Introduction 2
Korea’s startup ecosystem at a glance 3
The Korean startup ecosystem 4
Why are international startups coming to Korea? 6
Startup industries 8
Agritech and Foodtech 9
Digital Health 10
Edtech 10
Fintech 11
Virtual Reality (VR) and Augmented Reality (AR) 13
Accelerators 14
Government accelerators 14
Conglomerate accelerators 14
Private accelerators 15
International accelerators 15
Co-working locations 17
Government co-working locations 17
Private co-working locations 17
International co-working locations 17
Government support for international startups 18
Capital raising 20
Corporate venture capital 20
Private and foreign venture capital firms 21
Setting up in Korea 22
Visas 22
Business registration 22
Taxation 22
Protect and manage your IP 22
Resources 23
About Austrade 24

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In 2011, the Korean government developed the Pangyo Techno Valley industrial complex near Seoul in a bid to maximise the growth potential of high-technology companies. The success of this initiative convinced the government to actively support national and international startups, particularly in the fields of information technology, Internet of Things (IoT), virtual reality (VR), augmented reality (AR), fintech, artificial intelligence (AI) and blockchain.

The Korean Government has provided A$4 billion to startups since 2015, according to Forbes — the highest government backing per capita for startups in the world. A further A$12 billion Innovation Fund was rolled out in September 2018 by the Ministry of SMEs and Startups (MSS) and the Financial Services Commission (FSC) to finance promising startups. As Korea strives to embrace opportunities of the digital economy, it has become an increasingly attractive destination for foreign startups.

Ranked first on the Bloomberg Global Innovation Index 2019, Korea is focused on becoming a regional startup hub to help drive innovation. Government programs and funding are cultivating startups to be the new engines of economic growth as well as embracing opportunities from the Fourth Industrial Revolution. Thanks to these government initiatives, the number of startups in Korea has rapidly increased — jumping from 65,000 in 2011 to 98,000 in 2017.

Well known Korean ‘unicorns’ that have achieved multi-billion dollar valuations over the last five years include Kakao, Coupang, Tmon and Yello Mobile.

Pioneering Korean tech startups Neoply, Line, Nexon, and NCSoft have become global players in the ICT and gaming industries.

Korea was ranked number #1 in the Bloomberg Global Innovation Index in 2019, a position it has held for the last four consecutive years.

Google opened the first-ever Asian Google campus in Seoul.

Leading global investors actively investing in Korean startups include BlackRock, Softbank, Goldman Sachs, Sequoia Capital, Formation Group, Rakuten, Tencent, PayPal and Accel Partners.

Major Korean companies such as Samsung, LG, Lotte, Hanwha and SK are seeking collaboration with startups through their own startup accelerators and incubators.
The Korean startup ecosystem is thriving. As of 2018, Seoul and neighbouring Gyeonggi Province were home to 467 organisations, including accelerators, venture capital funds and government institutions supporting the sector’s unprecedented growth. The below list is a snapshot of the major players, including accelerators, co-working spaces and venture capital firms.

### ACCELERATORS

#### Government
- Korea Techno Venture Foundation
- Seoul Global Start-up Centre
- Korea Science & Technology Hold
- Korea Startup Hub
- Global Venture Centre
- KSTA
- KOSA
- Open Contents Lab

#### Conglomerate Corporate
- Samsung
- SK Planet Innovation
- Posco Capital
- Lotte
- Naver
- NCSoft
- GS Shop
- Hyundai Venture Plaza
- Hyundai
- KT
- KT – IT Service

#### Traditional
- Spark labs
- K Start Up
- Primer
- Bon Angels
- Actner Lab
- BigBang Angels

#### International
- Google Entrepreneurs
- Tribeluga
- Universities
- KAIST

### KOREAN CONGLOMERATE VENTURE CAPITAL
- SamsungNext
- SK Planet Innovation
- Posco Capital
- Lotte Accelerator
- Hanwha
- KT Econovation
- Neoplux

### KOREAN VENTURE CAPITAL (EARLY STAGE, SERIES A AND ABOVE)
- IDG Ventures Korea
- IMI
- Innopolis partners
- K CUBE VENTURES
- Korea Investment Partners

