22nd India-Korea Strategic Dialogue
Seoul, South Korea

27–28 November 2023
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Introduction

The India-Korea Strategic Dialogue has grown as one of the foremost platforms for sharing ideas and discussing practical possibilities for cooperation. The 22nd India-Korea Strategic Dialogue was held in Seoul, South Korea on 27th and 28th November 2023. The dialogue was co-convened by Ananta Centre, the Korean Foundation, and the Seoul Forum for International Affairs in partnership with the Ministry of External Affairs, Government of India.

Dr Naushad Forbes, Chairman, Ananta Aspen Centre and co-Chairman, Forbes Marshall, co-chaired the dialogue with the new co-chair, Dr YOON Young-Kwan, Kim Koo Visiting Professor, Harvard University and former Minister of Foreign Affairs and Trade, the Republic of Korea.

The strategic dialogue is a track 1.5 diplomatic engagement that aims to highlight new opportunities for the bilateral relations between India and Korea and provide actionable policy recommendations. Over the years, India and Korea have refined their relationship into a multi-dimensional partnership. The participants included policymakers, representatives of the government, business leaders, academicians and subject experts.

This year marks the 50th anniversary of diplomatic relations between India and Korea. President Yoon Suk-yeol and Prime Minister Narendra Modi met in September and spoke about strengthening common value partnerships in the Indo-Pacific region, deepening cooperation in advanced technologies, climate action and defence industry sectors. This is underlined by the mutual pursuit for exclusiveness and an open and free Indo-Pacific. The dialogue has played a crucial role in bolstering India-Korea ties over the past two decades and the bilateral relationship has made great strides in the recent past.

CHANG Ho-jin, 1st Vice Minister, Ministry of Foreign Affairs, Republic of Korea addressed the participants and shared his views on the diplomatic relations between India and South Korea. The Vice Minister highlighted the significance of the two nations being like-minded and emphasized the potential for collaboration towards promoting peace in the Indo-Pacific region and beyond. KIM Chang Beom, Vice Chairman and CEO of The Federation of Korean Industries, also addressed the group. The dialogue concluded with a visit to Doosan Robotics, which provided the delegates with an excellent opportunity to explore the high-tech facility and engage with Mr RYU Jung Hoon, the CEO of Doosan Robotics.
Programme Report

Session 1: Geostrategic and Security Situation in Indo-Pacific and Korea-India Cooperation

- The session focused on exploring the possibilities for Korea-India cooperation in the Indo-Pacific context. The discussions were wide-ranging and covered several key subjects, including Indo-Pacific strategies, the impact of international conflicts, evolving situations in Taiwan, economic security and technology control.

- Highlighted the need for Korea's Indo-Pacific strategy to prioritize inclusivity and encompass ASEAN India and the larger Indo-Pacific area in line with national objectives. The Indo-Pacific region is still maturing, and geopolitics in the region are currently influenced by the US and China. There is need to focus on ASEAN Plus Three cooperation work plans and Korea's role in the regional architecture.

The discussions focused around key geopolitical concerns about China's naval presence, base in Djibouti and global activities, which have rocked the stability of the western Indian Ocean Region. There are concerns about China's activities in South Asian countries, including illegal fishing and satellite tracking. Additionally, China's defence cooperation, Malacca Dilemma, China-Pakistan Economic Corridor and activities in the South China Sea that have violated the code of conduct. And the anticipation of China's naval base in Cambodia, which can dominate the discourse in the Indo-Pacific.

- The conversation covered the possibility of exploring private sector collaboration in the space domain between India and Korea. It also highlighted the need for strengthening cooperation in areas like security, joint military exercises, defence industry, aviation, shipbuilding and nuclear energy.

- Recommendations like resolving negotiations for the Comprehensive Economic Partnership Agreement (CEPA) to foster future-oriented cooperation were suggested. And also, It emphasized the need to leverage opportunities in the Indo-Pacific Economic Forum, disaster-resilient infrastructure, International Solar Alliance and supply chain resilience.

- Recognizing and supporting the positive trend of increasing attention and interest in India from the Korean government and people, there is need to encourage the relationship to move beyond economic interests to a more strategic partnership in the changing geopolitical landscape.

- In addition, recommendations like capitalising on recent high-level visits, dialogues and summits to sustain momentum for true strategic cooperation; a trilateral summit between Korea, Japan and the US to coordinate responses to regional challenges were made.

- The session focused on fostering collaboration in technology-related working groups within the Quad for rule-setting and geopolitical influence. It recommended collaborating closely in navigating challenges posed by the US Chips Act and advocating for determining collaborative protection measures for critical technologies to avoid economic coercion.

