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The 24th India-Korea Strategic Dialogue

18-19 December 2025, Seoul

Key Takeaways

Introduction

The 24th edition of the India-Korea Strategic Dialogue was held in Seoul from 17 to 19 December 2025. The dialogue unfolded against a backdrop of profound global transformation. The discussions provided an assessment of the structural and strategic constraints shaping the contemporary India–Korea relationship, particularly in trade, investment, maritime cooperation, emerging technologies, and people-to-people engagement.

While India and Korea possess clearly complementary industrial, technological, and economic strengths, the partnership has yet to achieve proportional depth or scale. Persistent challenges include stagnant bilateral trade, cautious Korean strategic engagement beyond its immediate region, regulatory and demand-side frictions in India, and an overconcentration on capital-intensive sectors (most notably semiconductors) that generate limited employment and ecosystem spillovers. At the same time, rapid shifts in the global order, including intensified US-China rivalry, trade protectionism, supply chain securitisation, and geopolitical shocks such as the war in Ukraine, have altered the operating environment globally.

Across sessions, a consistent theme emerged: India-Korea cooperation is no longer optional or peripheral, but strategically necessary, as both countries face similar pressures. Having built a solid foundation in manufacturing and trade, the relationship must now evolve into a deeper,

more structured partnership: one that moves beyond narrow sectoral enthusiasm toward sustained, demand-driven industrial cooperation, policy alignment, and ecosystem-based engagement. This recalibration is particularly critical in maritime infrastructure and shipbuilding, energy transitions, digital and financial systems, advanced technologies, defence production, and youth and cultural exchanges, all of which sit at the intersection of economic resilience and strategic stability.

SESSION 1: Changing world order and Korea-India relations in the Indo-Pacific and minilateral groupings

The discussion examined how India and South Korea are navigating a rapidly fragmenting global order, marked by declining multilateralism, intensifying great-power rivalry, and increasing politicisation of trade, technology, and security. Despite vastly different historical trajectories, both countries are experiencing a clear convergence in strategic outlook, driven by shared concerns over economic security, technological sovereignty, and strategic autonomy.

Speakers emphasised that the erosion of the post-Cold War order, accelerated by US protectionism, uncertainty in US-China relations, and weakened global institutions, creates both risks and opportunities for middle powers. In this context, India-Korea cooperation is no longer optional or peripheral; it is strategically necessary. Having built a strong foundation in manufacturing and trade, the partnership must now evolve into a deeper, more structured, and future-oriented strategic relationship.

The policy recommendations emphasise the need to institutionalise regular high-level strategic dialogues that address political, security, economic, and technological issues, using these platforms to manage uncertainty and support long-term planning. They call for expanding cooperation beyond traditional industries into strategic sectors such as semiconductors, clean energy, space, and digital infrastructure, while encouraging joint ventures and co-development models. The recommendations further highlight the importance of aligning technology and economic security policies through coordinated industrial strategies, trusted technology ecosystems, and diversified supply chains. Strengthening minilateral engagement with like-minded partners and coordinating positions on regional and global challenges is also prioritised. In addition, they propose deepening defence and maritime cooperation through enhanced defence-to-defence communication and collaboration in shipbuilding, logistics, aerospace, and non-traditional security domains. Finally, the recommendations stress investing in people-to-people connectivity by expanding student exchanges, scholarships, and research collaboration, and by promoting tourism and cultural engagement as long-term strategic assets.

SESSION 2: US tariff regime, trade and global supply chain

This session examined the systemic disruption of the global trade and investment regime, triggered primarily by the United States' aggressive use of tariffs, export controls, and industrial policy under the Trump administration and beyond. Speakers highlighted that these measures are not temporary trade tactics, but part of a structural shift in how trade, geopolitics, technology, and national security are fused into a single policy framework.

The discussion underscored that middle powers such as India and Korea are disproportionately affected, facing dual dependencies on US demand and Chinese production ecosystems. In this environment, unilateral adaptation is costly and ineffective. Instead, India-Korea cooperation is

emerging as an economically rational and strategically necessary response, particularly in advanced manufacturing, supply chain resilience, technology standards, and engagement with the Global South.

