Building the Australia-Asia Tech Corridor

Australian Investment in Asia's Startups

Tech Connections Series
Discussion Paper 1

SEPTEMBER 2024

About the Tech Connections Series

The *Tech Connections Series* by Asialink Business and the Tech Council of Australia aims to develop a holistic picture of the linkages between Australia and Asia's tech ecosystems.

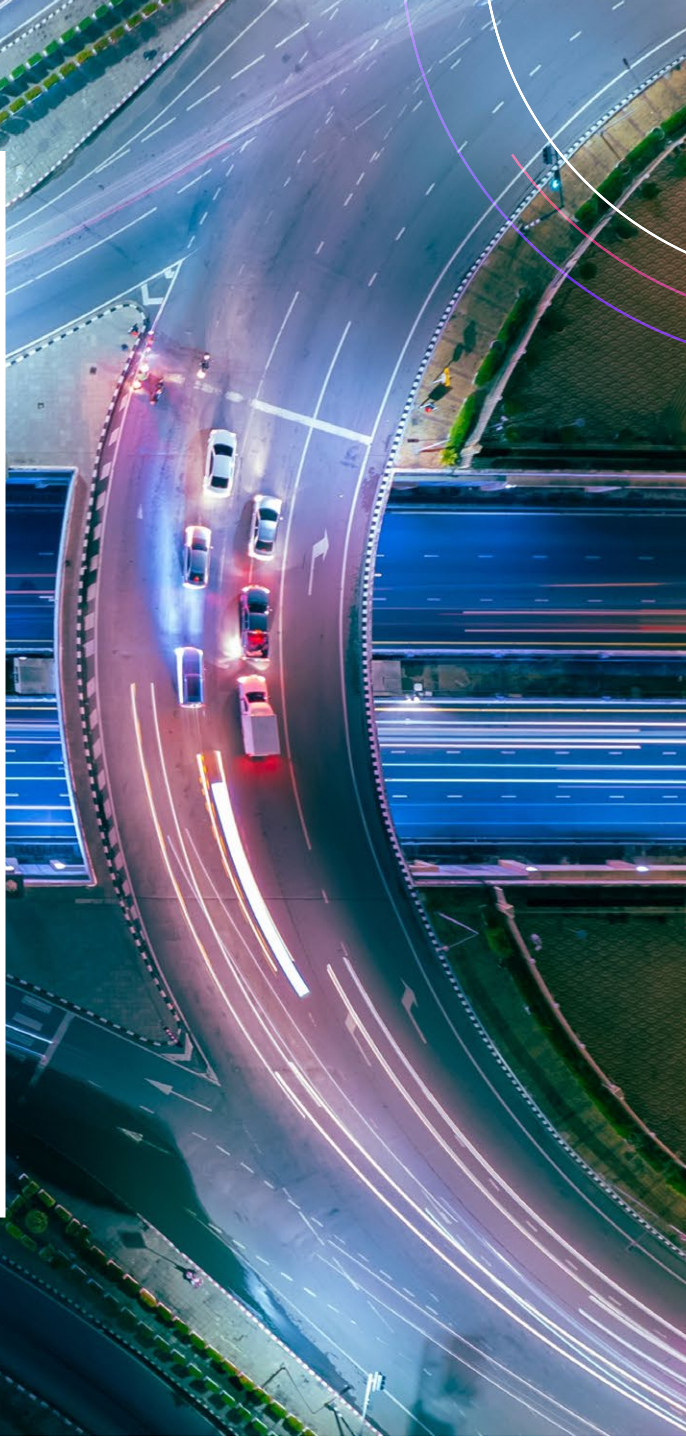
By deepening our understanding of the mutually beneficial exchanges of capital, people and technology, we aim to identify ways to strengthen connections between these ecosystems. We believe that enhancing these linkages can improve the commercial and strategic potential of individual ecosystems through trade and investment.

This discussion paper, the first in the series, focuses specifically on Australian outbound investment into Asian tech startups. Through detailed analysis of Crunchbase data and targeted stakeholder consultations, this paper provides an overview of Australian investment over the past decade and identifies trends, barriers and opportunities for further investigation.

Australian outbound investment is just one aspect of these bidirectional relationships. This discussion paper builds on our understanding of the role that foreign investors play in our Australian tech ecosystem through reports like *The State of Australian Startup Funding* by Cut Through Ventures and Folklore Ventures. Gaining a clearer understanding of the barriers to further investment in both directions will be essential to identifying pathways to mutually beneficial growth in these relationships.

We believe that growing the Australia-Asia tech corridor will benefit investors, startups and other stakeholders in both ecosystems. By deepening engagement with this vibrant sector, Australia can unlock new opportunities for growth, innovation and collaboration.

About us



About Asialink Business

Since 2013, Asialink Business has helped thousands of Australian organisations and professionals seize opportunities in Asia. As Australia's National Centre for Asia Capability, we equip businesses with the insights, capabilities and connections to succeed across Asia. Asialink Business offers commercially focussed solutions. We enable organisations to optimise their business with Asia by providing customised country, market and industry specific support. Asialink Business is supported by the Department of Industry, Science and Resources. We are a part of the Asialink Group hosted by the University of Melbourne.

About the Tech Council of Australia

The Tech Council of Australia is the peak industry body for Australia's tech sector, providing a trusted voice for Australia's technology industry representing the full spectrum of tech companies. We aim to advise and engage with Australian governments, businesses, and the wider community to help support the ongoing creation, development, and adoption of technology across industries. Our vision is for a prosperous Australia that thrives by harnessing the power of technology.

About this discussion paper

Australian investment in Asia's startup ecosystem has risen steadily over time, indicating a growing recognition of Asia's potential as an attractive tech investment destination.

