

Infracrowd Capital Monthly

Newsletter

April Update

Hi there! The newsletter is a monthly update from Infracrowd Capital about our partnerships, sustainability, and the venture capital.

Highlights at Infracrowd Capital

- On 5th April 2023, CEO Mr. John Lee shared financing tips for early-stage startups and advised students of MSc of Venture Creation (MSVC) on improving their venture ideas for better funding. He also answered student questions.
- On 13th April 2023, Mr. John Lee was invited to be on panel at SG Scape Event. He elucidated his valuable thoughts on how innovation in ESG could be embraced by early-stage startups in Singapore.
- On 14th April 2023, a corporate visit to PIXEL IMDA was organized by Infracrowd Capital for the participants of Advanced Certificate in Venture Capital conducted by SMU Academy.
- On 19th April 2023, exciting insights were shared by our CEO, Mr. John Lee as an investor at "Investment in Sustainable Innovation: Perspectives from Investors and Founders" event hosted by the SWITCH and organized by the Blockchain Association of Singapore (BAS), Asia Sustainability Forum, and JTC. Our Chairman, Associate Professor Edward Tay, presented his paper on Singapore's sustainability landscape in the same event.
- On 20th April 2023, Singapore DPM Lawrence Wong highlighted the need for multidisciplinary education to meet growing demand in sustainable and green finance at NUS's official opening. Infracrowd Capital was proudly invited as Green finance business partner.
- On 20th April, Infracrowd Capital was exclusively invited to network with Chinese companies interested in expanding to Singapore at the XNode event. Collaboration opportunities were discussed too.
- On 25th April, Infracrowd Capital attended the China International Import Expo (CIIE) promotion conference to explore collaboration opportunities with Chinese companies, benefiting from the strong bilateral relationship.





MSVC Fireside Chat at NUS



SG Scape Event



Corporate Visit to PIXEL IMDA





CEO John Lee shared his insights on investment in sustainable innovation from the perspective of an investor.



Chairman Edward Tay unveiling his paper at SWITCH Event





NUS SGFin Launch graced by Deputy Prime Minister in Singapore – Mr. Lawrence Wong.



XNode Event

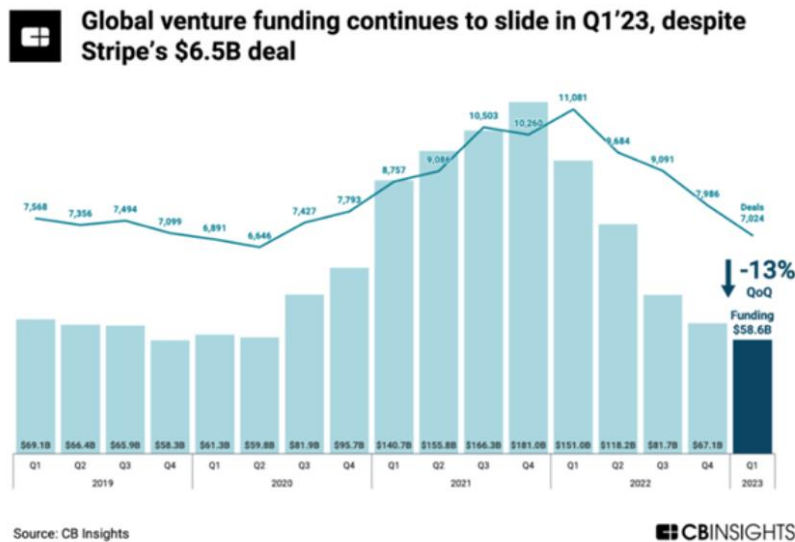


CIIE Promotion Event

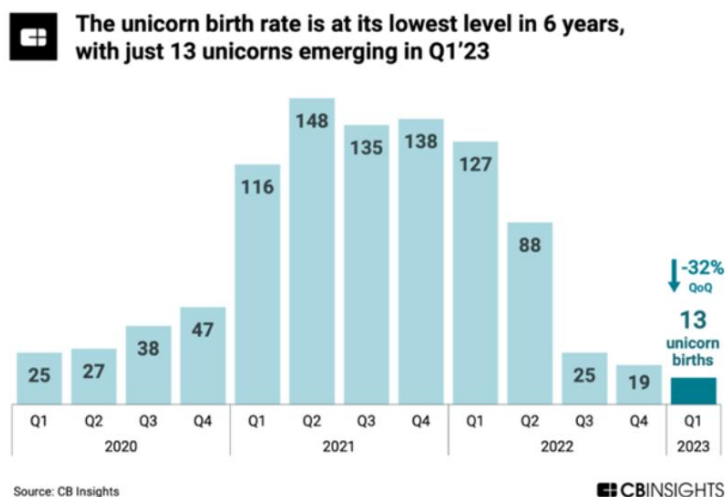


Recap of Q1 of 2023 in Venture Capital

According to the latest figures released by CB Insights, there has been a significant difference in the funding levels between the first quarter of 2022 and the first quarter of 2023. There is significant drop of 61.2% from Q1 of 2022 (\$151.08 Billion) to Q1 of 2023 (\$58.6 Billion). This decline also captures the impact of Stripe's humungous round of \$6.5 Billion.



