



9th International Skills Forum Reimagining Education and Skills Development for a New Normal

23 August 2021 • 1–5 p.m. (Manila time)
24 to 27 August 2021 • 2–6 p.m. (Manila time)

Introduction to the Korean Startup Policies and Startup KAIST Programs

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1. Current Status of Korean Startup Ecosystem

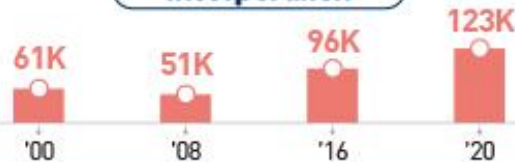
Increase in size, growth in national stature

Change in size of Startup Ecosystem

Incorporation, venture investment increased by 2x for the last 20 years



Incorporation



No. of total startups

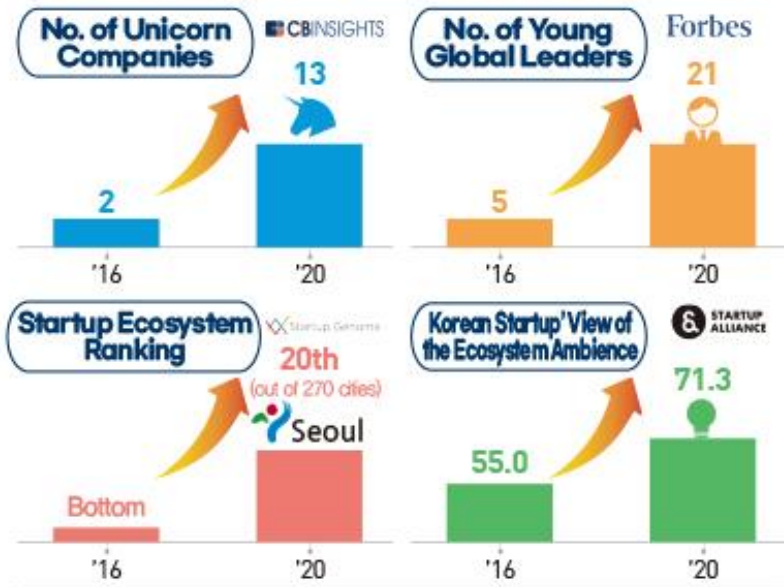


Tech-based startups



Stature of Korean Startup Ecosystem

Growth in national stature on the global stage, heightened awareness among the Korean people



2. Overview of the Korean Startup Policies

One-stop support for startups: from pre to scale-up

Catagory	Pre-startups	Early-stage startup	Scale-up startups
Purpose	<ul style="list-style-type: none"> Expand the basis of startups, promote entrepreneurship 	<ul style="list-style-type: none"> Incentivize startups by providing commercialization support especially to those who have creative ideas 	<ul style="list-style-type: none"> Help startups overcome the "Valley of Death"
Commercialization Support	<ul style="list-style-type: none"> Pre-startup Package Startup Success Package Tech Incubation Program for Startups, TIPS 	<ul style="list-style-type: none"> Early-stage Startup Package Innovation Startup Package Support for Local Creators 	<ul style="list-style-type: none"> Startup Scale-up Package
Startup Education	<ul style="list-style-type: none"> YouthBizcool Hands-on Startup Education 		
Events & Networking	<ul style="list-style-type: none"> Challenge! K-Startup K-Startup Week COMEUP K-Startup Grand Challenge AI Championship 		
Startup Incubators	<ul style="list-style-type: none"> Startup Park Business Incubation Center Center for Creative Economy Innovation One-Man Creative Company Support Center Maker Space 		
Target	<ul style="list-style-type: none"> Pre-entrepreneurs, including students and general public interested in establishing their own businesses 	<ul style="list-style-type: none"> Early-stage startups within 3 years of establishment 	<ul style="list-style-type: none"> Startups within 7 years of establishment

3. Supportive Laws & Schemes for Startups

Laws and schemes to support the startups and their scale-up

	Title	Contents
Law	■ Support for Small and Medium Enterprise Establishment Act	Promoting startups, laying down foundation for scale-up
	■ Act on the Fostering of Self-Employed Creative Enterprises	Promoting self-employed creative enterprises, laying down foundation for their scale-up
	■ Act on Special Measures for the Promotion of Venture Businesses	Promoting venture businesses
	■ Act on the Promotion of Venture Investment	Promoting venture investment, nurturing relevant industries
Scheme	■ Tax cuts for startups	Providing tax cuts to startups
	■ Exemption from charges	Exempting startups in the manufacturing sector from 16 types of charges
	■ Public procurement for startups	Giving priority to products produced by startups in public procurement

