



MSIT Unveils Key Policy Initiatives in its 2025 Action Plan

2025.01.15

On January 13, 2025, the Ministry of Science and ICT (“**MSIT**”), led by Minister Sang-im Yoo, reported its 2025 action plan (“**2025 Action Plan**”) to Acting President and Deputy Prime Minister, Sang-mok Choi, who also serves as the Minister of Economy and Finance. The 2025 Action Plan is centered on the overarching goal of “*Driving Digital Transformation with AI and Leading the Future with Science and Technology.*”

The 2025 Action Plan focuses on three (3) key policy directions:

- i. strengthening growth engines based on science and digital technology,
- ii. innovating R&D systems and nurturing talent to prepare for the future, and
- iii. revitalizing the national economy through science and digital technology.

Below summarizes the nine (9) key policy initiatives highlighted in the report:

No.	Policy Initiatives	Details
1	Striving to Become a Global Top 3 Leader in AI	<p>With the enactment of the <i>Act on the Development of Artificial Intelligence and Establishment of Trust</i> (“AI Basic Act”) in December 2024, this policy initiative aims to establish the critical infrastructure for the growth of the AI industry, while driving private sector expansion and investment in emerging sectors.</p> <ul style="list-style-type: none"> • Development of a Comprehensive AI Computing Infrastructure Plan (Q1 2025): establishing the so-called “National AI Computing Center” as a public-private partnership, and implementing regulatory improvements to facilitate the construction of critical infrastructure such as data centers • Early Preparation of Subordinate Legislation for the AI Basic Act (First Half of 2025): designing and implementing follow-up measures, including safety management standards for high-impact AI and deepfake watermarking, with enforcement scheduled for January 2026

		<ul style="list-style-type: none"> • Policy Fund and Financial Support: planning and advancing a KRW 1 trillion general-purpose AI development project, allocating a KRW 810 billion policy fund to support AI-driven startups and companies in emerging industries, and enhancing tax incentives by designating AI as a national strategic technology
2	Securing Leadership in National Strategic Technologies such as Advanced Biotechnology and Quantum Science	<p>Laying the foundation for industrialization in advanced biotechnology and quantum technologies to secure global leadership, while also fostering new industries such as future energy and space.</p> <ul style="list-style-type: none"> • Driving Technological Innovation in Key Areas such as Bio-Manufacturing: establishing the National Bio Commission, enacting the “Synthetic Biology Promotion Act,” developing AI-driven bio innovation strategies, and building a public bio foundry • Developing a Five-Year Quantum Science Plan (Second Half of 2025): launching large-scale R&D projects, including those on quantum computer development, and advancing public-private collaboration on next-generation nuclear reactor projects • Enhancing Investment Promotion and Special Support: establishing a science and technology innovation fund exceeding KRW 10 trillion (2025-2028) and providing special support to companies holding strategic technologies
3	Creating an Inter-Agency Technology Commercialization Ecosystem	<p>Innovating the national technology commercialization platform to ensure that R&D outcomes effectively lead to commercialization, while driving technology commercialization as a unified inter-agency effort.</p> <ul style="list-style-type: none"> • Developing a (Tentative) National R&D Technology Commercialization Strategy (Q1 2025) and Establishing an Inter-Agency Public-Private Advisory Body to Guide Technology Commercialization • Innovating Public Technology Commercialization Support: strengthening the expertise of dedicated technology commercialization organizations (TLOs) at research institutes, fostering specialized technology commercialization companies, etc. • Implementing Technology Commercialization-Friendly Systems: improving evaluation systems for research institutions and researchers, expanding incentives for researchers' participation in technology transfer and entrepreneurship, etc.
4	Establishing a Leading-Edge R&D System	<p>Accelerating the transition to a cutting-edge R&D system while enhancing scientific, technological, and digital diplomacy capabilities to generate tangible outcomes.</p> <ul style="list-style-type: none"> • Expanding Investment in Leading-Edge R&D: increasing investment in twelve (12) key national strategic technologies by

