

Narrator: You're listening to *BioTalk* with Rich Bendis, the only podcast focused on the BioHealth Capital Region. Each episode, we'll talk to leaders in the industry to break down the biggest topics happening today in BioHealth.

Rich Bendis: Hi, this is Rich Bendis, your host for *BioTalk*. And we have a very special guest today, an international guest from Korea, who has developed a special relationship in the United States and with the state of Maryland, as he has lived within this region three times during his career. We have Dr. Hakdo Kim, who is President of Korea SMEs and Startup Agency, better known as KOSME, and we welcome Dr. Kim to BioTalk today.

Hakdo Kim: Thank you for your kind introduction.

Rich Bendis: Dr. Kim, since most people don't know you in America or this region and have never heard you on BioTalk before, could you please do a little self-introduction about your background, your education, and your professional experience, and how you've grown to your new position as President of KOSME, and a little bit about your background in America?

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Hakdo Kim: Yes. Good afternoon, I'm Hakdo Kim, President of Korea SMEs and Startup Agency, also known as KOSME. I've been working in the public sector for about 30 years in the fields of international trade, small and medium businesses, industries, and most recently, in the BioHealth area. As for my educational background, I majored in international trade from the Seoul National University in South Korea, and I earned my PhD degree in economics at the University of Southern California here in the US. And then, I took my first job as a public servant in the Korean government. I started my career in state at the Ministry of Trade, Industry, and Energy, otherwise known as MOTIE, for about 30 years up until recently.

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As Director General, I was responsible for supporting new businesses in the field of engineering, robotics, design, and of course, BioHealth, which we'll be talking about today. And when I was deputy minister, I led the free trade agreement negotiations with ten countries on behalf of the Korean government. And those countries include Australia, New Zealand, Canada, Turkey, and Israel. Then, from MOTIE, I took office as President of Korea Institute of Advancement and Technology, also known as KIAT. After my brief stint there, I returned to the public sector, working for a

year and a half as Deputy Minister of MSS, Ministry of SMEs and Startups. Then, I was appointed as President of KOSME since last year.

Rich Bendis: Based on your education and background, it's very easy to see how you've evolved into your current role as President of Korea SMEs and Startups Agency, KOSME.

0:03:03 And the other thing I understand is, KOSME is 41 years old now, but you haven't been there 41 years. But I think our listeners would love to know more about the roles and responsibilities of KOSME as well as the mission for the agency, both in Korea and globally.

Hakdo Kim: Thank you for the question. Let me briefly introduce KOSME. As you mentioned, it's been 42 years since its establishment. KOSME, which is now governed by Ministry of SMEs and Startups, was first established by Ministry of Trade, Industry, and Energy in 1979 to promote small- and medium-sized businesses. Our goal is to foster the competitiveness of SMEs and nurture more balanced development of the Korean economy with sustainable growth of SMEs. SMEs are currently faced with numerous difficulties: accessing vital information and funds.

0:04:02 To help the situation, we are currently providing a total solution for SMEs' activities at the level of real economy, from startup assistance to scale-up, growth, and overseas market entry. KOSME is running government funds, about \$6 billion US dollars, to implement various government programs, such as policy funds, overseas marketing, human resources development, and startup technical assistance. Since I took office as President in May 2020, we have been focusing on facilitating digital transformation of SMEs in this year of COVID-19, especially with policy funds for smart factories, development of highly skilled workers for those facilities, and export through e-commerce is important. Furthermore, KOSME has 32 regional offices nationwide in South Korea, which have been providing government support, including policy funds for local SMEs, in every corner of the country. And there are SMEs now facing financial crisis caused by the pandemic.

0:05:03 We have a role of what we call social safety net for helping them with new programs, for financial restructuring, and return to normalcy.

Rich Bendis: Dr. Kim, it's very obvious with your international trade experience and your relationships you have developed around the world in all of the

different countries, that you're well-positioned within KOSME to continue building these international relationships for Korea. Can you please discuss some of these international relationships you've helped develop as well as what has been accomplished in the state of Maryland, especially with the new memorandum of understanding, which you have just successfully completed in signing this week on your recent visit?

Hakdo Kim:

KOSME and the state of Maryland have been in a very close relationship.

