

Roadmap Sets 2030 Targets for Defense Startup Growth and Dual-Use Innovation

A new policy roadmap aims to expand the role of startups in the defense sector, reflecting a broader shift toward faster integration of civilian technologies into military capability development. The Ministry of SMEs and Startups (MSS) and the Defense Acquisition Program Administration (DAPA) announced the plan following the President's National Strategy Meeting on the "Startup Nation Era" held on 30 January 2026.

The plan sets a target of supporting 100 startups active in defense markets and fostering 30 high-growth ventures with annual revenues exceeding KRW 100 billion by 2030. Six institutions across startup promotion, technology development, and defense research have established a formal coordination framework to implement the strategy.

A Changing Innovation Environment

In the United States and Europe, technology startups are playing a growing role in defense innovation. Companies such as Shield AI, Anduril Industries, and Palantir Technologies have shown how artificial intelligence, autonomy, and data platforms developed in civilian markets can be adapted quickly for operational use.

As AI-enabled systems reshape modern military operations, competitiveness increasingly depends on how effectively civilian innovation can be incorporated into defense programs.

Domestic firms are beginning to follow this trajectory. Startups such as Nearthlab, Pablo Air, and GenGen AI are advancing dual-use technologies in drones, autonomous navigation, and synthetic data. At the same time, smaller firms continue to face obstacles when entering defense procurement systems, including complex procedures, limited access to operational data, and high compliance requirements.

The new measures are intended to ease those barriers and widen participation.

Key Measures

Expanding Entry Channels

A "Defense Startup Challenge" will connect startups with the Army, Navy, Air Force, and major system integrators. Selected technologies will move to field demonstrations, incorporating feedback from operational units. Prime contractors that engage in such partnerships will receive recognition under existing evaluation systems.

A proposal-based acquisition track is also planned in areas such as drones, robotics, and artificial intelligence. This approach allows suppliers to submit performance concepts for future systems rather than responding only to predefined technical specifications.

Access to military data, which is essential for AI development, will be expanded through designated "Defense AX Hubs." These hubs will match operational requirements with curated datasets and provide follow-on commercialization support. Information on defense infrastructure and support programs will be consolidated within the national startup portal to improve accessibility. Additional assistance will be offered to help startups meet security standards.

To encourage new entrants, universities for defense innovation and entrepreneurship will link deep-tech research, defense expertise, validation, and company formation. Youth entrepreneurship programs will incorporate defense-focused training modules.

Supporting Scale-Up

An integrated support framework will align early validation, R&D, and production with identified military requirements. Technology transfer from national defense research institutes to startups and SMEs will be strengthened, along with commercialization support for promising projects.

One regional innovation center will be designated as a “K-Defense Startup Hub,” serving as a central support platform for defense entrepreneurship. Measures will also facilitate mergers and acquisitions between technology-driven startups and manufacturing-capable SMEs to address production capacity gaps.

Dedicated funding instruments, including a Next Unicorn Project Fund, will channel investment into defense startups. Through the GVC30 initiative (Global Value Chain 30), firms will be connected with global defense supply chains and overseas buyers to support export growth.

Additional defense innovation clusters will be designated in regions with established industrial strengths, including shipbuilding and semiconductor ecosystems. In 2026, a cluster focused on naval maintenance, repair, and overhaul (MRO) is planned in support of expanded Korea-U.S. shipbuilding cooperation. Regional universities will be linked to workforce development programs to strengthen the supply of specialized talent.

Promoting Fair Participation

Partnership evaluations and subcontracting reviews will be introduced in defense programs to encourage more balanced collaboration between large contractors and smaller suppliers. Companies demonstrating meaningful cooperation may receive incentives in areas such as cost assessment and export offset arrangements.

Institutional adjustments will help ensure that SMEs and startups can participate in defense acquisition on more equal terms. Firms designated as “Defense Innovation Specialists” will gain access to major system development programs.

A unified database of domestically developed components will be established and prioritized for integration into weapon systems. Where further verification is required, the government will support qualification and procurement processes to facilitate adoption.

For more news and updates on Korea’s SME and startup policies, follow the Ministry’s official **LinkedIn** page:

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