, and professional expertise to help high-growth startups scale; they operate an investment model aimed at long-term capital appreciation. Reviewing domestic VC trends over the past decade showed two clear peaks. First was in 2019, when the angel investment program of the National Development Fund drove investments, and overall deal count reached a high. Second was in 2021, when, despite global pandemic lockdowns and a slowdown in startup activity, the relatively stable economic environment in Taiwan attracted capital inflows. That year, cumulative investment reached US\$1.564 billion, an 89% increase from the previous year, marking a watershed moment in investment scale. Since then, annual VC investment in Taiwan has consistently remained above US\$1 billion.

From 2022 to 2024, although the number of VC transactions declined slightly, overall investment amounts continued to grow. The main drivers were Healthcare and Electronic Hardware. In 2022, about 30% of large investment deals were concentrated in healthcare technology, with the remainder spread across Electronic Hardware, IT and Internet Services, Manufacturing, Energy, and blockchain/cryptocurrency. In 2023 and 2024, about half of large transactions were concentrated in Healthcare and Biotechnology. In the first quarter of 2025, there were eight deals exceeding US\$10 million, six of which were in Healthcare and Biotechnology, underscoring the sector's continued role as the core focus of VC capital investments. (Refer to Figure 1-3.)

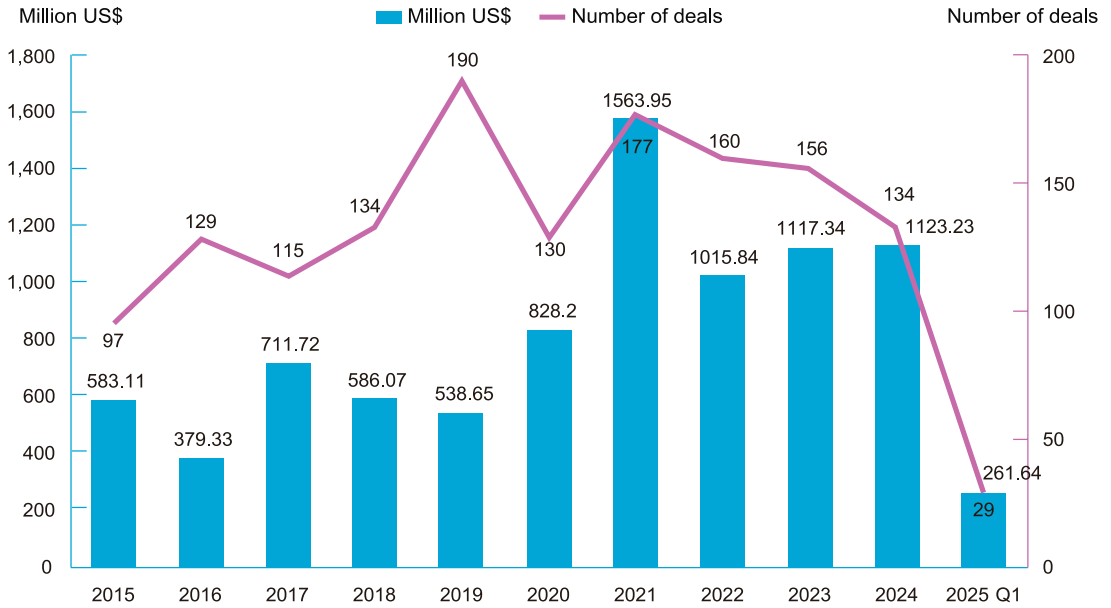


Figure 1-3. Venture Capital Investment from 2015 to Q1 2025: Annual Changes in Transaction Amounts and Deal Counts

1. Investment Stages

Looking at the distribution of VC investment stages over the past five years, early-stage rounds prior to Series A have dominated, consistently accounting for more than 75%. This shows that domestic venture capital remains highly focused on the initial growth potential of startups. However, as some early-stage startups gradually entered their growth stage, the investment structure began to shift. In 2024, the share of early-stage investment fell to 64.9%, while mid-stage investments (Series B to Series C) increased to 39 deals, accounting for 29.1%. This shift in focus lowered the relative weight of early-stage funding.

A closer look at mid-stage deals shows that 23 of them had already received early-stage or multiple rounds of investment between 2015 and 2023. This indicates that these startups were not new entrants but companies that had accumulated technology, market presence, and operational capabilities over time, gradually advancing into mid-stage development. For instance, KKday, a travel experience

platform, completed eight fundraising rounds between 2016 and 2023. Other examples include Eastern Union Interactive, which provides cross-border remittance services via an app; KDAN, which develops AI-driven workflow and data solutions; and AetherAI, which focuses on digital pathology and AI-assisted medical imaging diagnostics. These companies all received early-stage funding and continued to attract subsequent investments. On the other hand, seed and angel-stage VC investment had clearly declined, peaking in 2021 at 38.4% before dropping year by year to 17.1% in 2024. Taken together with the rise in mid-stage deals, this reflects not a simple retreat from early-stage markets but a structural adjustment. As some early startups matured, VC investment focus shifted progressively toward mid-stage opportunities.

2. Investment by Sector

Over the past five years, the distribution of domestic VC transactions shows four leading sectors: Healthcare and Biotechnology, Electronic Hardware, Energy, and Transportation and Logistics. In Healthcare and Biotechnology alone, cumulative investment reached 203 deals over five years, with a strong emphasis on biotechnology. Despite the sector's long R&D cycles and slow returns, VCs value the high market potential and scalability. Unlike angel investors, who rely mainly on personal capital and early opportunities, professional VC firms operate through fund structures, allowing them to spread risk across longer investment periods and diversified portfolios while allocating sufficient resources for technical, regulatory, and market due diligence. This business model enables VCs to take on capital-intensive, long-cycle investments such as Energy and Transportation and Logistics. It also explains why these sectors are part of the VC portfolios but are not major targets for angel investors. (Refer to Figure 1-4.)

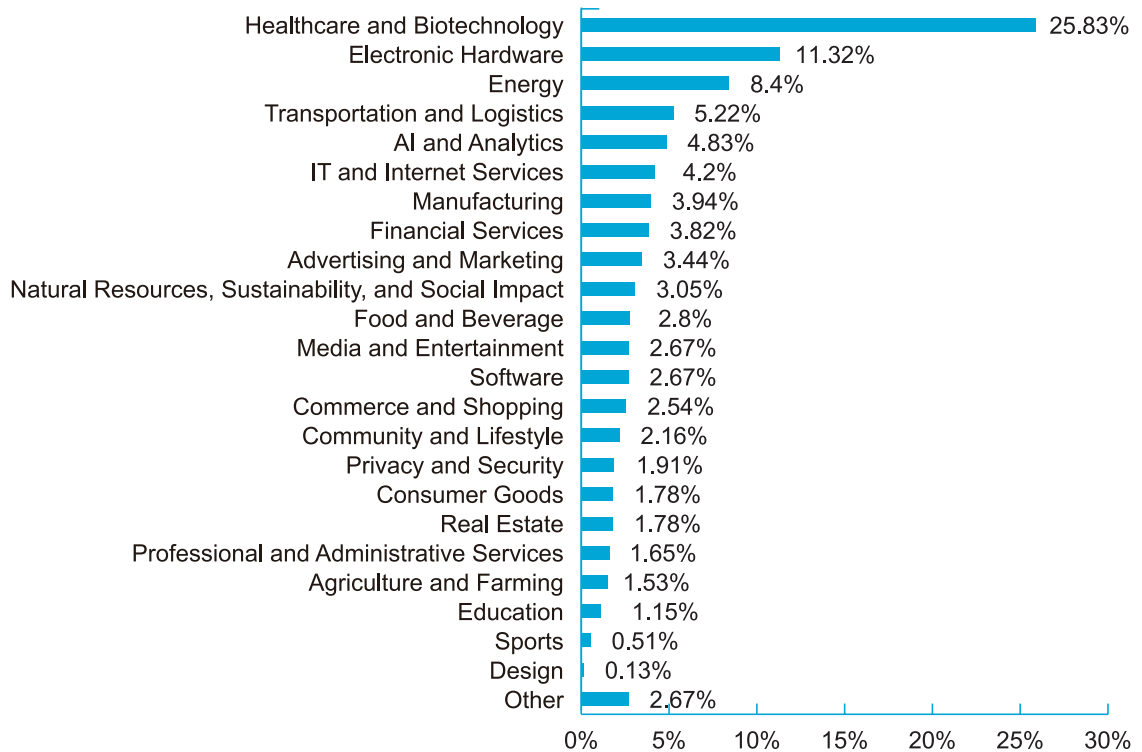


Figure 1-4. Venture Capital Investment by Sector: 2020 to Q1 2025

(III) Corporate Venture Capital (CVC)

CVC is the largest source of startup investment capital in Taiwan. By investing in startups with innovative potential, CVCs provide resources such as technology, talent, and distribution channels to enhance competitiveness. In addition, they leverage these partnerships to deploy corporate strategy, develop markets, and optimize products. Compared with purely financial investments, CVC focuses more on strategic collaboration. According to CB Insights, global CVC investment performance in 2024 was less than ideal. Although transaction values increased compared with 2023, transaction activities were less active, with volatility especially pronounced in Asia. In contrast, CVC investment has consistently been the main driver of Taiwan's startup

ecosystem, performing strongly and remaining unaffected by global investment trends.

Against the backdrop of pandemic-driven demand and industrial transformation, CVC activity in Taiwan has clearly increased since 2021. Even as global capital markets tightened, domestic CVC transaction values nearly doubled and deal counts continued to increase. From 2021 to 2024, the number of deals increased by 40%, while the cumulative investment amount grew by 11.6%. In 2024 alone, there were 64 deals exceeding US\$10 million, with capital concentrated in Energy and Healthcare and Biotechnology sectors. Energy-related investments accounted for more than 30% of transactions, with cumulative investment surpassing US\$800 million. On the other hand, investments in Healthcare and Biotechnology also exceeded US\$200 million. These two sectors were thus the primary focus areas for corporate capital investments. (Refer to Figure 1-5.)

1. Investment Stages

CVCs have long participated actively in early-stage startups. According to FINDIT reports, in 2023 and 2024, CVC investments prior to Series A accounted for roughly 75% to 83%, slightly higher than VC's 65% to 80%. In the seed and angel rounds, CVC participation between 2020 and 2023 reached a high of 40%, indicating that CVCs remained highly attentive to startups that had not yet completed market validation and that CVCs were willing to make strategic early-stage commitments. As startups gradually matured into later stages, data from 2024 through Q1 2025 showed that corporate participation in mid-stage investments increased significantly. On one hand, this showed that some early-stage portfolio companies had advanced into Series B and C rounds. On the other hand, it might also have been linked to increased global economic volatility, which caused corporations to adopt more cautious investment strategies and favor growth-stage targets with relatively controllable risk.

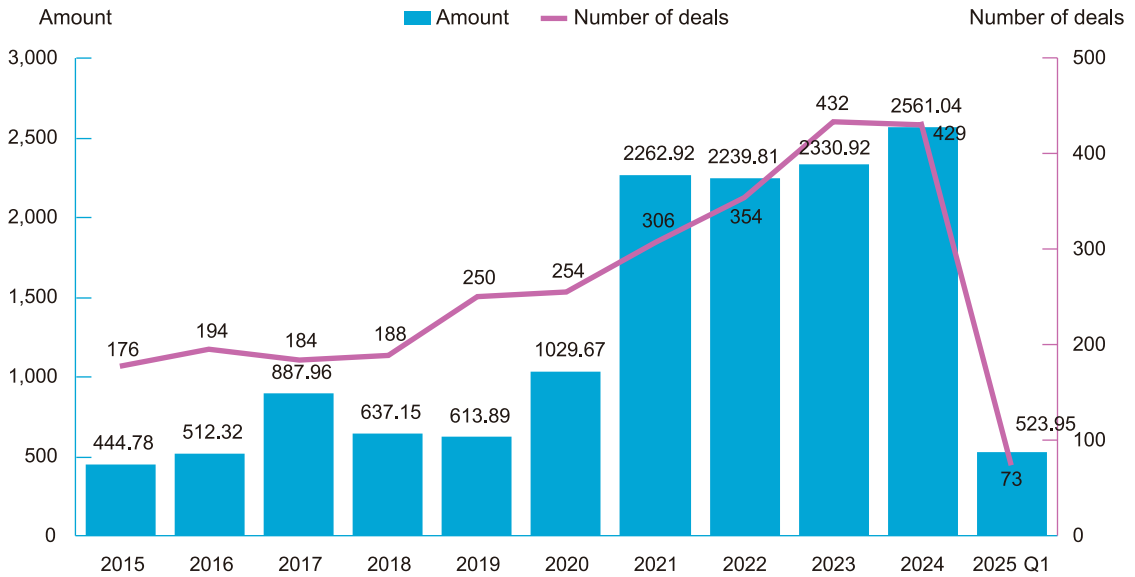


Figure 1-5. Corporate Venture Capital Investment, 2015 to Q1 2025: Annual Changes in Transaction Amounts and Deal Counts

2. Investment by Sector

CVC investment focused on four major sectors: Energy, Healthcare and Biotechnology, Electronic Hardware, and Manufacturing. Compared with the 2024 rankings, the differences are minimal, suggesting that corporate investment was not driven by short-term market fluctuations but by long-term positioning in key industries. Unlike angel investors and VCs, who invested most in Healthcare and Biotechnology, CVCs invested substantially in Energy, which accounted for more than 20% of transactions. One likely reason was that many CVC investors were life insurance companies and major technology firms. For insurers, large capital pools and long investment timetables made energy projects an appropriate fit because of the relatively stable cash flow despite slow returns. For tech companies, energy investment was a core strategic response to industry competition and supply chain pressures. In addition, for Taiwan's large enterprises at the heart of the global electronics

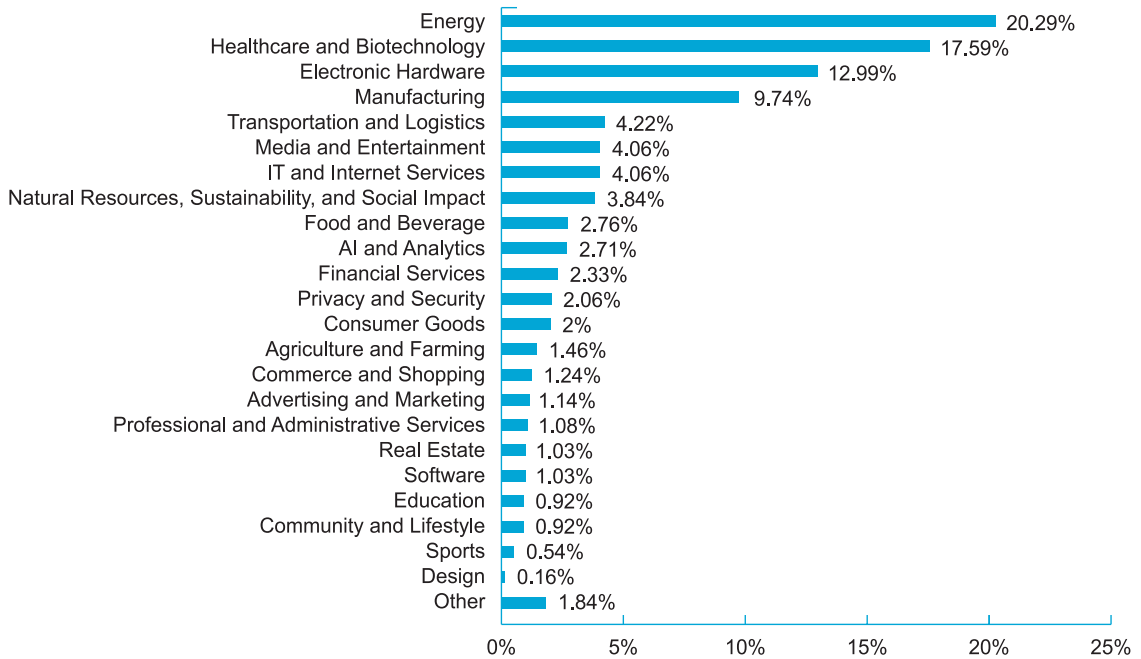


Figure 1-6. Corporate Venture Capital Investment by Sector: 2020 to Q1 2025

and semiconductor supply chain, investing in renewable energy or energy transition solutions offered early access to technologies that ensure international competitiveness and compliance with global regulations. This dual defensive and strategic decision made Energy one of the most preferred sectors for CVC investment. (Refer to Figure 1-6.)

(IV) Government Investments

The National Development Fund (NDF) of the Executive Yuan was established under Article 29 of the Industrial Innovation Statute. With accelerating industrial innovation and promoting economic development as its core mission, it is an important catalyst within Taiwan's innovation and entrepreneurial ecosystem. Through its investment mechanisms, the NDF helps startups secure critical funding needed for operations and expansion at different growth stages. Unlike private capital, which

primarily seeks market returns, the NDF focuses more on risk-taking and channeling private capital into the market, thereby facilitating private capital investments at the next level.

To meet the funding needs of startups at different stages, the NDF has designed multiple investment frameworks. First, it offers the Business Angel Investment Program for early-stage startups requiring investment amounts under NT\$20 million, although amounts may reach NT\$30 million in certain cases. Under this program, the NDF co-invests alongside angel investors to provide startups with the capital needed for initial operations. Second, for investments under NT\$100 million, the NDF collaborates with private enterprises through a range of projects to invest in domestic, non-listed companies. These programs include the Implementation Plan for Strengthening Investment in SMEs (Phase II), Implementation Project for Strengthening Investment in Strategic Service Industries, Implementation Plan for Strengthening Investment in Strategic Manufacturing Industries, Implementation Project for Strengthening Investment in Cultural and Creative Industries, Promotion Project for Strengthening Investment in AI Startups, and the Implementation Project for Strengthening Investment in Green Growth Net-Zero Industry. Finally, the NDF invests directly in cases requiring more than NT\$100 million, but only in partnership with an investor playing a leading role. This three-tiered design enables the NDF to institutionalize the linkage between angel investment, VC, and CVC, thus creating a sustainable capital growth pathway that supports startups from inception to maturity.

Apart from direct investment in startups, the NDF also channels its capital into professionally managed venture capital funds, thereby broadening the reach of policy capital and serving as a capital multiplier. As of June 2025, the NDF had invested in 114 domestic and international VC firms, with a cumulative investment amount of US\$35.209 billion. By partnering with professional fund management teams, it

channels public capital into a wider range of startup investment pipelines. In the past three years, VC funds backed by the NDF included Huasheng Venture Capital, HH-CTBC Capital, BMD Venture Capital, Zhi Kang Venture Capital, Fuyao Biomedical Venture Capital, JAFCO Taiwan II Holdings, Essence Venture, Hercules II, Harbinger IX Venture Capital, CDIB Cross Border Innovation Fund II, AI Fund II, Argaman Fund 2, Headline Asia Fund V, Lifelike Capital Fund, CDIB-TEN Capital, and Taichi Rebuild I. The NDF's shareholding in these funds typically ranges between 8% and 40%, with most around 25%. This arrangement enables limited policy capital to be leveraged through fund structures to expand investment scale, diversify risk, and enhance efficiency.

1. Investment Stages

According to the 2025 Q2 report from the NDF, at the early stage, the Business Angel Investment Program (excluding convertible bonds) cumulatively approved investments in 292 startups, totaling NT\$4.041 billion. This induced angel investors to contribute an additional NT\$3.147 billion, and, in turn, brought in further private investments amounting to NT\$12.338 billion. At the enterprise growth stage, the Implementation Plan for Strengthening Investment in SMEs (Phase II), launched in September 2007 and divided into two phases, cumulatively invested NT\$10.628 billion. This brought in NT\$10.227 billion from private professional investment institutions. The investments covered 322 SMEs, of which 105 successfully went public, became listed on the OTC, or registered on the emerging stock board.

2. Investment by Sector

Based on NDF's public quarterly reports and FINDIT research, between 2020 and Q1 2025, the NDF participated in 375 investment transactions across 24 different industries, demonstrating a broad investment layout. Most investments were in Healthcare and Biotechnology, accounting for 22.58% (84 cases). Although relatively

active from 2020 to 2022, investments decreased slightly from 2023 to Q1 2025, likely reflecting a shift toward emerging technologies and sustainable industries in line with national strategic priorities.

Investments in the Electronic Hardware showed a similar pattern. There were 38 transactions in total, and nearly two-thirds occurred between 2020 and 2022, with most investments focused on core electronic technologies. Investments in Media and Entertainment ranked third, likely due to the establishment of the Taiwan Creative Content Agency, which spurred NDF's support for the content industry. Within the electronics domain, life sciences and pharmaceuticals also accounted for a notable share of investments, reflecting NDF's dual emphasis on technological foundations and long-term growth potential. (Refer to Figure 1-7.)

Recent outcomes of sector-specific investment programs include the Implementation Project for Strengthening Investment in Cultural and Creative Industries (Phase I, up to Q2 2025), which invested in 64 domestic cultural and creative enterprises, with a cumulative investment of NT\$4.453 billion. The project induced NT\$1.06 billion from professional management companies and further brought in NT\$14.03 billion in private investment. Phase II has so far invested in four projects totaling NT\$22 million, bringing in NT\$2.137 billion in private investment. In the services and manufacturing sector, the Implementation Plan for Strengthening Investment in Strategic Service Industries has invested in 82 domestic service companies totaling NT\$2.708 billion, inducing NT\$4.088 billion in private investment. The Implementation Plan for Strengthening Investment in Strategic Manufacturing Industries has invested in 31 manufacturing companies totaling NT\$873 million, driving NT\$5.046 billion in private investment.

