

Government to Provide Total of KRW 71.8 Billion to Build Smart Factories in Second Half of 2022

- Second Announcement for the “Smart Factory Building and Expansion Support Project” (June 29 – July 28) -

- Project to support a total of 850 companies to build and make advancements to their respective smart factories (Amount depending on level of smart factories, with Basic level factories receiving up to KRW 50 mil. and Advanced-1 level factories receiving up to KRW 200 mil.)
- The “K-Smart Lighthouse Factories” to receive applications for four factories (Total of KRW 1.6 bil.) to support factories for up to three years with KRW 400 mil. per year

The Ministry of SMEs and Startups (Minister Lee Young, hereafter referred to as “MSS”) announced it will start receiving applications from SMEs and middle-market companies that wish to participate in the “Smart Factory Building and Expansion Support Project” in the second half of the year. Applications will be received from Wednesday, June 29.

The project had already received applications for the first half of the year, and will be receiving applications regularly for companies to sign up considering their business situations for the second half.

There will be two detailed projects of the “Smart Factory Building and Expansion Support Project” and the “K-Smart Lighthouse Factory Fostering Project.”

First, the “Smart Factory Building and Expansion Support Project” will

select 850 companies to receive a total of KRW 70.2 billion worth of support.

To provide customised support for the companies, Basic level smart factories will receive up to KRW 50 million, and Advanced-1 level factories will receive up to KRW 200 million, depending on their smart factory goals.

< Maximum Financial Support by Smart Factory Goals >

Smart Factory Level		Government Support (Maximum)	Note
Basic	Digitalisation of manufacturing data	KRW 50 mil.	<ul style="list-style-type: none"> ▸ Total fund will be within 50% of the entire cost for the project ▸ Companies will be funded KRW 50 mil. when signing up for the same smart factory level as is without levelling up
Advanced-1	Real-time collection and analysis of manufacturing data (Middle-1)	KRW 200 mil.	

Also, the “K-Smart Lighthouse Factories*” that will support the top-level smart factories with AI, big data, and digital twin technologies will provide a total of KRW 1.6 billion, by selecting four companies to provide KRW 400 million each.

* K-Smart Lighthouse Factories: Leading smart factories from SMEs and middle-market companies that benchmark the global Lighthouse Factory** of large companies. These are companies that lead the future of global manufacturing industry with innovation as selected by the World Economic Forum (WEF)

** 103 companies including BMW, Bosh, Siemens, and P&G (3 companies in Korea, including POSCO, LS Electric, and LG Electronics)

To help factories become future-oriented smart factories, the K-Smart Lighthouse Factories project will support the company for multiple years, as it will provide up to KRW 1.2 billion over three years.

To provide a guideline for how to make advancements for different industries, the K-Smart Lighthouse Factories project will select

companies from two different industries. Two companies will be chosen from the major industries* such as automobile and electronics, and two companies will be chosen from the other industries** including food and pharmaceuticals.

* Major Industries: 8 industries including automobile, electronics, machine and electric equipment, chemical products, etc.

** Other Industries: 17 industries including food, drink, pharmaceuticals, clothing, rubber and plastic, etc.

MSS Bureau of SMEs-Smart Manufacturing Innovation Planning Director Lee, Hyeon-jo stated, “As digital transformation of manufacturing SMEs is a national task, the MSS will focus our political capabilities on spreading and expanding smart factories.”

More information regarding the support project is provided on the MSS website (www.mss.go.kr), Biz Info website (www.bizinfo.go.kr), or the Smart Factory 1st Street of the Korea Smart Manufacturing Office* website (1st.smart-factory.kr).

* KOSMO, under Korea Technology and Information Promotion Agency for SMEs (TIPA)

Applications will be received online on the Smart Factory Project Management System website (www.smart-factory.kr).

※ Inquiries: Refer to the inquiries and contact information in the Appendix