



## India-South Korea Strategic Partnership: An Assessment

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India and the Republic of Korea (henceforth Korea) officially announced a bilateral strategic partnership in 2010 (MEA 2010). Since then, bilateral relations have attained momentum, both by expanding on agendas for engagement and by deepening existing areas of cooperation. The recent state visit of President Park Guen-hye in January 2014 has imparted further forward momentum to bilateral relations by expanding the scope of the strategic partnership (MEA 2014). However, the 'strategic' aspect of bilateral relations remains ambiguous. Against the background of President Park's visit, this paper aims to explicate the strategic dimensions of India-Korea relations in terms of the partnership building initiated by the *Strategic Partnership* agreement.

### Strategic Partners

South Korean President Lee Myung-bak's visit to India in 2010 as the chief guest of India's Republic Day celebrations marked a turning point in India-Korea relations. It led to the upgradation of bilateral ties to a 'strategic partnership'; the joint statement issued during Lee's visit provided a roadmap for the strengthening of bilateral ties. The joint statement identified five potential areas for

cooperation - politics and security, commerce and trade, science and technology, social and cultural, and regional and international issues.

### *Political and Security Cooperation*

The aim of a bilateral political partnership is to institutionalise strategic communication channels between the two governments. The continued demand for political commitment in maintaining a steady momentum in bilateral relations has led to an increase in the number of high-level political exchanges between the two countries over the last three years (Embassy of India, Seoul). In addition, the Foreign Policy and Security Dialogue was upgraded to the level of Vice Foreign Minister and Secretary (East) in 2010. This initiative complements the annual India-ROK Joint Commission, co-chaired by the Foreign Ministers of the two countries.

The defence sector was brought into the bilateral agenda with the conclusion of a Memorandum of Understanding on Defence Logistics and Supplies in 2005. However, it was only during the visit of Indian Defence Minister A.K. Antony to Korea in 2010 that the potential of mutual cooperation was

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acknowledged. During Antony's visit, two MoUs were signed. The first focused on defence-related bilateral visits by experts and military personnel, including civilian staff members associated with exchange of aircraft and ship visits, training and execution of military exercises, and military education and defence services, as mutually decided between the two countries. The MoU also envisaged cooperation in humanitarian assistance and international peace-keeping activities.<sup>1</sup> The second MoU identified aspects of mutual interest in defence technology and R&D projects between the two countries. It was signed between South Korea's Defense Acquisition and Procurement Agency, and India's Research and Development Department of the DRDO. The memorandum also envisioned the co-production and co-development of defence equipment. To carry defence cooperation forward, India posted a permanent Defence Attaché to its Embassy in Seoul.

Bilateral defence cooperation was further boosted during President Park's visit to India in 2014. During this visit, an Agreement on the Protection of Classified Military Information was concluded<sup>2</sup> reflecting the strategic priority of and the mutual trust achieved in India-Korea relations in recent years. The agreement contributes towards enhancing mutual confidence and cooperation, as well as the exchange of sensitive intelligence, in the military field. The aim of the new agreement is to coordinate information exchange and cooperative action on sensitive issues like nuclear and missile technology exchanges between Pakistan and North Korea (Kim 2014; Malik 2003). With regard to non-traditional security, the two countries have agreed to work closely to tackle new threats in cyberspace. For this purpose, the 1<sup>st</sup> Policy Consultations on Cyberspace are to be held later in 2014. In addition, a MoU on Cyber

Security between the Indian Computer Emergency Response Team (CERT-In) and Korea Internet & Security Agency (KISA) was also concluded.

### *Economic Cooperation*

The economic partnership between the two countries has deepened and expanded after the conclusion of the Comprehensive Economic Partnership Agreement (CEPA) in 2010. In the post-CEPA period, economic cooperation has moved beyond trade and investment, to infrastructure development and cooperation in financial sectors.