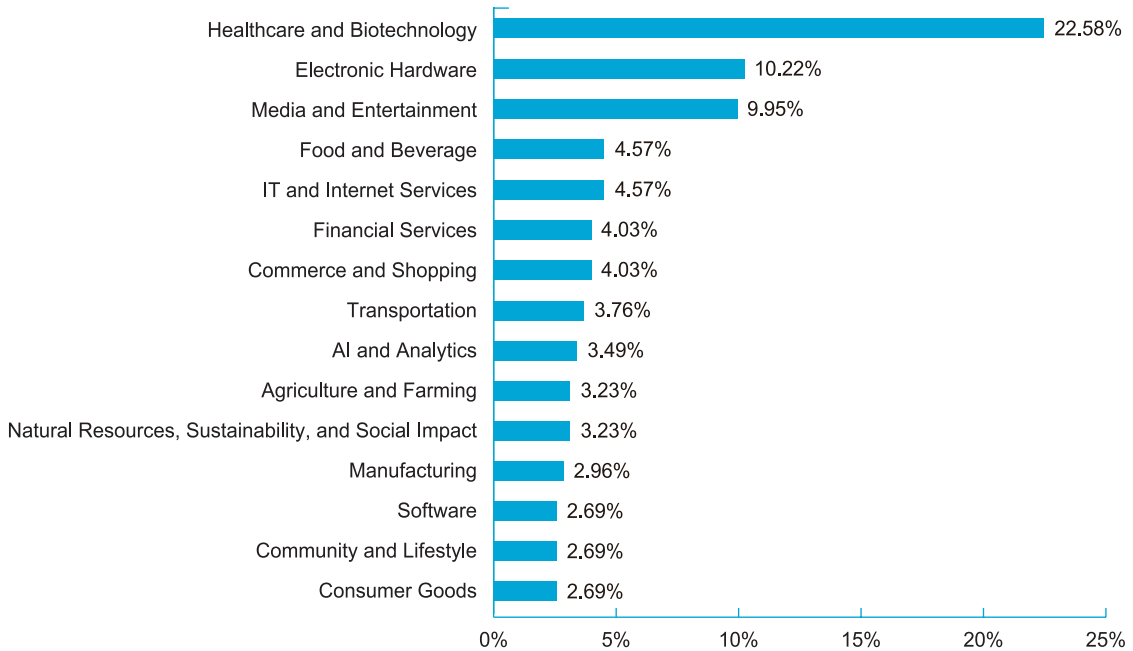


Figure 1-7. Top 15 Investment Sectors of the NDF, 2020 to Q1 2025

III. Incubators

Incubators can be described as launch platforms for startups at the very beginning of their entrepreneurial journey. According to the 2024 Taiwan Startup Ecosystem Survey, nearly 70% of startup founders have entered incubation institutions in either physical or virtual form. By providing multifaceted support during the seed stage, including funding, networks, legal services, branding, market entry, and international linkage, these incubators are a critical bridge from concept to growth.

(I) Types of Incubators

There are many types of incubators in Taiwan. As startup needs become more diverse, the functions of incubators have gradually shifted from simply offering space to providing strategic guidance and resource integration. Through cross-sector collaboration, startups at different stages can access tailored support and networking

opportunities. According to a 2025 survey by Startup Portal Taiwan, there are 391 incubators in Taiwan, including incubation centers, accelerators, co-working spaces, associations and communities, parks and startup hubs, and local revitalization organizations. Together, they form a multi-layered support system that combines technical mentoring with community exchange. Overall, government-run institutions account for about 25.32%, while the remaining 74.68% are led by the private sector, underscoring the important role of private resources in supporting entrepreneurship.

Among the different types of incubators, incubation centers account for the largest share, about 29.67%. Most are located in universities and research institutes, focusing on the commercialization of R&D results and technology transfer. They offer stable technical and site support by providing space, mentorship, and local networking activities. Parks and startup hubs make up about 19.44%. They are often established in collaboration with local governments or research institutions and serve as hubs of industrial clusters. They support the development of technology-oriented startups by providing long-term residency and resource integration. Accelerators represent about 17.9%, primarily connecting industry resources and investment networks to help startups validate products and enter markets. In addition to professional mentoring and event organization, accelerators also provide investment matchmaking and devote significant resources to international linkage, startup visas, and fundraising opportunities. (Refer to Figure 1-8.)

Associations and communities account for about 15.35%. They focus on industry advocacy, knowledge sharing, and cross-sector linkages, serving as important bridges between startups and established industries. Co-working spaces represent about 14.07%. They offer flexible rental, shared facilities, and interdisciplinary exchange, providing entrepreneurs with highly interactive collaborative environments. Local revitalization organizations account for about 3.58%, mainly promoting regional branding and local entrepreneurship, linking local industries and communities to

serve as focal points for regional innovation. Overall, associations and communities, co-working spaces, and local revitalization organizations provide venue rental, residency, and community activities to help entrepreneurs reduce early capital expenditures while fostering community ties and information flow. Collectively, these incubators span technology incubation to market orientation, and from research units to corporate investors. They form the foundation of Taiwan's startup support system, shaping a cross-sector, resource-complementary entrepreneurial ecosystem. (Refer to Table 1-12.)

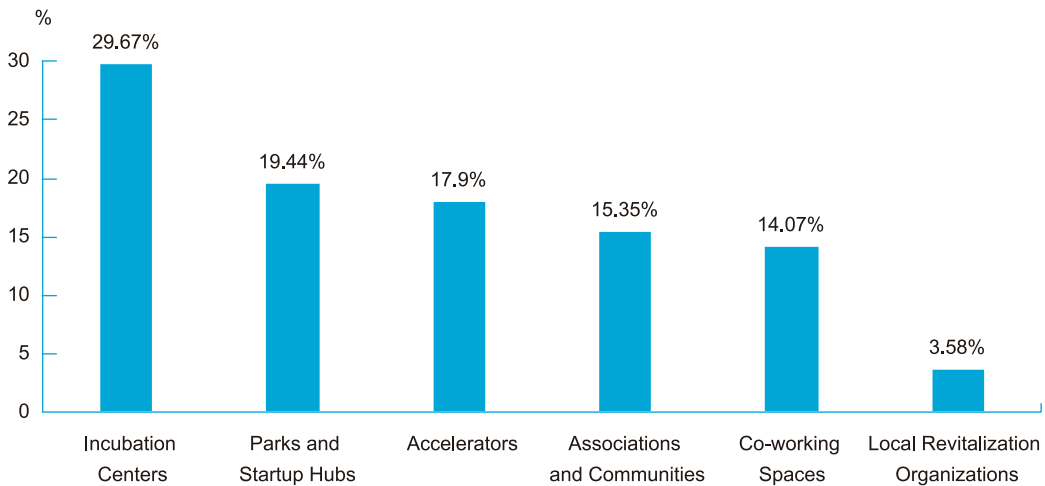


Figure 1-8. Types of Incubators

Table 1-12. Services Provided by Startup Support Institutions

Unit: %

Services \ Type	Type					
	Incubation Centers	Parks and Startup Hubs	Accelerators	Associations and Communities	Co-working Spaces	Local Revitalization Organizations
Organizing events	15.3	18.49	14.6	23.47	14.29	17.95
Mentorship by industry experts	17.89	15.36	18.46	17.37	8.1	15.38
Residency/incubation services	22.84	15.89	10.47	7.04	22.38	8.97
Venue rental	10.78	11.72	5.51	12.21	22.86	17.95
Local networking	9.27	8.59	4.41	15.96	8.1	17.95
Access to investment	6.47	6.51	17.08	7.98	3.33	3.85
Access to business opportunities	4.31	5.99	10.47	6.1	4.29	8.97
Business registration support	5.6	7.29	1.65	2.82	12.86	3.85
International linkage	3.45	4.69	8.82	5.63	2.86	5.13
Startup visa assistance	3.45	4.69	6.61	0.94	0.95	-
Recommendation for outstanding performance	0.65	0.78	1.93	0.47	-	-

(II) Government Support for Incubators and Startups with Strong Potential

The government's long-term support for the incubation industry has been the main driver behind the diverse development of incubators. Through policy subsidies and project integration, the Small and Medium Enterprise and Startup Administration has guided the participation of private and corporate resources, forming a public-private collaborative support model. Incubators provide services ranging from expert mentorship and technology transfer to product validation and business matchmaking, enabling startup teams to access essential technical, financial, and market assistance in the early stages. According to the 2024 Taiwan Startup Ecosystem Survey, 76.73% of incubators derived their funding primarily from government programs or incubation subsidies, underscoring the government's role as the core driving force of the incubation ecosystem.

There are government-led official incubation centers in key sectors such as AI, ICT, and biomedicine. Each center positions itself clearly according to the characteristics of local industrial clusters, linking research with regional industry needs to nurture the growth of startups with strong potential. For instance, the Nankang Software Incubator focuses on information software, internet communications, and e-commerce; the Kaohsiung Software Incubation Center emphasizes 5G, AIoT, digital media, and software applications; the Hsinchu Biomedical Science Park Incubation Center specializes in advanced medical devices and new drug development; and the SME Incubator at Tainan Science Park concentrates on green energy, environmental protection, biomedical technology, and precision machinery. Between 2020 and August 2025, government incubation centers assisted a total of 1,020 startups, generating investments and orders exceeding NT\$5.832 billion.

In addition, the government has used subsidies to encourage companies, corporations, and universities with industry experience to establish accelerators, focusing on critical sectors such as AI, health and wellness, net-zero sustainability,

and smart manufacturing. These accelerators provide field validation, strategic investment, market expansion, and technical guidance to cultivate startup talent in priority industries. In the AI domain, accelerators such as the Industry Accelerator and Incubation Center (IAIC) of Chung Yuan Christian University, President Information AI Accelerator, Taiwan Tech Innovation Incubator, and Haoshi Accelerator focus on applications including AI modeling, AI image recognition, and intelligent speech. In the health and wellness sector, accelerators include the Biomed Accelerator of Taipei Medical University, Be Health Accelerator, and Precision Health Industry Accelerator of National Cheng Kung University. They focus on innovative medical devices, precision health, and smart wearable technologies to accelerate clinical application and commercialization of biomedical startups. In the net-zero transformation field, accelerators include the Net-Zero Sustainability Accelerator of National Kaohsiung University of Science and Technology and Sustainable Net-Zero Industry Accelerator of National Central University. They focus on renewable energy, waste recycling, and applications of recycled materials to help enterprises connect with green supply chains and sustainable markets. In the innovative manufacturing and sports technology sectors, accelerators include the S2B Industry Accelerator of the Footwear Technology Incubation Center, and Industry Accelerator of National Formosa University. They are engaged in developing advanced composite materials and sports data analysis systems, showcasing the potential for integrating traditional manufacturing with smart industries.

(III) Academic and Research Institutions as Bridges Accelerating Commercialization of Research Outputs

In Taiwan's entrepreneurial ecosystem, academic and research institutions translate technology research outputs into market-ready products and services, providing the essential foundation on which early-stage startups conduct their R&D. An important way for bringing such outputs into the market is the creation of spin-off

startups, established on the basis of universities' or research institutes' outputs, patents, or technical teams. These spin-offs typically operate through technology licensing, equity investment in the form of technology shares, or collaborative development. In some cases, research outputs are commercialized through spin-in models, where new business units are created within existing enterprises to co-develop applications. Through such mechanisms, research outputs from academic institutions enter the market in a structured way, enhancing both the diversity of technology applications and industry linkages.

To promote the transformation of academic research outputs into entrepreneurial ventures, the government has built a support system for technology entrepreneurship. For instance, the Ministry of Economic Affairs has launched the Pre-Value Creation Program (Academia-Research Collaboration Innovation & Entrepreneurship Program), Startup Value Creation Program 2.0, and Taiwan Research-Institute Entrepreneur Ecosystem program (TREE). These initiatives provide phased support ranging from startup guidance and technology review to business acceleration. The Pre-Value Creation, involving academia-research collaboration, offers 6 to 12 months of entrepreneurial training to help teams develop business concepts. The Value Creation focuses on market validation and investment feasibility assessment, while the TREE initiative integrates institutional and investment network resources to help spin-offs connect with international business networks and experience Silicon Valley's entrepreneurial environment. At each stage, these programs can be linked with the Scientific Research Industrialization Platform of the National Science and Technology Council and the A+ Startup Technology Enhancement Program (A+STEP) of the Ministry of Economic Affairs, forming a complete pathway from technology verification and startup incubation to industry adoption. This mechanism ensures that academic research outputs can advance step by step, with clear resources available from the initial research concept to company formation.

Within Taiwan's system of research institutes, each organization has developed its own mechanisms for commercialization and entrepreneurship, and there are diverse pathways for translating research outputs into market-ready technologies. By September 2025, the Industrial Technology Research Institute (ITRI) had nurtured 170 startups, a testament to the long-term effectiveness of commercializing research outputs. Through cultural shaping, incubation guidance, fundraising support, and post-investment management, ITRI has helped spin-off startups grow and has advanced a deep-tech incubation model. At the initial talent recruitment stage, it emphasizes entrepreneurial thinking, cultivating engineers' market awareness through cross-disciplinary mentorship and entrepreneurship competitions. During the incubation stage, a commercialization advisory committee composed of senior industry mentors and Silicon Valley consultants reviews technologies and business models. On funding, the necessary capital is introduced at the early R&D stage, complemented by post-investment guidance, commercialization support, and patent financing. This forms continuous support from early research to market deployment, enabling startup teams and startups to steadily expand both technological capabilities and operational capacity. In addition, ITRI has established co-development and investment cooperation models with enterprises, so as to accelerate the integration of technologies into international supply chains and showcase the effectiveness of integrating research institute and industry resources.

On the other hand, the Development Center for Biotechnology (DCB) has built a strong foundation in the biomedical field, long promoting R&D and startup incubation. By July 2025, it had nurtured more than 200 biotech startups and successfully advanced multiple key technologies from the laboratory to clinical application. DCB has independently established GMP facilities, process development, and biomanufacturing capabilities, enabling startup teams to receive support in R&D technologies, regulatory guidance, and industry chain integration as their ventures mature. In 2023, DCB collaborated with ITRI to establish a

spin-off company by contributing technology as equity and transferring talent from the institutes. The new company provides advanced biopharmaceutical process development and manufacturing services, further strengthening Taiwan's biomedical manufacturing capacity.

As deep-tech sectors continue to expand, some research institutes have begun promoting entrepreneurial applications through field-oriented approaches, aiming to shorten the timeline from R&D to market entry. For instance, the Automotive Research and Testing Center (ARTC) has built an international-standard proving ground in Zhunan, Miaoli, covering 119 hectares and equipped with 13 test tracks. The facility offers a wide range of verification services, including vehicle components, autonomous driving systems, and regulatory testing. In 2022, ARTC established a joint venture startup with an international company by contributing technology as equity. Targeting the North American smart electric bus market, the joint venture became Taiwan's first commercial collaboration between a research institute and a U.S. enterprise in autonomous driving systems. The partnership combined ARTC's patented technologies with the international company's design and distribution capabilities, opening channels for Taiwan's component, system, and vehicle manufacturers to enter global markets.

In 2025, the Ministry of Economic Affairs launched a smart vehicle and autonomous driving test field, which was jointly developed by the Metal Industries Research and Development Centre and ARTC. The facility includes simulation systems for extreme climate, such as heavy rain and dense fog, for tests of autonomous vehicle control systems, sensors, and vehicle-to-everything (V2X) communications. The site is open to research teams and startups for product validation and co-development, with the goal of building a complete chain from technology R&D and system integration to market testing. It also provides application scenarios and cross-disciplinary collaboration opportunities to support

the commercialization of research institute startups. In addition, the Taiwan Textile Research Institute (TTRI) has focused on AI implementation to assist the textile industry in adopting digitalization and artificial intelligence applications. It also offers training programs to lower the barriers to technology adoption and enhance industrial upgrading capacity.

Other research institutes have likewise demonstrated entrepreneurial capacity in their respective sectors. For instance, the Food Industry Research and Development Institute (FIRDI) in 2023 spun off a startup based on plant-based material technologies. Drawing on its plant-based meat R&D outputs, the company entered the premium alternative protein market, which was an example of food R&D outputs moving toward industrialization. In the same year, the Ship and Ocean Industries R&D Center (SOIC) also spun off a startup, applying smart ship and autonomous navigation technologies to create a new model for maritime technology entrepreneurship.

(IV) Government Promotion of Deep-Tech Startup

In recent years, Taiwan's policies have actively fostered deep-tech entrepreneurship. Through incubation centers and accelerators, academic and research institutes are connected to national research organizations to nurture startups that require long-term technological investment and have strong market potential. This has formed a support system built on technology and oriented toward industrialization. Deep-tech development focuses on artificial intelligence (AI), green technologies, next-generation communications, and Unmanned Aerial Vehicles (UAVs). By driving cross-disciplinary integration and market application, these initiatives highlight Taiwan's diverse strategies in advancing forward-looking technology entrepreneurship.

1. Artificial Intelligence (AI)

AI is becoming the core driver of smart manufacturing. Through machine learning, visual recognition, and optimization algorithms, production sites can monitor yield in real time, predict maintenance needs, and automatically adjust production parameters. This improves efficiency while reducing energy consumption. Some startups focus on industrial image recognition and defect detection; others develop predictive maintenance models, and still others integrate production data analysis through edge-computing platforms. These technologies move AI from single-point optimization toward system-level integration, enabling manufacturing to advance toward autonomous decision-making and greater energy efficiency. In addition, AI is also making an impact in clinical medicine and health management. AI applications, including image recognition, clinical decision support, and remote monitoring, help physicians improve diagnostic speed and accuracy. Different startups have launched AI systems ranging from pathology image interpretation to smart health management. Some of these technologies have already undergone clinical validation and are being introduced into hospitals through collaborative partnerships.

2. Green Technologies

In the face of the transition toward net-zero, green technologies have become the most direct pathway for enterprises to reduce carbon emissions and achieve transition goals. Energy-saving technologies focus on energy monitoring and management, combining data analytics with optimization models to build smart energy management platforms. Some startups specialize in cloud systems for real-time monitoring of energy use to enable precise energy management. Others develop high-efficiency power conversion modules to reduce electricity consumption during peak hours and carbon fee burdens. Still others accelerate hydrogen applications and renewable energy integration, aiming to construct low-carbon industrial operating frameworks. On the other hand, carbon-reduction technologies emphasize carbon management and

materials innovation. Some startups are working on carbon reuse and waste resource recovery to promote circular re-manufacturing. Others focus on developing bio-based materials to replace petrochemical inputs. Still others apply AI tracking technologies to support corporate carbon footprint audits. Together, these innovations not only reduce manufacturing emissions but also lay the foundation for transparent carbon data and a circular economy.

3. Next-Generation Communications

Startups in next-generation communications are extending from component manufacturing into integrated communication services and data applications. Some startups are using modular architectures to support multiple satellite platforms to create integrated solutions for satellite attitude and orbit control. Others focus on ground mission planning and data processing, offering a complete control chain from orbital monitoring to data transmission. The emergence of these enterprises shows that Taiwan is gradually building integration capabilities in satellite operations and data services. This enables space data to connect with weather forecasting, ocean monitoring, and disaster prevention, thereby expanding the social value of scientific research outcomes. Communication is the lifeline of the space industry. Satellite communications, with satellites as the backbone, combine broadband, narrowband, and optical link technologies to form a system that complements terrestrial networks. Some startups are developing high-speed satellite communication interfaces based on optical link modules to achieve low-latency, high-bandwidth data transmission. Others are constructing non-terrestrial network architectures to build broadband systems that integrate with terrestrial 5G, strengthening connectivity in remote areas.

4. Unmanned Aerial Vehicles (UAVs)

The Unmanned Aerial Vehicles (UAVs) industry is an emerging field in deep-tech entrepreneurship. UAVs, or drones, have evolved from single aerial photography devices into multifunctional platforms capable of inspection, transportation, and

monitoring. Autonomous systems are the core of drone technology, including flight control, navigation, and mechanical innovation to ensure stable flight and precise operations. Some startups are combining AI image recognition with flight control technologies to build automated agricultural inspection systems. Others have introduced specialized drones with wall-clinging and climbing capabilities for structural inspections in high-risk environments such as bridges and tall buildings. Still others focus on long-range flight and multi-axis conversion platforms, extending applications into the energy and defense sectors. As field testing and cross-domain collaboration expand, drone services are gradually becoming more data-driven and intelligent. Startups are developing smart inspection platforms to assist in maintaining power facilities and wind farms. Some are integrating aerial photography with 3D modeling for use in urban planning and cultural heritage preservation. The emergence of these entrepreneurs is moving drones from mere technology demonstrations toward sustainable applications, creating new opportunities that link industrial innovation with public services. This also lays the foundation for Taiwan's development in autonomous systems and intelligent monitoring.

III. Government

Since the launch of the Asia Silicon Valley Development Program in 2016, the government has strengthened its startup support system through institutional design and resource integration. The policy focus has been on building incubation and acceleration mechanisms, promoting IoT applications, and fostering startup growth, thus laying the groundwork for subsequent initiatives. The Asia Silicon Valley 2.0 Program, launched in 2021, builds on the results of the first phase while responding to global trends in digital transformation and net-zero transition. It focuses on promoting smart IoT applications to accelerate industrial evolution, and on advancing innovation and entrepreneurship as engines for the future of industry. The 2.0 Program emphasizes applications in AIoT, smart manufacturing, smart healthcare,

and smart transportation, driving the digital and intelligent upgrade of traditional industries. At the same time, it promotes cross-domain innovation mechanisms to encourage collaboration between large enterprises and startups. This has resulted in more than 400 corporate innovation procurements and partnerships, effectively broadening the industry sectors in which startups operate.

Asia Silicon Valley 2.0 has established a comprehensive support system spanning early-stage incubation, technology validation, and international linkage. This includes integrating startup hubs and accelerator resources, creating startup parks and local incubation centers, and promoting industrial innovation testbeds. It has also created Startup Island TAIWAN, the unified identity system to represent the overall image of Taiwan's startup ecosystem, to lead teams to international exhibitions to enhance global visibility for local startups. In addition, through public procurement for startups and international matchmaking platforms, the program facilitates connections among capital, technology, and markets. As a result, Taiwan's entrepreneurial ecosystem in Asia is gradually able to link with international venture capital and corporate networks.

