

KOTEC Newsletter

No. 42

January, 2018



Venture Capitals and KOTEC Work Together to Lead the Innovative Growth of Venture Companies

- KOTEC, KVIC, and VC Association Signed an MOU

Korea Technology Finance Corporation (KOTEC) announced that it had signed an MOU for more active investment in technology-based start-ups with the Korea Venture Investment Corporation (KVIC) and the Korean Venture Capital Association (VC Association) in its effort to better respond to the 4th industrial revolution and promote quality job creation.



Under the agreement, KOTEC is to launch 'Venture Investment-linked Guarantee Program', amounting to KRW 500 billion. With this new program, technology-based guarantees will be provided to companies recommended by the KVIC and the VC Association for their acquirement of capital required for scale-up efforts including purchase of new equipments or recruitment of new employees.

Specifically, guarantees with more favorable conditions will be offered, including special benefits on guarantee amounts, a reduction of guarantee fees by 0.5 percentage points, and 100% guarantee coverage ratio for companies within seven years of their establishment.

Moreover, in order to help technology-based start-ups attract new and follow-up investments, KOTEC will select companies seeking VC investments among the companies that have previously received guarantees or guarantee-linked investments and recommend them to the VCs. Upon request, KOTEC will also provide the VCs with technology evaluation certificates of the recommended companies for their investment reviews.

In addition, the three organizations plan to implement a wide range of collaborative projects, including joint investments, training and mutual exchange of investment professionals, and KOTEC's non-financial support programs such as consulting and technology transfers to investee companies.

During the ceremony, Choi Soo-kyu, Vice-Minister of SMEs and Start-ups, stated, "Under the reshuffle of government organizations conducted in July 2017, KOTEC became one of the agencies supervised by the Ministry of SMEs and Start-ups, making it easier to secure policy synergy effects." He continued, "This agreement is valuable in that it helps venture capitals and KOTEC provide support for innovative growth in the Korean economy by coordinating and focusing their respective capabilities and expertise for the growth of start-ups and venture companies."

KOTEC Successfully Held the International Symposium Celebrating the 20th Anniversary of Technology Evaluation Business

- Highlighting achievements from 20 years of efforts to combine technology evaluation and financing and declaring future visions -



KOTEC, led by Chairman and President Kim Kyu-ok, successfully held the International Symposium Celebrating the 20th Anniversary of Technology Evaluation Business at the JW Marriott Hotel in Seoul on Thursday, November 2, 2017.

The event was attended by some 250 guests from home and abroad including officials from government organizations, banks, public organizations, colleges and research organizations, the European Investment Bank (EIB), the Ministry of Science and Technology of Thailand, the World Intellectual Property Organization (WIPO), United Nations Industrial Development Organization (UNIDO), and the Global Green Growth Institute (GGGI).

The symposium began with a hologram presentation highlighting such major milestones as founding of KOTEC, birth of the technology evaluation business and its growth. This was followed by congratulatory addresses from Mr. Chang Byoung-wan, a lawmaker, Mr. Choi Soo-kyu, Vice-Minister of SMEs and Start-ups and Ms. Atchaka Sibunruang, Minister of Science and Technology of Thailand.

Mr. Kang Suk-jin, a lawmaker, Mr. Chang Byung-kyu, Chairman of the Presidential Committee on the Fourth Industrial Revolution, and Mr. Han Yi-hun, Kim Jung-gook, and Kim Han-chul, former Chairmen and Presidents of KOTEC, cited personal reasons for their inability to attend the event, but they sent along video messages of congratulations.

Mr. Park Ki-pyo, Executive Director of KOTEC looked back on KOTEC's 20-year history, during which the organization has provided a creative and professional technology evaluation system, and presented future visions for effective technology innovation for small venture companies.

During the morning session, KOTEC and the EIB signed an MOU with an aim to better support innovative businesses and boost mutual cooperation in the technology evaluation business. With this MOU, KOTEC will be able to apply its technology evaluation system to companies in Europe - marking the first of its kind in Korea.

An MOU with UNIDO was also concluded, with the goal of helping Korea's climate technology companies transfer their technologies to developing countries and laying the foundation for them to take part in local projects.