### FOREIGN VENTURE CAPITAL (EARLY STAGE + SERIES A)
- Altsos Ventures
- Capstone
- Strong Ventures

### COWORKING AND NETWORKING SPACES
- App Center
- Cow & Dog Co Work + DoGood
- D. Camp

### STARTUP CONSULTING & EDUCATION
- Academy X
- ROA CONSULTING
- TEK & LAW

### MEDIA
- BE SUCCESS
- OUTSTANDING
- Platum

### KOREAN VENTURE CAPITAL (EARLY STAGE, SERIES A B AND ABOVE)
- Aju IB Investment
- Bon Angels
- Capstone
- Coolidge Corner Investment
- DSC Investment

### CONGLOMERATE CORPORATE
- Spark labs
- CNT Tech
- Samsung
- SK Planet Innovation
- Daum Kakao Accelerator

### TRADITIONAL
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### MEDIA
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- OUTSTANDING
- Platum
WHY ARE INTERNATIONAL STARTUPS COMING TO KOREA?

- Korea has the world’s fastest internet speeds, with an internet penetration rate of 93 per cent.
- Korea ranks consistently within the top four countries with the fastest mobile internet and has the most widespread 4G network coverage in the world.\(^5\)
- 5G was launched in December 2018 and the nationwide rollout will be completed by the end of 2019.
- Access to Korean technology conglomerates such as Samsung, LG and Hyundai who are actively seeking new technology and solutions that will give them an edge both in Korea and the global marketplace.
- Korea’s strong purchasing power has made the country a major test bed for some of the world’s most successful brands.
- High uptake of new technologies and a trend-conscious public.
- Geographically in the centre of Asia, Korea is considered a springboard to Northeast Asia with access to 2 billion potential high-tech customers.
- The Pangyo Techno precinct offers tax breaks, low-interest loans and expanded co-working spaces to international startups.
Korea’s foodtech sector is heavily focused on technologies for food delivery services such as mobile apps, express delivery and startup-style share kitchens. Most members of Korea’s Foodtech Association are mobile app companies catering for food delivery and restaurant bookings. While investment in foodtech start-ups traditionally comes from venture capital firms, large Korean food companies such as Lotte and Nongshim have started to show interest by setting up Lotte Accelerator and Nongshim TechUP+. Korean food companies are also interested in direct-to-consumer (D2C) platforms – complete meal kit delivery straight from manufacturers to consumers. The demand is forecast to continue for this type of foodtech as the number of single person households will exceed fifty per cent by 2050, a result of both a rapidly ageing population and decline in marriages.

Secondary to the consumer focused elements, the Korean Government has committed investment to develop smart farming. This in part is to help the sector transition from the ageing agricultural labour force, to a younger generation but also can bring new technology and innovation to improve productivity and efficiencies given the small scale of Korean farms and limited land available for agriculture. The Smart Farm Innovation Valley, an ICT-based agriculture cluster, is a state-run project promoting the growth of agriculture and related sectors through nurturing talent and technological innovation. SK, Korea’s largest telecommunications provider, have established smart farming centre, using their advanced ICT and mobile platforms and are testing new innovation that will transform the ways in which farmers operate.
Digital Health

The Korea Health Industry Development Institute (KHIDI) estimated that in 2015 around 12 million people aged from 20 to 60 years used smart health care services. The sector value has now reached A$2.8 billion.

Since 2002, the Ministry of Health and Welfare has revised legislation to accommodate smart health care and continues to do so in order to keep pace with technological advancements.

In 2015, Korea’s national health expenditure was A$96.1 billion (7.2 per cent of GDP) and has shown the fastest increase in OECD countries. In 2016, health expenditure (preliminary) was estimated at A$94.8 billion (7.7 per cent of GDP), an increase of A$8.3 billion from the previous year (nominal growth rate: 8.7 per cent real growth rate: 7.9 per cent).

In 2016, medical care services (inpatient/outpatient) accounted for the largest proportion (67 per cent) of the current health expenditure by function (preliminary), followed by pharmaceuticals (20.2 per cent).

The new trends in digital healthcare policies in Korea are followed by pharmaceuticals (20.2 per cent). The sector value has now reached A$2.8 billion.

