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Minister, LEE Young Set Out to Address Bottlenecks for Fabless SMEs

- Visited ‘Qualitas Semiconductor’ and held a panel discussion with Korea’s representative fabless chip makers and field experts on the direction of improvement for fabless chip makers
- Set out to find solutions for the ‘top 3 bottlenecks in the field’ through the ^①expansion of policy funds, ^②creation of company-sponsored colleges dedicated to chip technology, and the ^③provision of support for prototyping for fabless SMEs

Minister LEE Young of the Ministry of SMEs and Startups (hereinafter referred to as MSS) visited ‘Qualitas Semiconductor’ located in Bundang on Thursday, 16 June, and held a panel discussion with chip makers specialized in the design of system semiconductors (hereinafter referred to as fabless chip makers).

The purpose of the on-site visit was to discuss solutions for bottlenecks in the field for fabless chip makers and the direction of improvement for Korea’s semiconductor industry. The CEOs of five fabless startups whose technical skills have been recognised in Korea and abroad, as well as two field experts, including from a venture capital firm, participated in the event.

In the panel discussion that followed, participants shared various challenges of fabless chip makers and development ideas for the Korean system semiconductor ecosystem.

The companies that participated in the panel discussion unanimously agreed that government interest and support was necessary. The reasons include the ① massive initial capital required from development to mass production and ② lack of manpower in the field of design, which are further compounded by ③ the recent supply shortage of foundries.

Minister LEE Young, who presided over the panel discussion, stated that “we prepared this occasion today because innovative and creative fabless chip makers are crucial for Korea to materialize ‘super-gaps in semiconductors,’ and the MSS aims to actively support these companies.” LEE added that “we will prioritize finding solutions for the top 3 bottlenecks in the field.”

First, venture capital investments for fabless chip makers will be encouraged by creating a ‘super-gap fund’ in 2023 in order to expand venture capital for early-stage fabless chip makers.

Second, in order to ease the lack of manpower in the field of design for fabless chip makers, ‘company-sponsored college programs dedicated to system semiconductors’ will be created and administered in 2023.

Third, in order to foster a win-win ecosystem between fabless chip makers and foundries for system semiconductors, the ‘Fabless Challenge Competition,’ which selects and supports superior fabless startups in cooperation with Samsung Electronics Foundry, will be held in July 2022.

Korea maintains the global ranking of No. 1 (56.9% market share) in memory semiconductors, but holds only 3% market share in the field of system semiconductors, the global market size of which is twice that of memory semiconductors.

Meanwhile, the US dominates the global fabless industry with 68% market share, followed by Taiwan and China with 21% and 9% market share respectively, but Korea is struggling to move beyond 1% market share.

In order to boost the competitiveness of the system semiconductor industry, it is imperative to nurture innovative and creative fabless chip makers. And, to this end, the opinion has been consistently voiced that private and public sectors should cooperate to foster a domestic ecosystem.

Minister stated that “we will endeavour to prepare substantive and prompt support measures in reference to the ideas discussed in today’s panel discussion.”