The policy recommendations argue for treating trade and industrial policy as strategic instruments closely linked to national security and technology objectives, rather than purely economic tools. They call for deepening India-Korea industrial cooperation by jointly developing supply chains for semiconductors, batteries, electronics, and clean energy, with an emphasis on co-investment rather than parallel diversification. The recommendations also stress the need to coordinate responses to US tariffs and controls by sharing legal strategies, risk assessments, and negotiation approaches, and exploring joint advocacy where interests converge. They propose upgrading existing trade agreements by modernising FTAs to incorporate digital trade, standards, investment rules, and labour mobility. Leveraging complementarities in manufacturing, combining Korea's advanced capabilities with India's scale and cost advantages, and actively attracting Korean SMEs into India's manufacturing ecosystem are highlighted as key priorities. Further, the recommendations advocate expanding cooperation in defence and maritime security, including collaboration in shipbuilding, logistics, and naval capacity-building as global public goods. Finally, they encourage India and Korea to jointly engage the Global South by coordinating investment and development strategies in Africa and other emerging regions, and promoting sustainable, rules-based alternatives to extractive models.

Luncheon Session

The address by H.E Hyun Cho, the Minister of Foreign Affairs, Republic of Korea, reflected on the profound transformations underway in the global order and the growing strategic importance of India-Korea cooperation in navigating this period of uncertainty. Against the backdrop of war in Ukraine, intensifying geopolitical rivalry, and systemic instability, the speaker argued that the world has entered a phase of sustained turbulence, requiring resilient partnerships among like-minded countries.

India and Korea, despite different historical and geopolitical contexts, were presented as indispensable partners, economically complementary, politically aligned as democracies, and increasingly connected through defence, technology, and people-to-people ties. The speech emphasised that cooperation between the two countries is no longer merely desirable but essential for regional stability, economic resilience, and the shaping of a more balanced global order.

SESSION 3: Shipbuilding, automotive and defence production cooperation

Session 3 focused on the strategic and industrial dimensions of India-Korea defence cooperation, with particular emphasis on shipbuilding, maritime technologies, and defence industrial ecosystems. While both countries possess complementary strengths, Korea, as one of the world's

most advanced shipbuilding and defence exporters, and India, as one of the fastest growing defence markets with rising indigenous capabilities, the discussion underscored a persistent execution gap between political intent and tangible outcomes.

Speakers highlighted that structural changes are now underway in India, including budgetary prioritisation of shipbuilding, export-led growth, and green maritime technologies. Simultaneously, Korea's shipbuilding industry is undergoing a global expansion, particularly through deepening engagement with the United States and other partners. The session argued that this convergence creates a time-sensitive window for India-Korea cooperation, provided both sides move beyond aspirational dialogue toward joint design, co-production, and ecosystem-level collaboration.

The recommendations call for a shift from broad dialogue and general MOUs to programme-based, time-bound, and project-specific cooperation, ensuring tangible outcomes. They propose replicating and scaling the K9 model by developing a second-generation co-production success in areas such as naval systems, artillery, or missile platforms. To support this, a dedicated India-Korea shipbuilding and defence task force should be established, bringing together defence, industry, finance, and technology stakeholders and empowering it to address licensing, certification, and procurement bottlenecks. The recommendations further prioritise green and next-generation technologies through joint development of hydrogen, electric, and hybrid propulsion systems, with R&D aligned to evolving international maritime regulations. They also emphasise integrating Korean SMEs into India's defence and maritime ecosystem by facilitating their entry into Indian clusters and shipbuilding hubs and ensuring regulatory and financial predictability. Beyond naval platforms, the scope of cooperation should expand to UAVs, space systems, autonomous platforms, and dual-use technologies. Finally, the recommendations highlight the importance of strengthening government-to-government signaling by elevating defence industrial cooperation to a core pillar of the strategic partnership, supported by regular ministerial-level reviews.

