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MSS to establish a new global fund of KRW 1.2 Trillion

MSS has announced its selection of overseas venture capitalists for fund management.

A total of KRW 150 billion has been invested from a Fund of Funds. Fifteen funds will be established, amounting to KRW 1.2 trillion.

Minister OH Youngju of SMEs and startups has established a Co-GP to encourage the participation of domestic venture capitalists, reflecting the industry's requests.

Sejong, July 4, 2024 – The Ministry of SMEs and Startups (MSS, Minister OH Youngju) announced the results of the selection of fund management companies to manage the global fund in 2024.

This year's investment project was on an unprecedented scale of KRW 150 billion. The project received applications from 80 companies, including top-tier venture capital firms, recording the highest-ever competition rate of approximately 8:1, which garnered significant attention. The high interest and participation in the Global Fund are attributed to the recent recognition of the outstanding technological capabilities of Korean startups and the significant interest from foreign investors.

A total of 15 funds were selected for the investment project in the Global Fund. KRW 150 billion was invested from a Fund of Funds, and over KRW 1.2 trillion in new global funds are expected to be raised. The venture capital firms selected from different regions include five from the United States, three from Singapore, two from the United Kingdom, two from Japan, two from China (including Hong Kong), and one from the UAE.

Since Minister OH Youngju assumed office, domestic VC firms have expressed interest in participating in the Global Fund. In response to these requests, MSS has established a new Co-GP track for the joint operation of funds with both foreign and domestic venture capital firms. Through this track, three domestic venture capital firms were also selected. The rising interest and recognition of the Global Fund attracted participation from major global investment firms such as Third Prime Capital (USA), Amadeus (UK), Global Brain (Japan), and CICC

(China). These large investment firms have the asset management capacity to make substantial investments in Korean startups, leading to additional investment effects.

Until now, the Global Fund has invested KRW 1.2 trillion in 598 domestic companies. This represents a 1.7 times increase from the initial investment of KRW 0.7 trillion from a Fund of Funds. Since most funds are presently under management, the investment amount is expected to grow even more. Numerous success cases, such as Viva Republica, Woowa Brothers, Daangn Market, and Moloco, have grown through investments from the Global Fund. Recently, startups such as GoPizza, MyRealTrip, and Elice have received investments from the Global Fund and are actively expanding globally with significant follow-up investments.

In 2018, the startup GoPizza (CEO Lim Jae-won) received a KRW 2.4 billion investment from Global Fund B, which was invested by a Fund of Funds. This investment allowed the company to speed up its global expansion into Thailand, India, Singapore, and other countries. Recently, the company secured an additional investment of KRW 14 billion from a company based in Thailand.

In 2015 and 2020, the travel platform startup 'MyRealTrip' (CEO Lee Dong-keon) received investments totaling KRW 13.8 billion from Global Funds A and K, which were also invested in by a Fund of Funds. In 2024, it successfully attracted a large-scale investment of KRW 190 billion from various global venture capitals, enabling aggressive expansion of its business operations.

AI Edtech startup 'Elice' (CEO Kim Jae-won) received a KRW 13.8 billion investment in 2024 from Global Fund V, which was invested by a Fund of Funds. The company has secured a total investment of KRW 33.5 billion from global venture capitalists. This funding enabled the establishment of subsidiaries in the United States and Singapore, accelerating its global expansion efforts.

Minister OH Youngju stated, "Global funds play a significant role in helping Korean startups become unicorns by connecting them with foreign investors. These investments not only help in fundraising but also provide access to extensive networking opportunities with global investment firms.." She emphasized, "In the future, we will continue establishing global funds of over KRW 1 trillion annually to fully support the attraction of foreign investments and global expansion of Korean startups."