

## [Herald Interview] Public Procurement Service helps firms eyeing overseas procurement market

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Public Procurement Service Administrator Lee Jong-wook (Public Procurement Service)

As South Korea is seeing a widening trade deficit on sluggish global demand amid an economic slowdown, finding new markets for export has become ever more important. The Public Procurement Service, which procures, supplies and manages goods and services for public organizations, also supports Korean companies to tap into the overseas procurement market, the size of which amounted to \$12.8 trillion in 2020.

"The overseas procurement market is a huge market that companies must aim to become global players in, but the entry barrier is high due to (the governments') preference for domestic companies and complex legal procedures. Support from government agencies with procurement expertise therefore is crucial," PPS Administrator Lee Jong-wook said in an email interview with The Korea Herald. "The PPS selects G-Pass companies with high potential for winning deals with foreign procurement agencies and buyers, and provides them with support in making bids, exploring new markets and finding buyers through export conferences. We also offer information on public tenders and contract awards issued by public agencies around the world and international organizations."

Thanks to such efforts, 1,021 G-Pass companies netted export deals worth a total of \$1.25 billion last year, up from \$130 million by 69 firms in 2013.

In the first three months of this year, G-Pass companies posted record exports of \$300 million, and 1,104 of them inked export contracts worth \$1.12 billion in the first nine months of this year, according to Kim.

Early this month, the PPS hosted a conference for local businesses and foreign procurement agencies and buyers to meet in person in Seoul for the first time in three years since the pandemic.

Co-hosted by the PPS, the Ministry of Foreign Affairs and the Korea Trade-Investment Promotion Agency, the annual Global Public Procurement Marketplace was held online in 2020 and 2021.

One-hundred twenty-seven Korean companies and 67 overseas procurement agencies and buyers from 17 countries in North America, Asia and Africa took part in the seventh GPPM this year to hold one-on-one meetings.

At this year's GPPM, 11 companies including a guardrail manufacturer inked export contracts worth a total of \$5.8 million to countries such as Thailand and Australia, according to Kim.

"In addition to our various projects to help companies enter the overseas procurement market, we plan to offer them 'overseas testbed' opportunities to demonstrate their innovative products abroad based on our network with overseas procurement agencies," the PPS chief said.

"We also plan to connect innovative procurement companies with the government's export support programs."

By working together with public organizations that have overseas branches and infrastructure such as the Korea International Cooperation Agency and the Korea Trade-Investment Promotion Agency, the PPS is seeking opportunities to demonstrate local companies' products abroad.

In a bid to help small and medium-sized enterprises that are struggling to win procurement contracts abroad, and to provide quality job opportunities for young people, the PPS is also fostering overseas procurement market specialists.

"We train marketing professionals for the overseas procurement market, and help them get hired. Since 2019, we have produced 191 global marketing specialists who are helping SMEs eyeing the overseas market," Kim said.

By Kim So-hyun (sophie@heraldcorp.com) and Lee Kwon-hyung (kwonhl@heraldcorp.com)