4. Major Supportive Schemes for Startups

	STEP 1 Pre-Startup Pre-startup Package	STEP 2 Early-Stage Early-stage Startup Package	STEP 3 Scale-up Startup Scale-up Package	TOTAL SUPPORT Private-led Tech Incubation Program for Startups, TIPS
	✓ Provide financial support for education, mentorship, prototype development, marketing, to support the commercialization of pre-entrepreneurs	✓ Provide commercialization fund, specialized program (incl. PoC) for stabilization and scale-up of early-stage startups (within 3 years)	✓ Provide growth promotion programs (incl. biz model improvement, advancement in items, catered programs for each sector) for startups in the scale-up stage (3-7 years)	✓ Nurture competitive tech-based startups with angel investment selected by the private sector, providing government support
Target	Pre-entrepreneurs	Within THREE years of establishment	From THREE to SEVEN years of establishment	<div>TIPS</div> Within SEVEN years of establishment <div>Pre</div> Within 3 years of establishment <div>Post</div> Those who garnered follow-up investment (less than 7 years)
Budget	('21) KRW 100.24B , to about 1,530 teams	('21) KRW 100.2B , to about 960 teams	('21) KRW 102B , to about 1,080 teams	<div>TIPS</div> KRW 189.6B, about 400 new teams <div>Pre</div> KRW 3B, about 30 new teams <div>Post</div> KRW 14.4B, about 40 new teams- '20
Contents	Fund for Commercialization: up to KRW 100M	Fund for Commercialization: up to KRW 100M - Support for PoC, investment attraction	Fund for Commercialization (up to KRW 300M), for Scale-up (up to KRW 100M) - Up to KRW 400M (including funding for R&D)	<div>TIPS</div> Support for commercialization, overseas marketing, and R&D <div>Pre</div> Commercialization fund for early-stage startups with angel investment (up to KRW 100M for 1 year) to materialize their ideas into reality <div>Post</div> Supportive fund (up to KRW 500M for 2 years) for product/service promotion, domestic/overseas marketing, advancement

4. Major Supportive Schemes for Startups

Scheme Exemption from charges (manufacturing startups)

- ✓ Exempt manufacturing startups from 16 charges related to the corporate activities (for 3 years)
 - Startups established no later than Aug. 2, 2022, and categorized as manufacturer according to the Korea Standard of Industry Classification

(According to Art. 96 of National Finance Act, startups' right to claim refund shall lapse by extinctive prescription, if it has not been exercised for five years since the payment had been made)

Contents

- Exemption from 16 types of charges stated in Framework Act on the Management of Charges
 - Namely, Charges on Local Government Public Facilities Beneficiaries, Farmland Preservation Charge, Alternative Grassland Creation Expenses, Charges for Electric Power Industry Foundation Fund, Water Usage Charge (4 Major Rivers Project), Air Emission Charge, Industrial Waste Water Effluent Charge, Waste Charge, Alternative Forest Creation Cost, Congestion Charge, Groundwater Usage Charge, Charges for Manufacturing and Importing Specific Substances, and Charges for Deep Sea Water Usage

Scheme Tax cuts for startups

- ✓ Provide tax cuts to startups to promote and stabilize their business operation

Target

- Corporate tax, income tax according to Art. 6.; stamp tax, Art. 116. of Restriction of Special Taxation Act; acquisition tax, Art. 58-3. of Restriction of Special Local Taxation Act

