

# KOTEC Newsletter

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## **KOTEC Opened Busan Cultural Content Finance Center**

- To expand its support for cultural content industry in Busan City and surrounding regions and create more job opportunities -

KOTEC held a ceremony for the opening of its Busan Cultural Content Finance Center(BCCFC) situated inside the Busan Visual Industry Center on February 23. BCCFC was opened by KOTEC in a bid to expand its business infrastructure of supporting cultural content industry down to Busan City and southeastern



region of the nation. The ceremony was attended by about sixty guests including the Chairman of KOTEC Kyu-ok Kim, Congressman Jae-ho Park, Vice Mayor of Busan City and Chief of the Busan Regional SMEs and Startups Office.

BCCFC will provide an all-encompassing service stretching from loan guarantee to business consulting in order to expand its supports for the cultural contents industry in the region and to enhance clients' convenience. The main target group of BCCFC will be the SMEs engaging in the key industries of the region such as cinema industry, visual industry and ICT industry.

Though small in size compared to the manufacturing industry, the cultural content industry is regarded as a new growth engine, as it brings a positive ripple effect to the national economy by creating more added value and job opportunities. In January 2016, KOTEC newly established its Seoul Cultural Content Finance Center in order to improve its efficiency of service delivery by dealing with various fields of the industry in an integrated manner at an industry-specific organization. A same center was newly opened in the city

of Pangyo, Gyeonggi Province. In addition to BCCFC, a few more cultural content centers are expected to be opened in the regions where the cultural content industry is thriving.

This year, KOTEC is planning to provide new credit guarantee supports worth 380 billion Won to SMEs engaging in the cultural content industry, increasing the amount year by year until it reaches 500 billion Won in 2021.

Chairman & President of KOTEC Kyu-ok Kim said "Busan is the place where the infrastructure of the cinema and visual industry is well established. We at KOTEC will exert all-out efforts to create quality job opportunities and revitalized the regional economy by helping cultural content SMEs commercialize their ideas and products successfully.

## **KOTEC Introduced Its Technology Financing Schemes To Peru**

**– KOTEC Technology Rating System expected to be transferred to five more nations in Latin America –**

A group of experts from KOTEC led by its Executive Vice President Nak-kyu Kang paid a visit to Peru in order to introduce its technology appraisal system to the regions in Latin America from February 24 to March 3. The experts held a final reporting workshop, senior policy dialogue and in-depth study sessions over there in collaboration with the local experts from



Ministry of Production(MOP), Innovate Peru, COFIDE and FOGAPI.

Since July 2017, KOTEC has been conducting a project aiming at providing policy alternatives to Peruvian government and its affiliated institutions under the Knowledge Sharing Program(KSP) sponsored by the Korean government. Major topics of the project consist of designing a Peruvian technology rating system and constructing a Peruvian technology guarantee system and technology certification system.

The experts from KOTEC took part in an international seminar, on 27th of February, which was hosted by the Latin American Guarantee Association(ALIGA) and attended by Minister of MOP Mrs. Schol and board members of credit guarantee institutions representing five countries of Latin America including Argentina, Peru, Bolivia, Honduras and Columbia. Korean experts introduced KOTEC's technology appraisal system to the participants and discussed ways to transfer the system to Latin American countries.

KOTEC's experts also gave an in-depth explanation on how the KSP project had been proceeded and introduced KOTEC's other technology financing schemes to support SMEs' R&D efforts. Meanwhile, the local experts from Peru presented what they had learned from the KSP project and discussed whether the technology rating system of KOTEC can be applied to other countries in Latin America.

Minister of MOP Mrs. Schol emphasized a continuous endeavor for a successful launching of the Peruvian Technology Rating System(PTRS) which was designed through the assistance from the KSP experts. In addition, she also asked the Korean delegation to keep its practical supports until the PTRS is up and running.

Mr. Nak-kyu Kang said in his congratulatory remarks that "the auto part industry and ship building industry of Peru can be a blue ocean for the SMEs engaging in the related industries in Korea. KOTEC will do its best to help its client SMEs make an inroad into the markets in Latin America."

KOTEC's Technology Rating System(KTRS) is a distinctive technology rating tool developed single-handedly by KOTEC. It has been transferred to Vietnam, Thailand and Peru through the KSP, as its excellency is earning a world-wide recognition. An official from KOTEC told that demands for the transfer of technology rating know-how have been increasing from both developing and developed countries alike. KOTEC hopes that its overseas activities to transfer technology rating know-hows can pave way for its 70,000-strong client SMEs who are seeking opportunities of overseas expansion.