In the same quarter, the number of startups getting their prestigious horns were just 13, the lowest in last 16 years



The first quarter of 2023 was heavy for investors with multiple events unfolding unexpectedly like the banking crisis, weak stock market performance, increased interest rates, and high inflation rates. With public market experiencing pains, the startups became more wary to go public – only 86 IPOs were registered, which is lowest in the decade.





What lies for VC dealmaking in future?

Focus on sustainability: There is a growing trend towards sustainability and responsible investing, which could lead to an increased emphasis on ESG factors in VC deal making. This could result in a shift towards investing in companies that prioritize environmental, social, and governance issues.

Continued emphasis on digital transformation: The pandemic accelerated the adoption of digital technologies, and this trend is likely to continue in the future. VC investors may continue to focus on companies that offer innovative solutions in areas such as e-commerce, remote work, and digital health.

Increased competition for deals: As more capital flows into the venture capital industry, competition for deals is likely to intensify. This could lead to higher valuations and more selective investment criteria, as investors seek to identify the most promising opportunities.

Focus on diversity and inclusion: There is increasing awareness of the need for greater diversity and inclusion in the venture capital industry, and investors may place a greater emphasis on investing in companies led by diverse teams.

By focusing on sustainability, digital transformation, diversity and inclusion, and navigating increased competition for deals, investors can continue to identify and support innovative companies with the potential to drive growth and make a positive impact on society.



Carbon Markets

- Analysts have increased their price forecasts for EU carbon permits for the next three years following the EU countries' approval of the bloc's carbon market revamp. According to a Reuters survey of seven analysts, EU Allowances (EUAs) are expected to average €86.17 a tonne in 2023 and €96.19 in 2024. However, analysts warned that the volatile energy market could still impact EUA demand and prices. ([Reuters](#))
- The African continent is suffering from high levels of deforestation caused by the use of wood and charcoal for cooking. The Aberdare Mountain Range in Kenya is hosting a growing trade in carbon credits that aims to tackle the carbon emissions produced by cooking over open fires. Better stoves would mean cleaner cooking and less local deforestation. The voluntary carbon market (VCM) is expected to hit a \$50bn valuation as soon as 2030. ([African Business](#))
- The EU has approved key pieces of legislation to deliver on its 2030 climate targets, including the biggest revamp of Europe's carbon market and new taxes on imports of high-carbon goods. The laws are part of the 'Fit for 55' package, the bloc's plan to reduce greenhouse gas emissions by at least 55% by the end of the decade compared to 1990 levels. Included in the policies agreed upon are a price on imports of high-carbon goods, the world-first plan to phase in a price on imports of high-carbon goods from 2026 as part of the EU's Carbon Border Adjustment Mechanism (CBAM), and the creation of an €86.7bn climate fund. ([Earth](#))
- India is considering creating a stabilisation fund to maintain a minimum price for carbon credits in its upcoming carbon market. The fund would help ensure that credits remain attractive for investors and support the success of the market in reducing emissions. ([Reuters](#))
- The Carbon Market & Investor Forum, organised by the Melbourne-based Carbon Market Institute (CMI), will be held in Singapore on 19-20 July 2023, with the aim of creating a regional network of climate leaders in the Asia-Pacific (APAC) region. The event will bring together professionals, investors and policy makers to discuss opportunities and challenges in the carbon market sector. The program is organised into three main themes, including nature-based solutions, international linkages and unlocking investment and finance, as countries sign international carbon trading agreements and ramp up demand for carbon abatement. ([Carbon Herald](#))



Sustainability in Singapore

- The Monetary Authority of Singapore (MAS) and the People's Bank of China (PBoC) have formed a joint task force to enhance bilateral collaboration in green and transition finance. The newly established China-Singapore Green Finance Taskforce (GFTF) seeks to promote public-private sector partnership towards a low-carbon future in the region. By creating financial standards, products, technologies, and definitions, the GFTF aims to reduce carbon emissions and promote sustainable development. The partnership between MAS and PBoC represents a significant step towards achieving the environmental goals set forth in the Paris Agreement. ([Cointelegraph](#))
- The Monetary Authority of Singapore (MAS) has unveiled plans for its updated green finance action plan, focusing on transition finance as a strategy to direct capital towards Asia's net-zero transition. The bank aims to grow the sustainable-debt market, enhance environmental, social and governance (ESG) data, and support financial institutions in adopting credible transition plans. MAS has been pushing for transition finance, given the prevalence of non-green activities in the global economy, particularly in Southeast Asia, where coal is a major source of power. MAS' Deputy Prime Minister Lawrence Wong stressed the need for a "more orderly and responsible phasing out of coal plants in Asia" to achieve net-zero emissions. ([Business Times](#))
- Singapore and the US are launching a joint feasibility study on regional energy connectivity in Asia, following plans first outlined last July. The study will take place over two phases, with the first phase focused on reviewing existing and potential power interconnections in ASEAN, while the second phase will cover the legal and governance frameworks, as well as financing arrangements needed. The initiative aims to facilitate the development of the ASEAN Power Grid initiative and support regional efforts to deploy renewable energy and collectively decarbonise. The study is set to be completed by October. ([The Edge](#))

Get in Touch

Infracrowd Capital is a licensed investment management company which aims to manage the cross border sustainable infrastructure and technology portfolio in South East Asia. We believe that the momentum in the rapid growth in both the technology adoption or disruption and sustainability pursuit will propel sustainable infrastructure as an attractive investment class to develop sustainable and long-term returns. Visit our website: <https://www.infracrowdcapital.com/>