- And in conclusion the deliberations emphasised the need for Korea to view India from a more strategic and political perspective beyond an economic-centric approach. It also discussed promoting trust as a critical factor in India's strategic thinking and emphasizing trusted networks, geographies and supply chains.

Session 2: Economic Situation in Indo-Pacific and Korea-India cooperation

- The session focused on a comprehensive overview of the current global economic scenario, emphasizing trends like protectionism and nationalistic sentiments. Discussions stressed the expanded concept of national security to include economic and technological aspects, particularly in the context of the US-China competition. The importance of stable supply chains for critical raw materials, acknowledging the WTO norm violations and a fragmented world trade order were highlighted.
Additionally, the discussions included recent diplomatic engagements between Korea and India, suggesting enhanced bilateral cooperation given India’s rapid economic growth. The session analysed the geopolitical dynamics between the US, China and India, with a focus on the potential role of the Indo-Pacific region as a global economic centre. The Indo-Pacific is predicted to account for over half of the global economy by 2040.

However, there was much focus on the geoeconomic challenges in the Indo-Pacific due to China’s assertive rise, which is reshaping international rules and impacting regional nations. The strategic importance of India and Korea is elevated in the Indo-Pacific, presenting opportunities for cooperation amid growing Chinese influence. The session recommended enhanced bilateral cooperation between Korea and India, as well as collaboration to address the challenges arising from China’s influence in the Indo-Pacific region.

Furthermore, it was emphasized that there is need for Korea to expand into new export markets in the Indo-Pacific and the challenges of overdependence on China. Several recommendations for Korea to adjust its trade policies, such as market access, supply chain resilience and digital transformation alignment with geopolitical priorities, to mitigate this overdependence were made.

Both sides stressed on collaboration opportunities with India in updating CEPA, contributing to Indo-Pacific Economic Framework for Prosperity (IPEF) and enhancing supply chain resilience, as well as cooperation on global supply chain resilience, fighting climate change and partnerships in science, technology and innovation.

Importance of strategic cooperation between Korea and India, aligning with global economic shifts and capitalizing on shared interests for mutual benefit was emphasized. Leveraging India and Korea’s positions for future economic cooperation, recognizing India’s growth potential and working towards sustained high growth, tapping into India’s competitive advantage in medium to higher skill-manufacturing sectors and considering economic implications while evaluating nearshoring and reshoring trends taking strategic imperatives into account.

Additionally, monitoring and leveraging China’s economic dynamics, recognizing the importance of disputes in strengthening relationships and collaborating to create competitiveness in various industries.

Session 3: Business Roundtable

The session revolved around the topic of business collaboration and investment between India and Korea. The participants were encouraged by the positive commitments from the leaders of both countries during the meeting. The action plans proposed by enterprise owners, which set a promising foundation for future collaborations. The primary focus was on leveraging India as a platform for re-exporting goods to other countries. Despite the achievements, Korean companies are facing hurdles, such as issues with capable Indian employees in suburban areas, which has led to hesitation to invest due to infrastructure challenges and a perceived lack of government support. The session emphasized collaboration to address challenges and promote business growth. Personal experiences underscored the need to address infrastructure challenges.

The combined GDP of Korea and India is $5.5 trillion, with bilateral trade at $27.8 billion. Both countries are aiming to increase bilateral trade to $50 billion by 2030. It is worth noting that the cumulative foreign direct investment (FDI) from Korea is $7.27 billion, with only a few companies contributing significantly. Compliance complexity, cultural differences and high-cost structures pose challenges with smaller companies struggling, leading to lower representation in the Indian market. Advocacy for more joint ventures for mutual benefits was raised, with success stories in various sectors demonstrating their effectiveness.

There were advocates for structured dialogues between the governments of India and Korea. India is both a consumption and production story, envisioning growth from $2,500 to $12,000 per capita GDP and covered the presence and achievements of Hyundai in India, including investments and, research and development (R&D), as well as Samsung’s investments, contributions and potential collaborations in India. It also identified
challenges including arrogance, naivety and the need to adapt to local conditions, emphasizing the role of governments in infrastructure building and reducing bureaucratic red tape.

- The discussion looked at avenues for deeper collaboration and joint ventures to overcome investment challenges, address infrastructure challenges and improve government support for a hassle-free business environment. Efforts to reach the $50 billion bilateral trade target by 2030 were emphasized. Joint ventures were promoted as a successful model for mutual benefits in various sectors, with a focus on the potential of India as a manufacturing base and a strategic location for supply chain diversification. Cooperation in emerging industries like green hydrogen and advanced technologies were also discussed.