During the summit between President Park and Prime Minister Manmohan Singh, both countries agreed to establish the India-ROK Joint Trade and Investment Promotion Committee at the cabinet level. This is to be an expanded and restructured replacement of the previous India-ROK Joint Investment Promotion Committee. A tripartite MoU was also signed between the Engineering Export Promotion Council of India, the Confederation of Indian Industry and the Korea Trade and Investment Promotion Agency (KOTRA) (*Post* 2014). The MoU will improve the flow of information between India and South Korea, which is vital for the business communities of the two countries. Business-to-business contacts would improve via trade fairs, exhibitions, seminars and other promotional activities. To further promote trade, the two countries signed a master interbank export credit agreement, between the Export-Import Bank of Korea and the State Bank of India. The Interbank Export Loan is a type of credit line extended by the Korean Exim bank to foreign banks, under which the latter can lend money borrowed from the former to local companies importing goods from Korea. The main thrust of the agreement signed between the two institutions is to allow for the extension of US\$200 million to Indian companies importing goods or services from Korea.

To facilitate a business-friendly environment, both countries agreed to revise the double taxation avoidance pact (signed in 1986) in a way that

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<sup>1</sup> The MoU is valid for five years with a stipulation for its extension by five more years.

<sup>2</sup> This agreement showcases the depth and mutual trust between India and Korea. To substantiate this argument a parallel case is illustrative. Between Japan and Korea such an agreement was proposed in 2012 but because of mutual mistrust, the agreement fell through.

would reduce the tax burden on their companies and expand information sharing on offshore tax evasion. Both sides also agreed to establish a CEO Forum which would be mandated to submit a report to the two Governments, on how to further enhance bilateral economic cooperation.

An important area of cooperation is Korean participation in the development of Indian infrastructure. To this end, the Export-Import Bank of Korea and India Infrastructure Finance Company Ltd. signed a MoU to strengthen co-operation in infrastructure financing. The MoU between the two institutions would facilitate information sharing and co-financing of Indian infrastructure projects, and is likely to bolster opportunities for Korean companies to participate in such projects.<sup>3</sup> Korea has shown interest in developing an exclusive Korean Industrial zone in the Indian state of Rajasthan – a MoU to formalise an agreement in this regard was signed between the Rajasthan State Industrial Development and Investment Corporation and the South Korean Trade Promotion Agency in March 2013.

### ***Science and Technology Cooperation***

India and Korea began to explore the possibility of cooperation in science and technology in 2005 when the India-ROK Joint S&T Committee met for the first time. In 2010, India and Korea inked a deal on S&T cooperation to augment bilateral cooperation in this direction. The first India-Korea Science and Technology Ministerial Steering Committee initiated in 2011, has also played a significant role.

Currently, there is a strong focus on promoting a future-oriented partnership, mainly in two sectors; outer space and nuclear energy. During Prime

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<sup>3</sup> Previously in April 2008, Korea Eximbank and IIFCL had successfully co-financed the USD 4.26 billion Mundra Coal-fired Power Plant Project. The MoU laid the foundation for the entry of Korean companies into the Indian infrastructure market by establishing a long-term relationship with IIFCL and would place Korean companies in an even more favorable position to win contracts in India.

Mister Manmohan Singh's visit to Seoul in 2010, a MoU was inked, dealing with cooperation between the Indian Space Research Organization and the Korea Aerospace Research Institute. During President Park's visit to India this year, the standing MoU was upgraded to an Implementing Agreement for the peaceful use of outer space. An agreement for R&D cooperation in the nuclear sector and an agreement for bilateral nuclear cooperation was chalked out in July 2011. This provides a legal and institutional framework for progress in this direction.

The Korea-India Joint S&T Research Fund (worth US\$10 million) was initiated to help create the Global Knowledge Platform<sup>4</sup> - an initiative to link each country's representative universities, research institutes and businesses via broadband Internet in order to develop the remote usage of expensive equipment, online lectures, joint research, collaborative design, co-manufacturing of products, and so on. During the summit meeting between Park and Singh, the two sides also agreed to create an additional joint fund of US\$10 million (with a contribution of US\$5 million by each side) to promote mega projects, which will be conducted jointly by industries, academia and institutes.