International investment is a growing part of Australia's economic landscape. Inbound investors continue to provide crucial capital for local companies while Australian investors are also finding new and different opportunities to invest in overseas markets. Investment – especially in tech – isn't just about the capital, it's also an important source of expertise, advice and connections into global markets. Expanding the opportunities for all investors and companies to make the best investment 'matches' improves outcomes for those involved, their tech ecosystem and local economy.

In this paper, we explore a rapidly growing part of our international investment relationships: Australian investment into Asia's startup ecosystem. Over the past decade, we've seen the annual number of investments rise from 9 to 56, with Australian investors involved in raising over $23 billion across 485 transactions. While the amount invested year-to-year has fluctuated in line with global conditions, we expect this relationship is here to stay and shows great potential for mutually beneficial growth.

How do we define Asia?

The primary source of data for this paper is Crunchbase, which provides transaction-level data on tech investment. This informed our definition of the countries included in Asia for the purpose of this paper.

Asia includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, Timor-Leste (Southeast Asia), China, Japan, Mongolia, South Korea, Taiwan, Hong Kong and Macau (Northeast Asia), Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka (South Asia).

Further information is listed in the Methodology.

Executive Summary

This report identifies **three key takeaways** on Australian investment into Asian startups:

01

Australian investment into Asian startups is influenced by international conditions including opportunities to connect in-person

- The amount invested fluctuates significantly and seems to be driven by broader economic conditions. This means it may be difficult to influence investment outcomes through specific policies or initiatives.
- But the number of investments seems to follow a different pattern. Growth in transactions is steadier with one brief dip in 2020 which we expect was driven by economic uncertainty associated with the COVID-19 pandemic. The proportion of these investments led by Australians has stabilised as pandemic travel restrictions have been removed.
- Creating more opportunities for startups and investors to meet could support growth in these investment relationships through steadily building strong connections between tech ecosystems.

02

Australian investors' focus is grounded in our ecosystem's existing strengths – early-stage investments and software (B2B/B2C)

- The primary focus of Australian investment into Asian startups is in software, with Consumer/B2C leading with 35% of investment, followed by B2B that received 13%. This reflects the main segment-based strengths of Australia's tech ecosystem.[1]
- A large majority (77%) of investments are seed or early stage. This likely builds on Australian investors and companies' experience in growing early-stage funding levels to become more globally competitive – though there are still funding gaps within the Australian ecosystem.[2]
- Continuing to build on our strengths should be a core focus of further strengthening these linkages.

03

Singapore is the standout destination with significant opportunity to build regional relationships with the next few destinations of interest including India

- The majority (52%) of capital raised by Asian startups when an Australian investor is involved goes to one country: Singapore. Our consultations suggested that many Australian investors choose to invest in and through Singapore due to the stability of the market and ability to tap into the nation's regional networks and expertise.
- But there is significant growth in the next few destinations of interest. The amount of capital raised by Indian startups when an Australian investor is involved has nearly doubled over the decade (2013-2023), and Southeast Asian markets beyond Singapore have emerged as a significant region of interest.
- Focusing efforts on ecosystems with high investor interest and strong potential for future growth is likely to be the most impactful.

Looking ahead

To support long-term growth in the linkages between Australia and Asia's tech ecosystems, we propose establishing a regional dialogue to support Australia-Asia investment architecture, collaboratively led by both industry and policy makers.

This dialogue could provide an opportunity for industry and policy makers to identify mutually beneficial opportunities and challenges with key partners in Asian ecosystems where they have established ties and there is strong potential for growth. Such discussions would also support the continued development of the Asia capability of the Australian tech industry. In the first instance, this could focus on India where we have seen strong recent growth and significant potential for greater linkages.

Key insights[i]

Australian Involvement in Asian Capital Raisings

Australian investment in Asia's tech ecosystem has grown steadily, experiencing fluctuations in line with global trends. The value of capital raised by Asian startups when an Australian investor was involved grew 27-fold between 2016 and 2018. However, the value has recently dipped by over 86% from 2022 levels, in the context of a global investment decrease of 38% year on year in 2023.[3]

Sector

Consumer-oriented businesses, especially in the Business to Consumer (B2C) market, attract the most investment from Australian investors. This is likely driven by the region's growing middle-class population and consumption rates. Business to Business (B2B) and Emerging and Enabling sectors are the next most popular for Australian investment. Emerging tech has been identified as a sector with strong potential in Asia from our consultations.

Transactions

Over the last decade, Australian investors were the lead investor in 40% of transactions. However, their role as lead investor declined to below one third between 2020-2022 but returned to the average in 2023. Investor confidence has likely been impacted by broader trends in the international environment.

Investor Type

Tech investment in the region is undertaken by a wide range of investors, including venture capital (VC), private equity, accelerators and angel investors. However VC firms play a particularly significant role in supporting startups through capital and expertise, accounting for 60% of investor type. A large majority (77%) of Australian investors provide seed and early-stage funding. Firms such as Square Peg Capital, Blackbird Ventures, and Investible have established a presence in the region, focusing on early-stage and growth-stage investments.

Location

The most popular locations for Australian investment are Singapore, India and China. Singapore has become a significant hub for Australian and global investment, with over 52% of Australia-linked capital in Asia directed to Singapore. Friendly investment conditions allow Singapore to act as a gateway to Asia, with many Singapore based companies pan-Asian focused.

The value of Indian capital raisings with an Australian investor almost doubled between 2013 and 2023, mirroring increased investment in India globally.

Australian involvement in capital raisings by Chinese startups has declined since 2021, in line with global trends. The top two Chinese ecosystems, Beijing and Shanghai, dropped in Startup Genome's Global Startup Ecosystem Ranking 2024.[4] Declining investment in China coincided with an increase in capital raised in Hong Kong over the past two years.