Detail

National Tax

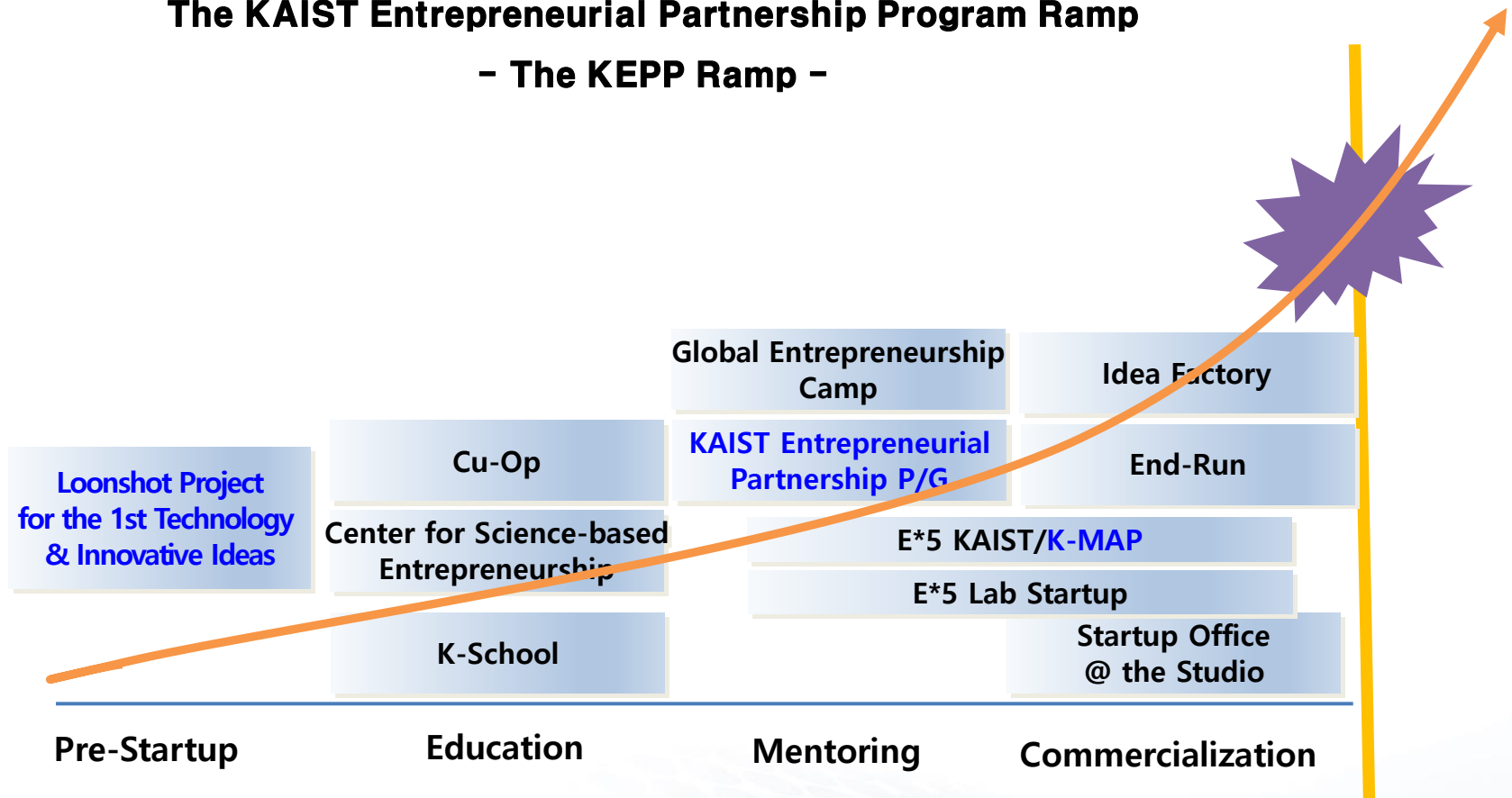
Startup SMEs, youth startup SMEs, micro startup businesses

Local Tax

Startup SMEs

5. Startup KAIST KEPP Ramp

The KAIST Entrepreneurial Partnership Program Ramp - The KEPP Ramp -



5. Best Practices

Best practices – “smart farm” startups

Green Labs

Smart farm solution provider.
Farm Morning enabled by data analysis serves as a platform that supports farmers` decision making.



CEO(Est.) : Shin Sang-hun ('17)
Sales : KRW 16,849M ('20)
No. of employees: 43 ('20)
Address: Vision Tower, 9A, Jeongui-ro 8-gil, Songpa-gu, Seoul

Achievement

- ✓ Garnered KRW 20B worth series B investment ('21)
- ✓ Awarded by the Agricultural Minister in Excellent Companies Competition in the 4th Industrial Revolution Era ('19)
- ✓ Gran Prix in Mutual Growth Contest hosted by Mutual Growth Commission ('19)
- ✓ Garnered more than 300K membership within 1 year since its launch

N.Thing Inc.

Developed **Planty Cube**, a vertical farm module, that enables farmers to raise leaf vegetables in containers, and IoT-based smart farm technology



CEO(Est.) : Kim Hye-yeon ('14)
Sales : KRW 202M('20)
No. of employees: 21 ('20)
Address: 54, Apgujeong-ro 42-gil, Gangnam-gu, Seoul

Achievement

* Supported by KISED with its globalization program ('16)

- ✓ Garnered KRW 12B worth series B investment ('20)
- ✓ Selected in the 2021 Smart Farm Multi-ministerial Package Innovative Technology Development Project led by MAFRA ('21)
- ✓ Selected as the most innovative company in CES2020 ('19)
- ✓ Inked a \$3 million deal with Sarya Holdings (UAE) to construct vertical smart farming containers

Thank you

Startup KAIST