



# K-STARTUP GRAND CHALLENGE 2022



[www.k-startupgc.org](http://www.k-startupgc.org)



Ministry of SMEs  
and Startups



National IT Industry Promotion Agency

Accelerate Your Startup in  
**KOREA**



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and Startups



National IT Industry Promotion Agency

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# Introduction

Industry 4.0 is a paradigm shift for the whole world. Major changes are happening with the merging of artificial intelligence, augmented reality, blockchain technology, vehicle automation, smart factories, and more. With culture and infrastructure that quickly adapt to the most recent technological advances, Korea is at the center of it all. With 372 accelerators and 19 innovation centers (as of March 2022), Korea provides the best support and environment for startups beginning their journey.



Last year, 2,568 startups from 129 countries applied for the 2021 K-Startup Grand Challenge, a systematic startup program in Korea. 54 of them were selected to participate in a 3.5-month-long acceleration program and received initial funding and office space. The top 30 teams were then chosen after the Demo Day in November. The selected teams were given additional funds for 3.5 months to help them successfully claim their place in Korea.

The startups that participated in the K-Startup Grand Challenge were evaluated by specialists from various tech fields and given a chance to network with them. The selection was based on the level of creativity in each startup, their business concept, and their technologies as well as their desire to base their business in Korea. By the end of the program, more than a few promising companies were ready to take on the Asian market and shake up the world.

The K-Startup Grand Challenge has been applauded for its impartial selection processes, the participating organizations' contributions, and the passion of its team. The K-Startup Grand Challenge's impact continues to bolster Korea's reputation as a leading startup hub in Asia.

The key purpose of the K-Startup Grand Challenge is to promote collaboration and the exchange of ideas among startups from Korea and from around the world. The K-Startup Grand Challenge helps startups like yours get on their feet and start running with new ideas, new collaborations, and ultimately, new innovations.

If you start your company in Korea, you can take advantage of the various benefits of this program while riding the surge in momentum that the Korean Wave brings with it to the Asian market.

In 2022, the K-Startup Grand Challenge can provide you and your startup with the support and opportunities for investment that you need to launch your business in Asia.

Apply now and let this exciting new chapter of your startup begin!

# The Advantages of Korea



## 01. Collaboration with Major Korean Companies

In recent years, many major Korean companies have expressed interest in collaborating with startups from around the world. The K-Startup Grand Challenge program offers the opportunity for you and your startup to interact with the most innovative and influential Korean companies.

## 02. Gateway to the Global Market : Test Bed Korea

All generations in Korea are avid users of high-tech devices. They have access to the newest technologies in a variety of industries and take advantage of Korea's world-class IT infrastructure. Powerful consumer groups here are not only sensitive to global trends - they help set them. It's often said, "You can succeed in the world only once you have succeeded in Korea." This is why Korea has solidified its place as a test bed for the world.

## 03. ICT Infrastructure

South Korea is the world's most connected country. Korea has the fastest average internet connection speed and the highest number of broadband services per capita in the world with 100% LTE coverage.

## 04. Startup Ecosystem

Korea is a country that has 18 unicorn startups. Its startup ecosystem is active and well-designed, attracting the attention of investors, accelerators, and incubators from all around the world. Google, for example, launched their first ever Asian Google Campus in Seoul. Facebook is also joining the scene and further empowering Korea's IT developers through their new Innovation Lab that opened in Pangyo. The KSGC program and Korea's startup ecosystem have been recognized by international organizations, like the World Economic Forum, and tech media leaders, like TNW.

According to the Startup Genome Report 2021, Seoul jumped to 16th from 20th in the world startup ecosystem ranking, with an ecosystem valued at US\$47.2 billion. South Korea invested almost US\$83 billion in R&D last year, making it the fifth-largest spender among members of the Organization for Economic Cooperation and Development (OECD).

## 05. Early Adopters

Korea provides great opportunities to do consumer testing. With almost half of the country's population in and around the high-tech city of Seoul, Koreans are known to be early adopters of new technologies. They are eager to be the first to buy and the first to use newly released tech products.