Advanced Asian markets, which are primarily concentrated across Northeast Asia, have contributed the majority (60%) of Australian investment value over the decade. Emerging markets across South and Southeast Asia have attracted a smaller proportion (40%) of investment but have generated a comparable (49%) number of transactions to those in advanced markets.

i All data is sourced from Crunchbase unless otherwise stated. It is important to note that while Crunchbase data discloses the amount raised by a startup and the involvement of an Australian investor, it does not specify the individual contributions of these investors. As a result we are unable to draw definitive conclusions about the value of Australian investment, only the value of capital raised by a startup when an Australian investor is involved. All currency throughout this report is stated in AUD

Australian investors helped Asian startups raise $23.8 billion, fluctuating in line with global investment trends

Australian investors have participated in raising $23.8 billion for Asian startups over the last decade. The value of transactions involving at least one Australian investor has increased over time, broadly reflecting global venture capital trends, albeit with more volatility.

The value of Australia-linked investments in Asian startups grew 27-fold between 2016 and 2018, shown in **Figure 1**. However, Australia-linked funding in Asian startups reached its lowest point since 2016 in 2023. It dropped by over 86% from 2022 to 2023 to reach just $779 million.

Startups in Asia have steadily gained international recognition over the last decade, with global VC investment increasing more than five times over the last 10 years, shown in **Figure 2**. VC investment in Asia peaked in 2021, with pandemic-fuelled digital growth continuing into early 2022.

Figure 1. Total capital raised by Asian startups involving an Australian investor

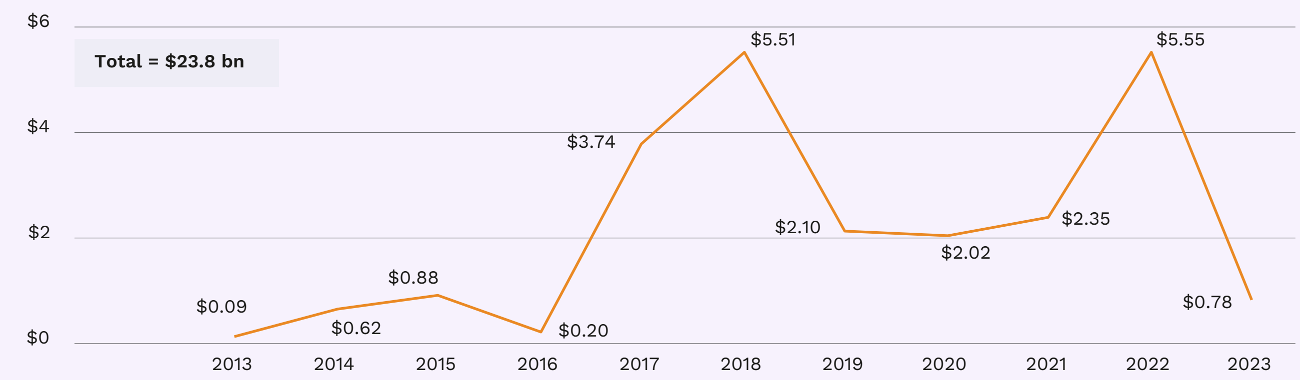
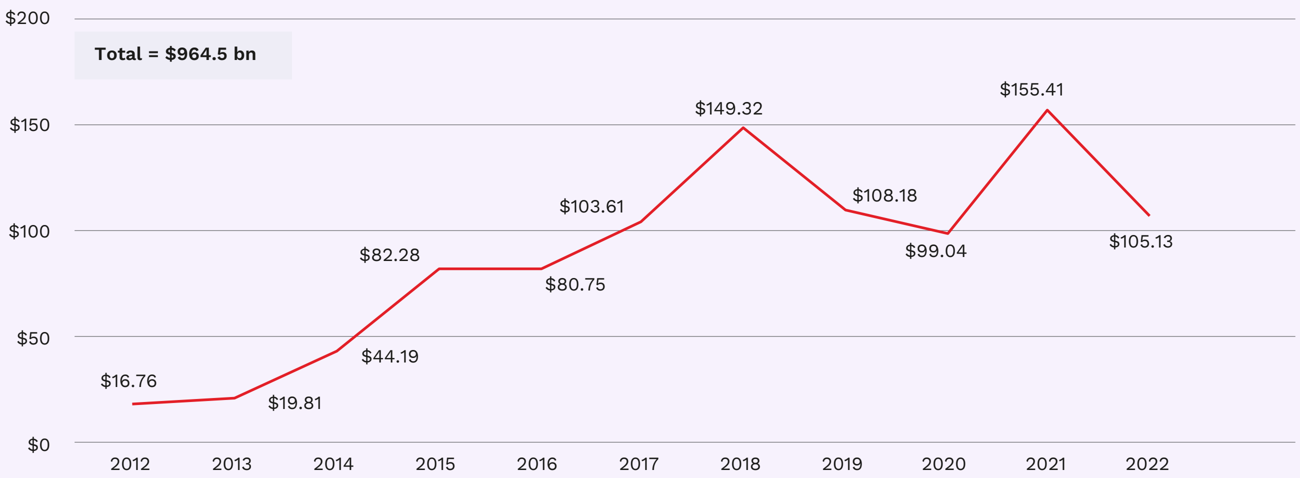


Figure 2. Global VC investment in Asia



Foreign Direct Investment (FDI) flows into Asia have mirrored global VC investment in the past, with different magnitudes but an overall increase.[5] FDI experienced a slight increase in 2015 and 2018 and a larger spike in 2021, growing 43% between 2018 to 2021. The parallel growth of FDI inflows and VC investment into Asia signals a recognition of the region's potential.

