

· Inquiries: Officer Jang Han-hee, Spokesperson's Office

## Adding flavor to “kimchi,” the representative leader of K-food, with the “digital”

- Minister Kwon Chil-seung of the Korean Ministry of SMEs and Startups to enhance Korea's status as the suzerain state of kimchi with smart factories
- Kwon visited the smart factory of “Pungmi Food,” looked around the automated, hygienic, and safe smart production facilities, having discussions.
- He promised to fully support the company's efforts to expand its Smart HACCP\*-based smart factory and open new sales routes.

\* Hazard Analysis and Critical Control Points

Minister Kwon Chil-seung of the Korean Ministry of SMEs (small and medium enterprises) and Startups (MSS) visited Pungmi Food, a HACCP-based smart kimchi factory located in Suwon, Gyeonggi-do, Korea, on April 16 (Friday), looked around the automated smart production facilities, and listened to the difficulties the workers face.

Established in 1986, the company has later operated an exclusive research team to ceaselessly learn expert knowledge and technology about kimchi, making it an outstanding SME. In particular, it collaborated with MSS and Samsung in 2019 for win-win cooperation between a large enterprise and SMEs in building a smart factory\* and thereby dramatically improved\*\* its productivity and quality.

\* Large enterprise and SME win-win smart factory: A program of supporting the establishment of smart factories, with the government supporting the cost of building the smart factories if built with the collaboration of a large enterprise and SME

\*\* Smart kimchi factory : Supplied 23 of such factories including Pungmi Food (7 large enterprises and SME win-win type, 16 with exclusive government support – accumulated amount as of 2020)  
⇒ Introduced automated facilities “of inserting condiment inside kimchi” to improve productivity by 481% and reduce defects by 84%

Kwon's visit was prepared to lift the spirits of Korean kimchi companies suffering because of the increased production of made-in-China kimchi. He also intended to listen to the difficulties the workers face as well as their suggestions and reflect them in the government's policies as part of efforts to find and solve problems faced in the field.

< Overview of Visit >

- (Date and time / venue) 16:00–17:00 on April 16, 2021 / Pungmi Food in Suwon, Korea
- (Participants) 6 people, including Minister Kwon Chil-seung of MSS and CEO of Pungmi Food
- (Main details) Visiting the production facilities, listening to the difficulties faced by kimchi producers and their suggestions, answering to them, encouraging the company, etc.

“I expect Korean companies to suffer more because of the increased production of cheap kimchi in China every year despite kimchi being Korea's indigenous food and an intangible cultural asset designated by the UNESCO(designated in 2013)” Kwon said during his visit to the smart factory producing kimchi to comfort the workers.

“As the suzerain state of kimchi, Korea prioritizes the hygiene, safety, and health of consumers when making kimchi compared to the imported one,” Kwon said, emphasizing the excellence of Korean kimchi.

The ministry plans to connect Korean kimchi with “smart HACCP\*” to enhance its competitiveness. It will mainly supply and expand “smart factories customized to food” to the kimchi business to reinforce their hygienic and safe production and actively support the improvement of Korean kimchi's productivity and quality.

\* Smart factory system customized to food that can automatically record and manage the situation (temperature, time, etc.) of HACCP (heating and metal detection, etc.) and prevent the faking and falsification of data

SME workers in the kimchi business freely conveyed the difficulties they face and voiced their suggestions to the minister on that day. They also asked the government to actively exert efforts to solve their problems.

“The government will pursue public procurement to promote the use of Korean kimchi at public agencies and institutional food services, as well as fully devise policies that help enhance the export competitiveness of the Korean kimchi industry, which is a representative leader of K-food,” Kwon said after listening to the producers' opinions.

“What MSS can do is to speedily address the difficulties faced through its policies and designate a civil servant to exclusively work with other ministries when necessary to solve the problems until the end,” Kwon emphasized.

The ministry plans to cooperate with microenterprises, SMEs, and venture businesses in the field and expand communication with them to reflect their opinions in its policies.