The size of the domestic edtech market has grown steadily for six years in a row from A$3 million in 2011 to A$4.6 million in 2017. While almost 70 per cent of the market comprises consulting services providers, over 40 per cent of all edtech companies handle a range of major edtech businesses such as developing content, devices and solutions.

Figure 1 – Statistical results for digital health-related start-ups by the Ministry of Health and Welfare

Edtech

The Korean edtech market is expected to grow given the perception that the Korean note-based learning model is not equipping students with the skills and knowledge necessary to compete in today’s rapidly changing environment. It is now widely accepted in Korea that learning must go beyond simply memorising textbooks and information. Students must be able to incorporate convergent thinking, respond in a flexible manner to rapid social change and create new values.

Korea is the first country to provide high-speed internet connections to every school in the nation, with policies focusing on fostering top level IT skills in its students. However, Korea’s IT competitiveness has been diminishing year by year. The ratio of computer use at schools has yet to reach the OECD average, with most students using computers for non-academic purposes, such as internet surfing and gaming.

Ministry of Health and Welfare, statistics on health-related startups reveal a focus on medical devices (58.6 per cent), medical supplies (6.7 per cent), cosmeceuticals (9.6 per cent), health supplements (9.6 per cent), research and development centres (13.4 per cent) and health and care information centres (1.5 per cent).

Fintech

Korea’s rise in fintech is no surprise given it has one of the highest levels of smartphone penetration and fastest mobile broadband services in the world. Fintech growth to date has been concentrated in digital payments, with the entire sector forecasted to grow by 20 per cent annually until 2020.

Fintech growth in Korea is driven by the financial services sector, not by the traditional banking sector. Banking is limited by regulatory requirements (e.g. the regulation mandating at least one face-to-face transaction) and the view that their suite of current online platforms meets customer needs.

Korea’s non-banking sector is seeking innovative ways to provide services and solutions for wire transfers, settlements and credit loans, which will challenge traditional banking over time.

Compared to its direct competitors, the US and China, Korea recognises its fintech industry still has a lot of catching up to do. In a move to boost fintech development and counteract the perception of having the most restrictive information protection policies in Asia, Korea launched an initiative in March 2018, allowing fintech startups to introduce new products and services without having to comply with existing regulations. This exemption will be for a 2-year period, providing that the startups apps or services are classified by the Financial Services Commission (FSC) as “innovative.”

Demonstrating further support, the FSC is set to introduce new regulations to assist the fintech industry. These will be implemented through the introduction of new technologies, payments, blockchain and more, which promise to benefit consumers, improve the available service offerings while simultaneously creating employment opportunities.

In addition to these initiatives Korea is an ideal market for consumer testing. With almost half of the country’s population in tech-savvy Seoul, Koreans are early adapters of new technologies, making the country a perfect test bed for the North Asia market.

Fintech deregulation is key to Korea’s national agenda in 2019 and will be heavily supported by an unprecedented set of initiatives throughout the year. The fintech deregulation initiative is one of the Korean Government’s eight national agenda items. Other initiatives include:

- The open public cloud market, in place since January 2019, allows the Korean Government to explore options to work with private cloud computing companies.
- The upcoming regulatory sandbox will allow companies to try out new technologies without excessive regulations for a set period of time.
- The open banking initiative will cut the cost of payment processing fees within the first half of 2019.
- In addition, the government will initiate the ‘mydata’ program, using the concept of open banking to accelerate innovation.

Fintech Opportunities in Korea

- Insurtech
  
  - The transformation of the insurance industry is mainly driven by extensive collaboration between traditional insurers and insurtech startups.
  
  - The trend is to move to online channels instead of the traditional face-to-face or phone approach.

- According to the 2018 Korea Annual Consumer Insurance Survey, 68.8 per cent of consumers say simplicity is the most important factor when buying a policy.

- Regtech
  
  - The level of regtech technology is lagging behind in Korea and The Korean Financial Investment Association has set up a task force team, including securities and asset management companies, to support and encourage technology development.
  
  - Korean financial institutions are recognising the importance of regtech for governance and cost saving.