The recent fall in Australian funding mirrors the decline in venture funding from all investors. Global venture funding to startups in Asia dropped 38% in 2023, as shown in **Figure 2** - falling to its lowest total dollar amount since 2015.[6] The impact of economic headwinds, such as rising inflation and interest rates, have contributed to a recent funding downturn. Trade tensions with China have also contributed to the overall downturn in the Asian venture market.[7]

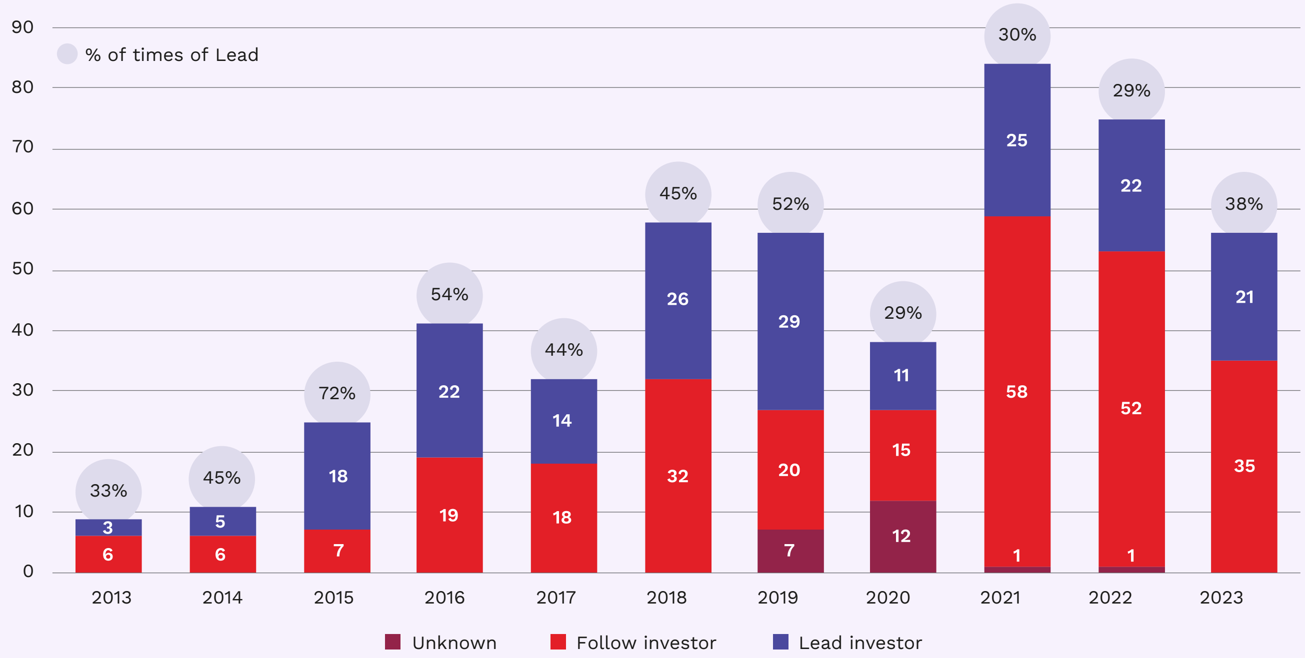
International conditions, particularly COVID-19, have likely impacted Australian investor behaviour

The number of Australian investments into Asian startups and the proportion of these transactions led by Australian investors has varied significantly over the last decade.

In 2018 and 2021 there were considerable spikes in the number of Australian investments, shown in **Figure 3**. In these years, the number of Australian investments into Asian startups jumped by 84% and 121% respectively compared to the previous year, reaching a decade-high of 84 transactions in 2021.

Over the decade, Australian investors were the lead investor in 40% of transactions that had at least one Australian investor involved (196 out of 485 of transactions). However, there has also been significant variability in this proportion over time. In the past 5 years the proportion of transactions led by Australian investors dropped from more than half of transactions in 2019, to under a third between 2020-2022, before stabilising at 38% in 2023.

Figure 3. Number of Australian investments in Asian startups

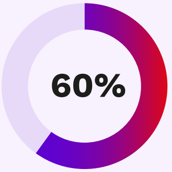


Although the data alone cannot fully explain this variability, investor confidence has likely been impacted by broader trends in the international environment. This is particularly evident during the pandemic and subsequent recovery. Based on our analysis, we hypothesise that:

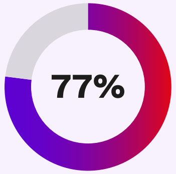
- The drop in the number of Australian investments in 2020 was likely impacted by initial shocks to the global economy during the early years of the COVID-19 pandemic.
- The rise in the number of transactions between 2021 and 2022 was driven by low interest rates and the increased availability of capital during this period. Similarly, the drop in the number of transactions in 2023 was likely impacted by high interest rates and global inflation reducing the availability of capital.
- The reduced proportion of transactions led by Australian investors in 2021 and 2022 correlates with the curtailment of international travel due to border closures. This hindered in-person engagement, which is crucial for calibrating the risk tolerance of investors and concluding deals.

While uncertainty in the international environment is likely to continue to influence investors in the near term, the rise in the proportion of transactions led by Australian investors seen in 2023 points to growing confidence in the potential of the region.

