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MSS to unveil "Startup Korea" a comprehensive policy to make South Korea a world-leading startup nation

Sejong, August 30 – The Ministry of SMEs and Startups (Minister LEE Young, hereinafter referred to as MSS) announced the "Startup Korea", a comprehensive policy for mid- and long-term support of startups under the Yoon Administration.

Minister LEE Young stated that the South Korean startup ecosystem has become more active due to past government policies supporting entrepreneurship. However, the current environment requires a new approach that includes digitalization, AI revolution, and other transformations.

The main strategies of the "Startup Korea" are outlined below.

Beyond Boundaries: MSS will globalize Korea's startup ecosystem and improve connectivity between Korean startups and the world.

The Korean government aims to create a startup ecosystem in South Korea that is inclusive and welcomes skilled talents from all over the world to start their businesses. The immigration system for startups will be reorganized to be more startup-friendly. It will enable foreign entrepreneurs to settle down in South Korea and collaborate with Korean startups more easily. Industries with high demand for startup workers may have relaxed visa requirements for E-7 visas (Foreign National of Special Ability). MSS will consider granting startup visas and funding for commercialization to foreign startups with viable technology and business plans. MSS will launch K-Tech College, a program that offers training programs in software and provides job placement opportunities with Korean startups to talented students from developing nations, including Vietnam. Taking inspiration from the UK's Global Entrepreneur Programme (GEP), MSS will launch the K-Scouter program to identify and nurture startups with high potential for entering the Korean or Asian markets. Additionally, a Space-K will be established in the

greater Seoul area to facilitate communication and collaboration among young entrepreneurs from all over the world.

Assistance will be provided to Korean entrepreneurs who start businesses abroad. For example, MSS will lay the foundation for those who started businesses outside of Korea and contributed significantly to the Korean economy to get assistance if they meet eligibility requirements. Global funds with a cumulative worth of approximately KRW 10 trillion (USD 7.5 billion) will be raised in 2024 to attract overseas investment into South Korean startups and to assist in their global expansion. The South Korean government created the global fund to attract more investors to Korean startups by investing in foreign funds.

Solidarity: MSS plans to encourage private capital involvement in VC investments. It will also introduce new ways of financial support for startups.

The government and private sector will jointly invest in the Startup Korea Fund with the goal of reaching KRW 2 trillion (USD 1.5 billion) by 2027. The Startup Korea Fund will be established in addition to an existing investment in a fund of funds. This fund will invest heavily in strategic sectors, such as deep tech typified by artificial intelligence and semiconductors. MSS will introduce new ways of financial support for startup. The previous financial support has been more focused on subsidies, but the new approach combines providing investment and loans. The new approach is expected to broaden companies' options without requiring additional budget.

Regional Startup, Equal Opportunity + Open Innovation: MSS will boost the regional startup ecosystem and foster open innovation partnerships between startups and large corporations.

MSS plans to build a virtuous cycle of regional economic stimulation and balanced regional development by boosting the regional startup ecosystem that has been marginalized so far. As part of its efforts, MSS plans to establish a 'Provincial Space-K' in areas with dense concentrations of anchor companies, universities, and research institutes for young people to settle in. The Ministry plans to expand the Regional Angel Investment hubs to encourage investment in out-of-capital areas. The Regional Angel Investment Hubs are initiatives to promote early-stage investment in areas outside the capital. MSS plans to expand collaboration programs between startups and large corporations to the top ten emerging industries, such as artificial intelligence and biotechnology.

The "Startup Korea" includes policies tailored to assist military personnel, youth, university students, researchers, and serial entrepreneurs in starting their businesses.

Minister Lee Young of SMEs and Startups stated that several South Korean ministries, including the Ministry of Economy and Finance, the Ministry of Justice, and the Ministry of Science and ICT, collaborated with MSS to develop comprehensive measures for the “Startup Korea” with the goal of making South Korea a leading startup nation. Minister LEE stated that the MSS aims to increase the number of Korean K-Startups in the top 100 unicorns worldwide to five. Currently, only one Korean company is listed in the top 100 unicorns according to CB Insights' company valuation. MSS will try to raise South Korea's startup ecosystem in ranking by increasing VC investment. MSS hopes South Korea will ultimately become one of the top three global startup nations.