In 2010, the Korea Institute of Science and Technology established an Indo-Korea Science and Technology Centre (IKST) in Indian Institute of Science, Bengaluru, to promote technology and business partnerships in collaboration with various universities/institutions across India and Korea. The main focus of the joint collaborative research under the aegis of the IKST includes energy, environment, water, materials, robotics and computational science.

Out of the nine agreements signed during President Park's visit, five deals with cooperation in the field of Science and Technology (Ministry of External Affairs 2014)). The two leaders recognised the

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<sup>4</sup> The Global Knowledge Platform is an India-Korea S&T partnership initiative thought up by former Indian President Abdul Kalam and former Korean President Lee Myung-bak during their meeting at Bangalore in 2007.

importance of creative industries and agreed to strengthen cooperation in information technology by establishing the ROK-India ICT Policy Forum, the first of which is to be held this year.

### ***Cultural Cooperation***

Neither government can ignore the significance of culture and personal interactions in bilateral ties. Since the signing of the Strategic Partnership agreement, India and Korea have laid emphasis on cultural and social interactions. To promote cultural understanding between the two countries, 2011 was marked as the 'Year of India in Korea' and the 'Year of Korea in India'. The Indian Cultural Centre was established in Seoul in 2011 and a Korean Cultural Centre in New Delhi in 2012. Both governments have taken concrete steps to increase bilateral social interactions, through the promotion of cultural associations, institutional interactions, educational exchanges, and youth delegations. Additionally, both leaders agreed to strengthen cultural interaction, through the ROK-India Cultural Exchange Program (2014-2017). During Park's visit, the Indian government also announced the facility of visa-on-arrival for Korean citizens.

### ***Cooperation in the International Arena***

At the outset, regional and international cooperation has been an important point on the bilateral agenda. The joint statements issued since 2010 reiterate this and point out potential areas of cooperation such as peace and prosperity in the Asia-Pacific, UN reforms, eradication of terrorism, nuclear disarmament and non-proliferation. Since the two countries share key spaces in different regional architectures such as the EAS, ARF, ADMM+ ACD and ASEM and international fora including the UN, G20 and Nuclear Security Summit, the potential for cooperation is high. Despite their similar concerns and interests, however, they are yet to develop a bilateral framework that would translate these concerns into concrete action plans. The complexity of and diverging perspectives on these challenges remain a major bottleneck for bilateral cooperation.

### **Conclusion**

Though economic relations continue to remain the central focus of the bilateral agenda between India and South Korea, more sectors have opened up in recent years. These include Korea's investment in the development of infrastructure in India, and the commercial exploitation of science and technology as well as the defence and financial sectors.

Recent developments suggest that both countries have recognised the significance of stronger political and socio-cultural ties as a necessary condition for sustaining bilateral relations.

Among the newfound sectors of cooperation, defence and security has gained much attention. In the defence sector, there are three main goals to be met. The first is resource and experience sharing via the exchange of information and the promotion of joint exercises. The second is cooperation in defence capability. This partnership must be seen in the context of the fact that India is looking to diversify its defence procurement market and Korea is emerging as a competitive source in terms of both price and technology. The third goal is the military modernisation through joint defence R&D projects.

Bilateral cooperation in science and technology encapsulates the emergence of a future-oriented partnership between the two countries. The goal is to promote bilateral partnership in cutting-edge research projects that demand high levels of resource investment. There is also a focus on human resources and knowledge sharing through joint conferences and workshops. The idea is to promote the comparative advantage of each country, by finding commercially viable and socially innovative solutions for each other's problems. For example, India's space technology can be used for the advancement of Korea's communication technology and Korea's comparative advantage in nuclear technology can be used to find solutions for India's energy security problems.

The rising visibility of both India and Korea as significant powers and their respective recognition of each other as ‘strategic actors’ is perhaps the most convincing reason for adopting a term like ‘strategic partnership’, to define bilateral relations. It is evident that beyond the political rhetoric, there is genuine substance to current trends in bilateral relations.

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