- Blockchain
  
  - Seoul’s largest blockchain centre will open two new locations in Gaepo and Mopo to accommodate 200 companies in their Digital Innovation Park. The Seoul Metropolitan Government will spend A$130 million over the next five years to stimulate blockchain adoption and create an A$110 million ‘Blockchain Seoul Fund’ in cooperation with the private sector.

Korean Startup Ecosystem Guide
Virtual Reality (VR) and Augmented Reality (AR)

The overall Korean VR market grew from A$1.1 billion in 2016 to A$1.3 billion dollars in 2017 and is forecast to reach a staggering A$5.2 billion by 2020, according to the Korea VR-AR Industry Association. The Korean Government is committed to growing the VR-AR industry, allocating A$270 million in 2018 to support the development of the sector.

Korea’s introduction of 5th generation (5G) wireless systems to the public marketplace will finally enable services integrated with VR and AR — two technologies widely considered to be hallmarks of a 5G future. The country’s VR and AR offerings are expected to grow vastly by 2020.

The government investment across the VRAR space has increased since 2017. The below chart explains the specific VR content subsectors funded by the government.

Figure 1 — Scope of government support according to VR content type

The Korean VR-AR industry is still developing and in need of advanced VR technologies in order to compete globally. Korean VR-AR platform providers have a strong interest in developing business partnerships with international VR-AR content developers. Australia’s creativity in VR-AR is highly regarded with content from Zero Latency, Toast VR, Ultimense and Emergeworlds distributed on Korea’s major VR-AR platforms and in VR arcades.
ACCELERATORS

The Korean startup scene has quickly evolved over the past couple of years. There are dozens of accelerator programs that create and support hundreds of startups. Korean accelerators provide co-working spaces, mentorship for product development and support. With new programs being developed every few months, accelerator participation has become an essential rite of passage for most startups. Accelerators conduct recruiting programs every three to six months and international startups registered in Korea can apply to all these programs.

Government Accelerators

Seoul Startup Hub
Korea’s largest public incubator, Seoul Startup Hub, offers a wide range of services from manufacturing business products in small quantities to solving business challenges. Seoul Startup Hub recruits about 100 startups at various business stages, from pre-launch to mature. Startups selected to join the hub are provided with a customised incubating program, office space, subsidies and customised support, including free consulting, business model analysis, pivoting and market strategies.

Australian startups who register a business in Seoul are entitled to a free one-year independent office space at the Seoul Startup Hub, Global Exchange Zone.

Pangyo Techno Valley
Pangyo Techno Valley, an innovation park south of Seoul in the Gyeonggi Province, focuses on information, biotech, cultural and fusion technology. Completed in 2015, it incorporates both global R&D centres and the Industry-Academic R&D Center. The park provides an environment in which SMEs and startups can mutually exchange information with high-tech research institutes and large, global companies such as Samsung, LG, Hanwha and GS Caltex. It aims to merge different industrial sectors, mostly within information and communications technology, to create new business opportunities and foster the growth of startups. Korea’s top 60 startups and K-Global 300 startups are all located in the Pangyo Startup Campus.

Korean Conglomerate Accelerators

Samsung Next (formerly the Global Innovation Centre) announced plans in 2017 to invest in early-stage startups that focus on emerging technologies. They have established a fund of nearly A$210.6 million targeting startups specialising in VR, AI, IoT, and other new frontier technologies. There are now six Samsung Next offices in the US (San Francisco, Mountain View, New York), Germany, Israel and Korea dedicated to fostering innovation.

SK Planet was established in 2011 as a distinct, wholly-owned subsidiary of Korean conglomerate SK Telecom. It offers collaboration projects, co-working spaces, mentoring, focused seminars, networking and assistance with developing technology test beds and test devices. Innovative companies at any stage of their lifecycle are welcome. SK Planet currently focuses heavily on IoT, AI, blockchain, security and big data.

Hanwha DreamPlus, an ICT accelerator powered by the Hanwha Group, is working to create an Asian Startup Ecosystem to help successful expansion and landing in Asian markets.

Naver D2 Startup Factory, located in Seoul’s Gangnam tech startup district, is an accelerator that provides both a free workplace and seed money to startups working in future technologies such as AI, machine learning and IoT.