## 06. Gateway to Asia

Located in East Asia, South Korea has strong cultural and economic ties with China, Japan, Hong Kong, Taiwan, and many more countries. Take advantage of South Korea's favorable location to launch your business in the Asian market.

## 07. Strong Government Support

The Korean government is constantly improving the infrastructure of the country. For example, the government has budgeted US\$1.34 billion for supporting startups in 2021, an increase of US\$58 million compared to 2020. In 2022, the government plans to implement a start-up support project worth US\$3 billion to create a regional start-up infrastructure and allow innovative talents with technical skills to flow into the Korea's start-up ecosystem and develop their capabilities to succeed. Furthermore, the government plans to find 200 promising startups through 2022 and 1,000 promising startups and 700 pre-unicorn startups by 2025.

## 08. Korea's Cultural Influence

Korea's cultural power internationally has added to the attraction of starting a company here. Korea's exports of cultural contents, such as games, broadcasting, music, and movies, exceeded US\$12 billion in 2020. Last year, Squid Game took the world by storm, grabbing countless international awards and becoming the most watched Netflix show of all time in just the first four weeks of its release.

But Korea's bustling cultural scene doesn't just build the country's international image. It's also embracing the technological developments here. Recently, entertainment companies have been entering high-profile partnerships with new fintech companies. The Korean Wave is yet another way to leverage the brand of Korea for your startup.

## 09. Safety & Security

South Korea is one of the safest countries in the world, boasting an extremely low crime rate. Furthermore, Korea has an established patent law system so that startups can safely bring their creative ideas under government protection.

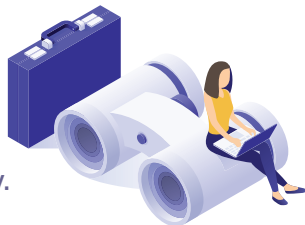
## 10. Korean Market Potential

With a domestic market size of about US\$1.63 trillion, Korea has the 10th biggest internal market in the world. The Korean domestic market has a strong purchasing power, as many global firms have come to discover. Such an environment can provide a great stepping stone for various global startups.



# What's in it for you?

Bring your creative ideas to Korea and get the full support of the world's most tech-savvy country.



## 3.5-Month Acceleration Program

After passing a regional audition, the top 60 teams selected by the judging accelerators will be invited to stay in Korea to participate in a 3.5-month-long acceleration program. This program will give you access to 1-on-1 mentoring, information sessions, coaching on Korean and Asian business culture, and seminars on topics like patents, accounting regulations, tax laws, and more. You will also have access to regular networking sessions and opportunities to meet with large Korean conglomerates eager to partner with your startup.

## Free Office & Project Space

You will work at Korea's new Startup Campus in Pangyo, located within a walking distance of many of Korea's top tech companies and just a 14-minute subway ride away from the famous Gangnam district of Seoul. You will also receive an office space for your team and be able to access all sorts of equipment and facilities to further develop your products and services, including a production space, 3D printers, hardware testing platforms, and more.

## Corporate Sponsorship and Support

Korea's largest tech companies will participate in various seminars, workshops, and 1-on-1 mentoring. If you need any help beyond the scope of the K-Startup Grand Challenge program, you can partner up with these companies and have access to their resources and their expertise.

## Help Desk, Visas, & Korean Interns

If you are selected for the acceleration program, we will make sure your visa acquisition is processed in a timely manner. This is a part of the government's OASIS (Overall Assistance for Start-up Immigration System) program, organized especially for foreign entrepreneurs. Beyond the help with your visa, you will have access to administrative support to make sure that you can work conveniently and effectively while in Korea.

Also, you will have a Korean intern working for you (1 intern per 2 teams) to help with translation and interpretation to lower any language and cultural obstacles you may come across.

## Financial Support

The top 60 teams selected for the acceleration program will receive US\$11,136 per team to cover the living expenses over 3.5 months. The top 30 startups selected will be eligible to receive an additional US\$11,136 per team to settle down in Korea based on their "Demo Day" and settlement evaluation results.

