



NEWS RELEASE

KPMG & HSBC's *Emerging Giants in Asia Pacific* report identifies potential regional unicorns and their growth drivers

As the world's growth engine, Asia Pacific's technology-focused start-ups are leveraging innovations and new sector verticals to blaze a digital trail forward

18 July 2022 – KPMG and HSBC have released the *Emerging Giants in Asia Pacific* report, which examines new economy businesses across the region with strong potential to impact the global business landscape over the next decade. Over 6,472 technology-focused start-ups¹ with valuations of up to US\$500 million² were studied across 12 markets, with ten leading Emerging Giant companies identified in each market³. The report also names 100 Leading Emerging Giants within the overall Asia Pacific region.

Maturing technology-focused ecosystems in the Asia Pacific are producing billion-dollar companies at a rapid rate. With the International Monetary Fund predicting that the region's emerging markets and developing economies will grow 20 percent faster than the global average⁴, this year, Emerging Giants – fast-growing, influential and innovative start-ups with unicorn ambitions – are a leading indicator of the Asia Pacific's growth trajectory.

According to the report, the emergence of new sector verticals is attracting record-breaking investments, leading to a proliferation of larger, more valuable start-ups in the region.

Beyond the traditional sectors associated with new economy businesses such as FinTech or software-as-a-service, the report identified around 120 technology-related industry subsectors among these businesses, with blockchain, smart city, and sustainability and ESG verticals being most prominent. Additionally, six out of the 12 markets studied had average valuations of US\$300 million or more among their leading Emerging Giants⁵.

"Fast-growing technology start-ups are the new wave of SMEs contributing towards economic growth and more. Looking ahead, the global push towards carbon-neutrality will be a major

¹ Mainland China; India; Japan; Australia; Singapore; South Korea; Hong Kong (SAR) China; Malaysia; Indonesia; Vietnam; Taiwan and Thailand.

² Valuations based on Pitchbook data current as of 30 April 2022

³ Consideration for these lists was based on estimated valuations and venture capital received based on Pitchbook data figures; as well as KPMG and HSBC analysis on the future growth potential of these companies.

⁴ [7.3% vs 6.1% IME](#), April 2022

⁵ Valuations based on Pitchbook data current as of 30 April 2022

driver of innovation as traditional sectors go green, and Emerging Giants will likely play a key role in developing the technologies that can reduce carbon emissions and promote more responsible stewardship of the environment. Asia will be a crucial battleground in the fight for a more sustainable future,” says **Honson To, Chairman KPMG Asia Pacific and KPMG China.**

“*Emerging Giants in Asia Pacific* excites us because we see the start-up ecosystem as complimentary to the established end of the financial services industry: they’re a source of innovation, and invigorate both local and regional economies with their dynamism,” says **Surendra Rosha, Co-Chief Executive of HSBC Asia-Pacific.**

Other key findings of the report include:

- While a repeat of the record-breaking private investment levels in 2021 is unlikely, 1Q 2022 figures suggest that **2022 is on target to exceed both 2020 and 2019 funding levels** in the Asia Pacific. Australia, Malaysia and South Korea have already seen deal values pass or nearly pass 2020 totals.
- As the world’s biggest fintech adopter, the Asia Pacific region has **experienced a boom in financial services transformation** within the last two years as fintech applications progress in tandem with user uptake. Considerable interest in cryptocurrencies has also led to a surge in crypto financial services providers and blockchain players.
- Growing pressure for an ESG focus in business and investment strategies in order to meet climate targets will likely drive an **explosive demand for green technologies and services** across every industry, creating significant opportunities for Emerging Giants.
- Top challenges faced by Emerging Giants include **navigating regulatory complexity and securing technology talent.** Formulating effective ESG and tax strategies, as well as leveraging government incentives and implementing management processes for distributed workforces, will be cornerstones of future growth.

“As the world’s leading trade bank, we’re always looking for ways to help our customers innovate, develop the solutions of the future and add value. As up-and-coming leaders who will shape industries in the next decade, Emerging Giants represent a vital building block for a sustainable and prosperous future for the region,” says **Dan Roberts, HSBC’s Global Head of Business Banking.**

“Asia Pacific’s emerging giants are bold, ambitious, and cutting-edge in the types of products and services they are offering, who they choose to partner with, which markets they are targeting, and in how they shape their business models, company culture and mission statements. Perhaps most importantly, they are thinking about what the technology landscape will look like 10 or 20 or 30 years from now, in addition to what is useful to their customers now,” says **Darren Yong, Head of Technology, Media and Telecommunications, KPMG Asia Pacific.**

The report also features interviews with start-up founders and executives across the 12 Asia Pacific markets, which offer insight into the challenges and opportunities that start-ups in the region face.

The *Emerging Giants in Asia Pacific* report can be downloaded at:

<https://kpmg.com/emerginggiants>

<https://www.business.hsbc.com.sg/giants>

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