SESSION 4: Korea-India partnership in digital transition and SMEs/startups

India and Korea are at complementary stages of digital and economic transformation. India's scale-driven, DPI-led model has enabled rapid financial inclusion, startup growth, and cost-efficient innovation, while Korea brings deep technological capability, mature institutions, and capital. The discussions highlight that Digital Public Infrastructure (DPI), covering identity, payments, data, and sectoral digital stacks, has become a foundational enabler of India's growth and a critical tool for inclusive development.

Fintech, startups, SMEs, and blended finance are key vehicles for deepening Korea-India cooperation. While India offers unmatched scale and demand, Korean startups and investors face barriers, including a lack of market intelligence, unfamiliarity with regulations, and risk

perceptions. These can be addressed through structured partnerships, local fund participation, blended finance mechanisms, and stronger government-to-government coordination.

The central takeaway is that Korea-India collaboration should move beyond traditional trade and physical infrastructure toward digital infrastructure, inclusive finance, startup ecosystems, and joint entry into third markets, particularly in the Global South.

The recommendations propose strengthening India-Korea digital cooperation through a formal partnership on DPI, fintech, AI, and digital governance, while jointly exporting DPI models to the Global South. They emphasise reducing market-entry risks for Korean startups through joint venture platforms, local partnerships, and DPI-based pilots, alongside the use of blended finance to support inclusive sectors such as fintech, SMEs, green technologies, and women-led enterprises. The agenda calls for expanding fintech beyond payments to advance financial inclusion, integrating DPI with manufacturing and supply chains by aligning Korea's technological strengths with India's industrial ecosystem, and investing in skills and women-led entrepreneurship. Finally, it highlights the strategic value of jointly entering third markets in Africa and the Indo-Pacific, positioning India-Korea digital solutions as scalable global public goods.

SESSION 5: Greater potential for cooperation in financial markets

The discussions underline the rapid transformation of India's financial markets and the significant, yet underutilised, opportunity for deeper India-Korea financial cooperation. India has emerged as one of the world's largest and most dynamic capital markets, driven by strong domestic participation, regulatory reforms, and sustained economic growth. At the same time, Korean institutional investors, pension funds, and asset managers are increasingly seeking diversification and long-term growth opportunities beyond traditional markets.

Despite India's strong fundamentals and attractive long-term returns, Korean participation remains relatively limited due to regulatory complexity, operational frictions, and information asymmetries. Indian regulators acknowledge these challenges and have expressed clear intent to work with global partners, including Korea, to ease market access while maintaining financial integrity and investor protection.

The overarching message is clear: India's capital markets are deep, growing, and increasingly domestically anchored, but continued foreign participation, particularly from Korea, is essential for capital formation, market stability, and long-term bilateral economic partnership.

The recommendations call for establishing an India-Korea Financial Working Group bringing together regulators, pension funds, and asset managers to benchmark India's market-access processes and identify practical reforms. They propose simplifying market entry for trusted Korean institutions through expanded fast-track mechanisms, reduced documentation, and

clearer tax and repatriation procedures, while promoting co-investment vehicles such as joint Korea–India funds and AIF structures that combine Korean capital with Indian market expertise. The agenda also emphasises deepening engagement beyond equities by encouraging Korean participation in India’s bond markets, infrastructure assets, and private capital, alongside improved access to long-term currency hedging instruments. Strengthening investor education through targeted outreach, regulator-led platforms, and single-window information portals is highlighted to improve market familiarity and reduce reliance on intermediaries. Finally, the recommendations encourage long-term, stable capital flows by incentivising patient investment aligned with India’s growth trajectory and positioning Korea as a strategic partner in India’s financial development.

SESSION 6: AI, semiconductors, and energy cooperation

This session highlighted how artificial intelligence, semiconductors, and energy transition technologies have become central to economic security, national resilience, and geopolitical competition. Drawing on industry and policy perspectives, particularly from Samsung Research and Indian and Korean experts, the discussion underscored the need for India-Korea cooperation across AI research, semiconductor ecosystems, clean energy technologies, and standards-setting. While the US and China currently dominate AI and advanced technology value chains, middle powers such as India and Korea can shape a third pathway based on open ecosystems, applied innovation, and inclusive deployment of technology for development, governance, and sustainability.

