

Business Startup Trends for the First Half of 2026

New business formation in Korea edged down 1.5 percent year on year to 565,640 in the first half of 2026, while the number of tech-based startups climbed 14.2 percent and their share of all new businesses rose to 21.8 percent, the Ministry of SMEs and Startups announced on August 27.

The overall decline was driven largely by fewer new businesses in wholesale and retail, down 10.7 percent; transportation and storage, down 5.8 percent; and personal services, down 3.8 percent.

By contrast, startup activity increased in several knowledge-intensive service industries. Information and communications recorded the strongest growth at 59.4 percent, followed by professional, scientific and technical services at 6.9 percent and education at 4.4 percent.

As a result, 123,418 tech-based startups were launched during the six-month period, an increase of 15,333 from a year earlier. Their share of all new businesses rose by 3.0 percentage points to 21.8 percent.

First-Half Business Start-up Trends

Year	All New Businesses	Tech-based Startups	Share of Total
2022	695,891	121,289	17.4%
2023	650,504	115,735	17.8%
2024	622,760	111,577	17.9%
2025	574,520	108,085	18.8%
2026	565,640	123,418	21.8%

For statistical purposes, tech-based startups are defined, in line with OECD and EU classifications, as startups in manufacturing or knowledge-intensive services. The latter category covers information and communications; professional, scientific, and technical services; business support services (N75); education; health and social welfare; and creative, arts and recreation-related services (R90).

Monthly Trends

The number of new businesses increased year on year in January and March but declined in February and from April through June.

	January	February	March	April	May	June
New Businesses	105,097	83,406	103,433	98,216	82,293	93,195
Year-on-year Change	18.7%	-14.2%	2.8%	-3.5%	-10.8%	-1.0%

Trends by Age Group

People aged 60 and over were the only age group to record an increase in startup activity, with the number of new businesses founded by this group rising 2.4 percent year on year. Business formation declined by 3.9 percent among those under 30, 2.3 percent among those in their 30s, 3.2 percent among those in their 40s and 0.8 percent among those in their 50s.

**The figures are based on business registration data from Korea's National Tax Service and may therefore include businesses that are not legally classified as startups under the Support for Small and Medium Enterprise Establishment Act or the Act on Restriction on Special Cases Concerning Tax Action.*

Examples include sole proprietorships converted into corporations, businesses formed through the merger or division of existing companies, businesses reopened in the same industry after closure and newly registered residential rental businesses.

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

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