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First Roundtable Meeting for Carbon Neutrality Future Strategy of SMEs and Ventures

Deriving policy tasks for establishing a Voluntary Carbon Reduction Support System for SMEs and fostering climate tech ventures and startups

Composed of 13 experts from academia, industry, and research, 'carbon neutrality advisory panel for SMEs and ventures' with two subcommittees to be operated intensively through a roundtable format until the end of the year

On October 10 (Thursday), the Ministry of SMEs and Startups (MSS, Minister OH Youngju) held a commissioning ceremony for an advisory panel and the first roundtable meeting at Kensington Hotel in Yeouido, Seoul to design future strategies for carbon neutrality targeting SMEs and ventures.

The advisory panel was established to derive policy support measures at the MSS level, enabling SMEs to proactively respond to expanding international carbon regulations. The plan is to intensively operate the panel and conduct roundtable meetings until the end of 2024.

The kickoff meeting presented appointment certificates to 13 advisory members comprising experts from academia, industry, and research in the carbon neutrality sector. It included presentations of operational plans by subcommittees, listening to advisory opinions, and engaging in discussions. The subcommittees will operate in two categories: 'Voluntary Carbon Market Activation Subcommittee' and 'Climate Tech Support Subcommittee.'

Currently, various countries around the world have been tightening regulations on carbon emissions through legal and institutional efforts, including the EU's Carbon Border Adjustment Mechanism (started in October 2023), and the 'Supply Chain Due Diligence Act' (effective July 2024). In addition, global firms have been voluntarily reducing carbon emissions, such as through the 2050 Carbon Neutral Strategy. In this context, South Korean companies, primarily exporters, face increased burdens in carbon reduction and climate change response.

So far, large and medium-sized enterprises have addressed carbon neutrality through such mechanisms as the emissions trading system and developing carbon reduction innovative technologies. However, SMEs, which do not fall under reduction regulations and often lack funds, workforce, and information, have historically lacked incentives, appropriate means, and resources for carbon reduction.

The MSS plans to establish a 'Voluntary Carbon Reduction Support System for SMEs' so that they may respond proactively to international carbon regulations and realize carbon neutrality voluntarily. By proposing certification standards and trading guidelines in line with international standards, the MSS aims to enhance transparency and trust in the private certification-based carbon market and create supply and demand bases that enable various stakeholders to actively participate in the carbon market.

Furthermore, the MSS will nurture climate tech startups and ventures, which will become the future growth engines for SMEs achieving carbon neutrality. This initiative includes expanding technology and product demonstrations and resolving any regulatory obstacles in the climate tech sector. This will be done through various measures such as promoting commercialization, planning large-scale dedicated R&D projects, managing funds, and utilizing regulatory-free zones.

To achieve these goals, the MSS plans to push for the enactment of the 'Act on the Promotion of Carbon Neutrality for SMEs' by the end of 2024 to provide a legal basis for supporting SMEs' voluntary carbon reduction and the dissemination of carbon-neutral innovative technologies. The ministry will also continue expanding support for technological development, demonstration and verification of developed technologies, financial investment, and global market entry for SMEs transitioning to carbon neutrality.

Minister OH Youngju of MSS stated, "Carbon neutrality for SMEs is a challenging but essential task. Through the operation of this roundtable, we hope that the future carbon neutrality strategies crafted collaboratively by academia, industry, and research will become a stepping stone for our SMEs to adapt to new norms and environments and advance into the global market."