Australian investors focus on seed and early-stage funding in Asia, with Venture Capital the most prominent investor type

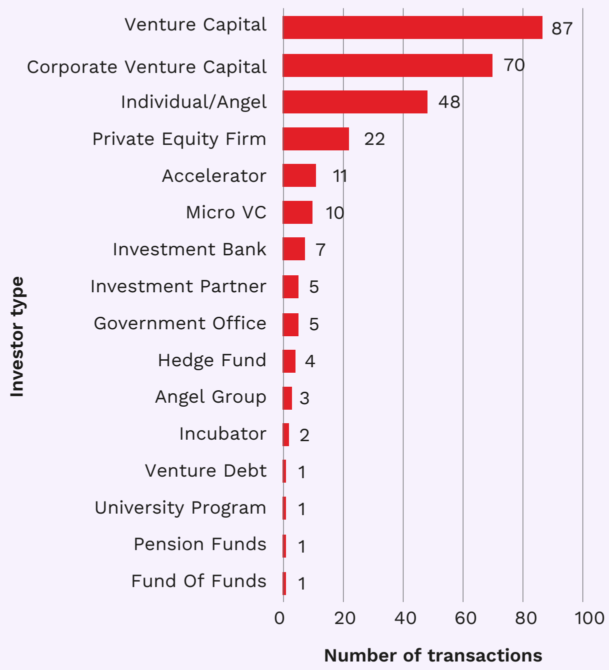


of investors contributed seed and early-stage funding.



of investments were made by Venture Capital firms[ii]

Figure 4. Number of transactions by investor type



By contributing seed and early-stage funding (Series A and Series B), Australian investors are playing an important role in commercialising innovation in Asia. Seed funding is integral to getting ideas off the ground and testing for product-market fit. Investors are helping to set the business trajectory and prepare its foundations.

Additionally, providing seed and early-stage funding is associated with higher levels of risk compared to later stage funding. This approach reflects a robust risk appetite and growing confidence in the Asian startup ecosystem. Our consultations suggested that investors are optimistic about the long-term growth prospects and potential for substantial returns.

Venture Capital is generally the most popular form of finance available for startups. VC firms often have a greater public profile than other investor types, resulting in more startups actively pursuing their funds. They also have the network and capital capabilities to invest in startups overseas, compared to other local Australian investors.

Through VC investment, Australian investors are supporting commercialisation of new tech, the growth of new industries and skills and job development. VC investors typically participate in management and help a company's executives make decisions to drive growth.

ii Including transactions from Venture Capital and Corporate Venture Capital

Consumer & B2C is the most popular industry for Australian investment in Asian startups

Consumer and Business to Consumer (B2C) startups remained the most popular industry for Australian investment throughout the decade, receiving 35% of investment as shown in **Figure 5**.

Given the region's rapidly expanding middle class, Asia is a massive consumer market with significant growth potential, including high consumption rates. By 2030, Asia's middle-class population will reach 3.5 billion, ten times more than North America and five times more than Europe.[8]

Given these trends, Consumer and B2C focused startups will likely remain attractive for Australian and other investors in the future. Singapore and India are the largest Consumer and B2C markets in the Asian startup landscape for Australian investors.

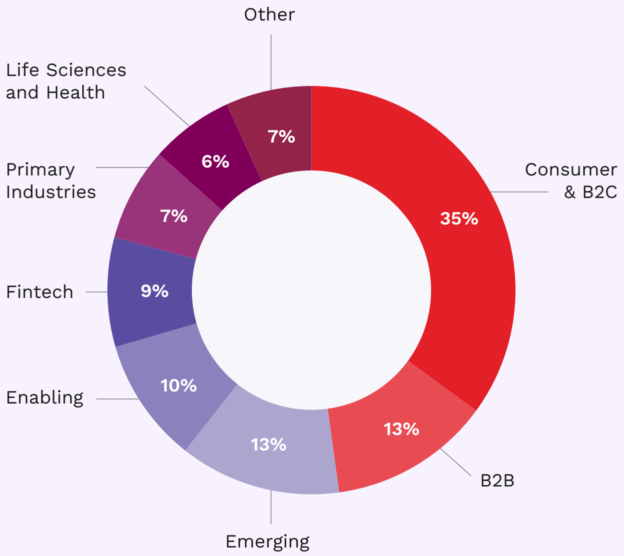
Business to Business (B2B) startups have not seen a strong increase in investments across the decade but remained consistently popular. B2B is the most popular industry for Australian VC funding in Australia and globally, specifically in business software. Business software makes up 25% of Australia's tech sector market valuation.[9]

Australia's investment in Fintech in Asia receives less emphasis than its profile in Australia, comprising 9% of funding. Fintech is one of Australia's strongest tech subsectors, with Australian VCs investing more into fintech than global VC funding allocations.[10]

Emerging and Enabling industries are gaining traction, comprising 23% of Australian investment in Asia. Emerging industries include tech companies that are developing capabilities with leading edge technologies such as quantum tech, whilst Enabling includes tech companies that enable other technologies to develop solutions such as cloud and datacentres. The majority of Emerging and Enabling investment goes to Singapore.

Australian VCs have historically invested less in deep tech areas domestically, with this segment accounting for only 5% of Australia's domestic VC funding in comparison to 10% of global VC funding.[11] Our consultations suggested that while deep tech is a nascent industry in many parts of Asia, the capability and interest in these industries across the region is growing.

Figure 5. Most popular industries for Australian investment in Asian startups 2013-2023 by number of transactions



Singapore was the top investment destination by number of transactions, followed by China and India

Investment patterns differ significantly across the markets included in our analysis. This highlights the distinctiveness of different tech ecosystems across Asia, the variety in opportunities for Australian investors and suggests scope to explore untapped potential.

01

Over the last decade Singapore has received the most investment from Australia overall, representing 52% of Australia's outgoing tech investment.

Transactions per year in Singapore have increased exponentially up until 2021. Almost one-third of Australian investments in Singapore are in Consumer and B2C startups. Our consultations suggested that many Australian investors choose to invest in and through Singapore due to the stability of the market and ability to tap into the nation's regional networks and expertise. Singapore has strategically positioned itself as a gateway to the broader Asian market, creating a proactive regulatory environment that promotes transparency.

02

Investment in India has steadily grown, with the value of annual investments involving an Australian investor almost doubling between 2013 and 2023.

The value of Indian capital raisings involving an Australian investor grew by 95% over the course of the decade (2013-2023), with the number of transactions doubling between 2015 and 2023. Significant investments were made into the Consumer and B2C and primary industries sectors. India has the third largest startup ecosystem in the world with a strong presence in fintech.[12] Of Australia's 90 transactions, only 11 of those were in fintech, which does not align with the size of the sector in India.

