

Sound SMEs, Sound Economy

Highlights of SMBA Policy Initiatives for 2010





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In a few words, SMBA's policy goal in 2010 is to reinforce SMEs' capabilities to be the engine of sustainable and inclusive growth for Korea Inc.

The SMBA slogan "Sound SMEs, Sound Economy" reflects their greater role in building quality growth. As a matter of fact, SMEs are now in the driver's seat in resolving the nation's No. 1 task -- job creation.

In this context, SMBA's main policy themes in the Year of the Tiger can be found in the initials T.I.G.E.R.:

To team up for job creation, SMBA will employ various innovative and creative policy measures based on specific targets and a forward-looking analysis of on-site situations. With the goal of creating 200,000 new jobs in the SME sector, the planned SMBA programs include expansion of youth entrepreneurship, improvement of the business start-up environment tailored to entrepreneur convenience, reinforcement of the information traffic channel to match the needs of job seekers and employers and facilitation of job access for North Korean refugees.



- T**eam Up for Job Creation
- I**nvigorate Pump-Priming & Productivity
- G**row Micro-Enterprise Competitiveness
- E**nergize Investment Potential
- R**each Out to Global Horizon

promising sectors.

Among the policy initiatives to invigorate pump-priming & productivity, SMBA will pursue early execution of fiscal projects and encourage expanded purchase of SME products and services by public institutes and enterprises. Moreover, it will support productivity enhancements at SMEs and foster manufacturing-based enterprises in

Growing micro-enterprise competitiveness is critical to the achievement of inclusive and sustainable economic growth. The primary policy package for this initiative includes expansion of financial access for low-income brackets, enhancement of competitiveness of small & medium-sized retailers and the invigoration of traditional markets.



Investment is the main vehicle to keep the economy advancing and growing. SMBA will place greater emphasis on fostering a favorable investment environment, especially for promising next-generation industries. In this regard, SMBA will implement forward-looking steps to promote more than 1,000 green-tech ventures. At the same time, it will expedite the promotion of SMEs in four sectors: 3rd generation agriculture & fisheries, medical devices, leisure products and equipment and culture-fusion content.

Globalization of SMEs is the key to achieving an advanced economy for the nation. SMBA intends to maximize the growth of hidden global champions that have the potential to develop into the next Samsung, Hyundai or LG.

The G20 summit, scheduled to be hosted in Korea in November 2010, is expected to provide momentum to raise the profile and brand value of Korean SMEs. In conjunction with this significant opportunity, SMBA plans to enhance cooperation, collaboration and coordination with counterpart organizations in developing countries. For example, it will dispatch SME policy advisory missions to five countries -- Vietnam, Mongolia, Iran, Peru and Oman -- this year.

Meanwhile, the APEC SME Innovation Center, headquartered in Seoul, will continue to play a central role in regional SME innovation activities. Also, from May 6 to 8 this year, SMBA, in concert with the Asia-Europe Meeting (ASEM), will host the "ASEM Forum on Green Growth & SMEs."

■ Maximize Job Creation via Biz Start-up & Employment

- Spread youth entrepreneurship and boost business start-up activities
 - Organize venture businessmen's special lectures on entrepreneurship at universities
 - Conduct youth start-up education
 - Accelerate start-up activities of professors, researchers and collegiate students
 - Improve the spin-off start-up system for executives and employees of large enterprises

- Provide convenient start-up environment
 - Operate a 'home-based start-up system' enabling start-up at home (Jan. '10)
 - Expand the infrastructure for one-person creative enterprises
 - Prepare a support system to link excellent technology ideas to start-ups

- Address disparity between employers & job seekers
 - Establish excellent SME/venture enterprise information database
 - Nurture industry-academia manpower that are custom-tailored to worksite demand (52,000 persons)
 - Induce unemployed persons to corporate site jobs

- Support North Korean-refugee residents' job access to SMEs
 - Support employment of North Korea-refugee residents at SMEs
 - Conduct custom-tailored job training and establish an effective employment system
 - Provide subsidies to employed persons and financial support for employing enterprises

■ Stimulate Economic Vitality & Enhance Productivity

- Achieve early implementation of fiscal administration for restoration of vitality
 - Implement policy financing at an early date
 - Execute SME-support budget at an early date
 - Increase purchase targets of public organizations and stimulate domestic demand for SME products & services
 - Expand purchase of new-technology products through support for R&D linked to supply & demand
 - Encourage direct purchase of construction materials for large-scale policy projects (8 trillion won)
 - Diversify SME sales channels and enhance product reliability

- Enhance productivity and nurture manufacturing-based enterprises
 - Improve three fields with weak productivity intensively ('10~'12)
 - Enhance energy efficiency and spread green management
 - Promote securement of technological power for 24 manufacturing-based business types

■ Enhance Self-Competitiveness of Micro-enterprises

- Expand policy financing for easy access of low-income classes
 - Diversify support financing to suit the environments of low-income classes (13.5 trillion won, 770,000 persons to receive benefits)

- Expand social safety net for self-managing businessmen and support funds for their return to business
- Provide information on 1,500 overcrowded business types by commercial sphere and information on new business models
- Enhance self-competitiveness of small & medium-sized wholesalers and retailers
 - Improve the wholesale and retail business distribution system
 - Promote supply of farm & fishery products to small byway supermarkets to the level of 'Hanaro Marts' of Nonghyup
 - Upgrade 10,000 small byway supermarkets to modern-type stores (2,000 in '10)
 - Improve the SSM business adjustment system
 - Conduct management innovation education (200,000 persons)
- Invigorate traditional markets
 - Spread use of 'Onnuri Merchandise Certificates' of traditional markets as public merchandise certificates
 - Differentiate development of commercial spheres to suit the characteristics of traditional markets
 - Introduce commercial sphere stimulation system linking traditional markets and neighboring commercial markets
 - Provide convenient shopping environments to customers, installation of parking lots, etc.

■ Promote Investment

- Expand investment for promising future sectors
 - Create 3.5 trillion won in venture funds with the fund of funds and private investment (by '12)
 - Expand investment for start-up, new growth & green and promising growth sectors (by '12)
 - Improve venture investment operation method with focus on technological and commercial viability
 - Nurture 1,000 green technology-specialized venture companies
 - Promote nurturing of four SME-type promising future sectors
- Resolve on-site difficulties with technologies and expand R&D investment
 - Enhance capabilities to resolve on-site difficulties and to develop application technologies (120.4 billion won)
 - Support technology development linked to purchasing demand
 - Innovate all R&D processes and improve commercialization success rates

■ Expand Global Outreach

- Facilitate overseas advance of SMEs & venture companies
 - Support conversion of domestic demand companies into export enterprises (1,700 firms)
 - Identify promising export companies (2,400 firms) and nurture them into small but strong global enterprises (300 firms)
 - Grow SME-type localized & promising export items into world-class products
 - Advance strategically into newly emerging markets and FTA-partner countries
- Enhance domestic SME position through international cooperation activities
 - Take the lead in accompanied cooperation at SME-related international organizations
 - Export SME policies to developing countries in Asia, etc.
 - Upgrade the status of domestic events, Technology Innovation Expo, Start-up Contest, etc. and operate them as international business venues