The afternoon session began with a keynote speech by Mr. Minelik Alemu Getahun, Assistant Director General of the WIPO. After that, a panel discussion was arranged to discuss the role of technology evaluation and technology-based financing in response to climate changes under the New Climate Regime.

In his keynote speech, Mr. Getahun provided a brief introduction of the WIPO and explained its achievements in global collaboration with KOTEC over the last three years in helping SMEs with climate technologies transfer their expertise to the developing world. He also stressed the significance of solid cooperation for expanded business and constructive exchanges.

During the panel discussion, led by Professor Lee Su-yeon of Chonnam National University, eight panelists engaged in a heated debate, offering diverse views on the development of climate technologies, new economic development paradigms, and the roles of KOTEC. The panelists include Mr. Kim Young-tae, Venture Policy Division Director of the Ministry of SMEs and Start-ups, Mr. Kang Soo-il, Special Advisor of the Climate Technology Cooperation Team within the Ministry of Science and ICT, Dr. Narong Sirilertworakul, President of the National Science and Technology Development Agency of Thailand, Mr. Moon Seung-sik, Environmental Policy Cooperation Department Director of the Korea Environmental Industry & Technology Institute, Mr. Shin Kyung-nam, Director of the Climate Technology Cooperation Center, Ms. Kim Na-rae, Special advisor of the Global Green Growth Institute, and President Kim Gu-hwan of Gridwiz, Inc.

In speaking on the symposium's goal, Chairman and President of KOTEC Kim kyu-ok said, "This symposium serves as an opportunity for board and staff members of KOTEC and our guests from home and abroad to recognize the efforts that KOTEC has made for the development of the technology evaluation business in Korea since the opening of its technology evaluation center in 1997 and to celebrate our achievements. KOTEC is committed to fulfilling its role as a strong partner of SMEs to create global growth opportunities for them, such as the 4th industrial revolution and the climate industry."

KOTEC Launches 1st KOTEC Venture Camp

- To identify and foster innovative technology entrepreneurs, the core engine for Korea's innovative growth –

On November 9, KOTEC, led by President Kim Kyu-ok, held a ceremony to celebrate the launch of the 1st KOTEC Venture Camp at the Seoul JW Marriott Hotel. The camp was organized to nurture innovative technology entrepreneurs, including those preparing to start a new company, as these individuals are recognized as the core engine for Korea's innovative growth.



KOTEC Venture Camp is a program meant to identify and foster innovative startups in line with the Korean government's plan to create an ecosystem for innovative start-ups. By leveraging the experiences it has built up in supporting technology-based start-ups over the years, KOTEC will focus its support on innovative start-ups and help them grow into Star Venture Companies through collaboration with private accelerators and crowd funding brokerage firms. KOTEC plans to select 30 companies out of camp participants and provide them with systematic support up until the successful launch of their business. The program will consist of financial packages, such as investments and guarantees, and non-financial packages covering venture certification, mentoring, and R&D support.

During the ceremony, KOTEC and Woori Bank signed a business agreement designed to provide promising technology-based start-ups with financial support combining investments and loans, agreeing to work together to provide customized financial packages for camp participants. Under the agreement, KOTEC will reduce guarantee fees for camp participants through a guarantee fee support agreement. For its part, Woori Bank will offer practical benefits for promising technology-based start-ups, providing them with an exclusive bankbook program in which, as participants at the camp, they will receive fee exemptions and more favorable interest rates.

KOTEC also entered into business agreements with three private accelerators (Sang Sang E-biz, Inc., Be Smart, Inc., and All Contents, Inc.) and a crowd funding brokerage firm (Open Trade, Inc.), to provide coordinated support for KOTEC Venture Camp participants in helping them strengthen their competitiveness. KOTEC also agreed to build a public-private partnership for accelerating investment-linked programs and to create more synergy.

In an effort to help technology-based start-ups to achieve stable growth on their own, KOTEC is running an investment platform optimized for capital, technology, and management support and Industry 4.0 First Guarantee, a support program for the 4th industrial revolution. It will continue to develop new programs for start-ups.