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Venture Investment Reaches KRW 8.6 Trillion; Fund Formation Hits KRW 8.2 Trillion in the First Three Quarters of 2024

SEJONG – On November 14, 2024, the Ministry of SMEs and Startups (MSS) released the report on the trends in domestic venture investment and fund formation for the third quarter of 2024.

Cumulative venture investment for the first three quarters of 2024 reached KRW 8.6 trillion, reflecting an 11.3% increase compared to the same period in 2023. This growth suggests that venture investment, which had been subdued due to a challenging financial environment marked by high interest rates, is now entering a phase of stable recovery.

Minister Oh Youngju said, "Venture investment in Korea continues to grow steadily, even amid a challenging global economic environment." She added, "With the implementation of the 'Advanced Venture Investment Market Leap Strategy,' announced on October 2, we will accelerate this growth and build a world-class venture investment ecosystem."

Venture Investment Trends Over the Past 5 Years

(Unit: KRW 100 million, Number of Cases, Number of Companies)

Category	2020 (Q1-Q3)	2021 (Q1-Q3)	2022 (Q1-Q3)	2023 (Q1-Q3)	2024 (Q1-Q3)
Investment Amount	54,110	108,679	102,126	77,118	85,808
Compared to the same period in the previous year (%)	△0.6%	+100.8%	△6.0%	△24.5%	+11.3%
Number of investments	4,142	5,701	5,857	5,113	5,888
Number of invested companies	2,602	3,323	3,169	2,996	3,406

Global venture investment declined by 18.6% compared to the previous year, with Europe experiencing a 11.7% decrease, while the United States saw a 6.4% increase. In contrast, Korea's venture investment figures remained relatively strong, outperforming global trends.

Global Venture Investment Trends Over the Last 5 Years

(Unit: KRW 100 million, USD 1 Billion)

Category	2020 (Jan - Sep)	2021 (Jan - Sep)	2022 (Jan - Sep)	2023 (Jan - Sep)	2024 (Jan - Sep)	Year-over-year comparison (%)
Republic of Korea	54,110	108,679	102,126	77,118	85,808	+11.3%
Worldwide	259.9	576.8	412.8	252.1	205.1	△18.6%
Europe	30.50	89.71	70.63	38.54	34.01	△11.7%
United States	1 126.4	2 253.7	3 200.9	4 123.5	5 131.4	+6.4%

In terms of sector investments, ICT services and Electrical, Machinery, and Equipment have seen significant growth compared to the previous year, with increases of 46.8% and 24.4%, respectively, driving the overall expansion of venture investments.

The total fund formation for the first three quarters of 2024 reached KRW 8.2 trillion, reflecting a 4.1% decline compared to the same period in 2023. However, there has been a positive trend in fund formation, with amounts rising for two consecutive quarters—from KRW 2.5 trillion in the first quarter to KRW 3.1 trillion in the third quarter.

Quarterly Fund Formation Trends Over the Last 5 Years

(Unit: KRW 100 Million)

Category	2020	2021	2022	2023	2024
Q1	10,423	27,765	42,998	16,636	25,446
Q2	12,010	31,164	43,733	30,325	26,040
Q3	24,909	52,193	40,530	38,567	30,538
Q4	52,511	67,359	49,267	44,825	-
Total	99,853	178,481	176,528	130,353	-