

KOTRA's program to support start-ups by linking them to global enterprises based on demand

In 2014, KOTRA's Global Start-up Support Team, backed by the Ministry of Trade, Industry and Energy (MOTIE), launched a program to support domestic start-ups by connecting them to global enterprises based on their individual demands. In essence, the program links starting businesses generating new and innovative ideas with global corporations that have already established themselves in their respective industries.

Amidst global low growth trends as well as the rapidly changing technological environment, global enterprises are setting up Corporate Venture Capital (CVC) to mitigate risks of solely depending on internal R&D resources, and are instead pursuing a more open-form strategy to discover innovative technologies from external sources. According to CBInsights, in 2017 alone, global firms invested USD 31.2 billion into CVC, an 18% increase from the previous

year, and expected to rise further in the years to come.

Meanwhile, domestic start-ups also benefit significantly from the name value, local networks, business strategies and affiliations of these global enterprises to jumpstart their businesses and make inroads into the global market. Support for young companies can come in various forms, such as cooperating with global firms on projects, establishing local branches, starting joint ventures and seeking M&As.

Other notable benefits expected from the program include the creation of high-quality jobs as start-up companies successfully enter foreign markets, and high-added value for the industry overall through boosted private investment in start-ups.

For 2018, KOTRA has organized consultations at different times throughout the year for hundreds of start-ups to meet with

major global enterprises such as Bayer, Amazon, KDDI, Facebook, as well as the Korean Research-based Pharma Industry Association (KRPIA) covering industries ranging from healthcare to e-commerce to big data.

Through the program, KOTRA aims to link a total of 100 start-ups to global companies and help 100 more successfully enter foreign markets by 2022.