# Background of the K-Startup Grand Challenge

## Objectives

The Korean government is working to transform the country's economy for another century of success, ultimately raising employment, the GDP, and Korea's place in the world. In order to do this, the government is supporting talented entrepreneurs and promising startups to turn Korea and the Pangyo Techno Valley into a global startup hub in Asia.

The top ranked 60 teams selected by the accelerators will be invited to stay in Korea to participate in a 3.5-month acceleration program in Pangyo, located just south of Seoul.

At the end of the acceleration program, the government will host a demo day to select the top 30 startups. These startups will get additional financial incentives if they choose to establish their businesses in Korea.

## When

- Application Period : April 15 to May 31
- Acceleration Program : August 1 to November 15
- Demo Day : November 9 - 11

## Where

Startup Campus in Pangyo Techno Valley, 14 minutes by subway from Gangnam

# K-STARTUP GRAND CHALLENGE



# Target Sectors

There's no restriction on the area of business.  
Business fields could include but are not limited to:



AI



Big Data



Cloud Computing



Digital Transformation



IoT



Contactless



Auto Tech



VR/AR/MR



Smart City  
(Agri, Gov, Factory, etc.)



Health  
(Healthcare, Biotech, etc.)



Semiconductor  
(PIM, SoC, etc.)



Green  
(Energy, Battery, etc.)



3D Printing



Blockchain



Fintech



Information Security



e-commerce



O2O



Logistics



Media  
(Gaming, Social Media, Digital Content, etc.)



Networking  
(5G etc.)



Robotics



Aviation



Tourism



ETC

ETC

# Benefits at a Glance



## 3.5-Month Acceleration Program

Five Korean accelerators will take care of 12 teams each, assisting in developing your business model to more closely fit the Korean market.

## Opportunities to Meet Korean Companies

Throughout the program, you will be introduced to various mentors and Korean partners via business meetings and networking.

## Korean Internship

A Korean intern, fluent in English/Korean, will be provided for every two teams. The intern will be a great resource for you while doing business in Korea.

## Office Space in Pangyo

Startups will have office space in Pangyo, which is easily accessible by bus and subway from Gangnam.

# Financial Benefits



The living expenses & grant will be given in Korean Won USD(\$)=KRW(₩) 1,100

## Living Expenses (Aug-Nov 2022)

Each of the 60 startups in the program will receive money to cover the living expenses over 3.5 months.

- \$11,136 (₩12,250,000) per team

※ If quarantine is required, participants must pay the cost of isolation housing that the Korean government requires. (Living expenses are included in the settlement funds)

## Grant for Top 30 Startups (Jan - Apr 2023)

Each of the selected top 30 startups will be eligible to receive funding for 3.5 months.

- \$11,136 (₩12,250,000) per team

## Grant for Top 10 Startups

- 1st Prize : \$120,000 (₩132,000,000)
- 2nd Prize : \$70,000 (₩77,000,000)
- 3rd Prize : \$40,000 (₩44,000,000)
- 4th Prize : \$25,000 (₩27,500,000)
- 5th Prize : \$15,000 (₩16,500,000)
- 6~10th Prize : \$10,000 each (₩55,000,000)

## Additional Investments

The accelerators may make equity investments in the most promising startups. Startups may have access to other VCs and investors who may choose to invest.

# Program Timeline

※ These dates are subject to change

Promotion &  
Application Period

April 15 – May 31

Application Review

June 7 – 10

Global Auditions

June 20 – 24

※ Top 60 teams will be selected to participate in KSGC.

Final Result  
Announcement

June 30

※ All participants must arrive in Korea before August 1<sup>st</sup>.

Acceleration Program

August 1 – November 15

Demo Day &  
Settlement Program

November 9 – 11

※ Top 30 teams will be selected and awarded additional funds.  
(Settlement program : January 15 – June 30, 2023)

# Program Process

※ These dates are subject to change

## Promotion & Application Period

April 15 – May 31

We receive applications from startups around the world during this time.

## Application Review

June 7 – 10

Startup ecosystem experts and Korean accelerators will review all of the applications.

## Global Auditions

June 20 – 24

Based on the application review, the organizers of the K-Startup Grand Challenge will narrow down teams to a few hundred and interview them in our 5 branch offices throughout the world or online via web conferencing. The 60 participant teams will be selected based on the global auditions result.

