



PRESS RELEASE

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GLOBAL ENTREPRENEURSHIP MONITOR 2006:

NUS study indicates that Singapore ranked top 10 among OECD participating countries for start-ups with high employment growth potential and have penetrated new markets; Local environment for entrepreneurship remains highly positive

Researchers from the National University of Singapore (NUS) Entrepreneurship Centre released the findings of the latest Global Entrepreneurship Monitor (GEM) 2006 study this morning at a special seminar held on its campus.

Survey findings indicate that entrepreneurial activity levels across 22 participating member countries of the Organisation for Economic Co-operation and Development (OECD) group have dropped from an average of 6.9% in 2005 to 6.0% in 2006. Consistent with this observed trend in the OECD countries, Singapore's early-stage entrepreneurial level, as measured by the Total Entrepreneurial Activity (TEA) rate, also decreased from 7.2% in 2005 to 4.9% in 2006.

Associate Professor Wong Poh Kam, Director of NUS Entrepreneurship Centre and Principal Investigator of GEM Singapore 2006 commented, "The observed fall in Singapore's entrepreneurship rate is not surprising, given that the economy in 2006 was robust with the number of jobs created at a record-high. Therefore, fewer people pursued self-employment."

The GEM study benchmarks entrepreneurial developments of leading economies of the world. The data for the OECD countries show that those with comparable income levels as Singapore reported TEA rates in the 4% to 6% region. Some of these countries include Germany, Sweden and Netherlands. The majority of these countries also experienced a decline in TEA rates between 2005 and 2006. Prof Wong added, "Singapore's entrepreneurship rate of 4.9% is within the expected range for countries with similar GDP per capita levels as Singapore."

The survey also ranked Singapore third out of 22 OECD member countries for technology-driven start-ups. One out of 5 Singapore start-ups employ the latest technology, as compared to an average of 1 in 10 in the OECD countries. Singapore also ranked in the top 10 for start-ups that have high employment growth potential and have penetrated new markets.

"It is an encouraging sign that a healthy proportion of our start-ups and new businesses employed new technologies and entered new markets. These findings indicate the potential of Singapore's entrepreneurial community," said Mr Inderjit Singh, Deputy Chairman of the Action Community for Entrepreneurship. "Our next challenge would be to look into how we can nurture more of these potential start-ups for greater value-add to our economy."

The assessment of Singapore's environment for entrepreneurship showed improvement across all environmental indicators, particularly the availability of capital for start-ups and the effectiveness of education and training programmes. Compared to the other OECD countries participating in the GEM, Singapore received higher ratings on all the indicators.

GEM is an international comparative research project that seeks to benchmark the level of entrepreneurial activities across countries and to understand the relationship of entrepreneurship to economic dynamism and the key national environmental factors affecting entrepreneurship. A total of 42 countries participated in GEM 2006 and Singapore is participating in this study for the seventh year since 1999. The GEM 2006 study on Singapore was jointly funded by NUS Enterprise through NUS Entrepreneurship Centre and the Action Community for Entrepreneurship.

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About NUS Enterprise / NUS Entrepreneurship Centre

NUS Enterprise (ETP) was established in 2001, with a vision to distinguish NUS as a leading entrepreneurial university. The ETP mission is to be an agent of change, to promote the spirit of innovation and enterprise within the NUS community, and to generate value from university resources through Experiential Education, Industry Engagement and Development and Entrepreneurship Support

The ETP strategy is to foster the development of an entrepreneurial culture in the NUS community through teaching, training, internship, and the nurturing of start-up enterprises, while leveraging on the NUS assets of highly talented people, expertise in diverse fields, intellectual property and specialised facilities. This is done through three main divisions in ETP – NUS Overseas Colleges (NOC), Industry Liaison Office (ILO) and NUS Entrepreneurship Centre (NEC), and is supported by the Corporate Admin and Business units – NUS Press, NUS Extension and NUS Technology Holdings Pte Ltd.

NUS Entrepreneurship Centre (NEC) offers several innovative entrepreneurship educational programmes in Singapore that emphasize experiential learning and practical involvement in the entrepreneurial process. These include the Annual StartUp@Singapore National Business Plan Competition, Workshops on New Venture Creation for technical professionals, and a new *innovative* Local Enterprise Achiever Development (iLEAD) programme for NUS students.

NEC also conducts a wide range of activities to promote interest in entrepreneurship among the NUS community, and to nurture entrepreneurial start-ups by NUS professors, students and alumni. These include monthly techno-venture forums, a business incubator program, a number

of seed funding schemes for early stage start-ups, a CEO mentoring program, and other supporting services such as networking with venture capitalists and angel investors.

For more information, visit: <http://www.nus.edu.sg/enterprise>

About the Action Community for Entrepreneurship

The Action Community for Entrepreneurship (ACE) is a movement that involves both the private and public sectors to create a more entrepreneurial environment in Singapore. ACE seeks to be a change agent in building a more pro-enterprise environment through the facilitation of discussion, debate and recommendations on the regulatory framework; changing culture and mindset; improving access to finance and facilitating networking. For more information, visit www.ace.sg.