- Both sides, encouraged Korean small- and medium-sized enterprises (SMEs) to invest in India through joint ventures and establishing a structured mechanism for business connections. Collaborating with Indian academia and start-ups to tap into the country’s talent pool in software development was also highlighted. Addressing regulatory challenges, adapting to local conditions and promoting government assistance in business environments were other key takeaways. Korea should continue its long-term commitment to India, exploring opportunities in growing markets.

**Session 4: Industrial and Technological Cooperation in Defence and Space**

- The session focused on the potential for collaboration between India and Korea in the defence and space sectors. The session acknowledged India’s aspiration to become the third-largest payload provider in space and highlighted its potential to surpass Russia and China in the space sector.

- Defence collaboration was identified as a promising area for cooperation between the two countries. India aims to reduce its dependence on arms imports and enhance its defence capabilities, with maritime security, anti-submarine warfare, command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR), and space-based communications identified as potential areas for collaboration. One of the suggestions from the discussion was to Korea could contribute towards India’s naval assets.

- The importance of sensitivity to nuclear options and extended deterrence was emphasized, and the session recommended approaching them with mutual understanding and support. India’s significance in Indo-Pacific security was emphasized and it discussed India’s defence procurement policies and efforts to diversify sourcing.

- The role of India’s vibrant start-up ecosystem in defence innovation was highlighted, with collaboration opportunities in quantum computing and joint ventures in defence. Joint efforts in defence and space were highlighted.

- The conversation generated several recommendations, including encouraging private sector engagement in space-related activities, exploring opportunities for collaboration in the emerging space industry, addressing challenges in university collaborations and facilitating increased FDI participation in defence and space collaborations. A white paper on defence cooperation, and the involvement of both governments at the highest level was also recommended.

**Session 5: Industrial and Technological Cooperation: Semiconductors and Digital Transformation**

- The modern era emphasizes the importance of collaboration in industrial and technological cooperation, with a focus on semiconductor technology and digital transformation. The crucial role of collaboration in advanced packaging and semiconductor fabrication, including capital-intensive and globally interconnected sub-sectors like design, fabrication, equipment and packaging was also discussed.

- China has emerged as a major player in the semiconductor industry with significant government investments. Despite these investments, China faces efficiency and environmental concerns, which could potentially impact its growth. There are possible scenarios that include internalization, agreement with the US or resistance to US sanctions. However, China’s advancements in fundamental sciences and human resources contribute to its semiconductor industry’s success.
and ensure that it remains a dominant player in the global market.

- Further, there are concerns related to national security that might lead to reshoring, expanded sanctions and consortium formation. Additionally, there is a decreasing trend in FDI into China, leading to diversification into Southeast Asia and India. Diverging economies of the US and China create opportunities, with India highlighted as a potential beneficiary. However, the challenge of China’s strong internalization necessitates South Korea’s diversification, focusing on next-gen chips and flexible industry policies. The strategic value is seen in Indian consumer markets and potential semiconductor industry development. Western India, particularly Gujarat, is considered due to water resources and strategic advantages.

- There is need to reorganize the global supply chain in the semiconductor industry, addressing challenges faced between 2011 and 2014, including infrastructure, location and incentives. The Covid-19 pandemic has prompted India to address its semiconductor dependence, signing a memorandum of cooperation (MoC) with Japan and allocating $10 billion in incentives to help improve its semiconductor industry. India is now actively seeking collaborations, introducing schemes and diversification efforts with global partnerships. There is an increase in financial networks for semiconductor production investments with balanced relationships between Korean banks in India and Indian finance solutions in Korea. The need for collective efforts, considering partnerships, economic partnership agreements (EPAs) and free trade agreements (FTAs) to overcome semiconductor industry challenges, is paramount. Establishing a government framework enabling private sector collaboration through simplified regulations, incentives and intellectual property rights protection is also crucial. Strengthening innovation ecosystems and people-to-people ties is vital for successful partnerships across the semiconductor and tech value chain.

- It is also important to invest in semiconductor education and skill development to address challenges in fabrication and manufacturing. Emphasizing the criticality of timing in closed-door discussions, supporting fast-track investment channels and building a strong innovation ecosystem can fast-track investment channels. Collaboration globally to define common standards, particularly for green and blue hydrogen, can facilitate cooperation in the semiconductor industry. Advocating for carbon taxes is essential for private sector engagement and exploring strategies for international cooperation on carbon pricing.