Lotte Accelerator aims to leverage the entire infrastructure and business of Lotte Group – retail, logistics, culture, tourism, food and beverage, chemicals and finance – to support young aspiring entrepreneurs.

Private Accelerators

SparkLabs is a global accelerator providing investment solutions and mentoring for seed to early-stage startups wishing to expand globally. They provide a 3-month accelerator program twice a year. SparkLabs have opened an agri-tech accelerator, Cutivir, in Orange NSW, catering to international agri-tech startups. Selected international startups can also attend the Spark Lab Demo Day, Asia’s largest startup pitching demo day.

D.CAMP, established in 2012, was the first accelerator set up in Korea. Its 4,000 square metre building is equipped with co-working spaces, lounge, lecture rooms, event halls and dedicated offices for promising early-stage companies. D. Camp is supported by 22 Korean banks and offers accelerating programs and office space to international and Korean startups and accelerators.

FuturePlay, founded by entrepreneurs for entrepreneurs, is a company builder and early-stage investor focused on incubating global-scale tech startups. FuturePlay invests and incubates early-tech startups through three pathways: TechUP which selectively incubates founders/teams that show high growth potential in deep tech sectors and TechUP+ and Startup Co-Acceleration Program with corporate partners and direct investments investing in early high-tech startups. It primarily focuses on ICT technologies that innovate IT infrastructure in AI, IoT, HCI, multimedia, health care, fintech, robotics, drone self-driving, VR, AR and food.

International Accelerators

Orange Fab Asia is a program for startups in Japan, Korea and Taiwan targeting global markets. Orange Fab Asia supports startups with existing products to access to the global market through its network. The free program embraces a large range of topics, including connecting startups with the Orange group and its corporate partners worldwide, marketing, advertising, design, law, fundraising and product growth.

Campus Seoul, established in 2015 in Seoul’s Gangnam tech startup district, is the first Google Campus in Asia. Run by Google for Entrepreneurs, it is committed to creating a thriving startup community and offers a variety of services to its members ranging from mentorship programs and networking opportunities to free cloud services.
Government Co-working Locations

› Seoul Global Startup Center (SeoulGSC) is a startup incubation centre located in the Yongsan Electronics Market in Seoul that supports foreign entrepreneurs in Korea begin their startup journey.

› The Seoul Global Centre, run by Seoul City Hall since 2008, is a multi-lingual centre providing various services to support foreign citizens. It also serves as an incubator in which foreign-owned startups are provided with office space and mentoring for up to a year.

Private Co-working Locations

› Maru180 is a startup incubator set up and managed by the Asan Nanum Foundation. It runs two co-working spaces in Gangnam and at Campus Seoul. Maru180 provides entrepreneurs with resources and opportunities – education programs, mentorship, investment and networking.

› Heyground accelerator was established in June 2017, its eight-story building houses 550 social innovators, NGO/non-profits, social ventures, and freelancers. These likeminded individuals came together in Seoul with hopes of joining a community of “Changemakers”. Heyground has been supporting Changemakers’ startups work, life, and learning opportunities since 2012.

› The Bitcoin Center Korea is a community centre dedicated to making bitcoin more visible and useful for the general public. Located in Itaewon, it features a co-working space, as well as a conference room for bitcoin fintech startups.

International Co-working Locations

› WeWork provides shared workspace, community and services for entrepreneurs, freelancers, startups, and small businesses. WeWork has six office locations in Seoul.
GOVERNMENT SUPPORT FOR INTERNATIONAL STARTUPS

Among the many government initiatives currently in place in Korea, the K-Startup Grand Challenge organised by the Ministry of Science, ICT and Future Planning is one of the main platforms promoting and encouraging diversity in the local startup ecosystem. The K-Startup Grand Challenge is part of an A$2.8 billion annual contribution by the Korean Government to position Korea as an attractive destination for foreign startups.

The Ministry of SME’s and Startups (MSS) allows foreign startups that have been established in Korea for less than a year access to its funding and grants programs.

