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LEE Young Communicates with the Venture Investment Industry

- The Ministry of SMEs and Startups hosts a venture investment industry seminar (August 3) to encourage venture investments -

- The seminar aims to listen to the active voices of those from the venture investment field to respond to the crises of the venture and startup ecosystem due to the difficult internal and external economic conditions and identify measures for sustainable growth
- The government is slated to officially support bold and active investment activities from the venture investment industry with support measures including building a global startup and venture ecosystem, and creating private mother funds

Minister LEE Young from the Ministry of SMEs and Startups (hereafter MSS) took part in a seminar on Wednesday, August 3, at Korea Venture Investment Corp. to encourage venture investments with those from the venture industry.

The seminar aimed to listen to the concerns and suggestions from the venture investment industry and reflect the ideas in future venture and startup policies. The event was in response to rising concerns that the venture investment market will face difficulties due to the “three highs” of high prices, high interest rates, and high exchange rates.

In the opening remarks, Minister LEE emphasised, “The fact that the amount of venture investments and funds in the first half of the year exceeded 4 trillion won for the first time is a significant feat achieved by the venture and startup ecosystem.”

LEE also added, “As there are rising concerns on the sustainable growth of the Korean venture and startup ecosystem due to a global downturn in investment sentiment, we must create an opportunity to overcome the crisis and go one step further.”

Those who participated in the seminar talked about the difficulties in the field, and asked the government to come up with solutions. They also contributed various ideas on how to create a growing venture and startup ecosystem.

The decrease in budget for Fund of Funds in the global economic crisis can be a bad sign for institutional investors, including pension funds, benefit associations, and financial institutions. The government should carefully approach the matter, and the industry also requested active reviews on new investment fund supply sources including private mother funds.

It was also pointed out that entrust agencies that manage funds refuse to entrust venture investment associations. Or, even if they do, the agreements are disadvantageous to the association management companies.

Also, considering that M&As and restructuring have become more important than ever due to high interest rates and the economic recession, it is necessary to increase the scale of the current small-scale “SMEs and Venture M&A Funds.”

Another discussion point was that venture and startup companies in the non-Seoul Capital Area wish to move to the Seoul Capital Area with much more fund support during their growth stages. Ideas were proposed on the need for scale-up funds for non-Seoul Capital Area companies to support their growth.

Minister LEE Young stated, “In order to overcome the difficult internal and external economic conditions, the venture investment industry must make bold and active investments in the venture and startup companies regardless of uncertainties and risks.”

LEE added, “The government will also come up with policies that can officially support the investment activities of the venture investment industry, including measures to build a global startup and venture ecosystem and creating a base for private mother funds.”