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### **The MSS and the SME Ombudsman Set to Promote Innovation Activities at Business Sites**

- Prepare and present “Measures to Resolve Difficulties in Innovative Activities at Business Sites and Enhance Corporate Vitality”  
(The 1st State Affairs Inspection and Coordination Meeting, June 9, 2022)
- Scientifically diagnose the level of corporate vitality improvement from the perspective of the enterprise, and set the direction of implementation (3 major strategies) to enhance corporate vitality strategically and systematically

The Ministry of SMEs and Startups (Minister LEE Young, hereinafter referred to as MSS) and Small and Medium-size Enterprise Ombudsman (Deputy Minister-level PARK Ju-bong) announced the “Measures to Resolve Difficulties in Innovative Activities at Business Sites and Enhance Corporate Vitality” (in cooperation with related ministries) at The 1st State Affairs Inspection and Coordination Meeting on June 9, 2022.

#### **① Measures to resolve difficulties at business sites with regard to innovation activities of small and medium-sized enterprises (SMEs)**

Companies have made their own efforts to bring about various innovations and have been continuously carrying out innovative activities, however, those at business sites have voiced complaints that large and small regulations and the system hinder their innovation activities.

In response, the MSS and the SME Ombudsman conducted fact-finding surveys and on-site interviews to identify the problems and difficulties

related to regulations regarding innovative activities actually experienced by companies in the field, and presented “Measures to Resolve Difficulties in Innovative Activities at Business Sites and Enhance Corporate Vitality” in cooperation with related ministries.

In order to accelerate corporate innovation activities and innovative growth, the MSS will focus on addressing a total of 32 major difficulties caused by regulations for each innovation stage, such as <sup>①</sup>technology development and commercialization, <sup>②</sup>market launch, and <sup>③</sup>market expansion, as well as <sup>④</sup>support systems. Representative examples for each strategy are as follows.

**[Strategy①] The regulations for technology development and commercialization have been adjusted flexibly (8 cases).**

- ① (Electric bicycle) The current maximum motor rated output has been raised from 350W to 500W so that various electric bicycles suitable for operating conditions can be developed and released.**
- ② (Asphalt) Commission of research on a production method of new medium-temperature asphalt(formed asphalt, etc.) and reviewing and implementing of guidelines**

**[Strategy②] Regulations on market launch of new products have been adjusted realistically (9 cases).**

- ① (Hearing aid) Revision of the relevant notifications by convening a medical device advisory committee to establish new sub-category items for new products and reviewing their validity**
- ② (Ship) Developing the structure of polyethylene ships after the construction of eco-friendly polyethylene ships and test operation and verification and preparing and reviewing examination standards**

**[Strategy③] Regulations have been improved in a corporate-friendly manner to expand the market for new products (8 cases).**

- ① (New products) An assessment about products featuring new technology in the fields of agriculture, forestry and food and such products are to**

be reflected in the content of private contracts with local governments after gathering opinions from stakeholders in consideration of maintaining equity.

- ② (Convergence/fusion) Improvements were made so that requirements for confirming the direct production can be shared, such as production facilities and personnel, for products that were produced through convergence and fusion between different product lines, such as streetlights and lighting poles.

[Strategy④] The foundation for the corporate innovation support system has been strengthened (7 cases).

- ① (Aquaculture industrial complex) Provision of special regulatory exceptions and scaling up of the aquaculture industry by allowing industrial complex construction procedures provided by other laws, such as the Industrial Sites Act, to apply to the creation and development of aquaculture industries
- ② (Technical training) Korean nationals who have been dispatched to overseas affiliated companies for a certain period of time and have been employed in the technical training sector are also recognized as interpreters of production workers.

## ② Measures for the development and assessment of the corporate vitality enhancement index and corporate vitality improvement

The revitalisation of investment and employment and innovative growth are only possible when the corporate vitality experienced by companies that are the main agents of economic activities is supported. Various regulations, behaviour, and support by administrative and public institutions have a significant impact on corporate vitality.

Therefore, the SME Ombudsman scientifically diagnosed the level of corporate vitality improvement in each field such as with regard to regulations, behaviour, and support, and established “Measures for Development and Assessment of Corporate Vitality Enhancement Index and Corporate Vitality Improvement” with relevant ministries to enhance corporate vitality.

Strategies and tasks	
<p><b>①</b> Field-based diagnosis of corporate environment and securing of galvanising forces</p>	<p><b>①</b> Review and implement the provision of incentives for corporate vitality enhancement index.  <b>②</b> Investigate and make a public announcement concerning perceived cost of corporate activities and regulations.  <b>③</b> Investigate and evaluate the operational status of corporate civil complaint protection policies.</p>
<p><b>②</b> Strategic focus on improving weak points of corporate vitality</p>	<p><b>①</b> Focus on and improve communication with vulnerable companies in terms of corporate vitality enhancement index  <b>②</b> Review and promote the introduction of innovation strategies for new corporate regulations  <b>③</b> Vitalise the rapid processing of corporate issues and regulatory difficulties jointly by relevant agencies</p>
<p><b>③</b> Strengthen the corporate vitality and reinforce the institutional foundation for regulatory innovation</p>	<p><b>①</b> Assign the responsibility for enhancing corporate vitality and strengthen basic capabilities  <b>②</b> Strengthen the ability to implement the suggestions and recommendations for alleviating regulatory difficulties  <b>③</b> Strengthen the ombudsman active administration disciplinary action waiver recommendation system</p>

Minister of SMEs and Startups LEE Young said, “The plan to resolve difficulties in regard to innovative activities is significant in that it has laid the foundation for the survival and growth of companies by focusing on overcoming the a shock from the COVID-19 pandemic and addressing various on-site difficulties in the era of the fourth industrial revolution.”

Ombudsman PARK Ju-bong pointed out, “Although it hardly needs to be said that corporate vitality in the field is crucial, this point has been somewhat overlooked so far.” “We will do our best to promote corporate vitality by selecting corporate vitality enhancement as a task that has top priority and will always actively work with related organizations to champion corporate business needs and interests,” he said.