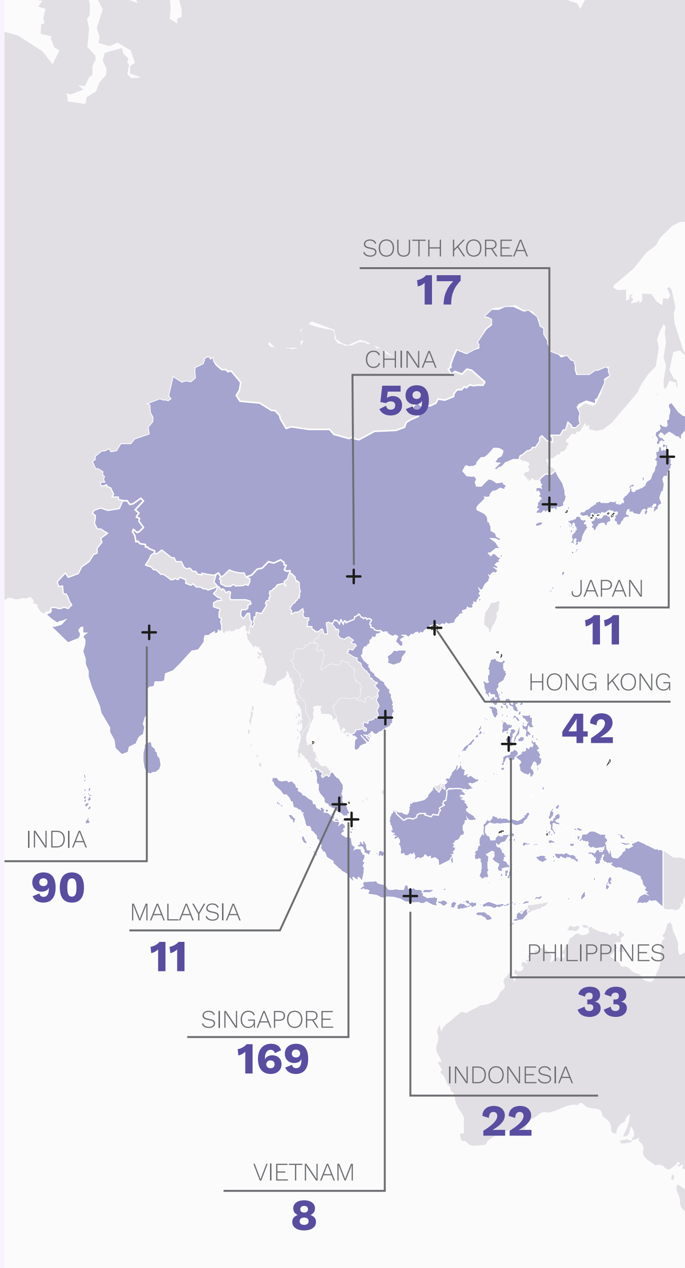


Figure 6. Top 10 investment destinations in Australia by number of transactions

03

Transactions in China have decreased since 2018, declining from 20 transactions in 2018 to four in 2023.

Investment in China has dropped considerably since 2017. Between 2018 and 2021, the number of Australian investments into China declined from 34% of overall Australian investments into Asia to just 8%. In 2021, China introduced regulations including restrictions on edtech, antitrust rules and data protection. Our consultations indicated that these regulatory changes were a key factor that has impacted investor activity in China.

04

Capital invested into Hong Kong has increased significantly, overtaking investments in China in the past two years.

Since 2022, Hong Kong has overtaken China as an investment destination, with the total value of capital raised in Hong Kong involving Australian investors almost three times greater than China. It declined slightly in 2023 in line with global trends but was still double that of China. Consumer and B2C and Emerging are the most popular industries for Australian investment.

05

Transaction volumes are evenly split between advanced and emerging Asian economies, but advanced economies have attracted the most Australian investment over the decade.

Advanced Asian markets have contributed 60% of investment value over the decade, compared with 40% for emerging Asian markets.[iii] Transactions are relatively even split across advanced and emerging Asia, with advanced markets taking 51% and emerging markets, 49%. Our consultations identified emerging markets, which are primarily concentrated in South and Southeast Asia, as growing markets for investor interest.

