

## 2014 Sees Record Levels of Venture Capital Investment Throughout Asia

Venture capital investment in Asia reaches \$10.5bn throughout 2014 year-to-date, up from \$6.3bn in 2013, driven by expanding markets outside of Greater China

Preqin's latest research into the Asian private equity industry has highlighted the accelerated growth in venture capital investment throughout the region in recent years. After a number of years of slower fundraising and investment activity across the continent, venture capital deal flow across Asia, particularly in more emerging economies such as those in Northeast and South Asia, has increased significantly. The level of investment in buyout opportunities across Asia has also grown in 2014, with \$29.6bn of investment so far in 2014 compared to \$25.7bn in the whole of last year.

### Other Key Findings by Region:

#### ***Greater China sees highest annual level of buyout investment on record***

- Buyout deals so far in 2014 in Greater China have totalled \$16.7bn in value, the highest aggregate deal value on record.
- \$5.7bn has been invested in 189 venture capital deals in 2014 YTD, which is already more than the \$3.3bn invested throughout 2013, but below the \$7.7bn worth of investment seen across Greater China in 2011.

#### ***Northeast Asia witnesses huge growth in venture capital investment***

- Venture capital activity across Northeast Asia has grown significantly over the last few years, with the amount of capital invested increasing year-on-year since 2010, and 2014 YTD seeing over 60% more capital invested in deals compared to all capital invested last year.
- Northeast Asia buyout activity has fallen over the last couple of years, with \$4.9bn invested in buyout deals so far this year compared to \$7.7bn in 2013.

#### ***ASEAN nations see fall back in venture capital activity after record 2013***

- Following 2013 which saw almost \$1bn (\$921mn) invested in 104 venture capital deals across ASEAN nations, deal activity so far this year has fallen to 44 deals which have received \$131mn in capital.
- Buyout deal value has reached a record high of \$5.4bn in 2014 YTD across ASEAN nations, surpassing the \$4.7bn value of investments seen in 2011, the previous high.

#### ***South Asia witnesses strong venture capital investment as buyout activity falls***

- The number of investments and aggregate value of buyout deals done in South Asia countries has dropped significantly in recent years, falling from 173 deals in 2012 valued at \$5.0bn to 136 deals in 2013 valued at \$3.6bn. In 2014 year-to-date, there have been a total of 77 deals valued at \$2.5bn.
- \$2.7bn was invested in 231 venture capital deals in 2014 YTD throughout South Asia, up from \$1.7bn invested in 346 deals throughout 2013.

**For more information and analysis, please see the full report below:**

<https://www.preqin.com/asiareport>

### **Comment:**

"Over the last decade, Asia has traditionally been looked upon as a region for diversification by institutional investors and a region for countless opportunities in deal making by fund managers. Despite sluggish Asia-focused fundraising

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figures in the past year, private equity investment – particularly in the venture capital space – has been strong. There are a number of possible influences for the reinvigoration and resurgence of Asian private equity activity, such as the accelerated integration of ASEAN nations and the re-opening of China’s IPO market, both of which have been notable drivers of the Asian economy.

While it must be noted that the actual number of deals taking place across both the venture capital and private equity-backed buyout spaces are slightly deflated compared to recent years, the level of capital being invested across the continent is a clear sign that Asian private equity will continue to grow and mature.”

### **Christopher Elvin, Head of Private Equity Products**

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#### **About Preqin:**

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#### **Note to Editors:**

- Preqin is spelled without the letter ‘U’ after the ‘Q’.

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