Seoul Global Startup Center

Founded in 2016 by the Seoul Metropolitan Government in Yongsan in central Seoul, the centre runs the Born2Global Accelerator Program, which aims to attract foreign technology startup entrepreneurs to Korea.

Overview of Born2Global Accelerator Program

› 40 foreign participants are selected every year
› Sectors include cosmetics, childhood education and travel
› Office space at the startup centre
› Legal and accounting consulting
› 1:1 mentoring
› 40 startups in the program receive about A$15,060 to cover living expenses in equal instalments over three and a half months
› Participating Korean accelerators will make equity investments in the most promising startups
› Startups will have access to other venture capitalists and investors who may choose to invest.

Korea Institute of Startup and Entrepreneurship Development (KISED)

KISED is a state-run agency established in 2014 under the Small and Medium Business Administration. KISED supports prospective entrepreneurs and startup companies in the development of apps, software and content during the company’s early stages (less than 1 year). KISED has supported many international startups through its annual program TIPS Town Accelerators Global Accelerating Program for Startups (GAPS).

Overview of Global Accelerating Program for Startups

› Maximum funding of A$65,200 to startups to develop test products and marketing
› Visa application guidance
› Education programs
› Business mentoring from the Korea Techno-Venture Foundation
› Office space provided in the institute’s Seoul TIPS Town building in Gangnam.

National IT Industry Promotion Agency (NIPA)

The National IT Industry Promotion Agency (NIPA), under the Ministry of Science, ICT and Future Planning, supports the overseas expansion of ICT startups and companies and the creation of global startups with multicultural ICT talents. The program endeavours to attract overseas startups and provide them with unique support to establish themselves in Asia. NIPA provides various startup programs, such as the K-Startup Grand Challenge, and focuses on information technology, biotech, cultural technology and fusion technology.

Overview of K-Startup Grand Challenge program

› 3-month acceleration program
› Seed funding
› Free co-working office space in Pangyo Techno Valley.

The top 40 startups are eligible to receive a total of A$31,940 each, based on their performances at ‘Demo Day’ and the Settlement Evaluation.

Image courtesy of Kim Dong-Hee - KTO
According to the Korea Startup Ecosystem Forum (KSEF) report, the best funded sectors for each financing stage in Korea are:

- **Food (Seed/Angel), Real estate (Pre-Series A)**
- **Advertising, games, and travel (Series A)**
- **Food and lifestyle (Series B)**
- **Fintech, advertising, commerce and entertainment startups (Series C)**

### Korean Government Funding

The Korean Government started providing funds for startups in 2013, commencing with a A$ 71 million fund, which was increased to A$ 1.8 billion in 2015. This commitment demonstrates that Korea has a large and diverse range of investors, Korean-based funds, corporate venture capitalists and international venture capitalist firms.

#### Korea Venture Investment Corporation

Since its foundation in 2005, the Korea Venture Investment Corporation has supported innovative SMEs by operating the Korean Fund of Funds (FoF). The Korea Venture Investment Corporation manages several Korean FoF and Matching Funds, including Angel Investment matching funds, SMB and Venture M&A Matching Fund, FoFs for Industrial Technology Commercialisation and Foreign VC Investment Fund. The Korean FoF has reached A$2.7 billion and enabled venture funds to exceed A$15.94 billion.

#### Corporate Venture Capital

Samsung and Hyundai, two of Korea's largest conglomerates, pioneered in-house global venture capital units. Their success and the fierce competition to identify new innovation has led to most of the other large Korean conglomerates to establish venture capital funds, some of which are domestically focused and others, like those of Samsung, have a global remit. For international start-ups it presents an opportunity to not only for capital, but more importantly access to the parent organisation and their diverse portfolio of customers and industries.

### Private and Foreign Venture Capital Firms

#### Smilegate Investment Inc.

Smilegate Investment Inc., is the venture capital arm of Smilegate, one of Korea's most successful gaming companies. Investments are predominately made in information and communication, electronics, online media and animation.

#### Softbank Ventures

Softbank Ventures, established in 2000, is a subsidiary of SoftBank Korea. It primarily invests in early-stage startups with the potential to expand into Asia and beyond. Major investment industries are mobile services, digital media, e-commerce, digital education, industrial tech, communication solutions, security, data management, gaming and devices and equipment.