## Acceleration Program

August 1 – November 15

[Settlement Fund : for 3.5 months, US\$11,136 per team]

The 3.5-month Acceleration Program will begin in August. The most promising startup teams will travel to Korea. The 60 teams will be able to use project space, including equipment for product production and service development testbeds as well as incubating infrastructure. Information sessions and coaching on Korea and Asian business culture, specific business topics (e.g. patents, accounting regulations, tax laws, etc.), pitching lessons, and one-on-one mentoring will also be provided.

The final 30 teams selected on the Demo Day will be eligible to receive an additional settlement fund of US\$11,136 per team.





# Accomplishments from K-Startup Grand Challenge 2016~2021

Startups that participated in the KSGC from 2016 to 2021 accomplished some incredible things. The following is just a glimpse of their achievements.



**309 : 132 : 245**

Global Startups  
Participated

Established  
Entities in Korea

Employed Korean  
Workers

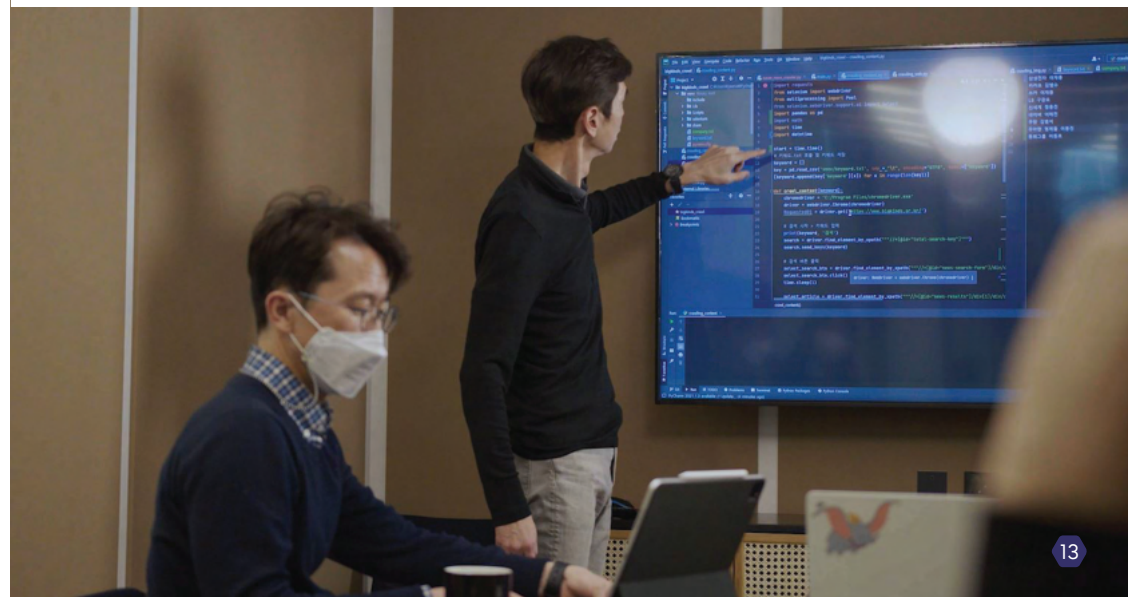


**1,765 : 409 : 906**

Co-operation &  
Business Meetings with  
Major Korean Companies,  
SMEs, Startups, and VCs

Contracts Signed

Startup-related Visa  
Acquisitions through the  
KSGC Program



# Testimonials from Participants



If you're working on some high-tech products, Korea is the country that will value and protect what you are working on.



## 1 Aykan Ekici | Khenda | Co-Founder | Turkey (1<sup>st</sup> Place)

"Manufacturing in Asia is huge. Among the countries in Asia, South Korea is the best country because there's no cultural barrier here. Also, we believe that this is the best country to protect our intellectual property. South Korea is really good at adapting new technologies earlier. And what we are doing is a really new technology. So that's why we are here."

**Short tip for the next participants from Aykan**

Take advantage of your accelerator. Our accelerator connected us to the right mentors, and we were selling our product within the first three months of arriving in Korea!

