

GOVERNMENT SELECTS 247 INNOVATIVE FIRMS FOR COMPREHENSIVE SUPPORT

The government announced the selection of 247 business entities as part of the plans to cultivate one thousand innovative firms over the next three years at the National Economic Advisory Council meeting held on November 6. The selected businesses will be eligible to receive comprehensive financial and non-financial support. At the meeting, Chairman Eun Sung-soo spoke about the important role of finance in promoting innovation and preparing for a post-pandemic era.

BACKGROUND

The government introduced the plans to provide targeted support to more than one thousand innovative firms at the 12th Meeting of the Central Economic Response Headquarters on July 30 and has made the first round selection of thirty-two businesses from the newly emerging sectors and materials, parts and equipment industries.¹

Through close coordination between the relevant ministries, the government chose 247 innovative firms for the second round of selection in the areas of high-tech manufacturing and automation, chemical and new materials, energy and ICT.² The selected SMEs have a high potential for growth and represent different stages of business development.

CHAIRMAN'S REMARKS

The government has prepared a diverse set of policies to bring about an economic recovery and help boost the competitiveness of industries. First, the plans to cultivate more than one thousand innovative enterprises over the next three years are designed to provide comprehensive financial support tailored to the needs of selected enterprises. For highly promising companies, the public sector will also provide assistance in raising investments from the private sector to facilitate their scale-up strategies.

Second, the Korean New Deal fund in the amount of KRW20 trillion will be created to help channel market liquidities toward productive sectors. The K-New Deal fund makes it possible for retail investors to share profits from the K-New Deal investment

¹ Please click [here](#) to see the press release dated July 30, 2020.

² 78 firms (Ministry of Trade, Industry and Energy), 65 firms (Ministry of SMEs and Startups), 40 firms (Ministry of Science and ICT), 34 firms (Ministry of Health and Welfare) and 30 firms (Ministry of Oceans and Fisheries)

projects, while ensuring a steady supply of venture capital to innovative businesses.

Third, facilitating movable asset-based financing for innovative businesses is also important. To this end, the FSC plans to improve the ways in which business loan applications are reviewed in order to more fully take account of their growth potential based on their technological prowess. In this regard, an integrated credit assessment model will be introduced gradually to allow a more appropriate assessment of their future growth potential.

As there remain uncertainties about a possible resurgence of COVID-19 cases, the financial authorities have stepped up efforts in monitoring market conditions and will take appropriate measures when market volatility grows. Pursuing an economic growth based on innovation will not be easy amid an unprecedented pandemic situation. However, this pandemic also presents new opportunities. In this regard, today's meeting will help contribute in finding ways to turn the current crisis into new opportunities.

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