The recommendations call for deepening India–Korea cooperation in AI and semiconductors through joint research and co-development in applied AI and device-level technologies, supported by shared compute and data platforms and multilingual datasets relevant to Asia and the Global South. They emphasise advancing open-source AI ecosystems to reduce strategic dependence, strengthening collaboration in energy and mobility, including batteries, hydrogen, and smart systems, and harmonising standards to accelerate green supply chains. Finally, they highlight aligning AI with governance and inclusion by expanding its use in public services and ensuring accessible, local-language applications for farmers, MSMEs, and underserved communities.

SESSION 7: Youth and cultural exchanges

The session examined the evolving landscape of India–Korea cultural, youth, and educational exchanges, with a particular focus on soft power, perception-building, and long-term sustainability. Korea’s cultural presence in India, through K-pop, K-dramas, beauty, cuisine, and digital platforms, has grown rapidly, especially among India’s youth. At the same time, India’s cultural footprint in Korea remains comparatively limited and under-institutionalised.

Speakers highlighted that while cultural popularity creates strong momentum, sustained engagement requires deeper institutional frameworks, including education exchanges, content co-creation, language integration, and people-to-people mobility. Culture should not be treated merely as a market opportunity, but as a strategic pillar of bilateral relations in a multipolar world where India and Korea face no historical baggage and enjoy strong mutual goodwill.

The recommendations call for institutionalising cultural cooperation by elevating cultural exchange to a strategic pillar of India-Korea relations and establishing a permanent Cultural and Creative Industries Dialogue. They propose shifting from cultural consumption to co-creation through joint film, OTT, gaming, and digital content projects, as well as deeper partnerships among creators and platforms. Strengthening youth and education exchanges through expanded English-taught and joint degree programmes, broader scholarships, and streamlined credit recognition is emphasised, alongside efforts to enhance language and cultural literacy through expanded Korean and India studies and greater integration of cultural contexts. The agenda also highlights expanding cultural outreach beyond major cities through hybrid formats, leveraging tourism as a soft-power instrument through joint promotion of creative and heritage sectors, and addressing perception and inclusion gaps by countering stereotypes and promoting narratives of diversity, democracy, and shared values.

Conclusion

The Dialogue underscored that the principal constraint on India–Korea relations is not a lack of goodwill or complementarity, but an execution and institutionalisation gap in translating shared strategic intent into durable outcomes. In an era of sustained global turbulence, characterised by the erosion of the post-Cold War order and the politicisation of economic interdependence, middle powers such as India and Korea face heightened vulnerability, but also unprecedented opportunity.

The discussions highlighted the need for a decisive shift in bilateral engagement: from transactional trade to long-term industrial partnerships; from isolated projects to integrated ecosystems; from ad hoc business interactions to institutionalised strategic coordination; and from cultural consumption to people-to-people infrastructure anchored in youth, education, and co-creation. Cooperation in advanced manufacturing, shipbuilding and maritime technologies, digital public infrastructure, fintech, financial markets, AI and semiconductors, clean energy, and defence production emerged as both economically rational and strategically imperative.

Equally, the Dialogue reinforced that the sustainability of the partnership will depend not only on capital and technology, but on trust, predictability, and human connectivity. Stronger regulatory clarity, credible demand signals, empowered joint venture frameworks, and deeper cultural and educational exchanges are essential to anchoring the relationship in the long term.

Taken together, the sessions point toward a clear strategic conclusion: India and Korea are indispensable partners in shaping a more resilient, balanced, and inclusive regional and global order. By aligning their economic engagement with geopolitical realities and future growth drivers, the two countries can transform their partnership from a largely opportunity-driven relationship into a structurally embedded pillar of stability in the Indo-Pacific and beyond.