The KSGC provides you with the connections that will help you build your company and develop a strong network in Korea.



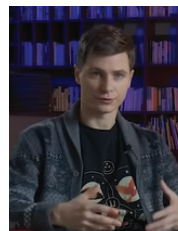
## 2 Chea Srun | XQuant | CEO | Hong Kong (2<sup>nd</sup> Place)

"I think that success doesn't come by coincidence. Somebody has success because he prepares a lot, and he works a lot on it. And this is what we did for the three and a half months. The mentoring program and all the advice we received from the accelerator and from all the partners that we have been introduced to have been very useful to us. Practicing my speech for the IR, how to make a good document, and so on. So I've learned a lot through this program."

**Short tip for the next participants from the Chea**

We looked at what was expected of us with the KSGC, and we did everything we could do to win. Plan from the beginning and work hard.

Korea is the perfect marketplace if you're looking to test your products with a consumer base that's ready to adopt new technologies.



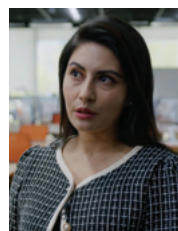
## 3 Evgeny Sobolev | Scanderm | CEO | Russia (3<sup>rd</sup> Place)

"Koreans are good at adapting to new technologies, especially in beauty science. They love science, and they love beauty, so it's easier for us to test new business models, to test new technologies in South Korea, and, after, to expand it to other Asian and global markets."

**Short tip for the next participants from Evgeny**

Korea is the perfect marketplace if you're looking to test your products with a consumer base that's ready to adopt new technologies.

There were many more benefits than we expected when we first applied to the program.



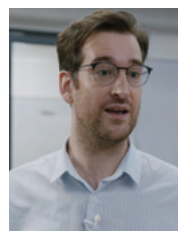
## 4 Shirley Vega | Glowsome Beauty | Founder | Colombia (6<sup>th</sup> Place)

"It was like a dream for us to participate in KSGC, because it's not only the best program in the country but also has a lot of benefits. One of them is access to mentors and great networking. We were able to expand our business and meet partners in a way we couldn't have done without being under the umbrella of this program. Another benefit was the free office space and the other facilities, like meeting rooms. And we got great discounts at the gym and cafeteria, as well. It made it really affordable for us."

**Short tip for the next participants from Shirley**

Three months go by really fast! Start networking and meeting with potential clients from day one. That's the key to validating your business and localizing it accordingly.

Your accelerator can give you the network you need for your startup to thrive in Korea.



## 5 Fabien Martin | Founders Lair | Co-Founder | China

"Our experience with KSGC has been critical for our expansion in South Korea. They've helped us open bank accounts, get visas, incorporate our company, and ultimately find clients. I think one of the most important benefits was our accelerator, CNT Tech. Through their introductions, we found quite a few of our first clients in Korea, validating our product market fit here. Secondly, none of this would have been possible without Subin, our intern with KSGC."

**Short tip for the next participants from Fabien**

Take advantage of the government support, especially financial. There's a lot of resources at your disposal once you're here.



# Most Active Korean Venture Capital Firms in Korea

Korea is a great place for innovative startups that can shake up the market through their new technologies. Here are the Top 10 most active Korean VC firms to date.

The rankings were comprised by Seoulz ([www.seoulz.com](http://www.seoulz.com)) and are based on 4 factors : Investment Funds, Assets Under Management, Global/Domestic Partners, and Portfolio.

<http://partners.koreainvestment.com>

## 1. Korea Investment Partners

**Korea Investment Partners Co., Ltd.**

KIP is the largest VC firm in Korea in terms of assets under management, investment funds, number of investment professionals, and portfolios.

To provide financial support for future unicorns, KIP has been actively fundraising for the last 10 years. Along with the successful liquidation of previous funds, they earned the trust of various financial institutions in Korea as one of the best performing firms.

