

·Enquiries: Foreign Spokesman, Anthony JUNG, Spokesperson's Office(044-204-7104)

Korean Government's Hassle-Free Support
on the Exports of the SMEs in 2022

- The MSS to allocate KRW 16.9 billion to minimise the logistics-related burden with logistics vouchers and discounts for express cargo with FedEx and other express cargo corporations
- The MSS to offer SME-only shipping spaces for vessels to the US and Europe with a Korean forwarder (HMM) by signing long-term shipping agreements

The Ministry of SMEs and Startups (Minister KWON Chil-seung, hereafter referred to as "MSS") stated it will continue to provide intensive support for Korean SMEs to overcome the logistics crisis and continue to export their goods in 2022.

Company A, a Korean SME, successfully signed an agreement with a distribution company in Atlanta, GA, USA, to export USD 80,000 worth of goods. However, the Company faced difficulties as it failed to secure a cargo ship.

Company A not only was unable to ship its goods on time, but was also faced with a crisis where it may lose its partner's trust.

But a helping hand was available for the Company. It was able to get in contact with the Korean logistics company, HMM via the MSS's "SME Shipping Support Project." HMM offered a ship that could sail immediately.

As a result, the Company was able to successfully ship its red ginseng drinks and sticks to North America.

With increasing air and marine shipping costs, and difficulties to secure shipping containers and ships, SMEs can turn to the MSS for help.

The MSS will allocate a total of KRW 16.9 billion to providing logistics-related support in 2022, including ^①KRW 11.9 worth of logistics vouchers and ^②KRW 5 billion worth of fulfillment* support.

* Fulfillment: The entire process of storing goods in warehouses, receiving orders from customers, picking the goods to be delivered, and delivering the goods

The MSS will also ^③provide support for SMEs to use express cargo services* at a discount, and ^④partner up with a Korean logistics company to help SMEs sign a long-term shipping agreement to secure a major shipping space (650TEU per week).

* Express Cargo: Services provided by global cargo companies including UPS and DHL to rapidly deliver goods to consumers. Its advantages include a small amount of cargo, speed, punctuality, and trackability, but it is relatively costly compared to general cargo.

<Logistics-related Support for SMEs from the MSS in 2022>

Classification	Details & Limits	Eligibility	Duration	Application (Website)
Export Logistics Voucher	Up to 70% of the logistics cost, Max. KRW 14 million per company (Aside from 30% contribution from the company)	SMEs with logistics costs in 2022	Ongoing (Jan. 24, 2022 -)	Export Voucher
Fulfillment Support	Support for the use of fulfillment support Max. KRW 25 million per company	SMEs that export online	Jan. - Feb. 2022	Gobiz KOREA
Discounts for Express Cargo	Discount of 32-66% for express cargo services from DHL, UPS, FedEx	SMEs that use Gobiz KOREA	Ongoing	Gobiz KOREA
Shipping Space for SMEs	Varies by major routes of HMM ▸ (USA: West Coast) 350TEU ▸ (USA: East Coast) 50TEU ▸ (Europe) 50TEU	SMEs	Ongoing * Until the end of the logistics crisis	Gobiz KOREA
Long-term Shipping Agreement	Support SMEs to enter long-term shipping agreements with HMM	Companies designated for long-term	Dec. 27, 2021 - Jan. 7, 2022	Export Voucher

	at a fixed cost * Logistics voucher worth KRW 14 million (Aside from 30% contribution from the company)	shipping agreements with the export vouchers		
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* For detailed information and eligibility, refer to the announcement for each project

First, the MSS will provide logistics vouchers worth KRW 11.9 billion in 2022.

SMEs that sign up for the vouchers can receive up to KRW 14 million, 70% of their entire logistics costs.

* Will receive ongoing applications on the Export Voucher website (www.exportvoucher.com) from January 24, 2022

Second, the MSS will also allocate KRW 5 billion to support online export companies with fulfillment services.

SMEs can receive up to KRW 25 million to be used for the entire process of “Storing Goods – Receiving Orders – Picking – Packing – Delivering.”