		<p>2027</p> <ul style="list-style-type: none"> • Accelerating and Streamlining R&D and Research Management Efficiency: abolishing preliminary feasibility studies, continuing exceptions for aligning fiscal years, and promoting the enactment of laws to modernize research administration and services, etc. • Strengthening Position as a Leading Science and Technology Nation: enhancing technology security alliances with the new U.S. administration, developing a Global R&D 2.0 strategy, establishing science and technology diplomacy initiatives, and advancing the enactment of the Science and Technology International Cooperation Promotion Act, etc.
5	Transforming Basic Research Qualitatively and Innovating Public Research Institutes	<p>Staying true to the original purpose of basic research – i.e., the exploration and expansion of knowledge – while positioning public research institutes as central hubs for the development of national strategic technologies.</p> <ul style="list-style-type: none"> • Allocating an Unprecedented Budget for Basic Research (KRW 29.3 Trillion): ensuring stable selection rates through bundled funding and other strategic mechanisms • Designating “National Science and Technology Research Laboratories” (by the First Half of 2025): supporting large-scale achievements through block funding and other initiatives
6	Supporting the Challenges and Growth of Talents	<p>Enhancing employment and entrepreneurship support to cultivate the growth of talents in science, technology, and digital sectors</p> <ul style="list-style-type: none"> • Expanding Support for Graduate Students in Science and Engineering: providing financial assistance such as research living stipends, and strengthening compensation for researchers through the creation of the “National Special Researcher System” to reward technology transfer • Promoting Youth Employment Support: expanding employment-linked re-training programs in fields such as AI and software, and increasing opportunities for hiring young interns and postdoctoral researchers
7	Implementing a Compassionate Digital Transformation to Support People’s Livelihoods	<p>Continuing to operate the “Digital Services for Livelihood Support Task Force” while ensuring citizens’ digital access rights.</p> <ul style="list-style-type: none"> • Fostering Win-Win Cooperation Among Online Platforms, Telecom Companies, and Small Businesses: institutionalizing regional channel commerce broadcasting, enhancing AI and digital capabilities, promoting market expansion, and providing financial support to encourage the growth of small enterprises • Reforming the Telecommunications Pricing System: introducing unified pricing plans and notifying customers of the most cost-

		<p>effective rate options</p> <ul style="list-style-type: none"> • Strengthening Mobile Virtual Network Operator (“MVNO”) Competitiveness (January 2025): supporting the launch of affordable MVNO plans, including reductions in wholesale prices • Advancing Digital Inclusion Policies: developing the Digital Inclusion Society 2.0 (Q1 2025), etc.
8	Establishing Robust Digital Safety Measures for Public Security	<p>Enhancing the digital safety framework to effectively address digital disasters and cyber threats.</p> <ul style="list-style-type: none"> • Advancing the Enactment of the Digital Safety Act (Second Half of 2025): implementing 24/7 monitoring to counter cyber threats, launching “Cyber Spider,” an AI-driven system for analyzing threat information, and more • Operating a “Digital Safety Management Council”: establishing collaborative governance involving relevant ministries, local governments, businesses, and other stakeholders
9	Driving Regional Innovation through Science, Technology, and Digitalization	<p>Building a region-led science and technology innovation ecosystem and revitalizing local economies through science and technology-driven initiatives</p> <ul style="list-style-type: none"> • Developing a Strategy to Activate the Regional Innovation Ecosystem (Second Half of 2025): establishing special funds for R&D zones and supporting regional R&D initiatives, etc.

Key Takeaways:

- The 2025 Action Plan announced by the MSIT outlines comprehensive investment and support policies for advanced technologies such as AI. These initiatives aim to establish a robust institutional framework to position Korea as a leader in the global race for technological dominance in science and digital innovation.
- Companies must closely monitor government R&D support policies designed to drive corporate growth in response to the rapidly evolving AI and emerging industries landscape. Additionally, they should strategically capitalize on economic incentives, tax credits, and workforce development programs to fully leverage available benefits.
- The implementation of key policy initiatives, such as preparing subordinate legislation for the AI Basic Act (Policy Initiative #1), ensuring citizens’ digital access rights (Policy Initiative #7), and systematically addressing digital disasters and cyber threats (Policy Initiative #8), may impose new obligations on businesses. As such, it is essential for companies to actively participate in the legislative and regulatory refinement processes.

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