- In conclusion, industrial and technological cooperation is of paramount importance in the 21st century, and collaboration in semiconductor technology and digital transformation is a crucial area of focus. The challenges faced by the semiconductor industry are complex and require collective efforts, partnerships and innovation ecosystems to overcome.

**Session 6: Industrial and Technological Cooperation: Green Hydrogen, SMRs and Climate Change Mitigation**

- Technology-driven solutions to address climate change and promote sustainable growth in both countries were discussed.

- The severe weather issues experienced by both countries due to climate change is causing significant damage and leading to economic challenges across various regions. The importance of technology in addressing climate change and promoting sustainable growth, particularly in areas such as health, artificial intelligence (AI) and climate change was emphasized.

- There is potential for collaboration between India, Korea and Japan to address climate change and promote clean technologies such as renewables and nuclear energy. Carbon market initiatives were also explored as a means of promoting collaboration between the countries were also explored.

- It was recognized that there is need for strong political will to drive the climate change agenda and facilitate meaningful discussions on technology and adaptation issues. And, the importance of developing common definitions, such as for green and blue hydrogen to promote global collaboration.
Carbon taxes were emphasized as a means of engaging the private sector in carbon pricing and promoting international cooperation. The participants also included strategies in their discussions for navigating the challenges posed by the European Union’s (EU’s) carbon border adjustment mechanism, including the development of effective negotiation strategies and the demonstration of the effectiveness of national carbon pricing systems.

The significance of the United Nations Framework Convention on Climate Change’s (UNFCCC’s) third-party review process for technical standards and methodology in addressing climate-related issues was acknowledged. Collaborative efforts among countries were encouraged to develop global standards and frameworks for addressing climate change challenges.

A collaborative effort among Korea, India, Japan, Australia and Germany to jointly develop technologies and promote green hydrogen was proposed. Also collaboration between India and Korea in technology development, green hydrogen and addressing legal barriers for private sector investment in nuclear energy was encouraged.

Key Takeaways

1. **Enhanced bilateral cooperation**: Strengthen economic and industrial ties between Korea and India through enhanced bilateral cooperation.
2. **Technology collaboration**: Prioritize technology cooperation as a key agenda, emphasizing joint efforts in areas such as semiconductors and industrial innovation.
3. **Strategic upgrade**: Strategically elevate the relationship from economic to political and strategic levels, fostering trilateral cooperation with the US.
4. **Business leader engagement**: Encourage active involvement of business leaders in discussions to gain realistic insights into industry challenges and facilitate cooperative solutions.
5. **Supply-chain resilience**: Pursue collaboration in supply-chain resilience, with a focus on key industrial areas such as digital transformation, semiconductors, electric vehicles and critical minerals.
6. **CEPA agreement modernization**: Urgently address the modernization of the Comprehensive Economic Partnership Agreement (CEPA) between India and Korea to enhance trade relations.
7. **Industry-specific dialogues**: Continue the practice of industry-specific dialogues, allowing business leaders to delve into specific topics of interest and relevance, contributing to focused discussions.
8. **Skill-development initiatives**: Explore avenues for collaborative skill-development initiatives to address workforce needs and build capabilities that benefit both nations.
9. **Public-private partnerships**: Encourage public-private partnerships in key sectors, leveraging the strengths of both countries to drive economic growth and innovation.
10. **Industry-specific discussions**: Deepening of discussion through industry-specific talks on semiconductors, climate issues, defence, space and corporations.
11. The delegates suggested promoting cultural exchanges, tourism, student-exchange programmes and skill-development initiatives to strengthen bilateral ties.
Snapshots

Delegation for the 22nd India-Korea Strategic Dialogue

Chang Ho Jin, 1st Vice Minister, Ministry of Foreign Affairs, ROK
Amit Kumar, Ambassador of India to the ROK
Kim Gheewhan, President, The Korea Foundation; Jung Ku-Hyun, Acting Chairman, SFIA; Indrani Bagchi, CEO Ananta Centre

L-R: Yoon Young Kwan, Co-Chair, The Korea-India Strategic Dialogue; Naushad Forbes, Chairman, Ananta Aspen Centre and Co-Chairman, Forbes Marshall; Kim Gheewhan, President, The Korea Foundation; Jung Ku-Hyun, Acting Chairman, SFIA
Indian Delegation at Doosan Robotics

Naushad Forbes, Chairman, Ananta Aspen Centre and Co-Chairman, Forbes Marshall; Yoon Young Kwan, Co-Chair, The Korea-India Strategic Dialogue

Kim Chang Beom, Vice Chairman & CEO of the Federation of Korean Industries