

ENTREPRENEURS  
BACKING  
ENTREPRENEURS

# Monk's Hill Ventures

## The Emergence of Entrepreneurship Ecosystems Across Southeast Asia: Views of a Venture Capitalist Part 1 of 4

*Peng T. Ong*



# SEA-Connect: initiatives to connect with the ASEAN community in Silicon Valley

## Quarterly Gatherings in Silicon Valley

SEA Connect: Dec 2016

Hosted by Monk's Hill Ventures, Block 71 SF



**Discussion on how to build & scale your startup** with AlignCommerce, OhmniLabs, Clickatell, Plug & Play Asia Pacific and Richard Dasher of Stanford University



**Next event**  
April 5<sup>th</sup>  
Udemy SF

SEA Connect: July 2016

Hosted by Monk's Hill Ventures, 500 Startups



**Discussion on SEA tech scene** with Sequoia Capital, Illinois University at Urbana-Champaign, YesCredit Philippines, and other founders



# e-economy SEA

**Unlocking the \$200 billion digital opportunity in Southeast Asia**

Google | TEMASEK

# Agenda

## Overview of SEA Internet economy

The SEA internet opportunity

SEA VC and startup landscape

Challenges to overcome

# SEA's internet economy is ready to take off, with ~124k users coming online every day for the next 5 years

**260M**

Users already online; 4<sup>th</sup> largest internet market in the world

**3.8M**

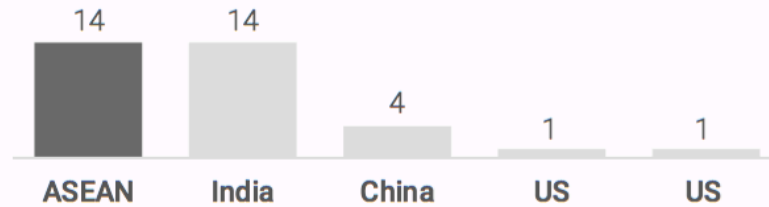
Users coming online every month; fastest growing internet market in the world

**700M**

Mobile connections; 130% of population

# SEA to be the fastest growing internet market in the world (~480m users by 2020); Indonesia fastest growing nation in the world

Growth in internet users  
(CAGR%, 2015-20)



Indonesia is the fastest growing internet market in the world

Internet users by country<sup>1</sup> (# m, 2015-2020)



