

FSC TO PROMOTE INVESTMENTS IN CLIMATE TECHNOLOGY SECTOR

- Five major commercial banks, together with Industrial Bank of Korea, agree to set up a Climate Technology Fund in the amount of KRW3 trillion aiming to invest in the sector of climate technology.
 - The Climate Technology Fund plans to establish the master fund during the first half of the year, and complete the formation of feeder funds by early next year.
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Chairman Kim Joo-hyun of the Financial Services Commission attended the technology fund agreement ceremony on April 30. This agreement ceremony is a second follow-up measure for expanded financial support measures for climate crisis response after its first follow-up measure – the ceremony for the establishment of the Future Energy Fund, which supplies venture capital for the expansion of renewable energy facilities, including offshore wind power.

The FSC plans to invest a total amount of KRW9 trillion in the climate technology sector through its various funds like Innovation Growth Fund and Growth Ladder Fund. Among those funds stands the Climate Technology Fund, which Industrial Bank of Korea and five major commercial banks are to commit a total of KRW1.05 trillion into its master fund by 2023, and invest KRW3 trillion in climate technology companies through private capital matching. The master fund is managed by Korea Growth Finance.

Chairman Kim stated, "Climate technology is both a means to achieve carbon neutrality and a future source of sustenance." He added, "The government and private sector together have come up with the plan for investing a total of KRW9 trillion in the climate technology sector by sector by 2030, including the Climate Technology Fund."

Chairman Kim also emphasized that the Climate Technology Fund will be mandated to put a certain ratio of its investments into SMEs and venture companies possessing climate technology to ensure that funds are appropriately allocated. He also urged the Climate Technology Fund to actively seek out investment opportunities and serve as patient capital to support the growth of the climate technology sector, which faces significant uncertainties and challenges in achieving short-term results.

The Climate Technology Fund plans to establish the master fund during the first half of the year, select the managers for the feeder funds, and complete the formation of these funds by early next year to commence investment.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.