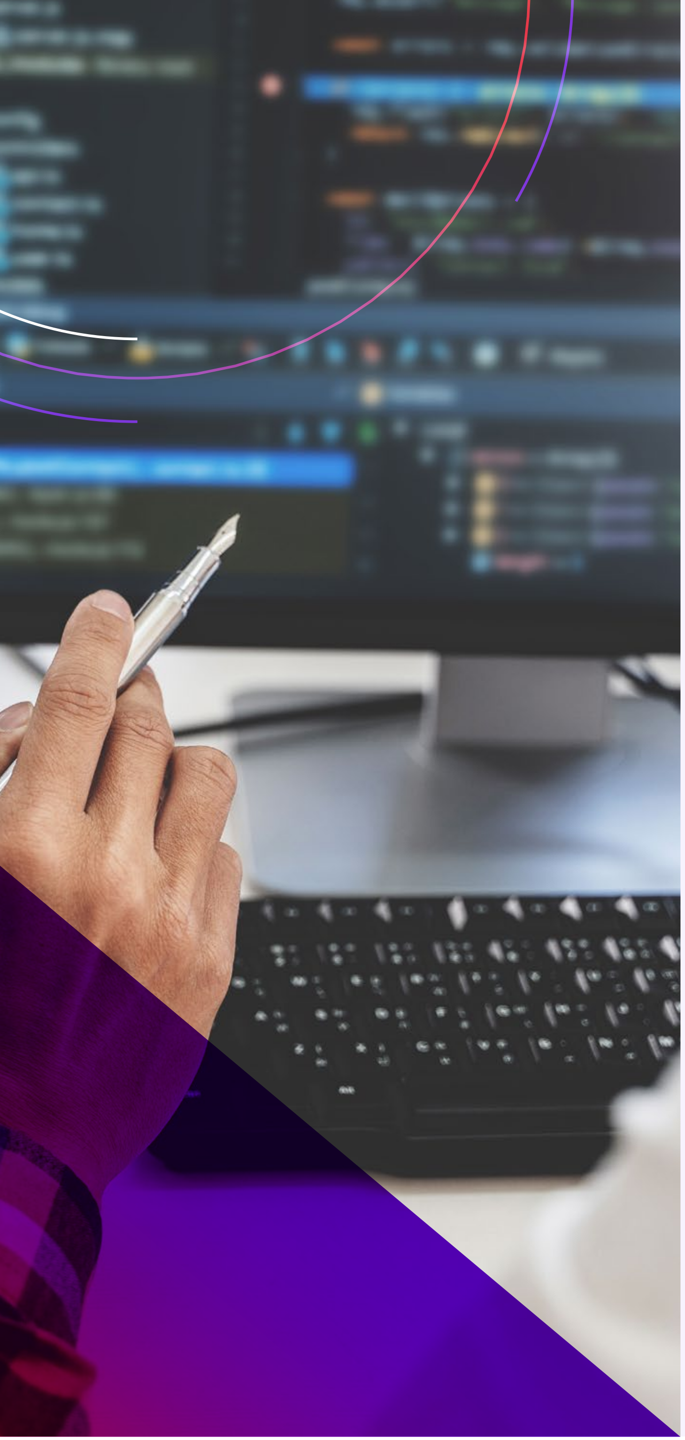
iii We have used the IMF's definition of advanced and emerging economies to classify Asian markets.[13] The IMF defines advanced Asian markets as Hong Kong, Macau, Japan, Singapore, South Korea, Taiwan, and emerging markets as Bangladesh, Bhutan, Brunei, Cambodia, China, India, Indonesia, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka, Timor-Leste, Thailand and Vietnam.

A regional dialogue to deepen the Australia-Asia tech corridor

An Australia-Asia tech corridor centred on the exchange of capital, people and technology would create the conditions for two-way investment to grow. We believe both Australian and Asian tech ecosystems stand to benefit from these exchanges.

Startup Genome's 2024 Startup Ecosystem report identified ecosystems within Singapore, China (Beijing, Shanghai, Shenzhen, Hangzhou), Korea (Seoul), Japan (Tokyo) and India (Bengaluru, Delhi, Mumbai) as the top ecosystems across Asia.[14] According to our analysis, Australian investors have established links in many of these ecosystems, with room to deepen these ties in high-potential markets. As well as additional ecosystems in these top markets, the report identified ecosystems in Hong Kong, across Southeast Asia (Jakarta, Kuala Lumpur, Bangkok, Manila, Ho Chi Minh City and Hanoi), and Taiwan (Taipei) as among the top emerging ecosystems with potential to become strong markets for future growth.

Given the relationship-driven nature of business culture across Asia, fostering lasting connections between Australia and Asia's tech ecosystems will require investors to deepen relationships in both the markets where they currently have a presence and those where they have not traditionally had a foothold. Both industry and policymakers have important and complementary roles to play to deepen linkages with established and emerging ecosystems across Asia to develop a robust and mutually beneficial Australia-Asia tech corridor.



We propose establishing a regional dialogue to support Australia-Asia investment architecture, collaboratively led by both policy makers and investors, and underpinned by a commitment to the Asia capability of the Australian tech industry. Key roles for each are outlined here.

Industry

Leverage existing relationships to deepen linkages in established ecosystems

Australian industry and investors could lead a dialogue to identify mutually beneficial opportunities and challenges with key partners in Asian ecosystems where they have established ties and there is strong potential for growth. Initially, this could focus on ecosystems in India, where investor activity is growing rapidly. Australian investors yet to explore the region could seek to leverage the in-market relationships of established Australian investors.

Policy makers

Identify opportunities for policy to support greater linkages

It will also be crucial for policy makers to be part of this dialogue. To grow tech investment, we need to have the right policy settings within and between countries. Some of these policy settings may directly relate to investment activity, such as regulatory frameworks that accommodate this type of investment. There may also be challenges which constrain the growth of some tech sectors – such as skill shortages – where policy makers have an important role to play.

Acknowledgments

We are grateful to the following organisations that provided valuable insights to support the development of the discussion paper.

investible

MAIN SEQUENCE

TARONGA VENTURES

scale investors

MELBOURNE ACCELERATOR PROGRAM

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Appendix B | Definitions

Transaction Classifications

All transactions were manually categorised based on the Tech Council of Australia's report titled *Turning Australia into a Regional Tech Hub* published August 2022. There are 10 classifications:

Industry Classification		Segments under each industry classification
1.	**Consumer and Business to Consumer (B2C)**	E-commerce, Social Media, Mobility Tech, Market Place, Media and Design, Gaming and e-Sports, Hospitality Tech, Property Tech and Wellness and Lifestyle Tech
2.	**Business to Business (B2B)**	Business software i.e. software that supports Supply Chain, HR, legal or accounting processes, supply chain tech and CRM and MarTech
3.	**Primary Industries**	Manufacturing Tech, AgTech & Food Tech, Construction Tech and Mining Tech
4.	**Fintech**	PayTech, Lending Tech, InsurTech, and Diversified Fintech
5.	**Life Sciences and Health**	Health Software, Medical Devices, and BioTech
6.	**Defence and Intelligence**	Defence Tech and Space Tech
7.	**Education**	EdTech
8.	**Energy and Environment**	Energy Tech and Space Tech
9.	**Enabling**	Cloud & Datacentres, Geospatial and Surveillance, Robotics and Drones, 3D Printing, Cyber-security and AI/ML
10.	**Emerging**	Quantum Tech, Blockchain and Crypto and AR/VR