## **KOTEC's Technology Rating System applied To A Technology Guarantee Scheme in Thailand**

- 50 promising local SMEs are to benefit from the scheme at the initial stage

KOTEC announced that the Thai Technology Rating System(TTRS) which was developed on the basis of KOTEC's technology rating system(KTRS) would be applied to a new financing product targeting innovative SMEs in Thailand. Starting from August 2016, KOTEC carried out a KSP project aiming at transferring its technology financing schemes to the Thai government and its affiliated institutions. KOTEC's efforts are about to bear a long-awaited fruit this year.

According to an article of the Bangkok Business News dated Feb. 7, National Science and Technology Development Agency(NSTDA) and Thai Credit Guarantee Corporation(TCG) came to an agreement to launch a new credit guarantee product based on the TTRS in order to help promising tech SMEs get better access to financing. The new product is expected to be operated full-fledgedly during the second or third quarter of this year after receiving authorization from the Ministry of Finance. At the initial stage, 500 million Baht will be committed for the new product to around 50 SMEs applying for the scheme.

Heads of both institutions expressed their confidence in the launch of the new product, saying that "KTRS is recognized as a good practice by renowned institutions in many countries and it has been instrumental in supporting innovative SMEs in Korea. Likewise, TTRS will no doubt play a catalytic role in the growth of technology SMEs in Thailand."

The local newspaper mentioned that "the close cooperation among KOTEC, TCG and NSTDA has enabled Thailand to develop the TTRS that could effectively facilitate innovative SMEs' access to funding sources, which will

consequently help to enhance economic value of Thailand. Their continued collaboration would contribute to an increase in the trade and technology transfers among the SMEs of two nations."

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With respect to the transfer of KTRS-related know-hows, a practical and substantial cooperation is in progress between KOTEC and the European Investment Bank(EIB), world's biggest bank in terms of total asset. Both entered into MOU regarding the exchange of technology appraisal know-hows in November 2017, and completed the first round of 'Pilot Test' to apply the KTRS methodology in rating European SMEs. The test was conducted as a part of their joint project of reviewing the transferability of KTRS to the European context. The project can serve as a bridgehead for KTRS to be established as a standard rating model that can be applied to all regions in Europe.

An official from KOTEC told that demands for the transfer of technology rating know-how have been increasing from both developing and developed countries alike. KOTEC hopes that its overseas activities to transfer technology rating know-hows can pave way for its 70,000-strong client SMEs who are seeking opportunities of overseas expansion.

## **KOTEC Hosted A Strategic Workshop for Climate Technology SMEs' Overseas Expansion**

- KOTEC, IFC and climate technology firms discussed ways to enhance cooperation –

KOTEC hosted a strategic workshop in collaboration with International Finance Corporation(IFC) at its Busan headquarters on Jan. 18th in a bid to find ways to support climate technology firms' overseas expansion. The workshop was attended by three officials from IFC including Mr. Alexios Pantelias, chief renewable energy specialist, and CEOs from eleven local climate technology firms.

Various policy alternatives and practical means for mutual cooperation were discussed at the workshop. First, KOTEC and IFC introduced their own programs for helping overseas expansion of businesses. The domestic climate technology firms shared their experiences of going global and came up with some noteworthy recommendations for entering the overseas market. The firms present at the workshop are equipped with climate technologies such as solar power generation system, electric bus powertrain and biogas generator that are attracting broad attentions both at home and abroad.

IFC, a member of the World Bank Group, was established in 1956. It is an international financial institution that offers investment service including loans and equity investment to private sectors of developing countries. Three officials from IFC visited KOTEC headquarters in order to discuss ways to build a partnership through which they can facilitate delivery of their programs for supporting the energy and water resources industries in developing countries.

Since the adoption of the 'Paris Agreement', KOTEC has been continuing its endeavor to generate a new growth engine by supporting the climate technology SMEs and to find global market opportunities for them. From the year 2017, KOTEC has been operating the 'Guarantee Program for Climate

Technology SMEs' in order to discover and support climate technology firms.

An official from KOTEC mentioned that KOTEC is ready to provide unwavering supports to domestic climate technology SMEs in their efforts to expand globally and to share experience with overseas startups.