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The cooperation between MSS and MOFA presents a great opportunity for promising startups to expand globally

MSS and MOFA held a joint information session about their collaboration program, connecting MSS's TIPS and MOFA's CTS programs.

MSS will launch Global TIPS, applying the successful TIPS model on a global scale. Applications will open on May 7, 2024, on the K-Startup portal (www.k-startup.go.kr).

Sejong, May 9, 2024 – The Ministry of SMEs and Startups (MSS, Minister OH Youngju) and the Ministry of Foreign Affairs (MOFA, Minister CHO Tae-yul) jointly hosted the TIPS-CTS Collaboration Project and the Global TIPS Project Information Session. These projects aim to provide support for the global expansion of SMEs and startups.

TIPS is MSS's flagship startup support program. Under the TIPS, management companies chosen by MSS will select startups by utilizing private sector expertise and capabilities. The government provides assistance in the form of research and development (R&D) and commercialization funds to the selected startups. To date, more than 2,700 startups have been supported under this program, attracting a total of KRW 13 trillion in follow-up investment. TIPS, which stands for Tech Incubator Program for Startups, is a scheme aimed at supporting innovative startups. It involves private management companies or investment firms, such as startup planners and VCs specialized in early-stage startups, selecting and recommending eligible startups. These startups receive government funding to develop and commercialize their technology.

CTS is a signature support program of MOFA for global expansion that applies innovative ideas and technologies from entrepreneurs to ODA to address development cooperation challenges.

This session introduced the collaboration project between TIPS, MSS's flagship startup support program, and CTS, MOFA's global expansion support program, as a follow-up to the

MOU signed between the two ministries on April 1.

The collaboration project was designed as a pilot program in partnership with relevant ministries. It offers funding for local demonstrations and commercialization to exceptional companies selected from successful TIPS graduates and CES Innovation Award honorees who want to expand into developing countries through MOFA's CTS collaboration project. Following the pilot program in 2024, the program will be further expanded by creating a new track within CTS in 2025.

MSS and MOFA anticipate that this collaboration project will create a bridge for SMEs and startups to go global based on inter-ministerial cooperation. It is also expected that cooperation between the two ministries will be further strengthened in the future.

After the TIPS-CTS collaboration project information session, MSS conducted another information session on the Global TIPS program. This program leverages TIPS's advantages, which comprise private investment and government support, and extends the TIPS to the global level.

Global TIPS is a program designed to assist promising technology startups in their overseas expansion. It offers up to KRW 600 million in funding for a period of three years to startups that have received investments of USD 200,000 or more from foreign investors (VCs) after being verified their technology and marketability.

This program intends to provide funding for startups with excellent capabilities to expand overseas. It aims to strategically support local expansion by using the investment and acceleration capabilities of local venture capitalists (VCs) and attract participation from excellent overseas VCs. The ultimate goal is to cultivate a virtuous startup ecosystem both in Korea and abroad.

To qualify for the Global TIPS program, startups must be no more than seven years old (or 10 years old for new industries) and have received more than USD 200,000 in investment from VCs outside of their home country. Additionally, they must be willing to establish a corporation overseas. The pilot project will select around 20 promising startups in 2024.

The selected companies will be granted funding of up to KRW 600 million over a span of three years to expand their business overseas. Korea Venture Investment Corp., a specialized institution with a vast network and expertise, will provide tailored global expansion services, including pre-entry preparation, scale-up services, and partnership connections by country.

Minister OH Youngju stated, "In today's borderless digital economy and limited domestic

market, startups need to expand overseas as it's no longer optional but imperative." She added, "We aim to support SMEs and startups, including companies under the TIPS program, to expand globally through collaborations such as the TIPS-CTS project and the Global TIPS project. We will continue to foster inter-ministerial cooperation to help startups achieve global success."

For further information, please visit the K-Startup portal at k-startup.go.kr or contact the customer service center at ☎ 1357.