Investor Types

All investors were manually classified based on the following definitions via online desktop research

Investor Type	Description of Investor Type
Accelerator	An accelerator takes a set amount of seed equity from a number of young startups in exchange for capital and mentorship. Accelerators will bring a cohort of startups in what is typically an on-site program which lasts for three to four months. At the end of the program, companies will 'graduate' from the accelerator program, and may present their company in front of potential investors at the respective accelerator's Demo Day.
Angel Group	An angel group is a network of angel investors who invest collectively in small startups or entrepreneurs. They typically invest in angel, seed, and sometimes Series A rounds.
Corporate Venture Capital	A corporate venture capital firm is an arm of a corporation, where the investment funds come from the corporation, providing capital to invest in innovative startup companies.
Incubator	An incubator brings in an external team to manage an idea that was developed inside the incubator. An incubator will also take a larger amount of equity in contrast to accelerators.
Private Equity Firm	A private equity firm is an investment management company. When they do invest in startups, it is typically in the private equity, or later stage venture rounds (Series C and beyond).
Startup	A startup is a newly established business, typically small in size, that is founded by one or more entrepreneurs with the aim of introducing a unique product or service to the market.
Venture Capital	Venture Capital firms invests in startups at a variety of stages, ranging from seed to Series A and beyond. Venture Capital firms take equity in exchange for capital, seeking to invest in firms from the earliest stage Series A, through to later stages as the company grows. Venture firms typically lead only a single round, and cede to other investors for the next round, to avoid conflicts of interest in pricing the next round.
Pre-Seed	A Pre-Seed round is a pre-institutional seed round that either has no institutional investors or is a very low amount, often below $150k.
Private Equity	A private equity round is led by a private equity firm or a hedge fund and is a late stage round. It is a less risky investment because the company is more firmly established, and the rounds are typically upwards of $50M.
Seed	Seed rounds are among the first rounds of funding a company will receive, generally while the company is young and working to gain traction. Round sizes range between $10k–$2M, though larger seed rounds have become more common in recent years. A seed round typically comes after an angel round (if applicable) and before a company's Series A round.
Series A and Series B	Rounds are funding rounds for earlier stage companies and range on average between $1M–$30M.
Series C	Rounds and onwards are for later stage and more established companies. These rounds are usually $10M+ and are often much larger.

Appendix C | Data Methodology and limitations

The data contained in this report comes directly from **crunchbase.com** and is based on reported data. Data reported is as of February 29, 2024.

Geographical Breakdown

Data in Asian startups includes East Asia, South-East Asia and South Asia. As such we have excluded Saudi Arabia and other South Asian and Central Asian countries from our analysis.

Region	Countries included in Region
Southeast Asia	Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam and Timor-Leste
Northeast Asia	China, Japan, Mongolia, South Korea, Taiwan, Hong Kong and Macau
South Asia	Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

Transaction Screening

We used two methods to screen for Australian investments in Asia. Utilising two methods allowed for greater confidence in the final data set.

1. **Query Builder Method**
2. **Manual Method**

Method One: Query builder

Transactions were screened through the Crunchbase database based on the following parameters in Query builder function:

- **Transactions:** Funding Rounds, Organisational Location (Asia), Investors Location (Australia), Announced Date (After 2013)
- **Investors:** Investors, Location (Australia), Investments (Organisation Location, Asia)

Transactions were removed based on the following:

- Investors headquartered outside of Australia were removed from the investor list, and their transactions were removed from the transaction list.
- Transactions were removed if the investee was headquartered in the following locations: Central Asia, Israel, Lebanon, Jordan, United Arab Emirates, Qatar and Saudi Arabia as it was deemed these countries are not located in Asia.

Checked to see if all investors listed had transactions in the transaction list. Investors were deleted if no transactions were found in the transaction list.

Method Two: Manual

To develop a high-level list of Australian investors, we applied the following filters to crunchbase's Advanced Investor search feature:

i. **Headquarters Location: Australia**

ii. **Type of Investor:**

1. Individual/angel
2. Accelerator
3. Angel Group
4. Corporate Venture Capital
5. Entrepreneurship Program
6. Incubator
7. Startup Competition
8. University Program
9. Venture Capital
10. Micro-VC
11. Co-Working Space
12. Family Investment Office
13. Fund of Funds
14. Government Office
15. Hedge Fund
16. Investment Bank
17. Pension Fund
18. Private Equity Firm
19. Secondary Purchaser
20. Syndicate
21. Venture Debt

iii. **Investments Located In: Asia**

After exacting the high-level list of Australian investors with investments in Asia from Crunchbase, each investor's individual funding round data was extracted.

We combined all the individuals' investors funding round data into one Excel sheet through using Excel's powerquery functions.

After the data was extracted into an Excel, we manually input:

- industry/sector
- lead/follow investors
- Converted USD to AUD, using the historical rate from the last 12 months from ofx exchange at a rate of 1 USD = 1.5237 AUD.
- We utilised desktop research and Crunchbase profiles to determine sector and lead/follow investors.

Limitations

Crunchbase collects its data through monthly portfolio updates from their members, profiles created on their website, using AI and machine learning that gathers data from news publications, manual verification, and third-party data partnerships. There is potential limitation of transactions that are hidden/ not publicly announced.

Crunchbase data discloses the amount raised by a startup and the involvement of an Australian investor but it does not specify the individual contribution of these investors.

The data gathered on transactions provides the number of startups receiving funding from at least one Australian investor in a funding round. As each transaction has multiple investors from around the globe, we are unable to estimate the proportion of funding attributable to the Australian investor.

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