# Agenda

Overview of SEA Internet economy

**The SEA internet opportunity**

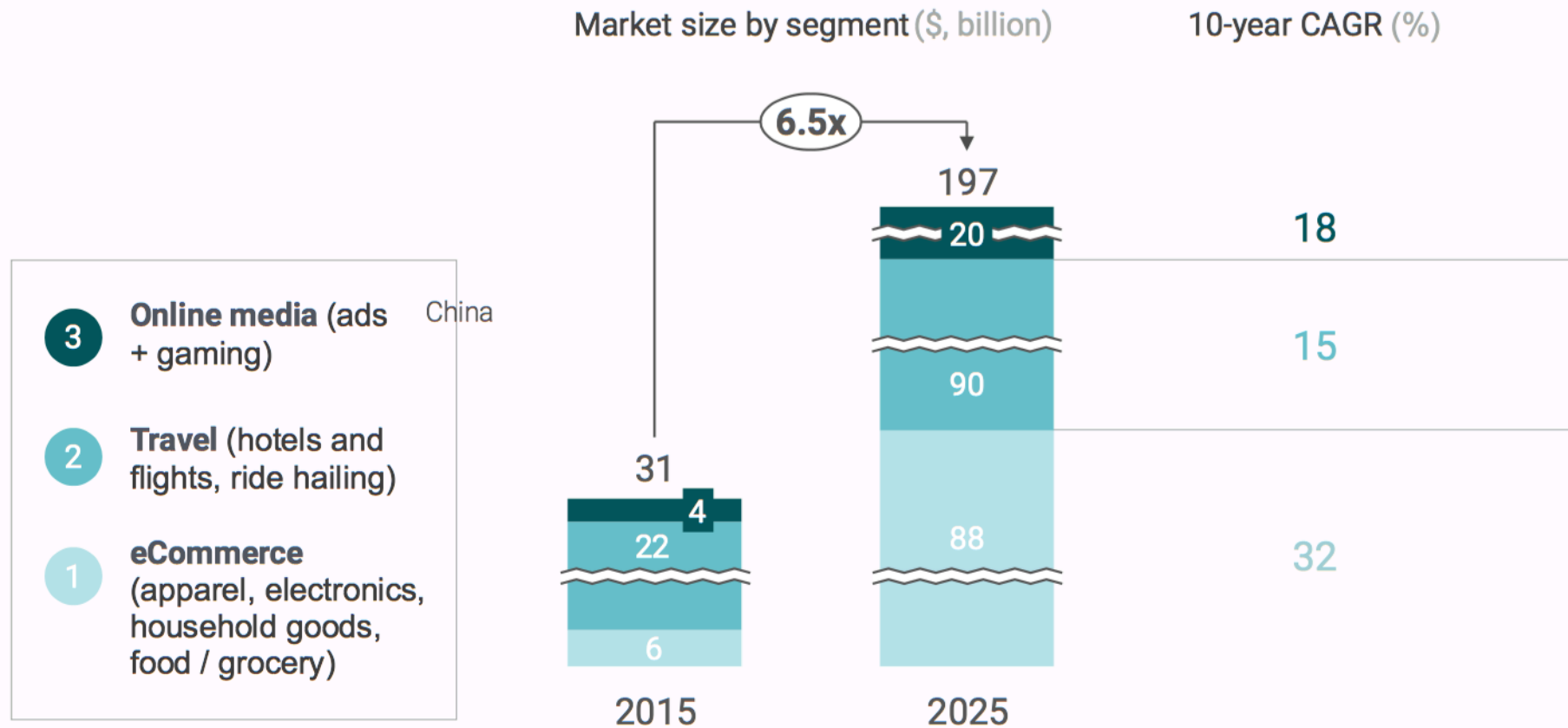
SEA VC and startup landscape

Challenges to overcome



# The internet economy in SEA is expected to reach ~ \$200 billion by 2025 (6.5x increase over 10 years)

eCommerce and Travel to make up >90% of total online retail spend in 2025





# 1 5 key systemic changes are expected to occur, leading to the exponential growth of eCommerce



Thriving young population

70% of SEA's population is under the age of 40 (vs. 57% in China)



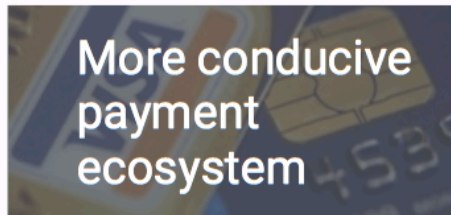
Increase in internet speed and penetration

Internet speeds in SEA are expected to reach global average (23.3 mbps) with more than 80% of population having access (vs. 46% today)



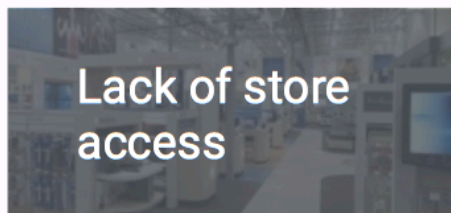
GDP Growth

SEA as a region has a nominal GDP of ~2.5 trillion USD (larger than India) growing at 5.3% over the next 10 years



More conducive payment ecosystem

Payment ecosystem is expected to accelerate with increased access to financial system, going from 0.7 acct/capita to +1 acct/capit<sup>1</sup>



Lack of store access

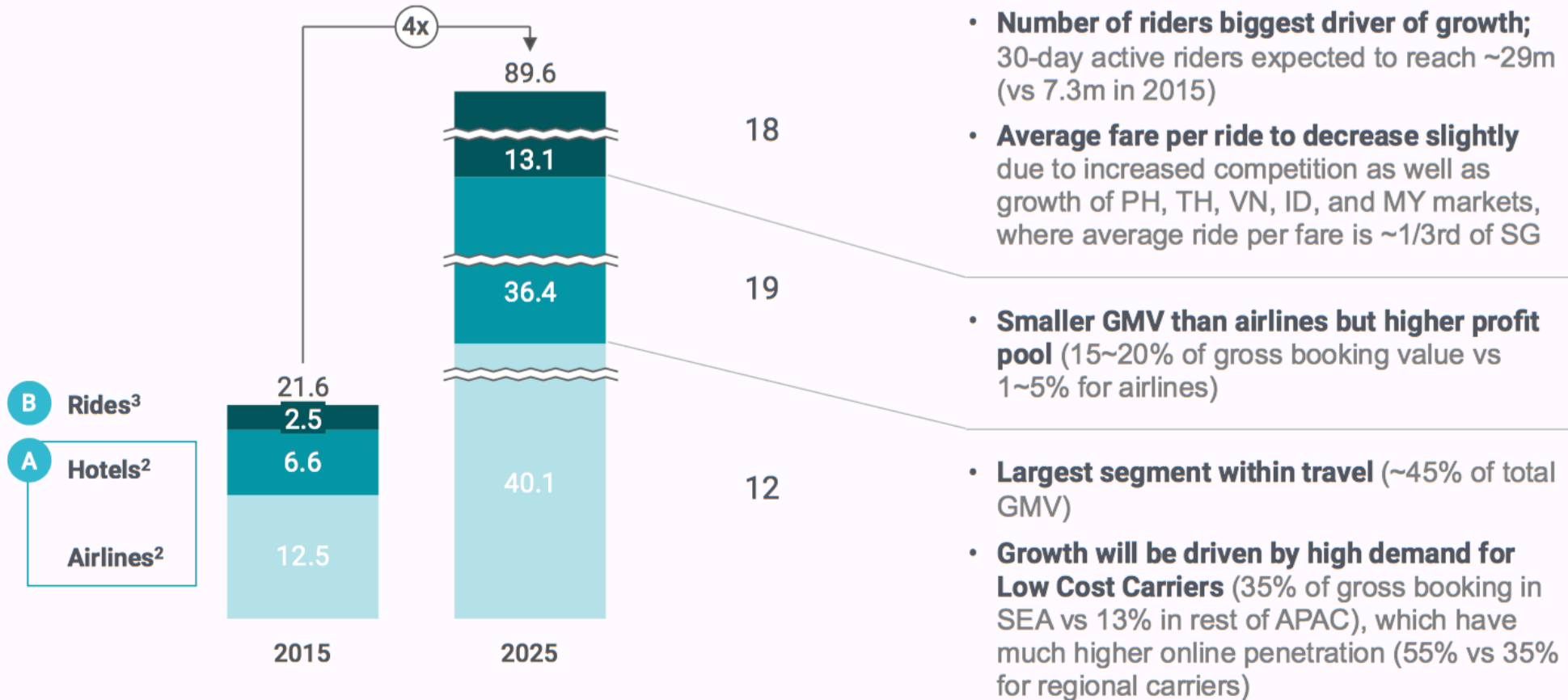
# of organized retail store available per capita is significantly less than developed markets, (1/3<sup>rd</sup> of US)