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If I may insert a personal anecdote, 30 years ago, I worked at the Korean embassy in Washington DC as Assistant Commercial Attache as I studied in Johns Hopkins as a visiting scholar. At the time on the national level, the three provinces of South Korea, Chungbuk, Gyeongnam, and Chungnam, had a collaborative relationship with Maryland. And of these three provinces, ten years ago, Chungbuk delegation were on a trade mission to Maryland, where I was involved. I was born in Chungbuk, and the first lady, Yumi Hogan, was born in Chungnam. Aside from this, what matters most is that South Korea and Maryland have something in common in the industrial structure. For instance, information and communications technology and BioHealth are the industries that Maryland dominates in the US, just like the core industries of South Korea. And both South Korea and US now put a priority on carbon neutrality. In particular, South Korea launched what we call the Korean New Deal Initiative, which focuses on digital transformation and carbon neutrality, and plans to help SMEs become more competitive in these areas.

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Maryland is now leading such initiative for the US, as you know, in developing its own offshore wind power generation complex. When it comes to BioHealth, as you're very familiar with our MOU with BHI this year, on that foundation, they're running a market entry program to support Korean companies. And just today, this morning, we had an MOU signing with Maryland. I believe it is more meaningful because this will lead up to the expansion of partnerships in both high tech and green technologies as well as BioHealth. And I expect that it will be more helpful for Korean companies to enter the US market through the state of Maryland and contribute to further cooperation and mutual development of both countries.

Rich Bendis: Dr. Kim, it's very interesting to hear that some of the Korean priorities are similar to those priorities we have in America, especially here in Maryland.

0:08:06 You mentioned carbon neutrality, digital transformation, and BioHealth, and I love the term BioHealth being incorporated now. Because Korea was really the first country that I have seen to adopt BioHealth because of the changing market and industrial world where all of this convergence is happening. How important is the BioHealth industry to the Korean economy?

Hakdo Kim: Let me answer your question from three perspectives. First, BioHealth has become a new growth engine, especially in light of the COVID-19 that affected globally. And the response of the Korean government to this pandemic was phenomenal. I might add the export volume of Korean BioHealth in 2020 was at a record level of \$14.1 billion US dollars, up 54.4% from 2019.

0:09:01 It exceeded \$10 billion US dollars and became one of the top ten export items for the first time. With respect to the share of the total export, it saw an increase to 2.7% from 1.6%. Second, investments and tech startups in South Korea, including ones in the BioHealth industry, reported an all-time high at about \$4 billion US dollars in 2020. This was a result, in part, of the Korean government's effort to bring what we call the second venture boom, the first of which happened in the late 1990s and the early 2000s. I think it shows how hard the Korean government is trying to foster and build up high technologies in BioHealth, and as part of such efforts, the Korean government kicked off an initiative of Korean BioHealth innovations strategy in 2019, aiming to expand the world's market share of Korea by triple for new pharmaceuticals and medical devices, and to nurture BioHealth to be a top-five export item that will create about 300,000 new jobs.

0:10:04 Third, as I mentioned earlier, KOSME is now running market entry programs for Korean BioHealth companies in partnership with local organizations in two big BioHealth markets of the US, Maryland and Chicago. Having said this, I have every confidence in BHI as our close partner in working towards our goal. Mr. Bendis, it is my pleasure and honor to work together with you.

Rich Bendis: Dr. Kim, one of the things that we really value is this new relationship that BioHealth Innovation has developed with KOSME through our memorandum of understanding that we established in May of 2021, and it really is a pilot program to assist Korean SMEs in the medical and healthcare field to enter the United States. And we're working with five excellent companies that were selected on a competitive basis in Korea, and I'll just mention their names.

0:11:06 Boditech, VNTC, Medihub, Philophos, and Medicen. I'd like to talk a little bit about the goals that KOSME developed in entering into this MOU and what your expectations are for that program.

Hakdo Kim: The US is the world's biggest BioHealth market, especially Washington Metropolitan Area, better known as BHCR. It's the fourth-largest BioHealth cluster in the US. As you know, Maryland has federal agencies, universities, and institutions, labs, and global companies in the BioHealth field. And first and foremost, it has BHI expertise, working and supporting international BioHealth companies for the US market entry.

0:12:04 That's why KOSME is in MOU agreement with BHI to run the program for supporting five Korean BioHealth companies this year. I expect that both organizations will work together, come up with various effective programs in support of our Korean BioHealth SMEs for milestone achievements in the US market down the road.

Rich Bendis: Thank you, Dr. Kim. BHI looks forward to an expanded relationship with you as we try to help more Korean SMEs, especially in the BioHealth field, enter the United States market. As we look at what the goals of this 20-week personalized BHI training program are for the five initial companies that we're working with, I'd like to have you highlight some of these goals for these five companies and what you would classify as a success for them at the end of this initial period.