Guided by the overarching vision of the National Project of Hope, the government launched Asia Silicon Valley 3.0 in 2025, with the goal of fostering a society rich in innovative capacity and social resilience. At the core of its entrepreneurship policy is the building of a "rainforest ecosystem for innovation and entrepreneurship," driven by three major pillars. They include mobilizing capital, expanding the scope of startups, and increasing startup success rates. Through institutional incentives and cross-domain collaboration, the program seeks to create a long-term interactive cycle among capital, talent, technology, and markets, turning entrepreneurial activity into a shared engine for economic transformation and social sustainability. The rainforest ecosystem refers to a multi-layered, symbiotic, and self-evolving system that encompasses government, enterprises, investment institutions, academic and research units, and startup teams. It emphasizes

symbiosis among diverse actors within a common environment to jointly construct an open and inclusive entrepreneurial system. The following paragraphs explain the strategies and goals for each of the three major pillars.

On mobilizing capital, the focus is on building a multi-layered investment system to promote capital flows and bring together entrepreneurial resources. The government continues to advance diverse financing mechanisms, which include loans, subsidies, direct investment, venture capital, project investment, corporate investment, and IPOs, to help entrepreneurs access the resources they need at different stages of development. The government also guides financial institutions, corporations, and corporate venture capital (CVC) to invest in startups, forming a funding network that combines public interest with market orientation. Thematic investment programs concentrate on areas such as generative AI, green growth, and smart robotics, leveraging public-private collaboration to drive startup investment. At the same time, exit channels and capital market linkages are being improved to enhance the depth and vitality of the investment landscape.

On expanding the scope of startups, the emphasis is on increasing the diversity of entrepreneurs and promoting the popularization and internationalization of entrepreneurial activities. The government continues to support campus entrepreneurship and research-driven startups, encouraging the commercialization of academic research outputs and cultivating youth entrepreneurial energy. By combining entrepreneurship courses, mentorship systems, and incubation platforms, an innovation cycle chain is formed. In addition, overseas training and international exchange programs help startup teams participate in global exhibitions and innovation events, strengthening the ability to operate across cultures and global market understanding. Policies also reinforce mechanisms for introducing international startups and attracting global talent. Through systems such as the Taiwan Entrepreneur Visa and the Employment Gold Card, foreign talent and startup teams are encouraged to develop in Taiwan, while domestic startup parks and

professional acceleration services help shape entrepreneurial clusters with both local features and international linkages.

To increase startup success rates, the focus is on strengthening the linkages that support startups during their growth and fostering a conducive environment. The government integrates domestic and international clusters and startup bases, establishes startup brands and a national image, and encourages the concentration and expansion of entrepreneurial activity within the ecosystem. Going forward, the government will continue to promote corporate collaboration and government procurement mechanisms, using demand-driven approaches to stimulate new technology applications and assist in the testing and validation of startup products within public and industrial settings. Various accelerators and mentoring mechanisms will help entrepreneurs improve operational efficiency and fundraising capacity, so as to support startups in expanding into overseas markets. On the institutional and ecosystem side, policies will continue to optimize conditions for entrepreneurship through tax incentives, regulatory refinement, and administrative coordination, so as to promote the effective allocation of resources for startups.

The promotion of the rainforest ecosystem shows that Taiwan's startup policy has entered an integrated and strategic stage. Mobilizing capital has created a stable investment cycle; expanding the scope of startups has fostered diversity and international linkages; and raising success rates has consolidated the ecosystem's capacity for self-sustaining growth. Over the next five years, guided by the vision of the National Project of Hope, the government will continue to advance the integration of startup resources and international cooperation, making entrepreneurship the core driver of industrial innovation and injecting long-term vitality and trust into Taiwan's economic and social development. Under these three major strategies, every government agency will, according to its mandate, put forward specific action plans as explained below.

(I) National Development Council

The National Development Council has adopted Startup Island Taiwan as its brand, integrating international visibility and cross-border cooperation resources to help startups accelerate entry into global markets. Through the ongoing series of Japan-Taiwan Innovation Summits in Tokyo, the Taiwan Pavilions at different international exhibitions, and the Taiwan-Berkeley Health Innovation Accelerator - Berkeley Public Health Program, Taiwan has successfully connected with international venture capital and industry networks. In addition, the Startup Island TAIWAN Tokyo Hub and the Silicon Valley Hub provide legal consultation, investment matchmaking, and accelerator partnerships, establishing two-way exchange mechanisms between Taiwan and major startup ecosystems. These international deployments enable startups to secure funding, technology, and market validation support at an early stage, shortening the timeline for internationalization and significantly increasing product adoption and business success rates.

The National Development Fund of the Executive Yuan, with its core mission of mobilizing capital and guiding investment, in 2025 collaborated with different government agencies to launch investment programs focused on specific sectors. These included investment programs launched by the Ministry of Digital Affairs for AI Startups, by the Ministry of Environment for Green Growth and Net-Zero Industries, and by the National Science and Technology Council for Smart Robotics. Together, these initiatives are expected to leverage over NT\$30 billion, bringing private capital investment into emerging industries. By using joint-investment models, they reduce early-stage investment risks while providing startups with growth capital and opportunities for market validation. In addition, the NDF is promoting the Employment Gold Card and Digital Nomad Visa to attract international professionals and startup teams to Taiwan, and is promoting the Startup Bloom program to stimulate local and youth startups.

(II) National Science and Technology Council

Using Taiwan Tech Arena (TTA) as its core platform, the National Science and Technology Council (NSTC) provides startups with co-working spaces, professional consulting, and international exchange resources. It has also established partnerships with the U.S. National Science Foundation and France's La French Tech, forming an open innovation network that enables Taiwanese startups to interact directly with global startup ecosystems. Through professional accelerators, the NSTC focuses on AI, semiconductors, and next-generation communications, and it supports startups in market validation, supply-chain integration, and business-model optimization. By adopting a demand-driven model in which companies state their challenges and startups develop solutions, the NSTC fosters direct alignment between industrial needs and innovative responses, shortening the time from technological R&D to market application. It also leads startups to participate in international exhibitions such as CES and VivaTech to strengthen their brand visibility and global market presence. To accelerate the deployment of corporate resources, in 2025 the NSTC collaborated with enterprises to host the 2025 AI Innovation Award, promoting AI application innovation in areas such as smart cities and healthcare.

Through its From IP to IPO (FITI) Program, the NSTC cultivates young students to move from research to startup practice, so as to promote the industrialization of academic research outputs. Under the Taiwan Germination Program, research outputs of university professors are transformed into spin-off companies with commercial potential, deepening the mechanism that links academic research with business operations. Since 2024, the NSTC has organized IC Taiwan Grand Challenge, leveraging Taiwan's semiconductor industry strengths to attract global startups and teams to establish operations in Taiwan to foster technological collaboration and industry co-creation.

(III) Ministry of Economic Affairs

The Ministry of Economic Affairs (MOEA) provides comprehensive policy support for entrepreneurship, assisting startups at every stage of growth with funding, technology, talent, market access, and regulatory guidance. Through programs such as Loans for Young Entrepreneurs and the SME Innovation Development Project Loan, the MOEA addresses financing needs during both the early and stabilization phases of business operations. To assist enterprises upgrade their technologies, the MOEA implements the Small Business Innovation Research Grant Program (SBIR) and the Service Industry Innovation Research Program (SIIR), encouraging industries to pursue twin transformation toward digitalization and low-carbon development. These efforts are complemented by the A+ Startup Technology Enhancement Program (A+STEP), which provides R&D funding through investment and subsidies. Given the rich outputs of Taiwan's academic and research institutions, accelerating the commercialization of technologies through effective market-bridging mechanisms has become a policy priority. To this end, the MOEA has promoted the Startup Value Creation Program (Value Creation 2.0) and the Taiwan Research-Institute Entrepreneur Ecosystem Program (TREE Program) to support campus-based and institutional startup teams and shorten the time from knowledge innovation to market entry. Beginning in 2026, the MOEA will further expand support under the TREE Program, strengthening commercialization guidance for deep-tech startups and facilitating smoother alignment between academic research and industry demand.

On the market side, the MOEA has established two international-level startup hubs: the Startup Terrace Linkou and the Startup Terrace Kaohsiung. These hubs provide real-world testing and validation environments where creativity and technology can be examined and scaled in actual market conditions. By integrating corporate accelerators, the MOEA also fosters collaboration between large enterprises and startups to help innovative technologies enter established industrial systems and

supply chains more rapidly. In addition to domestic efforts, the MOEA continues to lead promising startup teams onto the global stage and participate in major technology exhibitions such as InnoVEX, CES, and SelectUSA. These efforts increase the international visibility of local startups, build brand identity, and gradually open overseas markets. To strengthen talent and institutional frameworks, the MOEA, on one hand, promotes the Taiwan Entrepreneur Visa, attracting international entrepreneurs and professionals to Taiwan and injecting global innovative energy into the ecosystem. On the other hand, in line with the amended Industrial Innovation Statute, it is adjusting tax incentives and investment thresholds for angel investors, encouraging greater private capital participation in early-stage startups and improving the local venture capital environment.

(IV) Financial Supervisory Commission

To promote venture capital funding, the Financial Supervisory Commission (FSC) at the end of 2024 lowered the risk coefficient applied to insurance industry investments in public-infrastructure venture capital enterprises to 1.28%, thereby reducing the risk cost for financial institutions investing in startups. In March 2025, the FSC further expanded the scope of insurance industry investments to include ESG sustainability projects, public infrastructure, and social welfare enterprises within the permissible scope of private equity fund investments. This measure channels substantial insurance capital into emerging industries with long-term social and economic value. To strengthen capital-market access for startups, the FSC has optimized the Taiwan Innovation Board (TIB), designed for enterprises with forward-looking technologies and high growth potential. It abolished the qualified-investor system and opened day trading and odd-lot trading, lowering entry thresholds to enhance liquidity. These reforms create a flexible, supportive fundraising environment that strengthens the capital market's contribution to business innovation.

Through the FinTechSpace fintech hub, the FSC provides startups with reviews of their regulatory compliance status, along with supervisory guidance, cybersecurity verification, and talent training. In 2025, customized mentoring and cross-disciplinary resource matching were introduced to help startups and teams move from proof-of-concept to market application, while continuing to promote the symbiotic development of regulatory technology and innovative finance. In addition, the FSC also assists local governments in advancing the FinTechSpace in Kaohsiung, which centers on green finance and sustainable technology. The hub provides corporate transformation consulting and pilot subsidies to foster the formation of an innovation-finance cluster in southern Taiwan.

(V) Ministry of Digital Affairs

The Ministry of Digital Affairs (MODA) focuses on innovative applications in information services and digital solutions. Through the New Talent Awards, it identifies startups and teams developing digital services, products, or business models that demonstrate feasibility, innovation, and market value. The program helps early-stage teams (the "0 to 1" phase) shorten the time to startup and establishes mechanisms that guide them to progress from creative concepts to technology validation to commercialization. Apart from providing entrepreneurial mentoring and consulting resources, MODA also promotes collaboration between academia and industry, accelerating the transformation of research outputs into competitive market products. In addition, it also connects venture capital institutions, angel investors, and corporate funding, offering financial support and matchmaking opportunities to help startups secure the capital and strategic backing needed during their growth stage.

(VI) Ministry of Education

Innovation and entrepreneurship have become key drivers of economic development. In response to this trend, the Ministry of Education (MOE) has gradually

shifted from a traditional academic orientation toward an education model that emphasizes practical experience and industry linkages. Aiming to equip students with entrepreneurial thinking and problem-solving skills during their learning stage, the MOE not only positions schools as the starting point for entrepreneurship, where students first learn how to launch a business, but also expands its support and policy targets to build a complete chain covering startup education, practice, and acceleration. Through the EC SOS: From Innovation to Entrepreneurship program and the U-Start Plan, the MOE encourages universities and colleges to establish entrepreneurship curricula and incubation spaces to help student teams move from creative ideas to entrepreneurial practice. These programs are also connected with cross-ministerial resources such as the From IP to IPO Program, Startup Portal Taiwan, and the FINDIT Platform, enabling campus startups to access broader mentoring and investment resources. At the same time, the MOE also encourages startups to provide quality job opportunities, making innovation and entrepreneurship an important career development option for young people.

(VII) Ministry of Agriculture

To help startups secure capital and market opportunities, the Ministry of Agriculture promotes mechanisms for innovation and entrepreneurship by connecting startups with potential investors, organizing Demo Day where startups pitch their technology and business models, and introducing investors to startups. At the same time, it connects upstream and downstream industries with research institutions to advance technology licensing, cross-domain collaboration, and the practical application of smart agriculture. To enhance entrepreneurship readiness, the Ministry has established a dual-track system that combines hands-on coaching with guidance from experienced industry mentors. To cultivate a new generation of agritech talent with digital and managerial skills, it also offers specialized training programs, including the Agritech Management and Entrepreneurship Program (AMEP), the

AIoT Agriculture Pioneer Program, and the AMMOT, AMMOT+ programs. In addition, by integrating trade fairs and corporate cooperation networks, the Ministry assists startups in entering international markets, shaping a cross-domain ecosystem for agricultural technology entrepreneurship and driving sustainable development momentum.

Section 3. Innovation Profile by Region

I. Regional Startup Growth that Shapes Local Ecosystems

Startup activities are spreading across Taiwan. In northern Taiwan, Taipei and Hsinchu leverage strong research capabilities to lead in the electronic hardware and healthcare sectors. Central Taiwan combines precision machinery, green energy, and manufacturing expertise to position itself as a hub for smart manufacturing and industrial upgrading. In the south, policy initiatives such as the Startup Terrace Kaohsiung and the Shalun Smart Green Energy Science City in Tainan are driving applications in AI, digital transformation, and green energy. Although smaller in scale, eastern Taiwan draws on tourism, agriculture, and local culture to develop niche and sustainable models. Together, these regions form a diverse and complementary entrepreneurial landscape.

(I) Northern Taiwan: The Hub of Technological Innovation

Northern Taiwan is the hub for technological innovation and the region with the highest concentration of startup resources. It hosts major clusters in ICT, semiconductors, international logistics, and biomedical industries. With its large population, comprehensive industrial chains, and advanced infrastructure, the region is

Table 1-13. Distribution of Startups by County/City: Northern Taiwan

Unit: Number of Companies, %

County / City	Number of Companies	Share
Total	7,370	100
Taipei City	4,466	60.6
New Taipei City	1,460	19.81
Hsinchu County/City	696	9.44
Taoyuan City	622	8.44
Yilan County	79	1.07
Keelung City	47	0.64

conducive for the development of a multifaceted innovation ecosystem, from finance, smart retail, and digital content to biotechnology and electronics. Taipei focuses on AI, fintech, and digital services, nurturing waves of startups and attracting talent and investment. On the other hand, Hsinchu Science Park, with its semiconductor and high-tech manufacturing capabilities, has a critical position in the global technology supply chain.

The cumulative number of startups in northern Taiwan has reached 7,370, with the majority located in Taipei City, accounting for 60.6% of the total. Other key concentrations are found in New Taipei City, Hsinchu County and City, and Taoyuan City. Startups in the region are primarily clustered in six major sectors: Healthcare and Biotechnology (12.92%), Electronic Hardware (8.53%), Media and Entertainment (7.88%), Consumer Goods (6.66%), Food and Beverage (6.13%), and IT and Internet Services (5.58%). Together, these sectors represent 47.71% of all startups in northern Taiwan. (Refer to Tables 1-13 and 1 14.)

Table 1-14. Top 6 Sector Distribution of Startup Companies: Northern Taiwan

Unit: Number of Companies, %

Rank	Sector	Number of Companies	Share by Region
Total		3,516	47.71
1	Healthcare and Biotechnology	952	12.92
2	Electronic Hardware	629	8.53
3	Media and Entertainment	581	7.88
4	Consumer Goods	491	6.66
5	Food and Beverage	452	6.13
6	Information Technology and Internet Services	411	5.58

Northern Taiwan has developed strong foundations in electronic hardware and healthcare, thanks largely to the support of academic and research institutions. In healthcare, the College of Medicine at National Taiwan University and National Yang Ming Chiao Tung University draw on robust medical education and research capacity, combining resources from NTU Hospital and the Chang Gung hospitals to advance precision medicine, smart healthcare, and clinical innovation. These efforts provide a continuous driving force for the development of the region's medical and healthcare sector. In Electronic Hardware, National Taiwan University, National Yang Ming Chiao Tung University, and National Tsing Hua University provide top talent in electrical engineering, computer science, and materials science, with expertise that includes technologies in semiconductor processes, optoelectronics, and communications. These universities are closely linked with industries in Taipei and Hsinchu, collaborating with companies such as TSMC, MediaTek, and ASUS, thus forming a powerful industry-academic connection.

In 2024, the government launched the Taoyuan-Hsinchu-Miaoli Greater Silicon Valley Development Plan. The Greater Silicon Valley connects local technologies,

innovation capacity, and industrial parks to enable the region to build on its existing technological base. By leveraging cutting-edge sectors such as semiconductors and AI, the initiative aims to drive the growth of startups and related industries while cultivating a comprehensive ecosystem that integrates infrastructure and talent development. The program also aims to establish a deep-tech innovation ecosystem, accelerate the construction and transformation of next-generation parks, and gradually form a Taoyuan-Hsinchu-Miaoli Technology Corridor. This corridor is expected to inject new vitality into northern Taiwan's industries and further amplify overall industrial benefits.

(II) Central Taiwan: Manufacturing Strength Shifts Toward Smart Innovation

With a solid industrial foundation and technical advantages, central Taiwan has long been the hub of Taiwan's manufacturing sector. Today, the region not only boasts a complete supply chain and abundant technical talent but also enterprises with strong R&D and innovation capacity. These companies are driving the transformation of traditional manufacturing into smart manufacturing and high-tech sectors, while also attracting technology-oriented startups to collaborate with established firms. This synergy infuses variety and energy into the ecosystem, thus creating new momentum for industrial innovation.

The cumulative number of startups in the region has reached 1,269, with Taichung City accounting for the largest share at 71.08%, followed by Changhua County, Yunlin County, and Miaoli County. The startups focus primarily on the following sectors: Manufacturing (12.29%), Food and Beverage (11.19%), Health and Biotechnology (10.64%), Consumer Goods (7.8%), Agriculture and Farming (6.3%), and Electronic Hardware (5.99%). Together, they represent 54.22% of all startups in central Taiwan. (Refer to Tables 1-15 and 1-16.)

Table 1-15. Distribution of Startup Companies by City/County: Central Taiwan

Unit: Number of Companies, %

County / City	Number of Companies	Share
Total	1,269	100
Taichung City	902	71.08
Changhua County	122	9.61
Yunlin County	95	7.49
Miaoli County	95	7.49
Nantou County	55	4.33

Table 1-16. Top 6 Sector Distribution of Startup Companies: Central Taiwan

Unit: Number of Companies, %

Rank	Sector	Number of Companies	Share by Region
	Total	688	54.22
1	Manufacturing	156	12.29
2	Food and Beverage	142	11.19
3	Healthcare and Biotechnology	135	10.64
4	Consumer Goods	99	7.8
5	Agriculture and Farming	80	6.3
6	Electronic Hardware	76	5.99

Startups in central Taiwan are concentrated in Manufacturing and Food and Beverages, relying on local academic and research institutions that provide technology and talent. Feng Chia University, located at the heart of Taichung's precision machinery and optics cluster, has established a Robotics Solution Cooperative focused on the development of robotic arms and smart equipment. On the other hand, Central Taiwan University of Science and Technology collaborates with restaurant groups to enhance student-industry cooperation. In addition, National Chung Hsing

University is the first university in Taiwan designated as a startup-friendly campus, offering an incubation base where startup teams can formally register companies. It guides teams from concept to implementation, serving both as a seed initiator and as a bridge to deeper mentorship.

Central Taiwan not only has a concentration of traditional industry clusters but is also a key hub in the Western technology corridor. To further strengthen the region's competitiveness and ensure balanced national development, the government in 2025 launched a program to transform Central Taiwan into a precision and smart new core of industry. Based on local industrial landscape and resource advantages, the plan envisions Taichung as a center for precision machinery and smart manufacturing, Changhua as a cluster for metal products and automotive components, Nantou's agriculture moving toward smart and refined development, and Yunlin deepening its smart aquaculture value chain. Together, these initiatives position central Taiwan as an important engine of innovation and industrial growth.

(III) Southern Taiwan: From Traditional Industry to High-Tech Clusters

Southern Taiwan is undergoing a major transformation, shifting from traditional industries such as metal and petrochemicals toward high-tech sectors including semiconductors, AI, and energy. With the expansion of the Southern Taiwan Science Park and the advancement of the Startup Terrace, southern Taiwan has become an important hub for high-tech innovation. This transition marks the evolution from a manufacturing stronghold to a high-tech cluster, driven by the growth of emerging industries such as energy technology, biotechnology, cultural and creative industries, and information services. Together, these sectors are nurturing a more flexible and inclusive startup ecosystem.

Table 1-17. Distribution of Startup Companies by City/County: Southern Taiwan

Unit: Number of Companies, %

County / City	Number of Companies	Share
Total	1,560	100
Kaohsiung City	821	52.63
Tainan City	531	34.04
Pingtung County	108	6.92
Chiayi County / City	100	6.41

Table 1-18. Top 6 Sector Distribution of Startup Companies: Southern Taiwan

Unit: Number of Companies, %

Rank	Sector	Number of Companies	Share by Region
	Total	767	49.17
1	Healthcare and Biotechnology	160	10.26
2	Manufacturing	153	9.81
3	Food and Beverage	151	9.68
4	Consumer Goods	115	7.37
5	Electronic Hardware	99	6.35
6	Agriculture and Farming	89	5.71

Currently, the cumulative number of startups in southern Taiwan has reached 1,560, with Kaohsiung City accounting for the largest share at 52.63%. These startups span both high-tech and consumer application sectors. The leading startup sectors include Healthcare and Biotechnology (10.26%), Manufacturing (9.81%), Food and Beverage (9.68%), Consumer Goods (7.37%), Electronic Hardware (6.35%), and Agriculture and Farming (5.71%). Together, these six categories represent nearly half of all startups in the region, with a combined share of 49.17%. (Refer to Tables 1-17 and 1-18.)

