

Korea picks Naver Cloud, SK Telecom, LG, NC AI and Upstage to build national AI models

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Industry · IT IT

Naver, SKT, LG, NC, Upstage Selected as "National AI" Teams... Kakao and KT Miss Out (Comprehensive)

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High Marks for In-House Development and Open Source Policies... "Additional Projects Planned for Non-Selected Teams" Support for GPUs, Data, and Talent... One Team to Be Eliminated Every Six Months Through Staged Evaluations

Five companies have been selected to participate in the "Independent AI Foundation Model Project," which aims to foster leading artificial intelligence (AI) development teams in South Korea. The selected companies are Naver Cloud, Upstage, SK Telecom, NC AI, and LG AI Research Institute.

The Ministry of Science and ICT announced on August 4 that it had selected these five elite teams after a document review and presentation evaluation of the companies and institutions participating in the Independent AI Foundation Model Project.

In addition to the five selected teams, Kakao, KT, Motif Technologies, Konan Technology, and KAIST also formed elite teams and applied for the project but were not selected.

The presentation evaluation comprehensively assessed the following: ▲ technological capabilities and development experience ▲ excellence of development goals ▲ excellence of development strategies and technologies ▲ expected impact and contribution plans. The five shortlisted teams will be finalized after further procedures, such as project budget review and adjustment. The Ministry of Science and ICT plans to gradually reduce the number of government-supported AI models by one every six months through staged evaluations following the selection of these five teams.

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High Marks for In-House Development and Open Source Policies... "Projects Planned for Non-Selected Teams as Well"

The Ministry of Science and ICT evaluated that all five selected teams have demonstrated advanced capabilities in AI model development. They emphasized that these teams are pursuing the essence of sovereign AI by developing AI foundation models "from scratch."

The open-source policy, which allows other companies to use the AI models for commercial purposes, was also

highly rated. Ambitious goals based on scalability, such as advancing beyond traditional language models to multi-modal or omni models capable of processing various types of data, were also positively evaluated.

The Naver Cloud consortium includes Naver, Twelve Labs, Seoul National University Industry-Academic Cooperation Foundation, Korea Advanced Institute of Science and Technology (KAIST), POSTECH Industry-Academic Cooperation Foundation, Korea University Industry-Academic Cooperation Foundation, and Hanyang University Industry-Academic Cooperation Foundation. This consortium aims to expand nationwide AI accessibility and industrial adoption by building a single model (Omni Foundation Model) capable of integrated understanding and generation of heterogeneous data such as text, images, audio, and video. Based on this model, they plan to operate a national AI service platform to provide experiential AI services to the public, and support anyone in developing, registering, and distributing AI agents through the open "AI Agent Marketplace" platform.

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Among the five elite teams, Upstage is the only one centered on startups. Its consortium includes Nota, RavelUp, Flitto, Vuno, MakinaRocks, Law&Company, OrchestrO, Day1Company, Allganize Korea, Korea Financial Telecommunications & Clearings Institute, Sogang University Industry-Academic Cooperation Foundation, and KAIST. The consortium was praised for its diverse pre-training data, recent high rankings in global AI benchmarks, and plans to develop compact models. The consortium aims to develop "Solar WBL (World Best Large Language Model)," provide AI services to the public for three years, and reach over 10 million users.

The SKT consortium consists of Kraftron, 42dot, Rebellion, Riner, SelectStar, Seoul National University Industry-Academic Cooperation Foundation, and KAIST. In addition to strong large language model (LLM) development capabilities, the team was recognized for its potential to increase AI accessibility. The consortium plans to discover and expand both business-to-consumer (B2C) services, such as general-purpose AI agents for everyone, and business-to-business (B2B) services in sectors like manufacturing, automotive, gaming, and robotics.

The NC AI consortium brings together Korea University, Seoul National University, Yonsei University, KAIST, Electronics and Telecommunications Research Institute (ETRI), AIWorks, POSCO DX, Lotte Innovate, HL Robotics, InterX, MediaZen, Munhwa Broadcasting Corporation, and NHN. The team received high marks for developing its own multi-modal model and applying it to real services. The consortium plans to develop an AI model with 200 billion parameters, as well as a multi-modal cognition and generation model package and industry-specialized foundation models, to build a "Domain Ops Platform" that enables operation, automation, and optimization in specific fields.

The LG AI Research Institute team includes LG Uplus, LG CNS, Superb AI, Furiosa AI, Friendly AI, ESTsoft, East Aid, Hancom, and RYUTEN Technologies. This team presented concrete development capabilities and a plan for talent cultivation through internships. They aim to develop a high-performance AI foundation model with both expertise and versatility, accelerating AI transformation (AX) across various industries.

The government plans to launch another project to allow companies that were not selected for this round to participate. Jang Ki-chul, Director of Internet Promotion at the Ministry of Science and ICT, stated, "We are planning to support the non-selected teams by designing additional projects. Even if it is not a foundation model, we will ensure sufficient support through specialized models or other approaches."

Support for GPUs, Data, and Talent... One Team to Be Eliminated Every Six Months Through Staged Evaluations

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The government will provide data, talent, and graphics processing units (GPUs) to the five selected teams.

All five elite teams applied for data support. Data support will include ▲ joint data purchasing ▲ broadcasting and video data ▲ team-specific dataset construction and processing. After discussions with the elite teams, the Ministry of Science and ICT plans to jointly purchase finalized data (worth 10 billion KRW), process it, and provide it starting in September. Additionally, each team will receive an extra 2.8 billion KRW to build and process datasets specialized for their own AI model development strategies, along with 20 billion KRW worth of high-quality broadcasting and video training data.

For talent support, Upstage was the only team among the five to request assistance. Accordingly, the government

will support the necessary costs, including personnel expenses and research funds, for recruiting outstanding overseas research teams to Upstage. The remaining budget for the AI overseas talent recruitment project will be allocated through a separate call to help domestic companies attract global talent for AI projects.

Regarding GPUs, Upstage, NC AI, and LG AI Research Institute will receive support. The Ministry of Science and ICT will provide GPUs that align with the business plans proposed by these elite teams. Specifically, this year, either 512 units of NVIDIA B200 or 1,024 units of H100 will be provided. SKT and Naver Cloud are excluded from GPU support because they have been selected as suppliers to lease GPUs for this project. Therefore, the elite teams that include these companies will not receive GPU support this year, but will be eligible for GPU support starting from the second half of next year.

The government will finalize the scope of work and support details for the five elite teams after reflecting evaluation feedback from the recent presentation evaluation and completing budget review and adjustment. Evaluation feedback will also be provided to the other participating teams.

By the end of this year, the Ministry of Science and ICT will conduct the first stage evaluation in December, based on the AI foundation models developed and secured by the five teams. In the staged evaluations, which will be held every six months, one team will be eliminated in each round. The first stage evaluation scheduled for December aims for a comprehensive assessment, with the evaluation method to be finalized in consultation with the elite teams. During this process, public and expert contests will also be held, with detailed schedules and methods to be announced later.

The Ministry of Science and ICT plans to hold a kick-off ceremony for the five elite teams soon. At the time of the kick-off, the selected teams will be designated as "K-AI Model" and "K-AI Company."

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Minister of Science and ICT Bae Kyunghoon stated, "I applaud not only the capabilities of the five selected elite teams but also the passion of all participating teams. The bold challenge of this project is just the beginning and will serve as the starting point for 'AI for All.' The government will actively support the leap of Korean AI companies and institutions, as well as the expansion of the sovereign AI ecosystem."

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to Top