Hakdo Kim: As you mentioned, there are five companies that have joined the program with COVID-related items like diagnostic kits and automatic syringes, which we call as a whole, K-Quarantine, named after our Korean global musical phenomenon, K-Pop.

0:13:14 Medical devices like scoliosis brace and digital healthcare items like the portable optical coherence tomography. While they're all at different growth stages, they all want to improve their technologies and products,

build prototypes, find distributors, seek co-researchers with academies and institutions, and get funded or receive grants. For example, Boditech was established in 1989 and manufactures diagnostic kits. Based on their own competitive technologies, they export their products to about 120 countries around the world, but the market share in the US for their total export is just at 1%. That's why they joined the program. With the full support of the BHI team, they look forward to getting their research grants, registering at least one item, and finding a prominent distributor to do business in the US on a full scale.

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With our 20-week program with you, the first ten-week phase 1 ended in August, and phase 2 began early September. I hope that BHI team will fully support the companies in achieving their own goals through this program. I am very hopeful and look forward to a great result and partnership.

Rich Bendis:

We are talking with Dr. Hakdo Kim, who is the President of Korea SMEs and Startups Agency, KOSME, and we're talking a little bit about opportunities to expand the KOSME relationship in the United States, especially in Maryland, and with BHI to assist them in helping Korean BioHealth companies land in America. Is there anything else you'd like to add to that particular goal, Dr. Kim, in helping Korean SMEs land in America in the BioHealth industry?

Hakdo Kim:

Yeah, thank you for your question.

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The program now shows a good progress for each company. We launched the program for the first time this year, so I think that we can see where we can improve by listening to opinions of the companies that joined the program and develop better ones next year. I especially hope that we can focus more on supporting them in terms of localization to their target US Market. As we also plan to diversify the program, in addition to localization itself, one of the ideas we're floating is to arrange virtual meetings between Korean BioHealth companies and experts from businesses, academia, labs, and government sectors here in the US. It could be a good idea if it can use BHCR forum, annually held by BHI and the Commerce Department of Maryland as a platform to introduce and connect Korean SMEs to people in the Washington Metropolitan area. Although unfortunately, it was held virtually due to the COVID situation

this year, I really hope that the event will be held in person next year, and I can see you face-to-face again.

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Rich Bendis: As we close this initial interview with you, we're in agreement that this is a pilot program, and we're both learning from each other things that we can bring to the table to assist Korean SMEs in entering the United States. I'm sure we have not covered everything that you could probably talk about. Is there anything you would like to talk to the listeners and the audience, both here in the United States and Korea, that we haven't covered today?

Hakdo Kim: Yes, thank you, Mr. Bendis. To sum up, early this year, we launched a program to support Korean BioHealth companies in partnership with BHI. And today, we just signed the MOU agreement with the state of Maryland. The two partnerships will play a major role in improving the competitiveness of our BioHealth industry in both countries and help them lead the global market. As I mentioned, Korea and Maryland have something in common in terms of core industries, like information and communications technology and BioHealth.

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I expect the BioHealth industry of both countries to develop rapidly in tandem and expand as a powerful triad: Korea, BHI, and Maryland working together. Again, thank you so much, Mr. Bendis, for having me today. I enjoyed your talk very much. Thank you.

Rich Bendis: I want to thank Dr. Hakdo Kim, who is the President of Korea SMEs and Startups Agency, KOSME, for giving us the opportunity to do this BioTalk podcast with you today. I know it's the first of many. And as you've stated, in order to continue this relationship, we're hoping that in 2022, we'll be able to do this live so that the companies, BHI, and all the other people in the Maryland area can interact face-to-face, which will really personalize this relationship that we're trying to build with one another. I think this is the beginning of something that can be long term. Because as we know, when you try to transform economies, it does not happen overnight.

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And I think with your selection process and being able to find the best and brightest in Korea, that we can assist in landing in America, it is truly a strong triad, as you explain it, between KOSME, BHI, and Maryland. And

we look forward to continuing this relationship, especially at dinner this night, where we can break bread and have a drink with one another.

Hakdo Kim: There is a Korean saying, "The beginning is half of the way we're going."

Rich Bendis: [laugh] The beginning is the half.

Hakdo Kim: Thank you very much.

Rich Bendis: Thank you, that was very educational. I learned a lot through this today.

Narrator: Thanks for listening to *BioTalk* with Rich Bendis.

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