Startup trends in Southern Taiwan reveal a dynamic two-way development. Startups are not only active in high-tech sectors but also show strong performance in Healthcare and Biotechnology as well as Manufacturing. This innovative energy is closely linked to academic and research institutions, which provide professional guidance, funding support, and market linkages through incubation centers and industry-academia collaboration. For instance, National Cheng Kung University has established a cross-university research industrialization platform to promote the realization of creative ideas and foster international linkage. National Sun Yat-sen University, through entrepreneurship competitions and industry-academia cooperation, helps students and alumni transform innovative ideas into products or services, creating a complete co-creation ecosystem. Meanwhile, Southern Taiwan University of Science and Technology operates an innovation incubation center that integrates school resources, facilities, and R&D partnerships to assist entrepreneurs in nurturing new ventures and building a strong environment for startup cultivation.

To accelerate the smart upgrading and industry transformation, the government launched the Smart Rainforest Industrial Revitalization Plan in 2025. This plan builds upon the Southern Taiwan Silicon Valley Promotion Program as a foundational platform and demonstration site, linking universities and colleges to support industrial development, with later expansion to other counties and regions. The plan focuses on AI application services in industries such as smart business services, healthcare, and ICT. By adopting cross disciplinary collaboration models, it helps enterprises integrate technology into products and services to increase added value. At the same time, it encourages industry-academia cooperation, forming cross departmental teams to jointly develop AI technologies and strengthen digital competitiveness.

(IV) Eastern Taiwan: A New Paradigm of Sustainable Innovation and Cultural Integration

In recent years, eastern Taiwan has drawn on its distinctive local culture, natural resources, and lifestyle to transform from a traditional agriculture-based tourism model into a startup base that emphasizes both sustainable innovation and cultural creativity. Local entrepreneurs are using technology to develop refined agriculture and biotechnology applications while at the same time integrating indigenous cultural features and natural landscapes to create eco-tourism services and cultural-creative industry brands. Gradually, they are establishing innovative models rooted in cultural heritage and sustainable development.

The cumulative number of startups has reached 154, with Taitung County accounting for 59.09% and Hualien County making up 40.91%. Startup trends highlight the strong potential of combining local resources with innovation. The leading sectors are Food and Beverage (28.57%), followed by Community and Lifestyle (16.23%), Agriculture and Farming (10.39%), Consumer Goods (9.74%), Media and Entertainment (6.49%), and Natural Resources, Sustainability and Social Impact (5.19%). Together, these sectors account for more than 70% of startups in the region. (Refer to Tables 1-19 and 1-20.)

Table 1-19. Distribution of Startup Companies by City/County: Eastern Taiwan

Unit: Number of Companies, %

County / City	Number of Companies	Share
Total	154	100
Taitung County	91	59.09
Hualien County	63	40.91

Table 1-20. Sector Distribution of Startup Companies: Eastern Taiwan

Unit: Number of Companies, %

Rank	Sector	Number of Companies	Share by Region
	Total	118	76.62
1	Food and Beverage	44	28.57
2	Community and Lifestyle	25	16.23
3	Agriculture and Farming	16	10.39
4	Consumer Goods	15	9.74
5	Media and Entertainment	10	6.49
6	Natural Resources, Sustainability and Social Impact	8	5.19

Startups in Eastern Taiwan have shown promising growth in Food and Beverage and Community and Lifestyle, highlighting the strong potential of combining local resources with innovation. Much of this development is connected to academic and research institutions. For instance, National Dong Hwa University has established the Hualien Local Industry Revitalization Alliance, turning local resources into startup opportunities by developing high-value, customized products. While enabling startup creativity to take root, the efforts also showcase the results of co-creation between academia and industry, completing a full cycle from incubation to growth.

Eastern Taiwan also benefits from unique natural resources to shape a development model distinct from the west. By integrating LOHAS, slow living, and leisure into industry, Hualien and Taitung, together with southern Pingtung, are evolving into a demonstration area that emphasizes a sustainable, low-impact economy, quality living, and smart communities. In 2025, the government launched the Eastern Slow-Living Communities Program, with the promotion of new green industries as its core. The program emphasizes low-pollution, high-value-added industrial models that combine local features with sustainable development principles. The goal is to build an internationally competitive economic framework while injecting innovative energy, enhancing local vitality, and opening broader opportunities for entrepreneurs.

II. The Rise of Startup Cities: Taiwan's Startup Momentum Spreads Islandwide

According to the global startup ecosystem report released by the Swiss research institute StartupBlink, both Tainan and Kaohsiung delivered outstanding performances in 2025. Tainan's ranking jumped from 446th to 237th, while Kaohsiung advanced from 600th to 451st, showing that southern Taiwan is rapidly accumulating innovative momentum. These results highlight the advantages of each city in industrial planning and the startup ecosystem. To provide a comprehensive view of the performance of Taiwan's six major cities within the startup ecosystem, the following sections explain their current development and distinctive features.

(I) Taipei City: The Most Comprehensive Innovation Hub for Startups

Taipei City brings together diverse entrepreneurial resources, ranging from accelerators and incubation centers to parks and startup hubs, making it the most ideal city for developing new ventures. It also hosts the largest number of startups

in Taiwan. In terms of industry distribution, startups are primarily concentrated in Healthcare and Biotechnology, Media and Entertainment, and Consumer Goods, reflecting the city's ability to attract enterprises in these sectors through biotech parks and supportive policies.

Taipei is also home to 891 investment institutions, the highest number in Taiwan, making it a critical financial hub and the top choice for establishing investment firms. On the policy front, Taipei supports startup growth and international expansion through resource subsidies, AI technology assistance, globalization programs, and large-scale innovation events. These initiatives not only enhance the city's international visibility but also strengthen the overall vitality of the regional startup ecosystem. Overall, Taipei possesses abundant and comprehensive startup and investment resources, consistently demonstrating its leading position and serving as a key benchmark for innovation development across Taiwan.

(II) New Taipei City: Building a Startup-Friendly Environment through Support Strategies and Industrial Planning

New Taipei City is Taiwan's most populous municipality with the most complete industrial chain. It benefits from a comprehensive transportation system, an established electronics manufacturing supply chain, strong biomedical R&D capacity, and a comprehensive logistics network. These assets have fueled the city's startup momentum, gradually shaping a startup ecosystem that combines scale with diversity. The city focuses on four main strategies to support startups: providing spaces, startup guidance, marketing and promotion, and funding matchmaking. It has established multiple youth startup bases with distinctive themes, offering entry opportunities and resources tailored to industry needs. In addition, it also enhances startup visibility and market access through themed innovation and entrepreneurship events.

On the industrial side, the city is actively developing demonstration platforms centered on AIoT, biomedicine, and semiconductors, linking accelerators, R&D institutions, and talent cultivation resources to attract both enterprises and startups. This highly concentrated industrial environment provides favorable conditions for pilot testing and fosters strategic cooperation with corporate supply chains. Overall, New Taipei City's entrepreneurship policies aim to help startups accelerate market entry, build business capacity, and enhance visibility, while supporting them in securing greater space for growth during their development stage.

(III) Taoyuan City: Government and Incubators Driving Startup Development

Due to its proximity to Taipei, the convenience of an international airport, and a strong industrial foundation, Taoyuan City's startup ecosystem is flourishing. The key lies in the proactive promotion by the local government and the support of incubation institutions. Currently, Taoyuan hosts 11 startup hubs, such as the Taoyuan Youth Commander, which is a startup hub that focuses on innovative products and technologies, and the Andong Youth Startup Hub, which develops XR and metaverse applications. In addition, the Taoyuan City Government has established the Skyline Accelerator and the A8 Taoyuan Smart Industry Accelerator, both of which assist startup growth through international linkages and industry connections, further enhancing visibility.

Taoyuan has also attracted the innovation platform Plug and Play, which is expected to nurture 20 to 30 startup teams annually, significantly strengthening Taoyuan's global ties. In academic resources, the city government has integrated 13 universities and colleges to form the Taoyuan Campus Startup Alliance. Through the "one school, one specialty" model and competitions, this alliance

is helping cultivate a vibrant campus startup circle. Taoyuan City is gradually transforming into an innovation hub distinguished by industry-academia collaboration and international linkages, continuously leading the development of Taiwan's startup enterprises.

(IV) Taichung City: Combining Policy Advantages with Academic and Research Strength

Taichung City has become the core engine of entrepreneurship in central Taiwan as its startup ecosystem continues to thrive and expand. The city's appeal stems from its unique advantages. It not only has a mild climate and award-winning livability, but also convenient transportation through high-speed rail, an international airport, and an expanding metro network. Taichung also boasts strong industrial capabilities. The precision machinery cluster in the Golden Valley at Dadu Mountain provides a collaborative and practical environment for startups in industrial manufacturing and other hardware sectors, opening diverse new industrial pathways for the city.

The flourishing startup ecosystem in Taichung is supported by a comprehensive support network of government and academia. On the policy side, the Central Taiwan Precision and Smart Tech Promotion Program positions Taichung as a hub for precision machinery and smart manufacturing. The city government has also established the Taichung Youth One-Stop Startup Portal, integrating resources that include startup events, competition information, and consultations at startup bases, while directly injecting funding through loans and subsidies. There are 17 universities and colleges in Taichung that provide technology and talent. Among them, National Chung Hsing University plays a key role in the National Science and Technology Council's research industrialization platform in coordinating allied universities. Through academia-

research collaboration and incubation mechanisms, Taichung helps accelerate the commercialization of research outcomes while expanding diverse talent development.

(V) Tainan City: From Cultural Capital to Emerging Tech Hub, Shaping a New Startup Ecosystem

Tainan City, Taiwan's oldest city, is a renowned cultural capital. It has not only revitalized its cultural and tourism assets but also simultaneously developed the twin engine Southern Taiwan Science Park and the Shalun Smart Green Energy Science City to create a new urban identity. The Science Park is the world's only cluster capable of mass-producing 3-nanometer chips, generating trillions in output value. On the other hand, the Shalun Science City focuses on green energy and smart technologies, where over 90 startup teams and enterprises have set up operations. In addition, by providing startup loans and guidance for digital and green transformation, the Tainan City Government actively builds a comprehensive support system spanning industry, government, academia, and local revitalization, thus injecting vitality into the startup ecosystem.

Tainan's startups are primarily concentrated in Healthcare and Biotechnology and Manufacturing, reflecting the maturity and achievements of its startup ecosystem. The city also offers abundant incubation resources to support startups from landing to growth. For instance, the Taiwan Tech Arena South provides space, networks, and one-stop services. On the other hand, university and institutional incubation centers deliver technology-oriented, medium- to long-term guidance for startups with market potential. Notably, the Precision Health Industry Accelerator of the National Cheng Kung University integrates biomedical and digital technologies to accelerate commercialization and market expansion to help startups enter the medical and healthcare industries.

(VI) Kaohsiung City: Combining Government and Private Sector Strength to Accelerate Startup Growth

Kaohsiung, the largest city in southern Taiwan, is home to the region's only international airport and Taiwan's largest international commercial port. Today, the city demonstrates strong vitality in entrepreneurship, with startup bases such as Megabay and the Kaohsiung Intelligence Navigator (KO-IN) providing teams with guidance and resources. In recent years, domestic and international accelerators have further supported startups across different stages, providing services from office space and professional training to business validation and international connections. Together, these developments all underscore Kaohsiung's development potential.

With the government's Startup Terrace Project, 5G AIoT applications are being extended into Kaohsiung's signature industries, including semiconductors, smart petrochemicals, smart ports, and smart film and television. This leverages the advantages of southern Taiwan's semiconductor clusters to enhance industrial value and synergy. In addition, local entrepreneurs have established the Startup CEO Class, which, together with Startup Terrace Kaohsiung, has built a major exchange platform. It has now become the largest private startup community in southern Taiwan, showcasing Kaohsiung's abundant energy drawn from both government and private resources.

III. Southern Taiwan: From Industrial Port City to Asia New Bay Area

Kaohsiung is rapidly transforming from an industrial port city into southern Taiwan's innovation hub. With large-scale investment from both central and local governments, the Startup Terrace Kaohsiung 5G and AIoT Innovation Park and the Taiwan Tech Arena South (TTA South) were established to channel resources and

funding into the region. Cross-ministerial collaboration has generated unprecedented synergy, drawing widespread attention to the startup ecosystem of southern Taiwan.

(I) Collaboration between Central and Local Governments to Build an Innovation Corridor

Startups in southern Taiwan are keenly focused on high-potential sectors such as 5G AIoT and smart applications. Through inter-ministerial cooperation, regulatory barriers to technology validation have been effectively addressed. For instance, to ensure smooth outdoor testing of 5G private networks, coordination between the National Fire Agency and the National Communications Commission enabled the opening of specific spectrums, thus creating a valuable testing ground for startups. This was a breakthrough that neither a single ministry nor a local government could have achieved alone.

For its part, the local government provides physical space and administrative support, linking the Southern Taiwan Science Park, Lujhu, and Ciaotou Science Parks to Kaohsiung's Semiconductor S-Corridor to realize the vision of a Southern Taiwan Silicon Valley. This close collaboration between the central and local governments integrates not only funding but also policy, regulation, and administrative efficiency to form a technological innovation corridor. In addition, Startup Terrace Kaohsiung actively connects with the incubation resources in northern Kaohsiung, such as collaboration with the Incubation Center at the National Kaohsiung University of Science and Technology, to promote resource exchange between northern and southern Kaohsiung and expand the ecosystem's reach and influence.

(II) Convergence of International Resources to Create a Diverse Startup Service Ecosystem

With the advancement of large-scale initiatives, the strong pull of the Asia New Bay Area has become increasingly evident, attracting a wide range of complementary

domestic and international startup service resources. In the past, southern Taiwan had only a few accelerators. Today, however, organizations such as StarFab, SparkLabs Taiwan, BE Accelerator, and SIC Sustainable Impact Angel Investment have either established a presence or partnered with Startup Terrace Kaohsiung, bringing their professional services and networks to build partnerships. In 2025, the Business Angel Investment Program of the National Development Fund set up an office at Startup Terrace Kaohsiung. Major cloud platform providers such as Microsoft and Amazon have also brought resources into southern Taiwan through their mentoring teams, helping to break the previous imbalance in which resources were mostly concentrated in northern Taiwan and offering startups in the south unprecedented diversity of guidance options.

In addition, rapid infrastructure development has laid a solid foundation for ecosystem growth. Today, the Asia New Bay Area not only offers convenient transportation, with just 15 minutes to the international airport, but also makes it the gateway for technology startups in southern Taiwan. It also has large convention centers, star-rated hotels, accounting firms, and foreign banks and institutions. This complete package of business services positions it not only as a gathering place for startups but also as a fully functional hub capable of supporting international business activities.

Since 2021, the Smart Technology Innovation Park in the Asia New Bay Area has attracted more than 175 domestic and international corporations and startups, driving nearly NT\$23 billion in investment, generating over NT\$53.8 billion in output value, and creating thousands of jobs. In 2023, the Executive Yuan approved the 5G and AIoT Innovation Park Project for Asia New Bay Area 2.0. Investment in resources has been further increased to NT\$17 billion, extending the project to 2027. It is expected to generate NT\$55 billion in investment, NT\$220 billion in output value, and 4,200 jobs. The new initiative underscores southern Taiwan's emergence as a new center for entrepreneurial resources and industrial upgrading.

(III) Distinct Local Characteristics: Second-Generation Entrepreneurs Driving Innovation

Southern Taiwan's startup ecosystem has a unique profile. A significant number of second-generation entrepreneurs, with deep roots in family industries and strong technical expertise, are launching new ventures through digital transformation, business model innovation, or ESG solutions built on existing foundations. These entrepreneurs are highly pragmatic, as they rely on trust-based relationships to secure orders and partnerships. Rather than participating in public fundraising events, they prefer to seek high-value opportunities through local chambers of commerce or private networks of contacts. This reliance on trust networks has shaped a distinctive entrepreneurial culture in the South, markedly different from the typical fundraising pathways of most startups.

At the same time, many southern startups come from academic and research institutions or are experienced industry engineers. For instance, teams spun off from National Cheng Kung University and National Sun Yat-sen University are active in biomedical, materials, and chemical technologies, contributing to a diverse entrepreneurial landscape. These teams primarily focus on AI applications and IoT technologies, with strong potential in sectors such as smart agriculture, aquaculture, and smart manufacturing.

(IV) Deepening Industry Linkages: Co-Creating Opportunities for Transformation

Local enterprises in southern Taiwan, particularly traditional industries and state-owned companies, are increasingly proactive in collaborating with startups. Under the dual pressures of digital transformation and net-zero carbon goals, many firms, such as LCY Chemical, China Steel, CPC Corporation, and ASE Technology,

are openly identifying their industry challenges and seeking innovative solutions. This problem-driven innovation model enables startups to develop products and services that are closely aligned with market needs while gaining valuable opportunities for field validation.

Local incubation institutions play a crucial role in helping startups and traditional industries overcome communication barriers, commercialize technologies, and bring them to market. Having long observed the development of southern Taiwan's industries, the incubation institutions have gained a deep understanding of local needs and considerations. They are thus able to effectively assist startups with technology translation, market validation, and regulatory challenges. This ensures that innovative solutions can generate both revenue and social impact. Such collaboration not only provides startups with practical pathways into the market but also enhances the innovation momentum of local industries. For instance, the Southern Taiwan Industry Promotion Center at the National Sun Yat-sen University has been deeply engaged in the region for 17 years, providing guidance to more than 278 enterprises. Since 2022, it has jointly promoted the Microsoft Startup Accelerator, successfully nurturing 50 startups, hosting over 70 business matchmaking events annually, and facilitating nearly 50 potential collaborations. These efforts have attracted startup talent and technology to Kaohsiung, injecting innovative energy into the digital transformation of local industries.

In addition, by mapping industry needs, Startup Terrace Kaohsiung identified that the turbocharger manufacturer Noporvis needed enhanced monitoring for its testing equipment to provide customers with regular turbo maintenance services to improve product lifespan and performance. Through collaboration with startups in the park, an AI-based monitoring solution for turbochargers was developed. This system allows service centers to assess usage indicators, such as fuel consumption data, wear levels, and pressure detection, to predict maintenance needs in advance and reduce

the risk of oil contamination, bearing wear, and emissions. Similarly, Slab Digital Tech partnered with the shipbuilding company CSBC to help modernize traditional manufacturing and provide smart services to clients. By deploying maritime satellite communications, artificial intelligence, and industrial IoT technologies, ship data is fed back to CSBC to support future R&D and production planning. This improves shipyard management efficiency, shortens workflows, reduces human error, and enables shipping companies to adjust operations in real time to achieve carbon-reduction benefits. In the long run, shipbuilders and shipping companies can reduce emissions and move toward sustainable operations.

(V) Targeting Global Markets through Two-Way International Expansion

With a mission to drive the internationalization of startups in southern Taiwan, Startup Terrace Kaohsiung actively assists startups in expanding overseas markets while attracting international talent. In line with the government's New Southbound Policy, it has established two-way exchange channels with Singapore, Indonesia, the Philippines, and Japan, helping local startups pursue overseas opportunities. In 2024 alone, it supported nearly 90 startups through exchanges, matchmaking, forums, product promotion, and international exhibitions. In addition, through collaboration with Startup Terrace Linkou, Startup Terrace Kaohsiung has launched the Soft-Landing Program to enable overseas teams to experience startup environments and market opportunities in both northern and southern Taiwan, enhancing Taiwan's appeal to global talent. For instance, a U.S. quadcopter chip design company, attracted by Taiwan's manufacturing quality and supply chain advantages, chose to set up in Kaohsiung. With Startup Terrace Kaohsiung's support, it successfully connected with a PCB design and manufacturing firm in Nanzih, achieving its goal of local production. This demonstrates Kaohsiung's potential as an international hub for

hardware innovation, gradually becoming a hub where global technology meets Taiwan's manufacturing, injecting fresh momentum into the internationalization of local industries.

Overall, supported by government investment and strong local partnerships, the startup ecosystem in southern Taiwan has shown remarkable vitality. It not only attracts cross-regional and international resources but also develops a distinctive style rooted in close industry linkages and pragmatic spirit. From the drive of second-generation entrepreneurs to industry co-creation models, the Asia New Bay Area now serves as a collaboration hub for international startups and is steadily transforming from a traditional industrial stronghold into an indispensable Southern Silicon Valley. It is full of stories and opportunities.

Chapter 2. Innovation and Entrepreneurship Policy and Resources

Highlights

To provide entrepreneurs with tangible assistance across all stages of their ventures, the government continues to build an open, resource-rich, and easily accessible support environment. This chapter consolidates the policy measures and implementation outcomes promoted by different government agencies and explains how the government helps entrepreneurs sustain growth. It then presents startup case studies to illustrate the tangible impact of policy resources on startup development.

● Innovation and Startup Supporting Measures

– The government provides funding, talent, market access, and other comprehensive measures to help startups grow successfully. On the financial side, it expands financing channels through loans, grants, subsidies, and investment programs. To foster talent development, it enhances startup knowledge by promoting campus entrepreneurship education and professional skills training. To promote market access, it encourages collaboration between large and small enterprises, offers proof-of-concept testbeds, and supports startups in participating in international exhibitions to secure orders and expand opportunities. Other government measures include technical support, competitions, consulting, and regulatory frameworks, all of which are linked with broader entrepreneurship initiatives to form a complete policy support system.

