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MSS to secure export growth and overseas expansion for small and medium-sized enterprises (SMEs) and startups

- MSS has developed 13 initiatives across four strategies: "Exporting Beyond the Domestic Market," "Going Beyond Exports to Overseas Markets," "Expanding Beyond Overseas Markets to the Future," and "One Team Korea."
- MSS held a meeting with exporters and associations to discuss measures for supporting SMEs and startups going global, along with the announcement of the measures to support the Globalization of SMEs and startups.

Sejong, May 10, 2024 – The Ministry of SMEs and Startups (MSS, Minister OH Youngju) announced measures to support the globalization of SMEs and startups on Wednesday, May 8, 2024. These measures aim to respond to the rapidly changing trade environment and global trends and foster SMEs and startups as leading players in the era of global competition.

Small and medium-sized enterprise (SME) exporters play a vital role in the Korean economy, surpassing the average of all SMEs by 17.2 times in sales and 5.1 times in employment. However, over the last ten years, SME exports have fluctuated around USD 110 billion, and the number of SMEs exporting has remained stagnant at about 94,000 every year.

SMEs and startups, which lack workforce, information, and funds, are significantly burdened by the fast-changing external environment, including the spread of protectionism and the strengthening of export regulations in many countries.

The measures have been redesigned to address the limitations of government policies and to develop new policies that can assist businesses in entering the global market. These measures concentrate on three aspects: "Expansion," "Connection," and "Outcome." Four strategies have been established to achieve these aspects, which are elaborated below.

First, MSS adopted the motto "Beyond Domestic Market to Export". The organization will prioritize identifying and nurturing innovative companies and promising products that rely on domestic markets but can also compete globally. The policy realm will also include newly

emerging fields, such as tech services, to build a strong foundation for globalization.

Second, under the motto "Beyond Export to Overseas," the Ministry will reform policies that were focused solely on product exports. It will boldly expand the policies to support companies' overseas expansion. MSS will introduce support programs for companies wanting to enter the global market, including local market research and corporation establishment. Additionally, MSS will reform the operation of policy funds.

Third, under the motto "Beyond Overseas to the Future," MSS aims to proactively prepare SMEs for globalization by fostering K-export warriors. As part of this initiative, a specialized educational program for exports will be launched in universities and SME training centers, utilizing international students. Over three years, more than 1000 students will be educated and linked with SMEs for employment opportunities.

Finally, under the motto "One Team Korea," The Ministry plans to establish a support system that networks and collaborates with Korean and foreign organizations that assist in the globalization of SMEs.

MSS plans to expand its export policies for SMEs and startups to include aspects of globalization. At the same time, it will reorganize the policies to become performance-oriented based on connections between concerned ministries and agencies.

Minister OH Youngju of SMEs and Startups presided over a meeting to discuss supporting the globalization of SMEs and startups after the announcement of new measures.

The government held a meeting to share its globalization support strategy with exporters, associations, and organizations. The goal was to collect feedback from industry stakeholders and implement additional measures effectively.

Emphasizing the importance of these developments, Minister OH Youngju stated, "Expanding the entry of SMEs and startups into the global market is crucial in ensuring the sustainable growth of Korea's economy." She added, "The detailed tasks of the globalization support measures announced today will be swiftly refined and implemented in collaboration with relevant ministries. We will be closely monitoring these initiatives so that they can lead to practical results with close, customized, and flexible support that reflects the needs of the field."