[www.intervest.co.kr](http://www.intervest.co.kr)

## 2. InterVest

**INTERVEST**

InterVest has \$580 million in assets under management. They are focusing on BioTech and looking into new and innovative technologies like AI, Blockchain, and VR in early-stage startups. Currently, InterVest is very active in Southeast Asia and has partnered with VC Kejora Ventures ([www.kejorahq.com](http://www.kejorahq.com)). They will soon start investing in startups in Indonesia, Vietnam, and Thailand through their \$60 million fund.

<https://altos.vc>

## 3. Altos Ventures

**ALTOS VENTURES**

Altos Ventures, founded in 1996, is one of the more established Korean venture capital firms. Operating out of Menlo Park, California, they also invest in North American startups.

Altos Ventures has invested in many IT sectors, such as applications, infrastructure software, systems, services, and components. To date, they have invested in more than 100 startups.

[www.stonebridge.co.kr/venture-capital](http://www.stonebridge.co.kr/venture-capital)

## 4. STONEBRIDGE Ventures

**STONEBRIDGE**

Stonebridge Ventures invests from seed funding to late-stage technology startups. They focus on bio/healthcare, fin-tech, AI, and consumer spaces.

They have over \$700 million in assets under management across multiple funds. The firm looks for long-term investments by analyzing the growth potential of their target companies.

[www.lbinvestment.com/english/](http://www.lbinvestment.com/english/)

## 5. LB Investment

**LB Investment**

LB Investment, founded in 1996, focuses on early-stage and growth stage startups. Their main investments are in companies that specialize in IT, electronics hardware, digital devices, mobile content, digital media, education, and entertainment. They have invested in Korea, China, Southeast Asia, and the United States.

[www.imm.co.kr](http://www.imm.co.kr)

## 6. IMM Investment

**IMM IMM Investment, Corp.**

Established in 1999, IMM Investment Corp. is the leading alternative investment firm in Korea, focusing on venture capital, mezzanine financing, and infrastructure. IMM manages around \$3 billion in assets with its 12 venture capital funds and 13 private equity funds and invests over \$330 million in over 200 promising companies in the IT, healthcare/biotech, and manufacturing fields.

<http://daolinvestment.com/home/en/main/main.do>

## 7. DAOL Investment

**DAOL INVESTMENT**

DAOL Investment (formerly KTB Network) is Korea's leading venture capital company with the longest history and investment track record. Their assets under management reached US \$1 billion, and they have ranked among the top 50 venture capital firms in China for nine years in a row. Furthermore, it boasts a wide-ranging global investment track record and has a strong network in the US, Japan, and Southeast Asia.

[www.atinuminvest.co.kr/en/home-en](http://www.atinuminvest.co.kr/en/home-en)

## 8. Atinum Investment

**A|tinum INVESTMENT**

Atinum Investment is a venture capital firm that has invested in promising startups internationally with an investment philosophy focusing on the intrinsic value of the company. They invest in IT, biotech, and healthcare startups leading the paradigm shift and driving market and technology innovations. They have invested in 425 companies with 26 funds which total \$98 million in assets under management.

[www.dscinvestment.com/vol2/eng/](http://www.dscinvestment.com/vol2/eng/)

## 9. DSC Investment

**DSC investment**

DSC Investment, founded in 2012, invests in early-stage startups with high-growth potential. Many of their investments have been related to content creation, blockchain technology, biotech, software, and robotics. They have 19 funds which total \$586 million in assets under management.

<http://en.bonangels.net>

## 10. BonAngels

**Bon Angels Accelerator & Venture Capital**

Founded in 2007, BonAngels Venture Partners is an early-stage venture capital firm and accelerator. BonAngels has invested in 230+ startups so far, 4 of which are unicorns and 2 of which have gone public. They have invested in startups across more than 53 countries worldwide and established a strong global Bon Team network.