● Startups Benefiting from Policy Resources

– This chapter highlights three startup cases to illustrate how new ventures have leveraged policy resources to generate real market value, showcasing the effectiveness of government support and its tangible outcomes. For instance, eTreego focuses on electric vehicle charging technology, using research projects to validate its business model. By introducing non-uniform current charging

technology and adopting an ODM model, it successfully transformed its innovations into international orders and expanded globally. Another example is Eastern Union Interactive. It specializes in cross-border financial services for migrant workers, applying AI and compliance technology to address remittance challenges. With support from the National Development Fund, it was successfully listed on the Taipei Exchange OTC market and, building on its domestic market foundation, expanded into Southeast Asia to promote inclusive finance. A further case is Fontrip Technology. In line with government tourism policies, the company developed a travel service platform that integrates ticketing and supply chains. It captured 80% of the domestic electronic ticket package market and partnered with local governments and distribution channels to advance localized tourism solutions.

Section 1. Innovation and Startup Supporting Measures

According to the 2023-2025 Taiwan Startup Ecosystem Survey, the top ten policy resources most needed and most used by startup teams and startups include startup subsidies, startup loans, incubation and acceleration programs, physical service hubs, entrepreneurship training courses, online service platforms, local incubation initiatives, startup awards, and regulatory openness. Over the past three years, funding-related measures such as subsidies and loans have consistently ranked at the top. This shows that in a high-risk and uncertain startup environment, government financial support remains the most critical driver for entrepreneurs to launch and sustain their ventures. (Refer to Table 2-1.)

Apart from funding, measures such as incubation, acceleration, physical service hubs, training courses, and online platforms continue to serve as essential support for startups. Relevant policies include talent development, market information services, and resource linkages, and they have consistently ranked in the top ten with an upward trend overall. This shows that the policies have effectively built a supportive startup environment. The recognition of policy support by startup teams aligns with GEM's evaluation, which places Taiwan's Entrepreneurship policy measures third globally in terms of support and appropriateness.

The policy ranking reflects both startup trends and challenges, while also showing that domestic policies evolve in accordance with these needs. The rise in rankings of training courses and online platforms indicates growing demand among entrepreneurs for practical knowledge in legal affairs, finance, human resources, operations, and marketing, as well as for systematic, real-time information services. The rapid ascent of local incubators into the top ten by 2025 highlights the emerging need for regional support and industry linkages. More importantly, these new demands are being fully addressed by government policies. In recent years, domestic policies have emphasized

Table 2-1. Demand and Usage of Entrepreneurship Policies

Policy Type	2023 Ranking	2024 Ranking	2025 Ranking	Three year Trend
Startup Subsidies	3	1	1	Stable top 5
Startup Loans	4	5	2	Stable top 5
Startup Training Courses	10	7	3	Significant rise
Incubation & Acceleration	2	3	4	Stable top 5
Online Startup Service Hotline/Platform	8	8	5	Significant rise
Physical Startup Service Centers	6	4	6	Mid range
Local Startup Incubation	13	12	7	Newly emerging
Startup Clusters	5	2	8	Mid range
Startup Awards	7	6	9	Stable top 10
Regulatory Liberalization	9	10	10	Stable top 10

regional balance, with resources increasingly deployed through collaboration between central and local governments, local industries, and regional incubation systems. This has enhanced the practicality of policy measures, enabling startups to receive support directly in their operating locations, which in turn strengthened their perception of the policies' relevance and impact.

As entrepreneurial teams and startups grow, their needs evolve. Survey data from 2025 show that in the seed stage, startups place the greatest emphasis on policy resources that directly support entrepreneurship, such as subsidies, loans, and relief measures. At this stage, most startups are still validating their products and business models, and they have neither stable revenue streams nor concrete products or services to convince external investors or financial institutions. As a result, they rely heavily on funding-related policy tools. At the same time, seed-stage startups continue to value entrepreneurship training courses and incubation or acceleration programs, reflecting their strong dependence on external expertise and professional guidance to reduce early decision-making risks.







As startups grow and enter the maturity stage, their reliance on subsidies and general support resources, such as training courses and incubation programs, gradually declines. By this time, they have developed basic operational capabilities and internal expertise, and their demand for policy resources shifts toward those that help expand markets, deepen industry linkages, and secure specialized services. Examples include corporate matchmaking, international market access, and professional consulting services. This underscores the need for policy tools to adjust their approach and focus according to the development stage of startups, thus continuing to serve as a driver for scaling up and internationalization.

By 2025, Taiwan's overall policy resources had increased by 26, bringing the total to 90. Together, these measures have formed a comprehensive support system that makes it easier for startups to overcome barriers related to funding, talent, markets, and compliance, thereby improving their chances of success. This section consolidates the support measures promoted by government agencies and categorizes them by type, covering funding, talent development, market linkages, and other support measures that span multiple domains. These measures are planned and implemented by government agencies according to their policy responsibilities and areas of expertise, reflecting a collaborative and interconnected model of entrepreneurship policy design in Taiwan.

I. Funding




Funding is critical for startups to sustain operations and continue growing. To respond to the practical needs of different startup groups at various stages of development, the government provides financial support through a diverse set of tools that include financing, subsidies, and investment. In financing, government agencies offer preferential loans to help youth, women, and middle-aged or older entrepreneurs start their businesses, lowering the initial capital threshold and encouraging broader participation. In addition, campus entrepreneurship incentive programs encourage students to experiment with starting businesses, while R&D subsidies guide entrepreneurs toward developing key technologies and innovative applications. In investment, the government promotes large-scale initiatives targeting emerging industries and startups with strong potential. These programs not only inject capital but also leverage government leadership to attract private participation, creating a catalytic effect that expands the overall scale of domestic startup investment. These funding measures are provided by the National Development Council, National Science and Technology Council, Ministry of Economic Affairs, Ministry of Digital Affairs, Ministry of Labor, and Ministry of Culture. Together, they form a comprehensive national support system for startup financing.


Table 2-2. Startup Supporting Measures: Funding

Applicable Area	Measure	Description	Link
Financing	Loans for Young Entrepreneurs	The Small and Medium Enterprise Administration provides preferential loans to help young entrepreneurs secure startup capital.	
Financing	Micro-entrepreneur Loans	The Small and Medium Enterprise and Startup Administration assists small businesses with fewer than 10 employees in obtaining working capital and stabilizing operations.	
Financing	SME Innovation Development Project Loan	The Small and Medium Enterprise and Startup Administration encourages innovation by providing funds for revitalization and innovative business development	
Financing	Project of Value Advancement for Intellectual Property	The Industrial Development Administration helps startups use their intangible assets to obtain financing and promotes cooperation in innovative technologies.	
Financing	Interest Subsidies for Loans to Support the Cultural and Creative Industries	The Ministry of Culture provides interest subsidies to help cultural and creative industry operators reduce loan burdens and maintain stable operations.	
Financing	Interest Subsidy for Youth Entrepreneurship Loans in the Cultural and Creative Industries	The Ministry of Culture offers loans and interest subsidies to young entrepreneurs entering the cultural and creative sector.	

Applicable Area	Measure	Description	Link
Financing	Phoenix Micro Start-up Loan	The Workforce Development Agency provides loans and interest subsidies for women, middle aged and older entrepreneurs, and residents of offshore islands.	
Financing	Business Start-up Loan for the Unemployed of the Employment Insurance Act	The Workforce Development Agency provides loans and interest subsidies to support unemployed individuals who wish to start businesses.	
Financing	Start-up Loans and Interest Subsidies for the Unemployed Middle-Aged and Elderly Persons	The Workforce Development Agency provides loans and subsidies to unemployed middle aged and elderly individuals to help stabilize their ventures.	
Financing	Entrepreneurship Loan Subsidy Program for Victims of Domestic Violence	The Workforce Development Agency offers loan subsidies to adult victims of domestic violence to ensure their economic independence.	
Financing	Entrepreneurship Loan Subsidy Program for Families in Special Circumstances	The Workforce Development Agency provides loan subsidies to families facing special circumstances to help restore financial stability.	
Incentives and Subsidies	Small Business Innovation Research Grant Program (SBIR)	The Small and Medium Enterprise and Startup Administration provides grants to encourage SMEs to strengthen R&D in technology and service innovation.	

Applicable Area	Measure	Description	Link
Incentives and Subsidies	Taiwan Industry Innovation Platform Program	The Industrial Development Administration offers grants to support the development of high-value products and innovative technologies.	
Incentives and Subsidies	Service Industry Innovation Research (SIIR)	The Administration of Commerce provides grants to encourage service industries to develop smart and low carbon business models.	
Incentives and Subsidies	Industrial Design-Driven Innovation	The Industrial Development Administration provides grants to support manufacturing and design service industries in developing new products, services, and business models.	
Incentives and Subsidies	U-Start Plan	The Youth Development Administration provides seed funding and incubation support through colleges and universities to help student teams develop viable startup ideas.	
Incentives and Subsidies	Exhibition Supporting Project	The International Trade Administration subsidizes enterprises to participate in overseas exhibitions and expand international markets.	
Incentives and Subsidies	Incentive Program for Digital Startups	The Ministry of Digital Affairs supports information and software startups through incentive programs to enhance international visibility and overseas expansion.	

Applicable Area	Measure	Description	Link
Investment	Business Angel Investment Program	The National Development Fund supports startups by co investing with angel investors and institutions.	
Investment	Promotion Project for Strengthening Investment in AI Startups	The Ministry of Digital Affairs focuses on investing in domestic AI startups and the digital economy, scaling industries and accelerating ecosystem development.	
Investment	Implementation Plan for Strengthening Investment in SMEs (Phase II)	The Small and Medium Enterprise and Startup Administration co invests with investors in high potential SMEs to drive private participation.	
Investment	Implementation Project for Strengthening Investment in Cultural and Creative Industries	The Ministry of Culture invests in cultural content enterprises with professional management capacity and market potential to promote industry growth.	
Investment	Implementation Project for Strengthening Investment in Green Growth Net-Zero Industry	The Ministry of Environment co invests in emerging net zero sustainability industries, accelerating technology adoption and growth.	
Investment	FINDIT	The Small and Medium Enterprise and Startup Administration has established an information platform integrating startup and investment data to facilitate market matchmaking.	






Applicable Area	Measure	Description	Link
Investment	Taiwan Innovation Board	Under the supervision of the Financial Supervisory Commission, the Taiwan Stock Exchange launched the Taiwan Innovation Board to help innovative enterprises to access the capital market to raise funds and accelerate growth.	


II. Talent Development

In supporting talent development, government measures are focused on both cultivating and attracting talent. Cultivation measures serve three main purposes. First, to nurture startup talent by offering courses, guidance, and consulting services that enhance the ability to turn ideas into action. Second, to strengthen the entrepreneurial knowledge of research personnel in areas such as commercialization, intellectual property, and market entry, ensuring that research outcomes can be effectively applied. Third, for entrepreneurs already engaged in startups, the government provides ongoing mentoring and capacity-building support to help teams reinforce resilience at different growth stages, thereby increasing their chances of survival and expansion.

The purpose of talent attraction is to strengthen the international linkages of Taiwan's innovation and startup ecosystem. Through measures to introduce international talent, the government seeks to attract foreign professionals with technical expertise, industry experience, or entrepreneurial potential to work and settle in Taiwan. By streamlining administrative processes for visas, residency, employment, and living arrangements, the government has enhanced incentives for long-term development in Taiwan. With the combined efforts of the National Development Council, National Science and Technology Council, Ministry of Economic Affairs, and Ministry of Labor, Taiwan is simultaneously cultivating local talent and transforming its innovation and startup ecosystem into a more internationally open environment.

Table 2-3. Startup Supporting Measures: Talent Development



Applicable Area	Measure	Description	Link
Cultivating Talent	Taiwan Startup Hub	The Small and Medium Enterprise and Startup Administration supports the development of startup teams by connecting them with entrepreneurship mentors and ecosystem partners to provide resource linkage and guidance.	
Cultivating Talent	Entrepreneurship University Program	The Small and Medium Enterprise and Startup Administration provides enterprises with a one-stop digital learning platform to strengthen the professional knowledge and skills of SME employees.	
Cultivating Talent	0800-589-168 Toll-free Startup Consultation Hotline	The Small and Medium Enterprise and Startup Administration provides entrepreneurship consulting services to help entrepreneurs address startup challenges and offers one-on-one professional consultations.	
Cultivating Talent	From IP to IPO Program	The National Science and Technology Council cultivates technology startup talent through competitions and professional mentoring.	
Cultivating Talent	Taiwan Germination Program	The National Science and Technology Council provides startup consultation resources to help academic research teams establish new ventures.	






Applicable Area	Measure	Description	Link
Cultivating Talent	X Talent	The National Science and Technology Council selects talent for overseas internships to cultivate industry professionals with global perspectives.	
Cultivating Talent	Entrepreneurship Consulting and Guidance Program	The Workforce Development Agency offers startup training courses and consulting services to enhance entrepreneurial knowledge.	
Cultivating Talent	Small Enterprises Talent Skill Progressive Program	The Workforce Development Agency assists small enterprises in enhancing talent training and development by providing consulting services and implementing training programs.	
Attracting Talent	Employment Gold Card	The National Development Council integrates work and residency permits to attract foreign professionals to develop careers in Taiwan.	
Attracting Talent	Talent Taiwan	The National Development Council provides one-stop services such as visa application, employment, and tax consultation to attract international talent.	
Attracting Talent	Nomad Taiwan	The National Development Council offers a dedicated service window and digital nomad visa system to attract global nomads and international entrepreneurs.	
Attracting Talent	Taiwan Entrepreneur Visa	The Small and Medium Enterprise and Startup Administration assists foreign entrepreneurs in applying for visas to establish businesses in Taiwan.	






III. Market




At the market expansion stage, startup teams and new ventures often face many challenges, including difficulty in acquiring customers, high validation costs, and limited access to distribution channels and international market information. To address these issues, the government has introduced market linkage measures focused on collaboration, validation, and internationalization. On the one hand, these measures help startups build collaborative relationships with established enterprises and government agencies to build domestic business networks and match technologies with actual customer needs. On the other hand, through innovation clusters and testbeds, startups gain opportunities to have their technologies or services examined and refined in real-world settings. This allows them to connect with potential customers and partners while reducing the risks and costs of moving from R&D to market. In addition, by organizing delegations to participate in international exhibitions, the government enables startups to better understand overseas market needs and collaboration models, laying the groundwork for future global expansion. With the combined efforts of the National Science and Technology Council, Ministry of Economic Affairs, Financial Supervisory Commission, Ministry of Digital Affairs, Ministry of Education, and Council of Indigenous Peoples, corresponding market linkage and support measures are provided across technology, industry, finance, talent, and specific communities. Together, these initiatives form a comprehensive market support network.

Table 2-4. Startup Supporting Measures: Market

Applicable Area	Measure	Description	Link
Collaboration	Taiwan Tech Arena, TTA	The National Science and Technology Council focuses on deep-tech startups, providing training, investment matchmaking, and international linkage channels to attract domestic and foreign investment and foster collaboration.	
Collaboration	Taiwan Tech Arena, TTA South	The National Science and Technology Council connects resources from southern industrial clusters to promote startup validation and investment development.	
Collaboration	Startup Terrace Kaohsiung	The Small and Medium Enterprise and Startup Administration leverages 5G, AIoT, and green transition technologies to integrate international resources, build a startup hub in southern Taiwan, and support market access for startups.	
Collaboration	Public Procurement for Start-ups	The Small and Medium Enterprise and Startup Administration promotes co-creation and collaboration through joint supply contracts, field validation, and the Care Products and Services Directory.	
Collaboration	Startup Empowerment Program for SME Upgrading and Transformation	The Small and Medium Enterprise and Startup Administration encourages collaboration between large and small enterprises to drive a twin transition to realize industrial digitalization and net-zero emissions.	

Applicable Area	Measure	Description	Link
Collaboration	Subsidy Program for Incubators of SMEs and Startups	The Small and Medium Enterprise and Startup Administration provides subsidies to incubation institutions, helping startups and SMEs connect with industry and create market opportunities.	
Collaboration	Promoting Social Innovation Collaboration Program	The Small and Medium Enterprise and Startup Administration provides a disclosure platform for social innovation organizations, using innovative approaches to address challenges and promote cross-industry collaboration and co-creation.	
Validation	Smart Rainforest Industrial Revitalization Plan-Healthcare Industry	The Administration for Digital Industries focuses on AI applications in healthcare, guiding enterprises to develop innovative solutions.	
Validation	Market Access & Value Enhancement Project for Innovative Medical Product	The Industrial Development Administration supports innovative medical products in completing clinical and effectiveness validation.	
Validation	Consulting and Guidance Services for Smart Medical Devices	The Ministry of Health and Welfare provides R&D and regulatory consulting for smart medical devices to assist product development and cultivate specialized talent.	







Applicable Area	Measure	Description	Link
Validation	FinTechSpace	With funding assistance from the Financial Supervisory Commission, the Taiwan Financial Services Roundtable established FinTechSpace to provide resources such as fundraising matchmaking and industry-academia collaboration to support resident enterprises in innovating financial technology services.	
Validation	Innovation R&D Guidance Program	The Council of Indigenous Peoples supports indigenous enterprises with early-stage trials and R&D guidance services.	
Internationalization	Program to Subsidize Firms in Diversifying and Expanding Overseas Markets	The International Trade Administration provides project subsidies to help enterprises build overseas marketing channels and enhance export competitiveness.	
Internationalization	Startup Island TAIWAN, Tokyo Hub & Silicon Valley Hub	The National Development Council offers overseas consultation and business development services to enhance international visibility of startups.	
Internationalization	Subsidies for the Enhancement of Innovation and Entrepreneurship and International Linkage	The National Development Council provides subsidies for startups to connect with overseas resources and expand international cooperation networks.	







Applicable Area	Measure	Description	Link
Internationalization	Asia Silicon Valley & AI Strategy Agency	The National Development Council supports startups in participating in domestic and international exhibitions and matchmaking events, cultivating talent with global perspectives.	
Internationalization	TAcc+	The Small and Medium Enterprise and Startup Administration leads startups to international exhibitions and connects them with global incubation institutions to accelerate business expansion.	
Internationalization	G Camp	The Small and Medium Enterprise and Startup Administration selects startups with strong potential, providing international resources and incentives to support overseas market expansion.	







IV. Other Supporting Measures






To help startup teams and new ventures address challenges in technical and product development, quickly find the right resources and expertise, and reduce operational risks in the face of uncertainties, the government has introduced a set of support measures. These measures complement and connect funding, talent, and market initiatives, ensuring that startups can access practical tools and assistance at different stages of growth. They include technical guidance and resource input to strengthen technological capacity and readiness for commercialization, as well as competitions and selection mechanisms to identify high potential teams and channel follow up resources. In addition, entrepreneurship consulting services provide professional support in governance, finance, compliance, and operations to enhance business maturity. By spanning multiple dimensions, these support measures form a holistic support framework and are promoted by the National Development Council, Financial Supervisory Commission, Ministry of Economic Affairs, and Ministry of Health and Welfare, each according to their policy roles.





Table 2-5. Startup Supporting Measures: Other Measures



Applicable Area	Measure	Description	Link
Technical Guidance	Financial Technologies Innovative Experimentation Mechanism	The Financial Supervisory Commission provides a safe environment for fintech R&D through innovation experiments and mechanisms where financial institutions can pilot new business operations.	
Technical Guidance	Business Trial Mechanism	The Small and Medium Enterprise and Startup Administration promotes cross domain innovation and R&D collaboration through a model where the SMEs pose challenges and startups provide solutions.	
Technical Guidance	SMEs Succession Project	The Department of Industrial Technology offers R&D support and professional guidance to help research teams connect smoothly with the market.	
Technical Guidance	Taiwan Research-Institute Entrepreneur Ecosystem Program (TREE)	The Department of Industrial Technology provides subsidies for commercialization of academic research outputs to help spin-off startups meet industry needs.	
Technical Guidance	Startup Value Creation Program 2.0	The Department of Industrial Technology facilitates venture capital and startup investment in forward-looking technologies to accelerate commercialization.	
Technical Guidance	A+ Startup Technology Enhancement Program (A+-STEP)		

Applicable Area	Measure	Description	Link
Technical Guidance	Unmanned Vehicle Technology Innovation Experiment Project	The Department of Industrial Technology provides testbeds for unmanned vehicles to advance industrial technology and innovative services.	
Technical Guidance	Positive Patent Examination Pilot Program for Startups	The Taiwan Intellectual Property Office prioritizes invention patent applications by startups, using accelerated examination mechanisms to accelerate the process of securing patents.	
Technical Guidance	Accelerated Examination Pilot Program for Design Patents	The Taiwan Intellectual Property Office accepts applications for expedited review of design patents to help startups accelerate patent deployment.	
Technical Guidance	Meteorological Resources Innovative Trial Program	The Central Weather Administration makes available meteorological data and services to encourage startups to use weather information to lower barriers to cross-domain applications.	
Technical Guidance	Smart Electronics IC Developing Project	The Industrial Development Administration supports startups with strong potential in smart electronics with R&D and industry-academia collaboration resources.	
Technical Guidance	Optimization of Agricultural Incubation Center	The Ministry of Agriculture provides technical and business incubation services to accelerate commercialization and help startups expand domestic and international markets.	

Applicable Area	Measure	Description	Link
Competition	Business Startup Award	The Small and Medium Enterprise and Startup Administration selects and honors startups with strong potential, using them as successful role models to inspire and strengthen entrepreneurial spirit.	
Competition	Women Entrepreneurship Program	The Small and Medium Enterprise and Startup Administration recognizes outstanding female entrepreneurs across industries, using them as role models to shape and promote women entrepreneurship.	
Competition	Hi-Po Star	The Small and Medium Enterprise and Startup Administration identifies startups with strong potential and provides fundraising channels, resource linkage, and media exposure.	
Competition	Startup Challenge	The Small and Medium Enterprise and Startup Administration organizes themed competitions to foster cross-domain collaboration between startups and industry.	
Competition	IC Taiwan Grand Challenge	The National Science and Technology Council hosts international competitions to attract foreign startup teams to Taiwan for collaboration and R&D.	
Competition	New Talent Awards	The Administration for Digital Industries provides tailored consulting and guidance to support startups in industry matchmaking and collaboration.	

