

Emergency Logistics Vouchers and Loan Extensions to Support SMEs Amid Middle East Uncertainty

Rising instability in the Middle East is beginning to affect Korean exporters, prompting the government to introduce new support measures aimed at easing the burden on small and medium-sized enterprises (SMEs). In response the Ministry of SMEs and Startups (MSS) held an emergency meeting on Friday with business associations, financial institutions, and logistics partners to assess the situation and discuss practical steps to support companies trading with the region.

Early monitoring identifies logistics disruptions as primary concern

Since launching an early monitoring initiative on February 28, MSS has collected reports from exporters operating in Middle Eastern markets. As of March 5, 80 companies had submitted feedback, with 64 cases involving confirmed damage, operational difficulties, or emerging concerns.

Logistics disruptions have been the most frequently cited issues, accounting for roughly 71% of reported cases, followed by delayed payments from overseas buyers (38.7%) and rising shipping costs (29%). Some companies also reported cancelled business travel, suspended contracts, and increasing insurance costs for shipments.

Many firms also expressed concern that prolonged instability could further disrupt transport routes or make it difficult to maintain communication with buyers in the region.

Officials noted that factors such as airspace restrictions and disruptions around the Strait of Hormuz have begun to affect shipping schedules, freight capacity, and export insurance costs.

Emergency logistics vouchers to help exporters manage rising shipping costs

To help exporters navigate these disruptions, MSS will introduce a new Emergency Logistics Voucher program tailored to companies shipping goods to the Middle East.

The program will raise the ceiling for logistics support and introduce a fast-track approval process to allow companies to access assistance more quickly. The vouchers will help offset higher transport costs and reduce the financial burden caused by unexpected route changes or delays.

This initiative complements existing support programs already in operation, including export vouchers that subsidize international shipping costs and financial assistance programs designed to help firms stabilize operations during periods of external uncertainty.

If disruptions persist, the ministry also plans to expand support for companies seeking alternative markets, including export consultation programs and participation in overseas exhibitions through strategic export consortia.

Loan repayment extensions considered as exchange-rate volatility rises

MSS is also preparing additional financial measures to address rising exchange-rate volatility linked to geopolitical tensions.

Many SMEs rely heavily on imported raw materials, and the recent surge in the Korean won's exchange rate against major currencies has increased input costs. To ease financial pressure, the ministry is considering special loan maturity extensions for policy loans, particularly for companies with a high share of imported inputs.

Under the proposal, eligible firms may receive an additional one-year grace period on principal repayments, helping

them manage temporary cost pressures and maintain liquidity.

Government pledges continued monitoring and swift response

Minister Han emphasized that the government will continue to closely track developments and respond quickly to challenges faced by exporters.

“We will monitor the situation carefully and ensure that the voices of businesses on the ground are reflected in our response,” she said. “Our priority is to deliver practical support that helps SMEs manage immediate disruptions while maintaining their global competitiveness.”

Industry representatives at the meeting also underscored the importance of rapid policy coordination, noting that prolonged export disruptions could affect corporate cash flow and operational stability.

MSS said it will continue working closely with industry groups, logistics providers, and financial institutions to provide timely assistance and help Korean SMEs navigate the evolving global trade environment.

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

<https://www.linkedin.com/company/mss1357>

For visual stories, follow us on **Instagram**: @mss_int

https://www.instagram.com/mss_int

