

Opening Public Mailing Services to SMEs: Around 100 Million Items to Be Reallocated

A major portion of public-sector mailing services – long handled in-house or through affiliated entities – will be opened to small business and micro-enterprises, creating new market access for local providers.

The Ministry of SMEs and Startups (MSS) confirmed that approximately 100 million items of general public mail will be gradually transitioned to competitive bidding processes reserved for SMEs and small business operators.

This move follows a directive issued during the presidential policy briefing in December 2025, which called for addressing long-standing concerns raised by the SME community. In particular, the practice of public institutions directly handling mailing services – or awarding contracts to subsidiaries without competition – had been seen as limiting fair access for smaller firms.

Under Korea's legal framework governing public procurement, products designated for competition among SMEs must, in principle, be procured through open bidding among qualified small businesses, except in cases involving sensitive or confidential information. Despite this, several institutions had continued to process large volumes of mail internally, prompting repeated calls for reform.

A government review conducted in late 2025 examined four major public institutions – National Tax Service, Korea Post, Korea Electric Power Corporation, and National Health Insurance Service. Together, these organizations were found to handle around 260 million pieces of mail annually, largely outside competitive procurement channels.

Following consultations with relevant agencies and legal experts, the government determined that approximately 160 million items – those involving tax records, health data, or other sensitive information – would continue to be handled directly due to confidentiality requirements.

The remaining 96.7 million items, however, will be opened to SME participation through phased competitive bidding.

Implementation by Institution

- **Korea Post** will begin transitioning lower-sensitivity items – such as welfare-related registered mail and real estate notifications – after coordination with originating agencies.
- **The National Tax Service** plans to allocate general informational mail that does not contain tax-sensitive data to SMEs, with implementation targeted from 2027, subject to budget approval.
- **Korea Electric Power (KEPCO)** will initiate pilot projects in the second half of the year, covering over 63 million items, following industry briefings and technical capability assessments. A full transition to competitive contracts will follow in stages.
- **The National Health Insurance Service** will align its transition with the expiration of current service contracts, gradually opening around 32 million items of general mail to SME providers from 2027 onward.

By redirecting a substantial share of public mailing demand to the private SME sector, the initiative is expected to expand business opportunities, strengthen market fairness, and reinforce the role of smaller enterprises within Korea's public procurement ecosystem.

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