

KOTEC Newsletter

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Korea Technology Finance Corporation Signs MOU with Japan Finance Corporation

KOTEC (Korea Technology Finance Corporation), led by Kim Hanchul, signed an MOU with the SME Division of the JFC (Japan Finance Corporation) in Tokyo, Japan on December 19, 2016, agreeing to work together for effective support for SMEs in both nations and mutual economic development by building an organized business collaboration system.

The MOU will allow two organizations to share valuable information on guarantee systems and SME policies and to conduct research on guarantee systems for SMEs and support policies by sharing their human resources.

Fully funded by the Japanese government, the JFC is a policy financing institution, responsible for SME support, credit guarantees and asset securitization. It has three divisions for; SMEs, agriculture and fishery, and micro businesses. The MOU was signed by Kim Hanchul, Chairman of KOTEC and Atsuo Kuroda, Senior Managing Director of JFC. The agreement is expected to make contributions to the friendly relationship of two countries and more effective support for SMEs.

KOTEC official said, "Japan has innovative technologies in a wide range of areas and provides well-organized support for them, while KOTEC has an extensive amount of data on technologies of some 70,000 SMEs in Korea. This means the partnership of two organizations can create huge synergies. We will further expand exchanges and cooperation with the JFC for the development of SMEs in Korea and Japan."

[Chairman Kim Hanchul of KOTEC(left)
and Senior Managing Director Atsuo Kuroda of JFC]



KOTEC Awarded with Presidential Citation for Expansion of Technology-based Financing

KOTEC (Korea Technology Finance Corporation), led by Kim Hanchul, received a presidential citation at the 2016 Day of Financial Industry, held by the Financial Services Commission on December 25, 2016, for its contributions to the early settlement of technology-based financing system and its extensive application.

KOTEC has led the efforts to build the infrastructure for technology-based financing and to promote its widespread application in the private sector after becoming the only public organization to be selected as a TCB (technology credit bureau) in 2014. It has successfully worked to make technology-based financing take root earlier than expected by providing around 23,500 technology credit evaluation reports by August 2016. It also introduced a practical certification system, called Technology Credit Appraiser, developing evaluation professionals for technology-based financing, and has expanded training opportunities for the banking sector to enhance their expertise and capabilities.

KOTEC has also helped enhancing technology development capabilities and led open innovation by building comprehensive technology-based financing support systems across the entire R&D stages, and developed a standard rating model for technology evaluation to facilitate the selection of companies to be invested, in an attempt to expand investments for small companies with great potential. Furthermore, in order to raise the standing of technology-based financing on the global stage, KOTEC has shared its expertise in technology-based financing system with foreign agencies and provided support for Korean SMEs to expand their business to overseas markets, taking the lead in promoting the widespread adoption of Korean financial systems and the global business of Korean financial companies.

KOTEC Signs MOU with KIC Centers for Global Business of Technology-oriented SMEs

On December 8, 2016, KOTEC entered into an MOU with KIC-Silicon Valley, KIC-Washington and KIC-China at the Busan Creative Economy Innovation Center for active global business of technology-oriented SMEs. The MOU was made, following another agreement signed with KIC-Europe in last April, and is expected to benefit SMEs those are working to expand their business into Europe, North America and China.

The KIC (Korea Innovation Center) was established by the Ministry of Science, ICT and Future Planning in an effort to encourage international cooperation in science and technology and support the global business of Korean companies with solid performance. Now it has 4 centers, including one in Europe, which opened in 2013, and those in Washington and Silicon Valley. The fourth center opened in China in June 2016.

Under the MOU, KOTEC and KIC agreed to build a system for close collaboration for the growth and global business of technology-based SMEs. The key provisions of the MOU are; a) identifying outstanding technology-oriented SMEs using KOTEC's technology evaluation system, b) providing the KIC's support for the selected companies for their global business and the commercialization of their R&D activities on overseas markets, c) conducting technology evaluation for the companies recommended by the KIC and providing technology-based financing, and d) building a practical collaboration system by sharing overseas infrastructure and networks.

Based on the collaboration with the KIC, even though it does not have its own overseas organizations, KOTEC now can provide effective and reliable support for the business expansion of Korean companies into global markets by combining its own technology evaluation infrastructure with the KIC's international networks.

In particular, the collaboration is expected to benefit start-up companies without their own infrastructure. Intended to help two organizations share their infrastructure to build effective overseas business support system according to Government 3.0, the MOU between KOTEC and KIC was selected by the Ministry of Strategy and Finance as a best case study for collaboration among public organizations.

A KOTEC official said, "The partnership is expected to help Korean SMEs grow into global companies with a high international standing by discovering companies with great prospects and offering intensive programs for their growth."



KOTEC Successfully Technology Transfers Korea's Climate Technology to Guinea

KOTEC successfully launched its initiative to help the transfer of green climate technologies owned by a Korean SME to the West African nation of Guinea. It has worked as an agent between S&P Global Co., Ltd., a Busan-based technology company led by Kim Jungchan, and PHAGRICOS SA, a Guinean company which is headed by Cherif Daha Sy, for the transfer of technologies developed by the Korean SME, leading to a contract between the two companies. The Guinean company has needed 'LED street lamps and photovoltaic energy storage systems (ESS)' to make up for its energy shortages and to ensure road safety.

KOTEC is collaborating with NIPA (National IT Industry Promotion Agency), KIC (Korea Innovation Center), WIPO GREEN (World Intellectual Property Organization) and the Foundation of Agri, Tech, Commercialization and Transfer to help Korean SMEs expand their business into the global market. These efforts are intended to aid in global technology transfers by discovering outstanding technologies developed by Korean companies and connecting with international networks of other agencies through the sharing of technology information.

The technology transfer to the Guinean company was promoted as part of the collaborative project. The technology was selected in June 2016 with the help of the Busan Technology Convergence Center and registered on the WIPO GREEN's global platform.

In August 2016, the two companies signed a letter of intent for technology transfer, following KOTEC's technology matching process and a series of discussions between the two companies. After 4 months of coordination, they finally entered into the major contract, under which the Korean company will share its expertise and offer design and production training within the first half of 2017. The mass production will start around July 2017.

KOTEC stated, "We will provide additional technology-based financing and other necessary support if more funds are required for the successful commercialization and active adoption of the technology on the market. Based on the experience we gain from this project, we will make our business more organized and effective; for instance, we will build an open platform for global technology transfers so that our technology convergence centers will become bases for global business and companies that need technologies have an easy access to information."

In August 2016, KOTEC was registered as a professional organization with the UN's Climate Technology Centre and Network (CTCN), which was established in 2013 to encourage the transfer of technologies designed to address climate change to developing countries. KOTEC is expected to provide effective support for the overseas business of Korean technology-oriented SMEs in technology transfer projects and take a pivotal role as an executing agency for strategies to promote global climate change technologies.



[Contract signed for Technology Transfer:
Lee Sangyong(center), who leads KOTEC's Busan
Technology Convergence Center, Kim Jungchan
(left), CEO of S&P Global, Cherif Daha Sy(right),
President of PHAGRICOS SA]