

Korea Hunts for the Innovative Startups That Will Shape Its Defense Industry

The Ministry of SMEs and Startups (MSS) will accept applications for its public-private open innovation program “Challenge for All – Defense” from July 16 through August 4.

The program follows the Defense Startup Development Plan announced this past February. It is built to match the military and defense contractors’ demand for new technology with what innovative startups can offer, and to give those startups a wider path into the defense market.

Backed by a supplementary budget, MSS has sharply increased the support available this round. After backing 10 companies in the first round in March, the ministry now plans to select around 50. Each will receive up to KRW 100 million (approx. USD 67,000) in collaboration funding for work such as proof-of-concept (PoC) validation and prototype development, along with connections to the ministry’s technology development programs.

**That support links to the ministry’s Startup Growth Technology Development program (up to 1.5 years, KRW 200 million / approx. USD 133,000) and its Public-Private Joint Technology Commercialization program (up to 2 years, KRW 600 million / approx. USD 400,000). Eligibility and the scope of support depend on the requirements of each program.*

Selection runs through five stages: an open call for applications; a document screening that advances roughly three times the number of startups ultimately chosen; meetups between the shortlisted startups and buyers from the military and defense industry; a presentation round in which each startup’s collaboration plan with a buyer is judged and the finalists are chosen; and, for those selected, the collaboration projects themselves, including PoC validation.

The global defense market is growing fast as geopolitical tensions and security needs mount. According to the Stockholm International Peace Research Institute (SIPRI), global military spending rose 9.4 percent in 2024 to USD 2.718 trillion – the highest figure on record since the institute began tracking it. SIPRI, founded in 1966, is an independent international research institute that studies conflict, armaments, arms control and disarmament using open sources.

Open innovation gives the military and defense contractors a way to solve technical problems quickly by tapping startup technology in a market that shifts constantly. For startups, it is a chance to build a collaboration track record – including PoC validation in real operating conditions – and a foothold in a market that is otherwise hard to enter.

“The defense sector demands high reliability and thorough validation, so real-world testing and hands-on experience with buyer organizations are what startups need to break into this market,” said Cho Kyung-Won, Director General for Startup Policy at MSS. “This program connects the infrastructure of the military and defense contractors with startups’ technology, and we will support these companies through to commercialization and further growth.”

Full details on how to apply and what the program offers are in the official announcement on the K-Startup website (www.k-startup.go.kr).

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>