

**As a Destination for Entrepreneurs, Korea's Popularity Not
Dimmed by COVID-19**

- More teams than ever applied for the K-Startup Grand Challenge-

- This year, 2,648 overseas startups (from 118 countries) submitted proposals, an increase of 58% over 2019 (1,677 applications). This sets a record for the most interest garnered since the program was established in 2016.
- COVID-19 cannot keep entrepreneurs away from Korea! This year's program saw a dramatic increase in applications, thanks to Korea's successful control of the pandemic, enhanced public relations efforts, and other factors.

The Ministry of SMEs and Startups ("MSS"; Minister: Park Young-sun) and the National IT Industry Promotion Agency ("NIPA"; President Kim Chang-yeong) announced on June 26 that 2,648 teams from 118 nations submitted their applications for the K-Startup Grand Challenge by the deadline. A 58% rise over last year, this year's interest is the highest since the program began in 2016.

* Applications by year: 2,439 teams from 124 countries (2016) → 1,515 teams from 118 countries (2017) → 1,771 teams from 108 countries (2018) → 1,677 teams from 95 countries (2019) → 2,648 teams from 118 countries (2020)

The K-Startup Grand Challenge was founded in 2016 to discover foreign entrepreneurs with the potential to establish businesses in Korea and other startups operating for less than seven years. The annual competition supports entrepreneurs with prize money and startup funds for building a business in Korea.

The organizers had originally planned to announce the event in March. However, due to the international circumstances surrounding the pandemic at the time, they pushed the schedule back to the middle of May. In spite of the delay, 2,648 teams took up the program, making this year's event the largest ever. Such a result demonstrates once again how much Korea has risen in global esteem, becoming a destination for potential entrepreneurs. In fact, Startup Genome (an organization that analyzes the global entrepreneurship ecosystem) just announced its global startup ecosystem rankings on June 29. This year, Seoul took 20th place, its highest position since first being included in the survey in 2017.

Reflecting growing interest in online communications during the pandemic, the pool of applications included 328 proposals for e-commerce (12.4%), 321 for social media and content (12.1%), 320 for artificial intelligence (12.1%), and 285 for healthcare (10.8%). Geographically, Asian teams (1,382) submitted the most applications, followed by 533 from Europe and 353 from the Americas. Interest from Oceania exploded by 344%, though most areas rose, including a 193% increase from Europe.

* Applications by region (2019 → 2020; % increase): Asia (1,154 → 1,382, 20%), Europe (182 → 533, 193%), Americas (186 → 353, 90%), Africa (90 → 300, 233%), Oceania (18 → 80, 344%), other (47 → 0)

Of the 2,648 startups submitting proposals, MSS held remote international auditions between July 9 and 17 with the 360 teams that made it through the document review stage. Auditions with applicants from Europe and Africa last week revealed that the top reasons teams applied this year include 1) the safe image of Korea thanks to Korea's

successful response to COVID-19, 2) recommendations of participating teams over the previous four years, 3) the excellent IT infrastructure in Korea, and 4) the willingness by large Korean companies to cooperate in business.

Following the overseas auditions, organizers plan to select 60 finalists by the end of July. These teams will be invited to Korea to participate in an accelerating program and Demo Day (if they do not exhibit COVID-19 symptoms, and only after two weeks of mandatory in-country quarantine at isolation facilities set up for visitors entering Korea from overseas). Finalists will compete on Demo Day, an event held in November to coincide with COMEUP 2020, a global startup conference. The top 30 teams will then receive follow-up startup funds, with the top five of these also being awarded prize money.

* Prize money: 1st place: USD 120,000; 2nd place: USD 60,000; 3rd place: USD 30,000; 4th place: USD 20,000; 5th place: USD 10,000

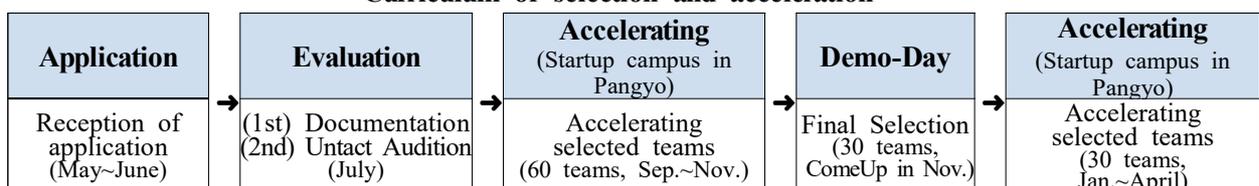
** Startup funds: Recipients: Top 30 teams; Support funds: Single-person teams (KRW 3,500,000/month for four months), teams of two persons or more (KRW 5,000,000/month for four months)

□ Business Outline

- **(Purpose)** Find foreign startups that have promising products or services for business and attract those startups in order to make Korea the best global startup business hub
- **(Scale)** ('19) 4.4 billion won, 40 teams → ('20) 6 billion won, 60 teams
- **(Target)** Foreigners having bachelor degree or above, overseas Korean, prep entrepreneur among international students in Korea, or CEO of startup 7 years or less
- **(Contents)** Prize (Up to 136 million won), settlement fund (3.5~5 million won monthly/team), incubation infrastructure (venture space, help-desk, etc.), and follow-up support (obtaining a Visa, establishing a corporation, etc.)

Contents	Details
Accelerating	<ul style="list-style-type: none"> ■ Providing selected 60 teams the benefit of moving into Startup Campus in Pangyo ■ Providing Accelerating (consulting, business affiliation, training, etc.) and administrative support for about 3.5 months
Assist with getting a Visa	<ul style="list-style-type: none"> ■ Support startups by operating OASIS program(Completion Start-up Visa education program) with Ministry of Justice, introducing startup immigration system, and more
Settlement Fund	<ul style="list-style-type: none"> ■ 3.5-month Accelerating for 60 teams (3.5 million won for one-member teams/month) (5 million won for two-member teams/month) ■ For 3.5 months, selected 30 teams on Demo-Day (3.5 million won for one-member teams/month) (5 million won for two-member teams/month)
Winning Teams	<ul style="list-style-type: none"> ■ Give Top 5 teams up to 120,000 dollars * (1st) \$120,000, (2nd) \$60,000, (3rd) \$30,000, (4th) \$20,000, (5th) \$10,000

< Curriculum of selection and acceleration >



□ Business Result

- We have accelerated 200 teams since the program launched in 2016. Among 100 teams which received follow-up support, 89 teams established domestic corporations and got support of getting Start-up Immigration Visa.

< K-Startup Grand Challenge Business Result >

(Unit : team, case, a hundred million / In April, 2020)

Year	Budget	Present condition of application		Present condition of selection		Competition Rate	Foundation of domestic corporation	Start-up Immigration Visa	
		Number of Nations	Participating Team	Number of Nations	Selected Team			Business Startup (D-10-2)	Start-up Visa (D-8-4)
2016	50	124	2,439	21	40	60.9 : 1	18	16	2
2017	45.8	118	1,515	21	49	30.9 : 1	23	18	8
2018	73.8	108	1,771	31	73	24.2 : 1	34	39	18
2019	44	95	1,677	20	38	44.1 : 1	14	17	13
Total	273.6	445	7,402	93	200	38.6 : 1	89	90	41