#### Hyundai Cradle

The Hyundai Motor Company has established an international corporate venture capital unit called Hyundai Cradle with regional offices in five selected markets – Israel, US, China, Germany and Korea. Focusing on the five areas of mobility, smart cities, energy, robotics and AI, it has invested a total of A$104.3 million worth of minority stakes in 15 foreign startups over the last three years. Most notably, Hyundai made a strategic investment in Australia's car-sharing start up, Car Next Door, in 2017. The technology will be pre-installed and integrated into a new version of Hyundai's Auto Link unit, allowing drivers to earn extra money via Car Next Door's car-sharing platform, which will be available in Australia from 2020. Unlike Samsung, which already has an existing footprint in Australia, Hyundai will continue to seek strategic investment opportunities in innovative Australian companies.

#### Altos Ventures

Altos Ventures is a first-stage venture capital firm based in Silicon Valley with 16 years' experience in Korea. In 2016, the firm raised A$154.6 million to invest exclusively in Korea. It is believed to be the largest Korean-focused fund ever raised by a US venture firm.

#### Big Basin Capital

Big Basin Capital is a venture capital firm specialising in early-stage and startup investments; typically investing up to A$1.4 million in the US and Korea. Big Basin Capital was founded in 2013 and is based in Cupertino California, and Seoul Korea.

#### Qualcomm Ventures

Qualcomm Ventures is the corporate investment arm for Qualcomm, Inc., with investments in more than 120 portfolio companies worldwide. In 2016, it created A$70.9 million fund to nurture Korean startups in the fields of 5G, IoT, automobiles and other mobile services.
**SETTING UP IN KOREA**

**Visas**

An Australian citizen can visit Korea without a visa for up to 90 days on a short term visit. Visitors intending to engage in any paid employment must obtain an appropriate visa.

For more information, visit the following websites:

- D-B-4 startup visa: [www.ipcampus.kr/oasis-visa](http://www.ipcampus.kr/oasis-visa)

Austrade cannot provide direct advice on visa selection. Entrepreneurs should consider their options before arriving in Korea. It is important to seek legal advice well in advance in order to ensure all appropriate documentation is filed prior to departure.

**Business Registration**

There are three ways by which foreigners (foreign corporations) can enter Korea for business purposes: By establishing a local corporation, a local branch or a liaison office.


**Taxation**

Both national and local taxes must be paid in Korea. Residents are liable to pay income taxes on the income from sources both in and outside Korea. For tax purposes, a resident is defined as anybody who lives or is domiciled in Korea. A company established in Korea, under Korean law, is regarded as a domestic company and liable for tax on worldwide income. Whereas a foreign company is only liable for tax on its Korean income sources. A foreign company without a permanent office in Korea can withhold taxes on payments it receives.


**Protect and Manage your IP**

- **Korea Intellectual Property Office Call Center**
  [www.kipo.go.kr/kipo](http://www.kipo.go.kr/kipo)
  T: +82-1544-8080

- **Korea Copyright Committee**
  [www.copyright.or.kr](http://www.copyright.or.kr)
  T: +82-2-2660-0000

- **Ministry of Culture, Sports and Tourism**
  [www.mcst.go.kr/english/](http://www.mcst.go.kr/english/)
  T: +82-44-203-2000
  (The division in charge is the Copyright Policy Division under the Cultural Contents Project Office)

- **Brand Police**
  [www.brandpolice.co.kr](http://www.brandpolice.co.kr)
  T: +82-2-1666-6464

- **IP AUSTRALIA**
  T: +61-2-6283-2999

**RESOURCES**

**Events**

- **Seed Stars Seoul**, a competition to find the best seed-stage startups in Korea
  [www.seedstarsworld.com](http://www.seedstarsworld.com)

- **Spark Labs Demo Day**, Asia’s largest startup pitching demonstration day
  [www.sparklabs.co.kr/lb/demoday.php](http://www.sparklabs.co.kr/lb/demoday.php)

- **D.camp D.Day**, Monthly pitching session where selected startups pitch to receive investment and become a resident of Dcamp coworking space
  [dcamp.kr/investment/dday](http://dcamp.kr/investment/dday)