## 2 SEA online travel market expected to 4x by 2025, reaching ~\$90 billion (~15% CAGR)

SEA<sup>1</sup> Online travel market size (\$, billion)

10-year CAGR (%)

Description

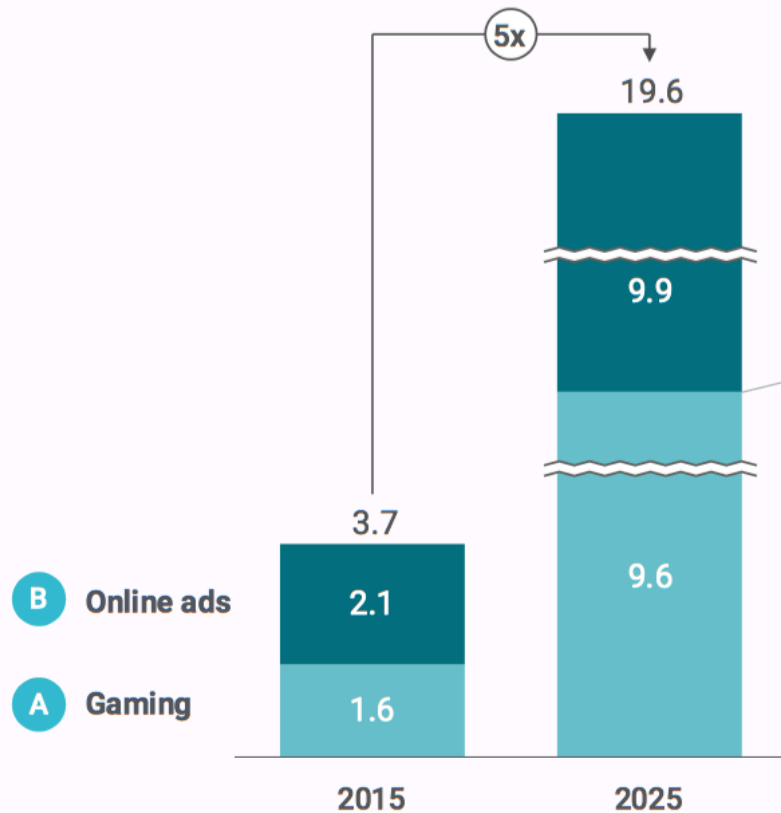


### 3 Online media is expected to increase by 5x, reaching ~\$20 billion by 2025 (~18% CAGR)

SEA<sup>1</sup> Online media market size (\$, billion)

10-year  
CAGR (%)

Description



17

**Growth driven by 2 major factors:**

- Steady increase in internet usage** within SEA leading to increase in total time spent online by SEA consumers
- Greater alignment between media spend by channel and time spent** by consumer per channel

20

**Growth driven by mobile gaming<sup>2</sup>** which will compose 75% of market by 2025 (vs 53% in 2025); 2 key drivers:

- 3.6x growth in revenue per gamer** (\$21 in 2025 vs \$6 in 2015)
- Growth in number of mobile gamers** driven by:
  - growth in smartphone users (280m new users expected in next 10 years)
  - high % of smartphone users that are gamers (72% in SEA vs 58% in US)