Applicable Area	Measure	Description	Link
Competition	Future of Urban and Rural Areas: Local Industry Creative Competition	The Small and Medium Enterprise and Startup Administration uses competitions to promote innovation and upgrading of local industries to drive sustainable urban-rural development.	
Consulting Services	Startup Portal Taiwan	The Small and Medium Enterprise and Startup Administration has established a nationwide one-stop entrepreneurship information integration platform to help entrepreneurs quickly access government services.	
Consulting Services	One Stop Service Center (0800-280-280)	The Small and Medium Enterprise and Startup Administration provides a single window for enterprise financing and consulting services.	
Consulting Services	Financial Decision Navigation Scheme for Technology Startups	The Small and Medium Enterprise and Startup Administration offers financial management and fundraising guidance to strengthen startups' decision-making capacity.	
Consulting Services	Go Incubation Board for Startup and Acceleration Firms (GISA)	GISA is under the supervision of the Financial Supervisory Commission and operated by the Taipei Exchange. It provides consulting services, fundraising support, professional training, and networking channels to help startups strengthen their foundations and fundraising capacity.	

Applicable Area	Measure	Description	Link
Consulting Services	AI GISA Program	The program is under the supervision of the Financial Supervisory Commission and jointly initiated by the Taipei Exchange and external partners. It provides AI startups with consulting services in computing resources, technology, funding, market access, and regulatory frameworks.	
Consulting Services	Legal Consulting Service Website for Small and Medium Enterprise	The Small and Medium Enterprise and Startup Administration provides legal consulting to enhance startups' awareness of legal affairs and risk management.	
Consulting Services	Million Dollar Startup Program	The Council of Indigenous Peoples supports entrepreneurship among Indigenous people through training, guidance, and startup grants and facilitates market validation by matching them with business opportunities.	
Consulting Services	Enterprise Diagnostic Services	The Council of Indigenous Peoples provides on-site diagnostics and in-depth consulting to indigenous enterprises to help strengthen their market positioning and operations.	

Applicable Area	Measure	Description	Link
Consulting Services	Business Start-up Coaching and Loan Subsidies for ROC Military Ex-Servicemen	The Veterans Affairs Council provides retired military personnel with entrepreneurial consulting and guidance, loan interest subsidies, training programs, and entrepreneurship seminars to support business development.	
Management Consulting Services	Program for Promoting Local Township Specialty Industries in Alignment with Regional Revitalization	The Small and Medium Enterprise and Startup Administration provides professional guidance to help local industries adopt innovative technologies and new business models.	

V. Inclusive Entrepreneurship

As innovation becomes a driving force for economic growth and social transformation, ensuring that all segments of society can share in startup and growth opportunities has become a priority in global entrepreneurship policy. Inclusive entrepreneurship emphasizes that people of different genders, ages, ethnicities, and educational and social backgrounds should be able to participate equally in entrepreneurial activities and gain access to the necessary training, funding, and market resources. Its core principle is not only to improve the success rate of startups but also to ensure fairness in entrepreneurial opportunities, enabling entrepreneurship to become a force for social mobility, job creation, and economic advancement. The concept of inclusive entrepreneurship originates from the need to address resource gaps and structural constraints in society, using entrepreneurship to ensure the economic autonomy of disadvantaged or non-traditional labor groups. In Taiwan, inclusive entrepreneurship focuses not only on supporting diverse groups but also on

applying innovative thinking to respond to social challenges and promote balanced urban-rural development. Many initiatives embody this concept. They use innovation as a means and social value as a guiding principle so that entrepreneurship is not only about pursuing economic growth but also about addressing public issues, fostering social inclusion, and advancing regional balance.

For many years, the government has promoted inclusive entrepreneurship and has assisted groups from diverse backgrounds, including women, Indigenous peoples, and middle-aged and older entrepreneurs, to participate in startup activities. The Small and Medium Enterprise and Startup Administration has promoted the Women Entrepreneurship Program, which provides startup training, financing guidance, and international linkages to help women entrepreneurs enhance their professional capabilities and market competitiveness. In addition, the Ministry of Labor offers business start-up loans and interest subsidies for middle-aged and elderly persons, encouraging them to pursue entrepreneurship as a new path for career extension and community service at the local level. Through these policies, Taiwan has gradually moved toward a more equitable and inclusive framework for the distribution of entrepreneurial resources, enabling different groups to achieve self-realization and greater social participation through entrepreneurship.

Apart from targeted support measures for specific groups, the government has also extended the concept of inclusive entrepreneurship into the design of policies for local revitalization and social innovation. Through the Incentive Program for Youth Participation in Local Revitalization and the Regional Revitalization Youth Empowerment Work Stations, the National Development Council encourages young people to use innovative solutions to address local development needs. It also cultivates potential seed teams for local revitalization and establishes systems of long-term accompaniment and on-the-ground support. The two initiatives encourage the young people to return to their hometowns and promote local prosperity. In addition, through cross-disciplinary and cross-regional collaboration networks, the Council also

promotes sustainability and community-oriented practices to shape resilient, diverse, and sustainable local living circles. In addition, the Ministry of Economic Affairs has advanced the Promoting Social Innovation Collaboration Program to continue to improve social innovation platform services. Focusing on cross-agency collaboration and multi-stakeholder participation, the program deepens and expands the startup ecosystems in communities, forming a sustainable cycle of demand and impact. Together, these measures integrate startup activity with local industrial development, environmental sustainability, and social well-being, demonstrating the importance of inclusive entrepreneurship to Taiwan's social development.

In addition, the spirit of inclusive entrepreneurship also extends to urban-rural development issues, where initiatives use entrepreneurial thinking to revitalize local economies. For instance, the Future of Urban and Rural Areas: Local Industry Creative Competition highlights industries with historical, cultural, and narrative value. It also provides resources for digital transformation, net-zero carbon reduction, and channel expansion to enhance the visibility of local brands. The Program for Promoting Local Township Specialty Industries in Alignment with Regional Revitalization provides funding for advisory support and guidance from industry service teams. Through these measures, the program helps local industries adopt innovative technologies and emerging business models. It thereby enhances competitiveness and coverage while creating local employment opportunities.

Section 2. Startups Benefiting from Policy Resources

Startups transform national strategies and policy measures into real market value. To accelerate technology commercialization and market validation, they apply for funding from programs such as the Business Angel Investment Program and Loans for Young Entrepreneurs or seek R&D subsidies from the Small Business Innovation Research (SBIR) Grant Program of the Ministry of Economic Affairs.

In addition, accelerators and other incubation institutions actively help startups connect with large-enterprise resources and international markets, forming an open innovation ecosystem built on public-private collaboration. To demonstrate the government's commitment to nurturing high-potential startups and providing support across different stages of development, this white paper has compiled information on the beneficiaries of government startup policies. These include startups with global market potential, those with international customers, and those that collaborate with enterprises. Below, we introduce three startups that have leveraged policy resources and achieved significant progress in their respective fields to highlight the policy outcomes and practical impact of government support.

I. eTreego: Building a Sustainable Path for Taiwan's EV Charging Ecosystem

With the rapid development of renewable energy, the long-term need for operation and maintenance of solar power plants has increasingly affected generation efficiency and investment returns. To address this challenge, eTreego focuses on the operational stage of power plants, developing a cloud-based digital management system that enables real-time monitoring, anomaly detection, and performance analysis. This helps operators track equipment status and carry out timely repairs and adjustments. In line with the government's focus on renewable energy digitalization and smart grids, eTreego leverages R&D subsidies and demonstration sites to bring its system into commercial operation, reducing generation losses caused by information opacity and improving operational stability.

Apart from technical services, eTreego has extended its platform to asset management, providing power generation data to financial and insurance institutions as a basis for risk assessment and investment valuation. Supported by government policies promoting green finance and renewable energy investment, eTreego has established collaborative models with the financial sector, enabling solar projects

to move from single-point ventures toward scaled asset allocation. This model not only strengthens the bankability of renewable energy projects but also demonstrates Taiwan's maturity in energy management and institutional integration.

II. Eastern Union Interactive: Cross-Border Finance and Inclusive Innovation

Eastern Union Interactive focuses on lowering the high costs of cross-border remittances, overcoming limited banking hours, and removing language barriers faced by migrant workers in Taiwan. The company has built a legal, low-cost, and scalable digital remittance service, with "compliance through technology" as its core. It uses technology to standardize anti money laundering and risk control processes, integrating AI, eKYC, biometrics, and real-time risk models to automate identity verification and transaction review. Users can complete remittances using mobile phones, shortening the process from several days to 30 minutes. With services available even on weekends, this model not only lowers costs but also channels underground remittance activity into the regulated financial system, demonstrating the practical application of inclusive finance.

The development of Eastern Union has benefited from sound policy frameworks and government support. In 2020, it moved into the FinTechSpace co-working space, where regulators and accelerators assisted in completing compliance procedures. After the Financial Supervisory Commission announced the Regulations Governing Small Amount Remittance Services for Foreign Migrant Workers in 2021, the company obtained its business license in 2022, enabling it to independently review transaction data and improve service efficiency. In addition, strategic investment from the National Development Fund not only provided capital but also strengthened market and institutional trust, helping Eastern Union enter the capital market smoothly. The company's model has been expanded to Hong Kong and Japan, with Southeast Asia as the next stage of development. This demonstrates Taiwan's potential in adapting

cross-border financial supervision and exporting institutional frameworks through fintech innovation.

III. Fontrip Technology: Tourism Ecosystem Integration Beyond Ticketing Services

Fontrip Technology traces its roots to the Smart Living Technology Application Project of the Industrial Technology Research Institute and the Low-Carbon Smart Tourism in Sun Moon Lake initiative. The company integrated the fragmented resources in transportation, ticketing, and tourist attractions to launch electronic travel passes and a destination management system, enabling travelers to enjoy a seamless, all-in-one experience with a single card. This strategy of transforming a proof of concept (PoC) into a proof of business (PoB) established initial market trust and gained both government endorsement and international recognition. Currently, the company's system integrates ticketing, validation, reconciliation, and distribution processes, creating dual B2B2C and B2G2C ecosystems. It supports government integration initiatives such as Taiwan Pass and Taiwan Fun Card, which combine multiple transportation and tourism services into a single card. In addition, the company collaborates with more than 1,000 merchants and over 60 domestic and international distribution channels.

With funding, technical support, and guidance from the Small and Medium Enterprise and Startup Administration and the Tourism Administration, Fontrip Technology was able to adopt mobile payment systems and complete its digital transformation. It then introduced AI analytics to accelerate system expansion and drive overseas growth. Its strategic focus lies in deep integration of the tourism value chain rather than simply ticket sales, enabling travelers to enjoy one-stop services while providing governments and local partners with effective data analysis and management tools. This model not only enhances market efficiency but also demonstrates the long-term sustainable competitiveness of Taiwan's tourism technology startups in both domestic and international markets.

Chapter 3. Innovation and Startup Trends

Highlights

Technology and innovation are redefining global lifestyles and business models. From everyday consumption and transportation to healthcare, digital technologies have become primary drivers of economic restructuring. This chapter analyzes key global startup trends alongside Taiwan's strengths, exploring how startups transform forward-looking technologies into practical solutions. In the waves of AI, digital health, and sustainable technology, startups are finding critical entry points into the global value chain.

● Focus Areas of Startups in Taiwan

- Taiwan's startups have demonstrated strong capabilities in AI applications. Their R&D focuses on generative AI and natural language processing, successfully applying these technologies to advertising, marketing, and smart manufacturing, thereby facilitating digital transformation across industries.
- In the electronic hardware and healthcare sectors, startups have leveraged their strengths in ICT and developed smart hospital and precision medicine solutions. At the same time, Taiwan's semiconductor supply chain has secured a key position in forward-looking technologies such as heterogeneous integration and satellite communications.
- In the consumer services sector, startups have used Taiwan's dense convenience store and restaurant networks as testing grounds to nurture innovative models such as cloud kitchens, subscription-based health services, and cold-chain logistics, showcasing diverse and flexible business value.

● Startup Cases in Popular Sectors

- This chapter highlights three representative cases that illustrate the value of startups in deep tech and applied innovation. TSGC Technologies demonstrates the potential of the circular economy by fully dismantling solar panels and using AI recognition technology to overcome bottlenecks in recycling. It has successfully commercialized academic research outcomes and entered the U.S. market. Free Bionics focuses on smart healthcare and exoskeleton robotics, transforming institutional technologies into assistive devices that help individuals with spinal cord injuries walk. Through international collaboration, it showcases Taiwan's strengths in precision machinery and medical integration. And finally, Cancerfree Biotech advances precision medicine with a surrogate medical platform that integrates AI image analysis, enabling cancer patients to quickly identify suitable drugs. This effectively addresses the challenge of ineffective treatments and demonstrates the clinical value of biomedical technologies.

Section 1. Focus Areas of Startups in Taiwan

In any country or region, startup ecosystems do not emerge out of thin air; they are shaped by local industrial structures, policy orientations, social and cultural environments, and talent composition. In the United States, the technology clusters in Silicon Valley have nurtured wave after wave of digital startups. In Northern Europe, an emphasis on sustainability and equality has driven the rise of green technology and social entrepreneurship. In Taiwan, the local startup ecosystem is no exception. Rooted in a strong manufacturing base and supported by the flexibility and resilience of its people, Taiwan has built a relatively comprehensive SME network and industrial chain. In recent years, government startup policies and international linkages have further fostered a friendly environment for entrepreneurship.

Findings of recent Taiwan Startup Ecosystem Survey show the evolution of popular startup sectors. Between 2019 and 2021, the preferred sectors were Cultural and Creative Industries, e-commerce, and Consumer Goods Retail and Wholesale. From 2022 to 2025, AI and Big Data consistently ranked first, with applications extending into Biotech and Healthcare, Cultural Creativity, and Consumer Goods. These shifts reflect how Taiwan's startup themes continuously follow global technological trends while also responding to the speed of adoption and demand within the society and industrial chains. As the world embraces the wave of artificial intelligence, Taiwan's entrepreneurs have likewise found new opportunities to innovate.

Further analysis of the FINDIT database provides a clearer picture of the main sectors where local startups are active. Data from 2025 show the top five sectors as: Healthcare and Biotechnology (12.05%), Electronic Hardware (semiconductors, communications, and other hardware) (7.82%), Food and Beverage (7.55%), Consumer Goods (6.94%), and Media and Entertainment (6.86%). These sectors are

closely tied to Taiwan's existing industrial foundations and align with both social needs and global market trends.

I. Healthcare and Biotechnology

Of the many industry sectors, Healthcare and Biotechnology have long been regarded as the largest and most dynamic. According to statistics from FINDIT, startups in this sector account for 12.05% of the total, consistently ranking first in both early-stage investment volume and value. In 2022 alone, the sector attracted more than 75 deals worth nearly US\$380 million. Factors such as population aging, rising demand for chronic disease management, and the comprehensive National Health Insurance Research Database (NHIRD) have created a robust testing and R&D environment. As a result, Taiwan has become a fertile ground for innovation in digital health, precision medicine, and long-term care.

(I) Smart Healthcare and Digital Health: Breaking the Physical Boundaries of Care

The development of smart healthcare applications is gradually expanding the boundaries of medical services. Internationally, multiple cases already show a shift from equipment confined to single sites toward service models characterized by cross-system integration and real-time data flow. In Taiwan, Wistron Medical Technology has adopted a platform-based, ecosystem-integrated service model, combining AI imaging interpretation with its own smart beds and medical display devices to deliver integrated smart healthcare solutions. It has partnered with the network of hospitals affiliated with Taipei Medical University, including the TMU Affiliated Hospital, Wan Fang Hospital, and Shuang Ho Hospital, to introduce non-contact AI detection devices into cardiology, sleep centers, and dialysis wards.

The company has also collaborated with National Taiwan University Hospital on clinical trials of lower-limb exoskeleton rehabilitation robots for stroke patients. It has also introduced smart dialysis wards at Kaohsiung Municipal Siaogang Hospital, using big data and IoT technologies to detect complications in advance. In addition, it has worked with En Chu Kong Hospital to build a patient-centered smart hospital platform. These collaborations not only enhance clinical workflow efficiency but also generate clinical data for future research and decision-making. In AI-assisted diagnostics, Ever Fortune AI has also achieved concrete results. In March 2023, it became Taiwan's first publicly listed AI medical device company. Working closely with China Medical University Hospital, it has built imaging annotation and data collection systems. Its technologies have been applied in clinical scenarios such as breast cancer classification, liver cancer management, and bone age assessment, and have been deployed across 16 hospitals within the China Medical University Hospital network for real-world validation.

(II) Precision Medicine and Genomic Technology: Tailor-Made Healthcare Solutions

With advances in gene sequencing and steadily declining costs, precision medicine is no longer just theoretical. Hospitals in Taiwan now offer genetic testing to help cancer patients identify the most suitable treatments. Syncell Inc., a Taiwan-based company, has developed a capture-enabled advanced instrument that can automatically label and selectively isolate unknown protein constituents or nucleic acids within cells or subcellular regions under the microscope. The instrument achieves nanometer-level precision positioning and enables high-resolution analysis. In addition, the company has partnered with international industry leaders such as Thermo Fisher Scientific to apply its technology to precision medicine research in

oncology, neuroscience, and immunology. The vision of "one person, one genomic profile" is becoming the roadmap that field experts are working toward. In the future, visiting a doctor may be as simple as presenting your genetic file, much like swiping a health insurance card, to immediately receive a customized prescription. Of course, challenges remain. Safeguarding and regulating the use of private genetic data and ensuring that the pace of clinical validation for gene-drug interactions can keep up with commercialization demands will be critical to realizing this vision.

(III) New Drug and Medical Device Development: Breaking the Boundaries of Traditional Therapies

Taiwan has a long-standing foundation in the research and development of small-molecule drugs and biologics. In this field, many startups focus on novel disease mechanisms, regenerative medicine, cell therapies, and the development of high value-added medical devices. These teams are striving to overcome the limitations of existing treatment approaches, using new technologies to enhance efficacy and expand therapeutic options, such as employing stem cell techniques to repair damaged tissues. Several of the startups mentioned earlier that have received investment have already demonstrated outstanding performance in this area. However, such innovative technologies still face multiple challenges in practical promotion and clinical application. These include the lengthy time required for clinical validation, the relatively high overall treatment costs, and the fact that the National Health Insurance reimbursement system may not be able to promptly cover the introduction of new therapies. Against this backdrop, whether through introducing international technologies or advancing domestic R&D achievements, the key issue for both policy planning and market development is to balance accessibility and affordability of treatment while ensuring efficacy and safety.

(IV) Elderly Care and Long-Term Care Technology: Innovation for Dignified Aging

With Taiwan's population aging rapidly, the demand for long-term care services continues to grow. Startups are integrating technology into caregiving, developing a wide range of smart solutions, from intelligent mattresses that detect falls and issue real-time alerts to rehabilitation robots assisting stroke patients and platforms that connect care providers with families in need. These innovations not only ease the burden on caregivers but also enable older adults to live safer, more dignified lives.

II. Electronic Hardware (Semiconductors, communications, and others)

Taiwan has long maintained global competitiveness in semiconductors and electronics manufacturing, making electronic hardware a core area for startup development. Leveraging a complete local supply chain, advanced packaging, and precision manufacturing capabilities, startups can rapidly move technologies from proof-of-concept to market. Their strengths are particularly evident in AI chips, automotive electronics, communication modules, and energy management solutions.

(I) Integration Across Different Materials and Modules

Heterogeneous integration technology enables the integration of different chips, materials, and functional units into modules, enhancing both computing performance and energy efficiency. This trend has brought about a full innovation chain from materials breakthroughs and advanced packaging to applied modules and has become a key area of development for Taiwan's semiconductor startups. By capitalizing on mature foundry and packaging capabilities, startups are developing high-performance computing (HPC) chips, AI inference chips, and specialized

accelerator modules. Some startups are also designing dedicated AI modules for edge computing and autonomous vehicles. They use packaging technologies to improve power management and thermal efficiency, thus successfully entering international markets.

(II) Open RAN Reshaping the Telecom Industry and Hardware Supply Chain

In recent years, Open RAN has emerged as one of the most prominent global trends in telecommunications. The rapid increase in 5G demand, satellite communications, and Open RAN has created new opportunities for startups. In Taiwan, startups are offering 5G Open RAN wireless access network solutions, including high-performance, low-power O-RAN distributed units and fronthaul switches. This positioning directly addresses the Open RAN architecture's need for hardware modularization and distributed units. It also demonstrates how Open RAN has evolved beyond a reform in telecom technology into a new blue-ocean market, where entrepreneurs combine software and hardware innovation to drive growth.

(III) Integrating Satellite Communications with Terrestrial Networks

The integration of satellite communications (NTN, including Direct-to-Cell) and terrestrial networks can be imagined as a network highway between Earth and space. Traditionally, signals relied on terrestrial base stations, leaving coverage gaps in oceans, deserts, mountains, or disaster zones. Today, low-earth-orbit (LEO) satellites are acting as base stations in the sky, enabling mobile phones, vehicles, ships, and even IoT devices to connect directly to satellite networks without dependence on ground infrastructure. This transformation is not only a technological breakthrough but also offers new opportunities for startups. As communications systems extend from the

ground into space, technical gaps and supply chain opportunities emerge, and these are precisely areas where startups can thrive.

Taiwan has a comprehensive network of semiconductor and communications supply chains, spanning chip design, packaging and testing, RF modules, and antenna manufacturing. For this reason, there are multiple entry points for entrepreneurs. An example is the development of baseband chips that support both 5G and LEO satellites to solve signal-switching challenges. Another is the attitude control and propulsion systems for small satellites, where spherical motor technology enhances orbital stability and lays the foundation for satellite network construction. The companies in this sector demonstrate how Taiwan's startups leverage hardware R&D capabilities to tap into new segments of the global satellite communications value chain. As satellite-terrestrial integration accelerates, every component, from antennas and chips to ground gateways and software coordination systems, could become the next startup opportunity.

