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President Yoon's Implementation of Shared Growth **- Fabless Challenge**

- “Fabless Challenge Competition” (July 27) -

- “Fabless Challenge Competition,” is the first step by the YOON Suk-yeol Administration to keep the promise of shared growth and cooperation among large companies and SMEs, and has successfully taken place (May 2022, SMEs Festival)
- Five selected fabless companies shall receive 100 million won in necessary expenses from the government with a priority in producing foundry prototypes (MPW) from Samsung Electronics

The Ministry of SMEs and Startups (Minister LEE Young, hereinafter referred to as “MSS”) announced it has successfully hosted the “Fabless Challenge Competition (hereinafter “competition”),” a challenge jointly hosted with Samsung Electronics to select promising design specializing companies (hereinafter “Fabless”) at TIPS Town on Wednesday, July 27.

The competition is the first event by the YOON Suk-yeol administration to keep its promise to ensure shared growth and cooperation among large companies and SMEs (May 2022, SMEs Festival).

The competition was jointly hosted by the MSS and Samsung Electronics to support promising fabless companies that are facing difficulties in creating prototypes (MPW process) and testing their new products due to the foundry supply crisis.

Experts evaluated all participating companies in stages for one month to select a total of five innovative fabless companies. The selected companies came together on Wednesday, July 27, at TIPS Town for a ceremony and a chance to share their vision.

President YOON Suk-yeol made a promise in May at the SMEs Festival to the SME and startup company organisation directors and leaders of large companies. He pledged that he would “Make the nation of Korea a great place for both SMEs and large companies, with fairness and shared growth.”

The competition is the first event for the president to follow through on his promise of shared growth among large companies and SMEs, and is significant as it is related to the semiconductor industry that was heavily emphasized by the president.

The MSS has been providing various support measures to help the system semiconductor ecosystem grow by easing the three major difficulties for fabless: ① fund, ② human resources, and ③ shared growth.

To provide financial support for startups, the MSS provided early-startup costs, R&D costs, and loans and securities in a form of a package. Also, considering that fabless companies need a large amount of early-stage costs, the limit for the working funds was increased twofold from 500 million won to 1 billion won.

In addition, Meister School (Gumi Electronic Technical High School) launched a semiconductor design specialising programme, helping 20 students find a job in fabless companies in Korea. The government will also create job-linking departments related to system semiconductors in two major universities this year.

To ensure shared growth, there were quarterly 「Fabless-Foundry Shared

Growth Committee」 meetings where four Korean foundry companies^{*} and fabless companies^{**} came together and hosted the competition.

* Samsung Electronics, SK Hynix, DB HiTek, Key-Foundry / ** Directors of Korea Fabless Association

The committee will make greater efforts in the future to ensure more practical results.

Minister LEE Young stated, “Shared growth does not simply refer to large companies helping smaller companies. It is when these companies cooperate to grow together.”

LEE added, “The Fabless Challenge Competition will be an opportunity for Samsung Electronics to dominate potential unicorn fabless companies, and for fabless companies to accelerate the development of new technology and grow as a company, realizing the true meaning of shared growth.”