- **HeyStartup & Startup Boxing Day**, 2 day Startup conferences and networking function with members of the Korean startup ecosystem
  [event-us.kr/heystartups/event/4259](http://event-us.kr/heystartups/event/4259)

- **Tech In Asia Tour**, a conference that showcases newly launched and product-ready tech startups from the region
  [www.techinasia.com/events](http://www.techinasia.com/events)

- **K-Start-up Grand Challenge**, selected international startups pitch to a panel and get selected to be funded in Korea.
  [www.k-startupgc.org](http://www.k-startupgc.org)

- **Startup Grind Seoul**, the mission of Startup Grind is to educate, connect, and inspire entrepreneurs. Startup Grind Seoul in sponsorship with Asan-Narum Foundation meets monthly in the heart of Seoul.
  [www.startupgrind.com/seoul](http://www.startupgrind.com/seoul)

**Websites**

- **Australian Chamber of Commerce in Korea**
  [austchamkorea.org](http://austchamkorea.org)

- **Australia-Korea Business Council**

- **InterNations**
  [www.internations.org/seoul-expats/australians](http://www.internations.org/seoul-expats/australians)
Austrade Services
Austrade Seoul provides a range of services and assistance to Australian entrepreneurs covering:
› Market briefing of the Korean startup ecosystem
› Introduction to Korean accelerators (Conglomerate, Government and Private)
› Grant programs to international startups in Korea
› Business development assistance, introduction to potential customers, investors and strategic partners in Korea.

International Readiness Indicator
Austrade international readiness indicator is an online tool for new exporters. It is designed to help Australian businesses determine whether their product is ready for entry into a new global market.

The indicator draws on Austrade experience in assisting Australian firms to enter international markets. It focuses on the key aspects needed to be export-ready and compete successfully in overseas markets such as Korea. Before scaling a venture into the Korean market, we recommend for Australian entrepreneurs to review this tool.


Export Market Development Grants (EMDG)
The Export Market Development Grants (EMDG) scheme is a key Australian Government financial assistance program for aspiring and current exporters. Administered by Austrade, the scheme supports a wide range of industries.

EMDG encourages small- and medium-sized Australian businesses to develop export markets. The grants reimburse up to 50 per cent of eligible export promotion expenses above A$5,000; provided the total expenses are at least A$15,000. Up to eight grants are available to each eligible applicant. For more information on EMDG, visit austrade.gov.au/Australian/Export/Export-Grants.

Research and Development (R&D) Tax Incentive
The R&D Tax Incentive is a broad-based, market-driven assistance for all industries. It provides a targeted tax offset to encourage more companies to engage in R&D in Australia. The incentive assists eligible companies to create new or improved products, processes, and services by reducing their tax. For more information, visit business.gov.au/assistance/research-and-development-tax-incentive.

The Entrepreneur’s Programme
The Entrepreneurs’ Programme is the Australian Government’s flagship initiative for business competitiveness and productivity. Delivered by the Department of Industry, Innovation and Science, the program forms part of the Australian Government’s National Innovation and Science Agenda. For more information, visit business.gov.au/assistance/entrepreneurs-programme.

The above list is not comprehensive and entrepreneurs should conduct their own research into available grants and support programs including at state and local government levels.

ABOUT AUSTRADE
The Australian Trade and Investment Commission - Austrade - contributes to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:
› develop international markets
› win productive foreign direct investment
› promote international education
› strengthen Australia’s tourism industry
› seek consular and passport services.

Austrade leverages the deep commercial knowledge and relationships of our international and domestic networks, and the badge of government, to deliver value for our clients and investors.

Website: www.austrade.gov.au
E-mail: seoul@austrade.gov.au

References
1. www.4th-ir.go.kr/home/en
2. Korea Startup Ecosystem Forum 2016
3. startupradar.asia/south-korea-startup-ecosystem/
5. https://opensignal.com/reports/2018/02/state-of-the

A$ exchange rate as at 12 June 2019 = US$ 0.689
A$ exchange rate as at 12 June 2019 = KRW 1,181.80

Korean Startup Ecosystem Guide