III. Food and Beverage

With Taiwan's population increasingly dining out and doing so more frequently and regularly, the Food and Beverage market has become stable and predictable. Dense distribution channels, delivery platforms, cold-chain infrastructure, and a supportive investment ecosystem allow startups to validate and scale quickly with relatively low capital. With increased supply and demand, Food and Beverage has become one of the key industry sectors for Taiwan's startups. The domestic food service market is both large and steadily growing. In 2024, the scale was estimated at NT\$846.3 billion, with annual growth of 7.6%. This size and structure are particularly favorable for early-stage startups, since small-scale pilots can generate feedback and allow startups to make changes quickly. Today, Taiwan's food service industry is no longer just about culinary skill or interior design. From neighborhood noodle stands to chain restaurants, more operators are turning to technology to improve business

performance and enhance customer service. This wave of transformation, driven by digital tools, brand innovation, and new business models, is opening abundant startup opportunities in the food service industry.

(I) Digital Integration: Seamless Online-Offline Operations

In the past, physical restaurants and online services operated as separate systems. Now, processes such as ordering, reservations, membership management, delivery, and e-invoicing are increasingly connected through unified data flows. Modern food service management is no longer just cash register operations at a single store; instead, cloud-based POS systems integrate front-end sales with back-end inventory, operational reports, and marketing data in real time. Owners can view dish-level margins, customer spending per time slot, and table turnover rates directly on their smartphones. In addition, marketing teams can view member profiles to push targeted promotions, ensuring that front and back ends operate in sync. Through cloud POS, inventory management, and back-end data integration, startups can monitor sales, ingredient preparation, and staff scheduling in real time, boosting operational efficiency. Some are even introducing AI analytics to forecast customer demand and popular dishes, enabling rapid adjustments in supply and marketing strategies.

(II) A New Food Culture: Eating Well and Caring for the Planet

As consumer demand for health and personalization grows, startups are leveraging data analysis and behavioral prediction to provide customized meals, dietary advice, and meal packages. For instance, services designed for different nutritional needs, allergy conditions, or dietary preferences enhance customer satisfaction and loyalty. The new generation of consumers is shifting from simply eating enough to eating well and eating right, emphasizing both "Is it suitable for me?" and "Is it environmentally friendly?" To achieve this requires trustworthy information

and clear labeling of nutrition, allergens, sourcing, and carbon footprint to win consumer confidence. Local startups are applying technology to reduce food waste, track ingredient origins, and innovate in packaging. For instance, AI systems are used to predict ingredient demand, extend shelf life, or provide waste-reduction solutions. In this way, sustainability concepts are integrated into business models, balancing social responsibility with operational efficiency.

(III) Smart Operations: From Central Kitchen to Supply Chain

In the Food and Beverage industry, smart operations are being implemented as food startups integrate central kitchens with delivery platforms to build standardized, scalable supply chains. This model reduces production costs, improves meal output efficiency, and facilitates cross-city and international expansion, enabling startups to validate and replicate successful business models quickly.

IV. Consumer Goods

Based on observations from the FINDIT platform, Consumer Goods are among the most active segments for domestic startups. Taiwan possesses a highly mature manufacturing and supply chain ecosystem, where components, contract manufacturing, and packaging design can all be integrated domestically. This enables startups to conduct trial production, validation, and rapid iteration with relatively low capital thresholds. Second, Taiwan's retail and e-commerce channels are dense and multi-layered, ranging from convenience stores, hypermarkets, and department stores to online platforms. This allows entrepreneurs to quickly test demand through small-batch launches, limited-edition offerings, or regional trial operations. Third, consumer behavior is now shaped by digital platforms, with social media and e-commerce data serving as core tools for brand management. According to the Ministry of Economic Affairs, Taiwan's total retail market revenue reached NT\$4.8

trillion in 2024, showing that domestic demand remains strong and providing startups with a vast testing ground and segmented market opportunities. In recent years, function-oriented design, sustainability concepts, and local creativity have become the main focus of product innovation. By combining flexible manufacturing with cultural creativity, startups are able to establish differentiated advantages.

(I) ESG and Green Consumption Redefining the Market

According to *Sustainable Consumer 2024* by PwC, more than 70% of global consumers are willing to pay a premium for sustainable products. In Taiwan, consumers are prepared to spend an average of 9.7% more for sustainable goods, particularly those that promise resource-saving production and recycling/reuse processes (40%) and eco-friendly packaging (38%). Clearly, green consumption has become a basic requirement for market entry, requiring concrete, quantifiable information such as carbon emissions, proportion of recycled materials, and third-party certification. When such data is provided, consumers are more willing to buy. Brands must also consider recycling and reuse from the design stage. For instance, the apparel industry is promoting trade-in programs, while the electronics sector is emphasizing easy-to-repair design. For domestic startups, this creates opportunities in areas such as sustainable packaging, carbon footprint tracking, and materials reuse design. One standout case is O'right, a Taiwanese brand that has set and achieved carbon-neutral and eco-packaging goals. It uses 100% recycled plastic bottles and bio-based materials and has established a bottle recycling network, making it a representative green brand in Taiwan.

(II) AI-Enabled Hyper-Personalized Experiences

AI is emerging as a foundational technology in retail and product development. According to *State of Consumer Trends 2025* by McKinsey & Company, 63% of

consumers expect brands to deliver personalized experiences. Data analytics and AI technologies now underpin retail experiences. For instance, in the apparel industry, AI-powered virtual try-on and size recommendations effectively reduce e-commerce return rates. In the beauty industry, AI skin diagnostics and ingredient recommendations replace manual consultations, offering 24/7 customized services and boosting conversion rates. In Taiwan, startups are already deploying AI and AR technologies to provide virtual makeup trials and real-time guided shopping services. In consumer electronics, AI and IoT are driving a shift from function-oriented to learning-oriented products. Through machine learning and behavioral analysis, systems predict user habits and automatically adjust environmental parameters to deliver more personalized experiences. The interactive processes generate sensor and behavioral data, which are increasingly becoming valuable corporate assets. This trend is fueling the rise of Data-as-a-Service (DaaS) business models. Domestic startups are demonstrating this approach in smart home solutions and cross-channel data analytics, showing that Taiwanese enterprises are already capable of transforming product data into services and insights for decision-making.

(III) OMO Deepening Membership Management and Community Content

Traditionally, OMO (Online Merge Offline) emphasized operating both online stores and physical outlets. Today, the focus has shifted to ensuring seamless integration and consistent experiences across online and physical channels. For instance, a customer might browse products on a brand's website or app, then try them on in-store, and finally complete payment via a mobile app. Similarly, when an item is out of stock in a store, staff can immediately place an online order via a tablet, and the item will be delivered to the customer's home a few days later. In addition, physical stores have also become critical data hubs. Through sensors

and membership systems, companies can better understand shopping habits and preferences, with new insights generated from every customer interaction. Platforms like SHOPLINE help brands build such OMO models by providing cloud-based tools that integrate e-commerce, physical stores, and membership systems, enabling brands to synchronize customer behavior and sales data and truly achieve unified online-offline operations.

(IV) Silver Economy Upgrading with Aging Demographics

Because the 50 and above age group possesses higher disposable income and is spending more time online, their willingness to spend on health, convenience, and design-driven products is rising. As a result, home products are increasingly incorporating ergonomics and universal design, such as smart lighting and automatic sensors. In consumer products, the combination of anti-aging and functional benefits is becoming mainstream. Cosmetics tailored for mature skin, high-absorption functional foods, and smart wearables with health monitoring features empower older consumers to pursue personal style and quality of life. The key shift is that these products are no longer marketed as "elderly goods." Instead, they combine fashionable design and intelligent functions to fulfill the lifestyle vision of aging gracefully. For enterprises and startups, the opportunity lies in merging health technology with aesthetic design, opening new pathways into the silver economy.

V. Media and Entertainment

The Media and Entertainment sector includes news, film, music, content creation, gaming, and video streaming, broadly referred to as the cultural content industry. According to the 2023 Taiwan Cultural and Creative Industry Annual Report, Taiwan's cultural and creative industries generated NT\$1,128.1 billion in total revenue in 2023, marking a 3.45% year-on-year increase. Among the major subsectors, broadcasting

and television led with NT\$276.0 billion, followed by advertising at NT\$209.1 billion, digital content at NT\$115.1 billion, and publishing at NT\$105.1 billion. Export revenue reached NT\$112.7 billion, accounting for nearly 10% of the total. This shows that Taiwan's cultural content industry has moved beyond the domestic market and is gradually developing into an industry with growing export potential.

(I) Generative AI Reshaping the Content Industry

According to the report *Artificial Intelligence in Media, Entertainment and Sport 2025* published by the WEF, AI is becoming more involved in every stage of content production and is fundamentally reshaping efficiency and cost structures. AI technologies now support video synthesis, scriptwriting, voice dubbing, and post-production editing, reducing audiovisual and music production costs by an average of 30-50% while significantly shortening development cycles. The impact is most visible in two areas. First, efficiency gains. AI is able to take over repetitive tasks such as drafting, translation, concept art, and music arrangement to accelerate timelines. Second, personalization and localization. AI is able to adapt sound design, subtitles, and narrative pacing to regional cultural preferences, enabling rapid localization of content. This evolution signals a "re-industrialization," with standardized workflows, data-driven creative models, and human-AI collaboration becoming the new norm. For enterprises, the strategic priority is not simply replacing human labor but cultivating new roles such as prompt engineers and content curators, unlocking fresh value chains by combining creative vision with technological innovation.

(II) Rise of Virtual Characters and the AI Idol Economy

Virtual characters are emerging as a new cultural medium. The business consulting firm Grand View Research estimates that the global virtual influencer market will reach US\$45.88 billion by 2030, growing at an annual rate of over 40%.

Driven by AI and 3D modeling, virtual characters are widely used in brand marketing, music, gaming, and live streaming interactions. In Japan, the success of the VTuber industry has accelerated adoption across Asia, where virtual personas are no longer just content products but long-term IP assets and fan communities. In Taiwan, teams are already exploring this space through virtual artist projects and AI-enabled music creation services, experimenting with new forms of human-machine co-creation in entertainment. This trend signals a shift from live human performance toward a digital persona economy, opening new markets that span film, music, and branded experiences.

(III) Localization Strategies in Content

Major streaming platforms are using co-production and regional licensing models to meet diverse cultural viewing preferences. According to the Digital Media Trends survey conducted by Deloitte, more than 70% of audiences prefer content that blends local cultural features with universal themes. This trend is driving the industry from centralized production toward distributed collaboration, creating new opportunities for startups. As generative AI, voice synthesis, and automated subtitling technologies mature, they have lowered the barriers to localized production, turning language technologies, post-production tools, and cultural consulting services into emerging markets. In addition, regional platforms and co-production organizations targeting specific languages or cultures are forming new business models. For startups, the opportunity lies not only in content creation itself but in becoming localization accelerators that provide translation, media technology, cross-cultural production management, and distribution support to accelerate the entry of content into global markets.

Section 2. Startup Cases in Popular Sectors

In 2025, Taiwan's most active startup sectors were artificial intelligence, healthcare and biotechnology, and innovation in both digital technology and sustainability. In these sectors, local startups have used innovative technologies and flexible business models to successfully expand into international markets and achieve tangible results. This section introduces three startup cases that illustrate how Taiwanese startups align with global entrepreneurial trends in their international expansion. Each case highlights the opportunities, products and services, technologies, and business models developed, along with how government resources were leveraged. Together, the cases show how startups can effectively harness ecosystem support to establish a key position in the global market.

I. TSGC Technologies: Pioneering Solar Panel Recycling

With the rapid expansion of solar photovoltaic facilities globally, the decommissioning and recycling of solar panels has become a critical environmental challenge in the global energy transition. Originating from academic research, TSGC Technologies has advanced its recycling technologies with the support of government R&D and startup incubation resources. The company's process is based on full physical dismantling of the solar panels, enhanced by AI-driven panel structure recognition and mechanized separation of glass, metals, and silicon materials. This approach avoids the unintended pollution associated with high-temperature or chemical treatments. Third-party verification has confirmed the technology's high recovery rates and low energy consumption, providing a practical solution for large-scale solar panel decommissioning.

For its business model, TSGC Technologies focuses not on equipment sales but on providing on-site recycling services, helping operators reduce upfront investment and technical barriers. Supported by government programs and international linkages, the company has successfully commercialized its technology and obtained overseas regulatory certifications, including approval in the state of California. The company's approach enables recycled materials to re-enter downstream supply chains, forming an economically viable circular system. It also demonstrates Taiwan's practical capabilities in renewable energy end-of-life management and policy implementation.

II. Free Bionics: From Technology Startup to Policy-Enabled Smart Healthcare

Free Bionics originated from the R&D system of the Industrial Technology Research Institute, with a core focus on exoskeletons designed to assist people with mobility limitations caused by aging, illness, or accidents. The company developed a proprietary sensorless control technology, which uses high-precision motors and AI algorithms to interpret users' movement intentions in real time and provide corresponding support. This innovation lowers barriers to use and enhances clinical comfort. Clinical trials in hospitals and long-term care institutions have demonstrated that the technology shortens rehabilitation periods and reduces caregiver workload. Supported by technology transfer from ITRI and funding from the Ministry of Economic Affairs, the company successfully transformed laboratory results into market-ready products, establishing a replicable smart healthcare business model.

With policy support, Free Bionics overcame early regulatory gaps by collaborating with the Ministry of Economic Affairs and the Taiwan Food and Drug Administration to establish safety verification and clinical evaluation standards. It became the first company in Taiwan to obtain medical device approval for

exoskeleton robots and subsequently secured EU CE certification. Japan was chosen as its first overseas market, leveraging regulatory flexibility for rapid entry, followed by gradual expansion into Europe. This strategy, combining technological strength with institutional resources, illustrates how Taiwan's smart healthcare startups can successfully expand into international markets.

III. Cancerfree Biotech: Building an AI-Driven Data Platform for Cancer Treatment

Cancerfree Biotech focuses on precision oncology and has developed an ex vivo drug testing platform built around patient-derived tumor organoids. By cultivating circulating tumor cells from patient blood samples into organoids and combining AI-based image recognition with automated workflows, the company can test multiple drug responses and generate analysis reports directly applicable to clinical decision-making. Its organoid culture success rate is significantly higher than the industry average, enhancing both clinical usability and scalability. This lab-based personalized testing approach not only improves patient treatment efficiency but also provides pharmaceutical companies with a valuable tool for drug development and screening.

Cancerfree Biotech actively leverages Taiwan's government innovation and startup resources, including Taiwan Accelerator Plus (TAcc+) and international startup training programs, to build collaboration channels with pharmaceutical firms and research institutions in Europe, Japan, and the United States. The company's technology is in line with the U.S. FDA's Modernization Act 2.0, enabling its platform to meet global regulatory requirements. Through data integration and platform development, Cancerfree Biotech is steadily expanding cross-border partnerships, showcasing how Taiwan's biotech startups are establishing a presence in the global precision medicine and drug development supply chain.

Chapter 4. Critical Issues in Entrepreneurial Ecosystem Development

Highlights

Facing intense global competition and the pressures of industrial transformation, Taiwan is committed to building an innovation and startup ecosystem that can adapt and grow over time. This chapter focuses on four key dimensions, namely, entrepreneurship education, corporate collaboration, international linkage, and AI opportunities, to explore how policy refinement and resource integration can transform entrepreneurship into a core driver of national development.

Among these dimensions, particular emphasis is placed on AI opportunities, given the rapid development of emerging technologies and their transformative impact on the global innovation landscape. In the face of international giants dominating the field of general-purpose large AI models, Taiwan should leverage its strengths in hardware and data resources to focus on vertical applications. By promoting the concept of an AI “central kitchen” that introduces open-source models and develops small- to medium-sized modules, the goal is to lower development costs for startups and foster AI solutions with deep industry relevance.

In addition, there is need to establish corporate AI governance frameworks and standardized databases, providing shared technical modules and unified data resources to support startups in model training and validation. This will help build an AI application ecosystem that is internationally competitive.

Section 1. From Startup Education to Entrepreneurial Careers

According to GEM's 2025 report, awareness of entrepreneurial opportunities has risen significantly among Taiwan's population. More than half (52.8%) of adults believed there were good opportunities to start a business, reflecting growing social sensitivity to emerging industries and innovation trends. However, a gap remains between perception and action. Only about 13% of respondents expressed intentions to start a business, and only 37.9% said they personally had the skills and knowledge. In other words, public interest and potential for entrepreneurship are forming, but there is still room for growth in skills preparation, confidence, and support systems. This does not mean Taiwan lacks startup momentum. Rather, it highlights the need to strengthen nurturing and support mechanisms to encourage action.

GEM's expert survey noted that "Entrepreneurial Education at School" received a score of 4.8 out of 10. Although it is higher than the previous survey, it is still an area requiring improvement. The importance of entrepreneurial education is increasingly recognized domestically, with more courses and practical activities emerging both inside and outside campuses. However, to help more potential entrepreneurs move from "seeing opportunities" to "taking action," long-term coordination between the education system and social support environment is essential. Entrepreneurship must be regarded as a process that can be learned, practiced, and supported. When education and community form a mutually supportive structure, public confidence and willingness to act will rise significantly. Ultimately, the key lies not in the sheer number of courses or competitions, but in whether entrepreneurship is truly regarded as a capability that can be developed.

According to the 2024 Taiwan Startup Ecosystem Survey, about 93% of respondent startups identified overseas markets as their primary target. Coming

from a manufacturing powerhouse and a small open economy, many entrepreneurs prioritize global markets from the outset. The survey also found that roughly 30% of startup teams already had overseas revenue. Even so, these startups emphasized that building local partnerships, understanding local regulations and policies, and having talent familiar with local markets were critical success factors. This suggests that compatibility with local stakeholders and regulatory environments may be more decisive than technology itself in determining startup success.

To help startups overcome challenges, the local innovation and entrepreneurial ecosystem is actively evolving to integrate both practical experience and international markets. Government ministries have launched initiatives such as the Corporate-Startup Co-Creation Development Program, the Startup Terrace, and the A+ Startup Technology Enhancement Program (A+STEP). Together, these initiatives are gradually building a comprehensive support system that spans corporate mentorship, international linkages, and market validation. This system enables entrepreneurs who have left school and startup teams to fully leverage resources from corporations, investors, and government, thereby finding sustainable growth momentum in global markets.

Section 2. Promoting Regional Entrepreneurship through Collaboration

At a time of rapid geopolitical and supply chain shifts, Taiwan is actively promoting innovation and regional industrial transformation. Facing higher risks and more intense global competition, Taiwan no longer relies solely on traditional cost and efficiency advantages. Instead, it is tightly integrating innovative technologies, branding, and local ecosystems to build competitiveness that combines long-term vision and resilience. To this end, Taiwan is vigorously promoting a corporate

collaboration model in which large enterprises guide and support smaller startups. This approach links national-level innovation strategies with local businesses and startups, ensuring that industrial upgrading and entrepreneurial momentum advance together. At the end of 2024, the National Development Council launched the Six Regional Industry and Living Circle program. Its goal is to broaden innovation beyond the confines of a few metropolitan areas and to establish autonomous R&D and startup bases tailored to each region's industrial characteristics. This ensures that local communities directly benefit from national-level R&D investment.

For example, the Greater Silicon Valley Region in Taoyuan-Hsinchu-Miaoli and the Southern Taiwan New Silicon Valley Promotion Program showcase Taiwan's typical industrial strengths and startup directions. In the Greater Silicon Valley program, the focus lies in semiconductors, AI, and smart manufacturing. The cluster includes leading firms such as Novatek Microelectronics and Ennoconn Technologies. The companies possess strong international linkages and collaborate closely with top technology universities to form a dense network of incubation and entrepreneurship. This provides startups with mechanisms for R&D advancement, technology validation, and industrial application.

In the New Silicon Valley program, Kaohsiung and Tainan focus on green energy and drone industries. With advanced infrastructure such as the Startup Terrace and the Southern Taiwan Innovation and Research Park, the region is gradually becoming a next-generation industrial testing ground. Mature enterprises and leading academic institutions, such as National Cheng Kung University, form R&D alliances to conduct projects in new materials, energy conversion, and smart manufacturing. Through existing innovation parks and corporate organizations, the government introduces policy packages such as co-creation subsidies, field-testing mechanisms, and regional entrepreneurship funds. These measures ensure that each region's innovation capacity becomes a solid foundation for Taiwan's integration into global supply chains.

Section 3. International Cooperation Strategies through APEC Initiatives

Global industrial structures and the technological landscape have changed rapidly in recent years. As a result, entrepreneurship and innovation have become key drivers of economic growth in the Asia Pacific. To ensure development, it is therefore critical for startups to gain access to financing, operate within supportive policy environments, and benefit from more robust innovation ecosystems. These priorities have also encouraged Asia-Pacific economies to seek opportunities for mutual learning and cross-border collaboration. Within the APEC framework, the Small and Medium Enterprises Working Group (SMEWG) has identified Startups, Entrepreneurship, and Business Environment as its top priority area in the SMEWG Strategic Plan 2025-2028. The aim is to foster favorable business environments, enhance competitiveness, and expand opportunities for youth, women, and disadvantaged groups in startup and business development.

I. Advocacy Activities: Raising Startup Visibility

To promote linkages between startups and international partners, the Small and Medium Enterprise and Startup Administration organized an exhibition and best-practice competition on resource circulation and digital innovation outside the APEC forum. The event brought together 30 companies from seven economies to Taiwan, showcasing their digital decarbonization services and equipment. Participants included Singularity Infinity developing smart mobility solutions, Turing Space applying blockchain technology to create digital certificates, and All Good Energy providing energy solutions. Each of these companies emerged as standout enterprises through their participation.

In addition, forums and seminars on diverse topics also serve as platforms for startups to voice their ideas. Winners of the Startup Challenge are often invited as speakers at the following year's APEC forums. For instance, Misecure Corp. and GovernClimate Ltd. both served as panelists at the Digital Innovation to Implement SMEs Low-Carbon Transformation Workshop at APEC in 2024. Through these international occasions, startups not only enhance their visibility but also connect with officials and corporate representatives from other economies to help expand their overseas presence.