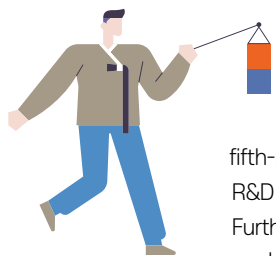
# Korea at a Glance



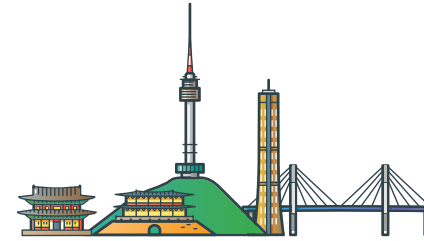
South Korea is conveniently located in East Asia between China and Japan, with Hong Kong and Taiwan to its south. For a small country of 100,210 square kilometers (38,691 square miles), its capital is the world's second largest metropolitan area, with almost half of all Korean citizens living in or around Seoul.

In 2017, South Korea established the Ministry of SMEs and Startups to systematically oversee various startup support projects to continue to reinforce momentum. Venture capital investments have also poured into Korean startups and grew 78% year-on-year in 2021, surpassing 7.7 trillion won (US\$6.4 billion). The number of new jobs created by startups in 2021 surpassed the number of jobs created by the four largest conglomerates in Korea combined.

Economically, South Korea has risen to become the 11th largest economy and the fifth largest exporter of goods and services globally. Samsung and LG have become the top display makers worldwide. Hyundai and Kia combined are third in vehicle production numbers. And in July 2021, the United Nations Conference on Trade and Development (UNCTAD) upgraded Korea's status to a developed economy.



According to the Bloomberg Innovation Index, South Korea has topped the global list of the 60 most innovative countries in its latest rankings. Korea topped the charts in patent activity and also put up strong performances in R&D and manufacturing. In addition, the Startup Genome Report said South Korea was the fifth-highest investor in R&D with around \$94.5 billion and its ratio of R&D spending to GDP was the second highest in the world at 4.3%. Furthermore, the ranking of Seoul jumped to 16th from 20th in the world startup ecosystem ranking in 2021.



Korea has highly developed ICT infrastructure, with 100% of its territory covered by LTE, and offers the world's fastest internet speed. Korean people are active social media users and live their lives through the internet. 67.5% of online shopping is done through mobile applications. The spending per buyer in e-commerce is forecasted to go from \$2,600 in 2019 to \$4,300 in 2024. This is thanks to Korea's high ratio of computers per household, high internet penetration rate, and high tertiary education rate.

In 2021, the South Korean e-commerce company Coupang opened for trading at \$63.50 a share, up 81% from its initial public offering at \$35 a share. At the opening trade, the company on a fully diluted basis was worth about \$114 billion. It was the largest U.S. listing of an Asian company since Alibaba in 2014, and it instantly made Coupang the largest Korean company listed on a U.S. stock exchange. This global evaluation of Coupang shows the potential that the Korean e-commerce market has.



In Silicon Valley, companies founded by Koreans, such as Sendbird, Moloco, and Noom, are drawing attention for growing into unicorn companies with a corporate value of over 1 trillion won. Sendbird even said it has succeeded in attracting approximately \$100 million in investment from top US venture capital firms, Softbank Vision Fund, and more.

In addition to infrastructure, Korea is a cultural power with the Korean Wave, which encompasses K-pop, dramas, fashion, cosmetics, and the arts. Its culture is one of the many reasons it has become a source of fascination for Asia, the Americas, and Europe.

The Korean people also have major intangible assets like passion, creative ideas, and a momentum that works well with the cutting-edge ICT technology and inclusive governmental support here. The government has declared that establishing new businesses is an essential piece of Korea's future. The current and future government initiatives will provide enormous subsidies to prospective business leaders.



## Startup Hub : Seoul, South Korea

The world is still struggling to come out of the COVID-19 pandemic, with the global economy projected to slow even more due to the prolonged pandemic and global instability. However, South Korea, as Asia's fourth-largest economy, has fared relatively well despite the problems facing the world today. South Korea's economy grew 4% on-year in 2021, its highest growth rate in 11 years, and has recovered at a faster pace than expected on the back of its efforts to stem the spread of COVID-19, strong export numbers, and the government's massive fiscal spending.

The Korean government is developing an advanced infrastructure and ideal environment for startups. Through the K-Startup Grand Challenge, the government will support startups in Pangyo, the hub of the Korean startup ecosystem. The government further plans to run collaborative programs with Korean corporations and startups as well as organize systematic cooperation between Korean and global venture companies.

