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GOVERNMENT TO PREPARE ‘MEASURES TO SUPPORT VENTURE ECOSYSTEM’ IN THE SECOND HALF OF THIS YEAR

On June 7, Deputy Prime Minister Choi Sang-mok met with the heads of major associations from the Council of Innovative and Venture Organizations at the Government Complex-Seoul to listen to recent trends in the venture industry, hear about difficulties faced in the field, and discuss future policy directions.

President of the Korea Venture Business Association (KOVA) Seong Sang-yeop, and other participants shared their concerns that due to the unique characteristics of venture businesses, it is challenging to apply the same working hour regulations as in other industries. They also asked for regulatory improvements to foster innovation in emerging industries and expanded use of personal information; the government’s support for securing talents for venture companies, scaling up, and bolstering support for venture funds, emphasizing the importance of revitalizing the exit market for companies at the growth stage. Furthermore, they requested further support for R&D linked with private investment, and companies’ overseas expansion.

In response, DPM Choi stated that the government is actively backing up venture companies’ financing by swiftly creating venture funds worth 2.8 trillion won through fund of funds this year. In particular, a dedicated secondary fund of over 100 billion won will be created through the 800 billion won Startup Korea Fund being established this year, aiming to revitalize the exit market. In September, the final selection of fund managers will take place, after which the full-scale fund creation will commence.

DPM Choi also mentioned that as part of efforts to enhance local start-up ecosystem in regions that still show a wide gap compared to the metropolitan area, the government will raise a total of 1 trillion won by 2026 for the regional venture and support fund-launching by venture capital (VC) and accelerator (AC) specialized firms in local areas. Furthermore, strengthened endeavors will be made to actively assist them in building track records and gaining experience by granting more evaluation points for regional VC or AC when selecting entrusted management companies for fund of funds.

Not only that, he noted that the government will allow private investment institutions, such as VC, to utilize corporate technology evaluation information and financial information held by the Korea Technology Finance Corporation and the Korea Credit Information Services, in the process of exploring new investment opportunities, to promote investment boom in venture companies with high growth potential.

Lastly, he pledged that the government’s ‘Measures to support venture ecosystem’ will be prepared in the second half of this year, noting that the opinions raised in today’s roundtable will be fully reviewed and incorporated into the measures.