II. Official Meetings: Deepening International Exchange

Taiwanese startups have also made their presence felt at official APEC meetings. At the 57th SMEWG meeting in 2024, Taiwan invited the anti-fraud technology startup Gogolook to share its experience on how public-private collaboration supported startups in expanding into international markets. At the 60th meeting in 2025, Free Bionics joined government representatives to present how Taiwan helped technology-based startups grow in the health industry. Following the session, representatives from multiple economies actively sought further exchanges, significantly boosting the company's international visibility and establishing substantive links with foreign governments.

In addition to leveraging APEC programs to create international connections for startups, Taiwan also uses advocacy activities hosted by other economies to promote products and services from Taiwanese firms with experience in public-private collaboration. This demonstrates that public-private partnerships are not only an effective policy mechanism but also a vital channel for enterprises to access cross-border resources, enabling them to move from technological transformation to market expansion.

III. Advocacy for Cooperation: Focusing on Startup Development and AI Co-Creation

Taiwan's recent initiatives in the APEC SME Working Group take into account economic transformation trends in the Asia Pacific and Taiwan's industrial strengths. These initiatives have consistently centered on digitalization and innovation, covering topics such as enterprise digital resilience, startup accelerators, and women-led entrepreneurship. As the international community places increasing emphasis on net-zero transition, Taiwan has further expanded its advocacy to integrate digital innovation with green transition to help SMEs balance environmental responsibility with business growth.

With the rapid development of AI and big data tools, SMEs can now conduct more precise carbon monitoring and energy optimization, thereby gaining favor with international buyers. To address the shortage in AI talent and the limited understanding of AI application scenarios, Taiwan in 2025 proposed the initiative Empower SMEs through AI Adoption: Unlock Growth Potential with Innovative AI Applications. The program aims to enhance SMEs' awareness and practical use of AI and invites broad participation from governments, research institutions, and technology startups across the Asia-Pacific. The goal is to pool diverse experiences and position Taiwan as an international testbed where startups can share innovative outcomes and validate AI application concepts.

Section 4. Innovation and Startup Opportunities in the AI Era

Over the past two decades, each wave of General Purpose Technology (GPT) has reshaped the global industrial landscape. AI, as the new generation of GPT,

is now accelerating the restructuring of the global economy and entrepreneurial models. According to the GEM 2025 Report, Taiwan's startup teams show a higher rate of digital tool usage than the global average. Specifically, 59.1% of Taiwanese entrepreneurs reported using digital technologies to sell products or services, compared with the GEM global average of 53.8%. Social media usage is even higher at 65.8%, indicating that Taiwanese entrepreneurs are adept at leveraging existing digital platforms to quickly access markets. Further insights can be observed through the 2025 Taiwan Startup Ecosystem Survey, which examines how local startups are applying AI in practice.

I. Over 80% of Entrepreneurs Engage in AI-Related Ventures

According to the survey, 85.1% of respondents reported that their startup activities were related to AI. They can further be divided into two categories. The first group, 59.04% of entrepreneurs, uses AI tools such as generative AI or data analytics platforms to support their business operations. The second group, accounting for 40.96%, is composed of AI startups whose core products or services are themselves AI technologies or systems, representing deeper AI-driven companies. This classification shows that AI adoption among Taiwanese startups is widespread not only at the application level but also in direct technology development.

Among these AI startups, the sources of technology development vary. Some 55.51% rely on adjusting or optimizing open-source models, highlighting the importance of the open-source community as a foundational resource. Another 42.97% pursue independent in-house R&D, showing that some startups have strong development capabilities. A further 33.46% collaborate with external academic institutions or consultants, reflecting the role of industry-academia cooperation and professional outsourcing. Finally, 25.86% directly purchase ready-made modules or

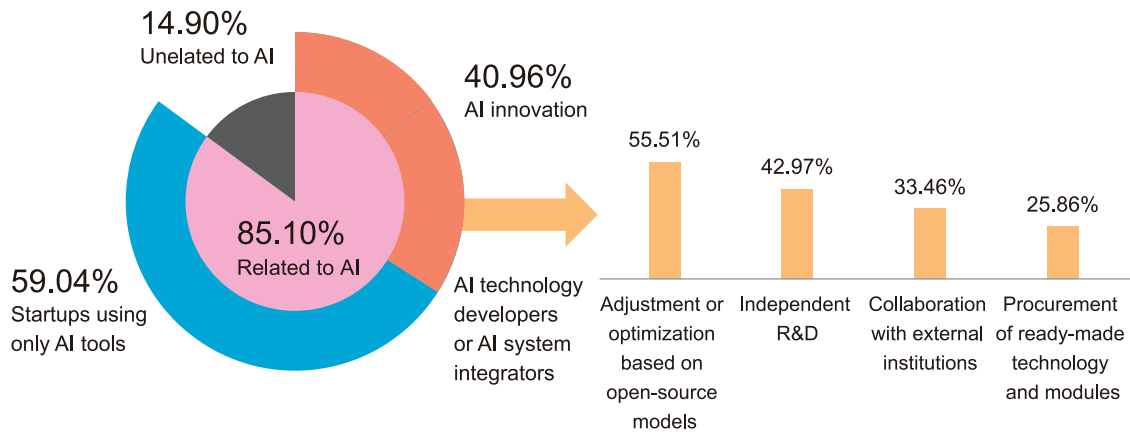


Figure 4-1. Use of AI in Startups

packages. These findings reveal two key points. First, nearly all startups today must develop the ability to use AI to expand their business. Second, entrepreneurs are adept at leveraging open-source resources to accelerate development, reduce costs, and keep pace with global technological advances.

II. Use of AI in Startups: From Market to Back-Office Operations

Surveyed entrepreneurs reported that their primary AI applications were concentrated in marketing content creation (48.55%), followed by automated customer service responses (30.8%) and business development (29.35%). This shows that their first use for AI is to quickly expand the market, improve brand visibility, and increase customer engagement. For startups with limited resources, AI is cost-effective in generating marketing copies, social media posts, and advertising materials. The process saves manpower while accelerating market testing.

The second area of applications includes customer management (24.28%) and product design (22.46%), showing that AI is beginning to penetrate into core operations. For instance, intelligent analytics within CRM systems can enhance

customer retention and cross-selling efficiency. At this stage, AI is no longer just a support tool but is gradually reshaping workflows, enabling startups to achieve scale with smaller teams. Next are R&D testing (17.03%), financial report processing (16.3%), and quality inspection (10.87%), which reflect the gradual introduction of AI into more technical and specialized domains. These applications typically require higher data volumes and more advanced algorithms. As a result, they involve greater complexity and higher investment costs, which explains their lower adoption rates. However, once these applications mature, they can significantly improve product reliability and decision-making efficiency.

Finally, AI is being applied to equipment maintenance (10.14%) and employee training (9.42%). Although adoption rates are relatively low, these applications mark AI's entry into the back-office systems of enterprise management and operations. For instance, predictive maintenance can help avoid equipment downtime, while AI coaching modules can support employee training. Although these uses enhance long-term efficiency, they are not the most urgent needs for startups at present. Taken together, the survey shows that startups adopt AI using an outside-in approach. They start with external market demands such as marketing, sales, and customer service, and then gradually move into internal management, R&D, and operational workflows. This is a rational choice under resource constraints. Startups first use AI to ensure survival and only later pursue internal efficiency and long-term competitiveness.

This phenomenon is consistent with the findings of researcher Mahsa Samsami's 2025 study, which analyzed over 60,000 entrepreneurs across 44 GEM economies. Her research found that for contemporary entrepreneurs, AI is not only a tool but is also shaping entrepreneurs' mindsets. Even those who have not fully adopted AI tend to build flexibility into their strategic planning. Thus, AI's influence extends beyond technology into decision-making, risk assessment, and resource allocation. More importantly, Samsami found a positive feedback loop. The more actively

Table 4-1. AI Adoption in Startups

Unit: %

Rank	Application Area	Share
1	Marketing content production	48.55
2	Customer service auto response	30.8
3	Business development	29.35
4	Customer management	24.28
5	Product design	22.46
6	R&D testing	17.03
7	Financial report processing	16.3
8	Quality inspection	10.87
9	Equipment maintenance	10.14
10	Employee training	9.42

entrepreneurs in an economy use digital tools and AI, the more acutely they perceive both advantages and disadvantages, and the better they can anticipate future business impacts. In ecosystems with deeper digital integration, this positive correlation is even stronger. Entrepreneurs are able to understand and predict the effects of digital tools on their businesses more quickly and effectively.

III. Top Three AI Technologies: Generative AI, Natural Language Processing, and Predictive Analytics

AI startups in Taiwan focus their R&D on application-level functions. Survey results show that Generative AI (41.83%) ranks first, reflecting its role as the main focus of startup innovation. This is followed by Natural Language Processing (31.94%) and Predictive Analytics (31.56%). Together with Computer Vision (28.90%) and Speech Processing

(28.14%), these areas form the primary domains of technological investment. They are applications that can be rapidly commercialized and meet strong market demand.

By contrast, technologies for data collection, cleaning, or labeling services (18.63%); custom model development/fine-tuning (13.31%); model APIs or cloud inference services (11.41%); automated modeling tools (9.13%); and model management tools or platforms (8.75%) all remain below 20%. This indicates that most startups prefer to focus R&D resources on the application side, with relatively limited investment in infrastructure, model management, or platform-based technologies. Overall, the survey reveals that Taiwan's AI startups structure their R&D primarily around application functions, while participation in technology development and delivery mechanisms is comparatively lower. This reflects a pragmatic focus on technologies that directly respond to market demand, with platforms and tools playing a secondary role.

IV. Top Three Application Areas: Advertising and Marketing, Healthcare, and Smart Manufacturing

AI startups continue to focus on sectors with high data availability and easily verifiable business models. At the same time, their diverse deployment shows that the ecosystem is gradually expanding into a wider range of applications. The largest shares of AI startup activity are in Advertising and Marketing (28.14%) and Healthcare (24.33%), reflecting a common focus on data-rich markets, where demand is clear and feedback is rapid. Next are Smart Manufacturing (17.11%) and Logistics and Transportation (14.83%), indicating that AI is steadily moving into applications aimed at improving production efficiency and supply chain management. Other sectors include Tourism (12.17%), Network and Cybersecurity (11.41%), Media and Entertainment (11.03%), Energy and Environment (10.27%), and Agricultural Technology (9.51%), each accounting for around 10%. Together, these shares illustrate AI's gradual expansion into everyday life, sustainability, and diverse industries.

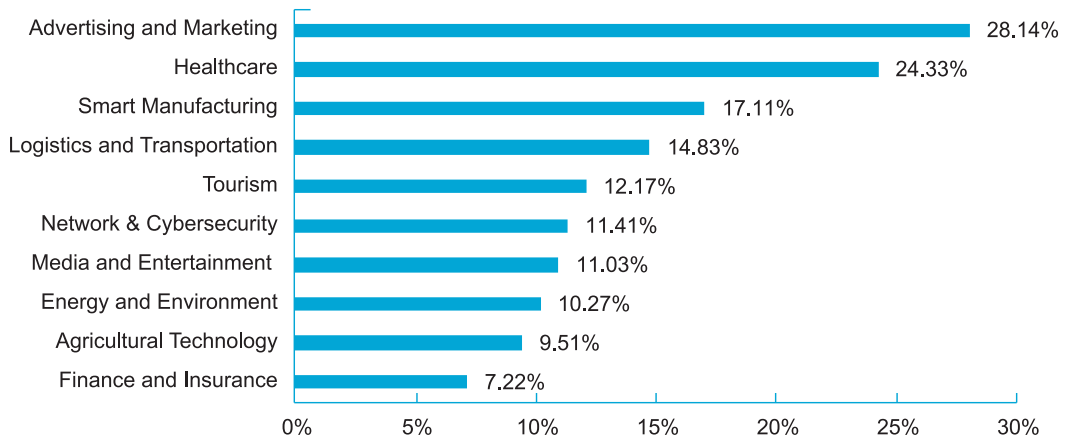


Figure 4-2. Top 10 AI Application Areas

In the face of the global AI technology race and industrial paradigm shifts, the government has officially launched the Ten AI Initiatives Promotion Plan, establishing the policy vision of realizing a Smart Technology Island. This initiative is structured around three pillars, namely, digital infrastructure, key technologies, and intelligent applications. By 2040, it is expected to generate NT\$15 trillion in output value and create 500,000 high-paying jobs. In the area of key technologies, the government will leverage Taiwan's semiconductor strengths to establish three national laboratories in silicon photonics, quantum computing, and intelligent robotics, aiming to consolidate Taiwan's position as a global hub in the hardware supply chain. In addition, the government will invest hundreds of billions of NT dollars to drive an innovation and entrepreneurship ecosystem, build sovereign AI and computing facilities, and promote data openness and talent cultivation. For overseas investors and multinational partners, Taiwan not only offers cutting-edge AI computing power and hardware infrastructure but also actively diffuses AI technologies into real-world validation fields such as manufacturing, healthcare, and services. This makes Taiwan an ideal testbed and strategic base for global AI innovation applications and supply chain collaboration.

Chapter 5. Future Outlook

I. Opportunities and Challenges for Startups in Taiwan

The current startup environment is full of opportunities and challenges. This is not merely the result of short-term business cycle fluctuations but rather a new normal shaped by the long-term interplay of multiple variables, including politics, economics, technological development, and market demand. This white paper analyzes these dynamics from the perspective of global technological trends, Taiwan's industrial structure, the growth potential and operational performance of local startups, and the role of startup policies and ecosystem operations. The findings show that the external factors and institutional environment facing startups today differ significantly from those of the past decade. On the one hand, the acceleration of technology diffusion and industrial transformation has created new business opportunities, making it easier for startups to enter markets. On the other hand, shifting international political and economic conditions have introduced greater uncertainty, simultaneously increasing the risk of failure and the survival challenges faced by startups.

(I) AI Breaking Industry Boundaries and Expanding Opportunities

The relative competitiveness of Taiwan's startups largely stems from the environment shaped by industry and policy. A complete production and ICT supply chain, combined with millions of SMEs, provides startups with diverse and practical application scenarios. As a result, startup export sales have remained strong in Electronic Hardware and Manufacturing. In addition, many startup teams have benefited

from supportive policy measures that enable them to quickly establish partnerships with established enterprises, transforming technologies into market-ready products or services. This close alignment with industry and capacity for rapid iteration gives Taiwan's startups a relative advantage in application-oriented innovation and industrial integration, amplifying the positive effects of external conditions.

As discussed in earlier chapters, AI has gradually evolved into a cross-industry general-purpose technology, significantly lowering the technical barriers to business startup. Local startups have already developed mature vertical applications in manufacturing, healthcare, finance, and retail. In addition, some startups are beginning to provide enterprise services and cross-industry AI solutions, showing that AI is fast moving into common business operations such as enterprise services, marketing, customer support, and human resources. This shows that domestic startups possess the practical capability and experience to implement AI solutions within established industry domains.

In the field of AI startups, the widespread use of digital communication tools and social platforms enables teams to conduct product testing, interact with customers, and engage with the global market at an early stage. This greatly reduces the costs of market validation and international expansion. Along with the global supply chain restructuring and localization trends explained in Chapter 4, established enterprises are actively seeking external partners with technological flexibility and innovative capacity to enhance resilience and accelerate innovation. As a result, startups are not only becoming key partners in AI adoption and digital transformation but also gaining critical opportunities to participate in industrial upgrading and transformation. This, in turn, expands the space for innovation and entrepreneurship.

(II) Expanding Policy Resources Amid Fierce Market Competition

The flip side of high opportunity is the presence of potential risks. As explained

in Chapter 4, rising geopolitical tensions have led to tighter review and regulatory frameworks for technology, capital, and markets. Even relatively small startups may be affected by restrictions on investment sources, technology partnerships, or market access. In response, the government relies on the National Development Fund as the main driver, which, together with the relevant central government agencies, promotes thematic investment funds worth tens of billions of NT dollars. Through institutionalized co-investment mechanisms, these funds channel private capital into key industries, gradually shaping a startup investment environment that is dependable and predictable. The thematic funds target SMEs, cultural and creative industries, service industries, AI startups, smart healthcare, green growth and net-zero industries, and smart robotics. By focusing on national industrial policies and long-term development goals, they help bridge funding gaps that startups often face during R&D validation, market expansion, and scaling. In addition to providing stable and diverse financial resources, these funds combine government capital with market mechanisms to strengthen industrial upgrading and support the long-term development of the startup ecosystem.

In addition, the government has also launched the Ten Major AI Infrastructure Projects. This initiative sets out a comprehensive set of strategies spanning computing power, data, talent, R&D, legal frameworks, and application scenarios. On the infrastructure side, the government has strengthened high-performance computing and cloud resources to support model training and industrial applications. In data and governance, it has advanced openness, cross-domain data flow, and compliant usage to improve the quality of AI training. In talent development and R&D, the government has taken into account academic research capacity and industry demand to cultivate cross-domain AI professionals. For applications, demonstration sites and demand-driven projects have accelerated the introduction of AI technologies into manufacturing, healthcare, services, and public governance. This

has promoted the commercialization and scaling of solutions. Overall, the Ten Major AI Infrastructure Projects and the thematic investment funds reinforce one another. Together, they form a complete set of policy resources that extend from foundational capabilities to market deployment, driving the commercialization of AI solutions and their wider adoption across industries.

II. Encouraging Collaboration to Build a Sustainable Startup Environment

Taiwan's overall startup performance has continued to improve. The export capacity of new ventures has steadily grown, and more than 200 startups have successfully listed on domestic exchanges. Early-stage investment has surpassed US\$3.34 billion, showing that Taiwan's startups are already recognized by both investors and the market during their early and growth phases. Corporate venture capital has likewise acknowledged the innovative capacity of startups, becoming one of the most active participants in the capital market. In the face of rapid technological advancement, domestic enterprises increasingly recognize that relying solely on internal R&D makes it difficult to fully grasp the direction and potential applications of new technologies. Cooperation or investment with startups has therefore become a critical means by which companies understand technology pathways and market possibilities at an earlier stage.

Government ministries have introduced a range of policy measures. These include companies identifying industry challenges and startups providing solutions, corporate investment, and field-testing collaborations. These initiatives guide enterprises and startups to work together, enabling startups to secure their first orders more quickly. They also help new ventures overcome the critical hurdle of turning a concept into a viable product or

business. In doing so, they foster a national entrepreneurial environment that has earned strong international recognition.

III. Conclusion

This white paper has reviewed Taiwan's recent achievements in innovation and entrepreneurship, outlining the startup ecosystem from industry distribution and capital market structure to international linkages and the operation of policy tools. The analysis shows that global political and economic shifts, rapid technological advancements, and rising institutional requirements have together shaped the opportunities and challenges facing future startups. Based on this assessment of both niches and risks, the paper also proposes several directions for policy refinement, focusing on talent cultivation, corporate participation, institutional adjustment, and incentive design. The aim is to ensure that startups can build long-term innovative capabilities amid uncertainty, rather than depending only on short-term resources.

The core of these policy solutions is to position government ministries as "connectors" within the startup ecosystem. This means ensuring that different actors play their roles effectively, leverage their strengths, and are linked together through institutional design so the ecosystem can operate more closely and smoothly. Startups are responsible for exploring innovative technologies and engaging in rapid trial and error. Established enterprises provide industry settings, market demand, and scaling capacity. Investors take on capital allocation and risk assessment. For its part, the government supplies shared infrastructure and ensures the predictability of governance rules. When all actors operate within the same institutional framework, much like the interlocking elements of a rainforest ecosystem, innovation outcomes can be converted into tangible products and services. In this way, startups become a source of Taiwan's industrial competitiveness and long-term partners in the global value chains.

2025 White Paper on Startups

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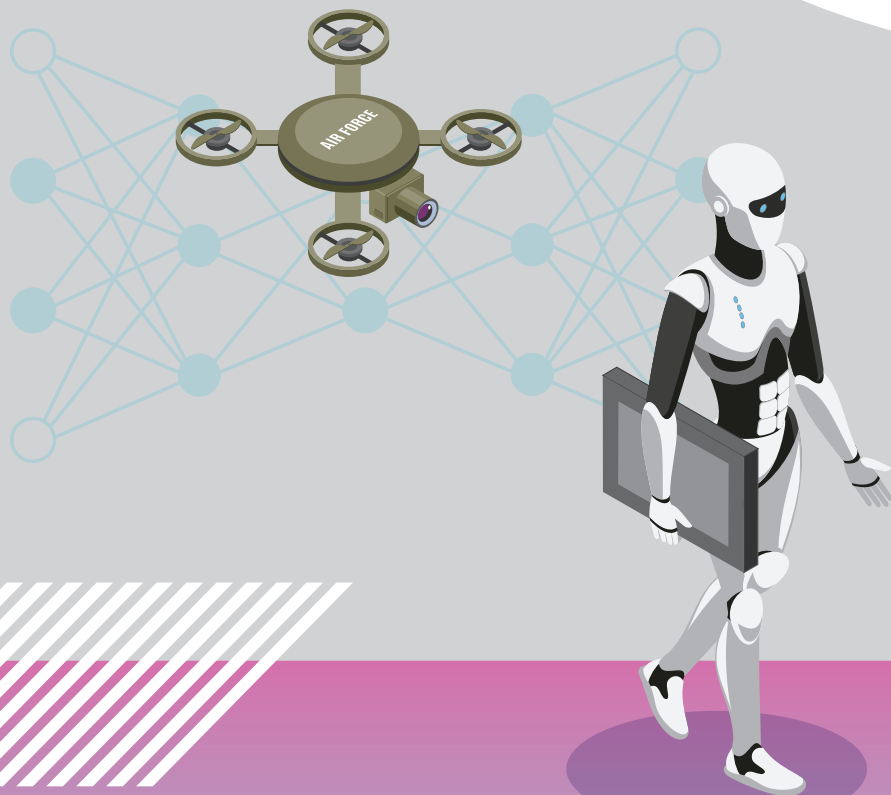
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