Korea has more than 200 accelerators helping give Korean startups a leg up. There are also many incubation centers here, with over 100 different coworking space providers, including WeWork, FastFive, Fab Lab, Seoul Startup Hub, Google Campus Seoul, and Maru180.

South Korea encourages the growth of the startup scene by endorsing tax breaks and incentives for angel investors and venture capitalists, tax benefits for mergers and acquisitions in the technology and R&D sectors, and improvements in visa regulations for startups and entrepreneurs from abroad.

Korea has a phenomenal reputation when it comes to its potential for e-commerce thanks to the extremely high rate of smartphone usage in the country. According to CNBC, Korea will be the third largest e-commerce market in the world in five years, nearly catching up with China and the United States. E-commerce startup unicorn Coupang's CEO Kim Bumsuk was quoted in an interview with CNBC, saying, "Imagine having twice the population of Texas living in a place half the size of Massachusetts." Crowded as it may be, it says a lot about the potential for the mobile e-commerce industry in Korea.

Human capital can also be said to be one of the strong points of Korea's startup ecosystem. According to Bloomberg, Korea has ranked second globally for education, and Korea already has the highest university and college matriculation rate among all the OECD countries. According to Startup RADAR, Korea boasts about 30,000 startups that employ over 100,000 people and have a better approach to entrepreneurship and business culture than major Korean companies like Samsung, Hyundai, and LG.

Korea's startup scene is attracting a large and diverse collection of investors, including Korea-based funds as well as corporate VCs, Silicon Valley venture firms, and more.





# “ PANGYO TECHNO VALLEY ”

Pangyo Techno Valley is an innovation park located to the south of Seoul in Gyeonggi Province that focuses on information technology, biotech, and the fusion of culture and technology. It is Korea's best ICT-based R&D innovation cluster with a total of KRW 5.27 trillion (around US\$4.2 billion) invested by the South Korean government. It was completed in 2015 and covers an area of about 661,928m<sup>2</sup>, with support facilities such as the Global R&D Center, the Public Support Center, and the Industry-Academy R&D Center.

Pangyo Techno Valley is the type of environment where SMEs and startups can mutually exchange information with high-tech research institutes and large global companies. This hub aims to merge different industrial sectors, mostly within information and communications technology, to create new business opportunities and foster the growth of startups. Born2Global Center reports that Korea's top 60 startups and the K-Global 300 startups are all located in the Pangyo Startup Campus.

The Pangyo area will expand with the development of the 2nd and 3rd Pangyo Techno Valleys. The 10 blocks near Pangyo Station in Alpha Dome City are scheduled to be completed by 2022. The Pangyo market has attracted attention from building owners, investors, and tenants, with Pangyo 1st Techno Valley and Pangyo Alpha Dome City occupancies stabilizing and the resale market being deregulated in 2020. When Pangyo 2nd is completed in 2022 and 3rd Techno Valley is finished in 2025, Pangyo is expected to emerge as a major office submarket to rival Seoul's existing three major office submarkets.

The expansion will foster a new community, especially for startups and high-tech firms. It will consist of sites for private companies (including venture startups), "venture campus" sites for startups, "innovation towns" for companies and research institutes, and government organizations that provide support for startups, innovative technologies, the arts, and other creative industries in the area.



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# CONTACT US

For more information, Please contact

## > HEADQUARTERS

k-startupgc@nipa.kr

## > AMERICA (NORTH, CENTRAL, SOUTH)

Claire Choi, bbo02@kicsv.org

## > SOUTHEAST ASIA AND OCEANIA

Korea IT Cooperation Center Singapore

Il Kyu NAM, ignam@nipa.kr

Korea IT Cooperation Center Hanoi

Byoung Moog LEE, bmlee@nipa.kr

## > SOUTH, CENTRAL, WEST ASIA

Korea-India SW Cooperation Center

Sang Ho WEON, shwoen@nipa.kr

## > EUROPE, AFRICA, EAST ASIA

HEADQUARTERS, k-startupgc@nipa.kr

[www.k-startupgc.org](http://www.k-startupgc.org)

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