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**The Ministry of SMEs and Startups has finally established a consultative group to support the internationalization of SMEs beyond South Korea**

The kick-off meeting of a consultative group to facilitate the global expansion of small and medium-sized enterprises (SMEs) took place with the joint participation of the public and private sectors, including industry associations, governmental bodies, financial institutions, and legal and accounting firms.

Minister Oh Youngju of SMEs and Startups said that MSS will implement measures to facilitate the internationalization of SMEs in the beauty industry.

**Sejong, July 2, 2024** – The Ministry of SMEs and Startups (MSS, Minister OH Youngju) held the kick-off meeting of a consultative group to facilitate the global expansion of small and medium-sized enterprises (SMEs) at the Seoul Center for Creative Economy & Innovation. Twenty-three institutions, including industry associations, governmental bodies, financial institutions, and legal and accounting firms, attended the meeting.

The consultative group was established to follow up on the support measures for the internationalization of SMEs and startups announced in May 2024. One of the tasks of the support measures was to establish a system for public-private collaboration. Eleven industry-related associations and organizations, the Federation of Korean Industries, public institutions under MSS, four major commercial banks (KB Kookmin, Shinhan, Hana, Woori), Kim & Chang Law Firm, Lee & Ko Law Firm, and Samil PwC will participate in the consultative group.

MSS has announced the operational plan for a consultative group to support the internationalization of SMEs and startups. The group will focus on identifying and resolving issues faced by domestic and foreign SMEs and startups, as well as providing information to support SMEs' internationalization efforts. Key points of the plan are followed.

**❶ Establishing a system for receiving and resolving challenges encountered by SMEs**

## **and startups when entering the global market**

Even when companies face difficulties in global expansion, it's difficult to pinpoint responsible institutions, making it more difficult to resolve their challenges.

In order to tackle this problem, the consultative group will work together with 11 industry-related associations and organizations as well as 15 regional small and medium enterprise export support centers to identify the challenges faced by SMEs in their efforts to expand globally. The Secretariat of the consulting group, operated by the Korea SMEs and Startups Agency, will collect these challenges. Depending on the nature of the issue, the Secretariat will either forward them to South Korean diplomatic missions abroad or address them internally through the participating organizations of the consulting group.

In addition, a consultative group of 25 South Korean diplomatic missions abroad will identify challenges faced by companies entering countries where diplomatic missions are located and communicate issues needing domestic support to the consultative group's Secretariat. After the kick-off meeting, the consultative group intends to establish new online and offline channels to receive and address challenges through industry-related associations and organizations, in addition to existing export support centers and the consultative group of South Korean diplomatic missions abroad.

### **● Providing information on overseas market trends and successful market entry case studies**

SMEs and startups often struggle with expanding into overseas markets due to a lack of international networks. This makes it challenging to get country-specific market information and find local service providers for legal and regulatory compliance. The consultative group plans to establish a system to compile and deliver information gathered from participating organizations' overseas networks and diplomatic missions abroad to companies. To support this, a 'Global Center' will be established at the Korea Small Business Institute (KOSBI), with the task of analyzing compiled international network information and case studies on issue resolution. The compiled and analyzed information will be provided to companies online through the KOSI website.

During the kick-off meeting, a session was also dedicated to introducing the participating organizations' plans to support the global expansion efforts of SMEs and startups.

Shinhan Bank has decided to organize "Country-specific Overseas Trade Fairs" in collaboration with its overseas branch network and participating public institutions. KB Kookmin Bank plans to improve current support programs for SMEs and startups, including "Overseas Direct Investment Seminars" and "KB Starters Singapore."

Kim & Chang Law Firm and Lee & Ko Law Firm are planning to provide specialized legal consultations for startups looking to expand overseas. This will include country-specific legal advice and provision of cases to support small and medium-sized enterprises (SMEs). They intend to release detailed plans by early July.

INNOBIZ has decided to appoint individuals with extensive international experience as Goodwill Ambassadors to advise companies seeking overseas expansion, disseminate successful case studies of international market entry, and fulfill other related roles.

Minister OH Youngju stated, "As the ways of internationalizing small and medium-sized enterprises (SMEs) and startups have become more diverse with many entering the global market, MSS has introduced a new support system that involves collaboration between the government and the private sector to meet the demands of this changing landscape. This new system complements the existing government-centric support structures and aims to address policy demands effectively." She added, "Utilizing the expertise and networks of the private sector participating in the consultative group, MSS will provide timely and substantive support for the internationalization of SMEs and startups. We will continue to expand and evolve the functions of the consultative group."

She further added, "In response to the recent surge in cosmetics exports by South Korean SMEs, we are committed to expediting the internationalization process for more companies. We have prioritized the promotion of K-Beauty as the initial focus for the consultative group. Our plan involves collaborating with relevant ministries to develop plans for the internationalization of SMEs and startups in the Korean beauty industry."