* Will receive applications on the Gobiz KOREA website (kr.gobizkorea.com) (mid-January 2022 -)

Third, aside from directly providing financial aid for logistics costs, the MSS will also provide SMEs with discounts on express cargo services from companies including FedEx, DHL, and UPS.

SMEs will be able to use express cargo services with a discount of up to 66% on the Gobiz KOREA website.

* Available at all times on the Gobiz KOREA website (kr.gobizkorea.com)

Fourth, for SMEs with difficulties securing shipping spaces during the crisis of logistics, the MSS has partnered up with the Korean logistics company HMM to allocate shipping space just for SMEs.

* (By routes) 550TEU to the West Coast (USA) (including 200TEU for long-term shipping agreement companies) 50TEU to the East Coast (USA), 50TEU to Europe

Until the end of the crisis of logistics, SMEs will be guaranteed 650TEU of shipping space per week on HMM ships.

In particular, the route to the West Coast (USA), which was previously a temporary route, will become a regular route in 2022. SMEs will be able to check the ship schedule in advance and make their shipping plans accordingly.

Lastly, the MSS will continue to provide support for SMEs to sign long-term shipping agreements with Korean logistics companies in 2022 (Feb. 1 – Apr. 30, 2022).

With the long-term shipping agreements, SMEs will not only be able to ship their goods at a fixed price as written in the agreement, but also receives logistics vouchers worth KRW 14 million that can be used for logistics costs.

* Applications will be received on the Export Voucher website (www.exportvoucher.com) until January 7, 2022

BYUN Tae-seop, the Deputy Minister for SME Policy stated, “Companies expect that the global crisis of logistics will continue this year as well.”

He added, “The MSS will spare no efforts in providing assistance for SMEs to export their goods, and to continue the growth streak of exports from SMEs, which has reached a record high in 2021.”

□ **Plans**

- **(Ease logistics-related burden)** Provide logistics vouchers as financial aid for logistics costs (KRW 16.9 billion) and partner up with FedEx and other express cargo companies to provide express cargo services at a discounted price
 - ① **(Logistics Vouchers)** 70% of the export logistics costs, up to KRW 14 million per company (KRW 11.9 billion)
 - ② **(Fulfillment Support)** Financial aid of up to KRW 25 million for online export companies to be used for fulfillment services from receiving orders to post-management, to cover 50-70% of the total fulfillment costs (KRW 5 billion)
 - * Fulfillment: Door-to-door delivery process that includes storing the goods in a warehouse, picking and packing the goods to be delivered to customers after receiving orders, and delivering the goods
 - ③ **(Express Cargo)** Partner up with express cargo companies including FedEx to provide express cargo services for SMEs at a discount of 32-66% on the Gobiz KOREA website (Non-budgeted)
 - * Express Cargo: Services provided by global cargo companies including UPS and DHL to rapidly deliver goods to consumers. Its advantages include a small amount of cargo, speed, punctuality, and trackability, but it is relatively costly compared to general cargo.
- **(Shipping Space)** Partner up with a Korean logistics company (HMM) to allocate guaranteed shipping space for SMEs and help SMEs to sign long-term shipping contracts for ships to the USA and Europe (Non-budgeted)
 - * (By routes) 550TEU to the West Coast (USA) (including 200TEU for long-term shipping agreement companies), 50TEU to the East Coast (USA), 50TEU to Europe

- Help SMEs sign a long-term shipping agreement at a fixed price with Korean logistics companies to secure shipping routes (Non-budgeted)

* Provide financial aid of up to KRW 14 million to be used for logistics costs for companies that successfully sign a long-term shipping agreement

□ **Schedule**

- **(Application Acceptance Periods)**

Fulfillment for online export companies (Mid-January 2022),

Long-term shipping agreements with logistics vouchers (Dec. 27 – Jan. 7)

- **(Ongoing)** Logistics vouchers for logistics costs (Jan. 24, 2022 -),

Discounts for express cargo (January 2022),

Shipping space for SMEs (November 2020 -)