

**5<sup>TH</sup>**  
**ORF-IEWS Dialogue**  
**“The Converging Interests of South Korea and India”**

**Text of speech by Sripriya Ranganathan, the Ambassador of India to ROK**

Good morning,  
Anyonghasimnika

Ambassador Cho Hyun, ROK’s PR designate to the United Nations

Director Yong Suhk Pak, Institute of East West Studies, Yonsei University

Professor Kesavan and other members of the Observer Research Foundation,

Friends

I thank the Institute of East West Studies of Yonsei University and the Observer Research Foundation for inviting me to address you at this Forum. This is my second visit to this beautiful campus in as many weeks and I am so pleased about that! As Prof Park remarked, we have developed a very special relationship with Yonsei University in the recent past, and we hope to build on this further in the coming months.

Friends, think tank dialogue with Korea is an important part of our shared effort to broaden and deepen our partnership. Exchanges such as these supplement and reinforce the efforts of Governments and private sectors as they bring together qualified and experienced people from various areas of specialization who can deliberate on the challenges and opportunities that we face and provide policy inputs to the two Governments. I would very much want that new thoughts and ideas, ideas that are not constrained by the boundaries of the Government, come to us as a result of your discussions today. In other words, I would want this dialogue to take an unbiased look at the texture and content of the relationship, identify where there are gaps and make recommendations for the future

Very briefly - what do I see when I look at this relationship. First, that India and ROK are really natural partners. Our bilateral relationship has grown steadily over the recent past. Our bilateral relationship was upgraded, first to a strategic partnership and then to a special strategic partnership in 2015 during Prime Minister Modi’s visit to the ROK. There is a special chemistry between the two leaders and thus has provided a strong thrust to the relationship. Just over the past year and a half, we have had three State visits - President Moon visited India in July 2018, First Lady in November 2018 and PM Modi

paid a return visit in February this year. The two leaders had a bilateral meeting on the margins of G20 in Osaka in June. President Moon was one of 5 leaders invited to a special event to mark Mahatma Gandhi's 150th birth anniversary at UNGA last month. India's political and high-governmental focus on Korea has indeed increased to unprecedented levels. India's Act East Policy and ROK's New Southern Policy complement each other and offer great opportunities for cooperation.

We have had elections recently and the ruling party has won a huge mandate. At the Korean end, President Moon is half way through his term while the Assembly elections will be held in April 2020. Our task is two-fold: to craft an agenda for cooperation that enjoys support across party lines and to develop working level interest in initiatives to foster this relationship. I would agree with Ambassador Cho Hyun that despite leadership level interaction and vision, there remains an attention deficit at working levels, on both sides. You would agree that leadership level interest is an essential but not sufficient condition for transforming a relationship. We really need to now populate our agenda in concrete terms so as to carry forward on this work.

I will now touch on the economic and commercial side of our ties. The economic pillar is strong, with USD 21.5 billion of bilateral trade in 2018 and USD 10 billion of two way cumulative investment by 2018. Our Comprehensive Economic Partnership Agreement which entered into effect in 2010, is currently under negotiation for upgradation. Yet, this is far short of what it should be, especially at a time when the Korean economy is facing the headwinds of barriers to its traditional markets and challenges of competitiveness in domestic manufacture. India offers a stable and secure environment for Korean investments. India's strengths are well known - we are today one of the fastest growing economies - our GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. We have a huge market, fast growing middle class, skilled human resources and business friendly government policy initiatives. Recent policy measures like change in corporate tax structure, easing of FDI policies, introduction of GST etc are of particular note.

How does this appeal to Korean needs? Korea is well known for its strength in the technology space. It also has immense investible capital which is a great match for India, which is hungry for capital to meet its infrastructure development and socio-economic development goals. Korean companies need to move their manufacturing overseas in order to remain competitive - I was told by one of your company CEOs recently that Korea today has the HIGHEST labour costs in the world. Attracting international talent is also tough, as language is a barrier, as are complicated visa and work permit procedures. In this situation, India offers a wonderful option, especially now when corporate tax rates on new manufacturing companies has been lowered to an unmatched 17.5%. Korea could also use India as an export base for South Asia, West Asia, Africa and East Europe.

Korean businesses have been bullish on India and its prospects in theory. In practice, we have a way to go if we are to make the second wave of Korean investments script a new story for our relationship. To illustrate: India attracted US 42 billion in 2018, as per UNCTAD estimates. Of this, ROK accounted for just 120 million. To call this sub-par would be an under-statement. Similarly, in bilateral trade, ROK accounts for 21 billion dollars while India's global trade is US 839 billion.

Turning to defence and strategic affairs: Our bilateral defence exchanges have been growing: there is today heightened interaction between our militaries including military education programmes, service to service talks, and substantive defence industrial partnerships, such as the joint venture to produce Korean K-9 self-propelled 155 mm guns for the Indian Army. Military contacts at service levels have been stepped up and this has contributed to greater confidence and a better platform for meaningful cooperation. On regional matters, we are witnessing significant developments in the Korean peninsula. Government of India is in ROK Government's corner as it seeks to steer all parties towards a peaceful, denuclearised peninsula. The only caveat is that we would want to see complete denuclearisation of the DPRK as we perceive this to be a serious regional security threat. We remain mindful of other security and regional challenges that we continue to face today. India, like Korea, is heavily dependent on seaborne trade and therefore attaches the utmost importance to freedom of navigation, freedom of airspace, upholding of a rules based order and respect for territorial integrity and sovereignty. This is the basis of our Indo-Pacific outlook and for our engagement with the countries located on these two huge oceans. The principles that have marked the ASEAN's way of functioning for decades, with bilateral issues kept out of the multilateral and regional platforms, should also inform our work. A free, open, prosperous and inclusive Indo-Pacific region serves the long-term interests of all countries in the region and of the world at large and we believe that Korea, too, would benefit from active cooperation within this framework.

On the people to people contacts and cultural front, we are doing well, though we are hampered by rather inadequate flights. To facilitate people to people exchanges, we have introduced visa on arrival facilities to Korean nationals - ROK is one of just 2 countries to enjoy this privilege. We hope that there would be similar easing of visa rules to enable easier access to Indian tourist and business travellers. We have been able to introduce the various facets of our Indian culture such as classical dance, music, film, food etc through our "Sarang"- an annual festival of India in Korea, the 5th edition of which is currently underway. I have been delighted to see the enthusiastic response of the Korean people to our classical dance, music and films.

There is also room for us to explore more coordination and cooperation in multilateral arenas as we have a shared experience of how our own security has been affected by proliferation of sensitive technologies. India is now a member of three of the four major export control regimes- Australia Group, Waasenaar Arrangement and MTCR. We need to collaborate well here, as also at the CD and the OPCW. We should be strong partners in the G-20 and EAS deliberations. We should find substantive, value-based and practical commonalities.

In conclusion, I would emphasise that there are few countries in the world which have the advantage of having no major differences to deal with as India and ROK: we don't have historical baggage, we don't have conflicting territorial claims. We have the advantage of numerous cultural and popular links as well as shared values of democracy, market economics and rule of law. I very much hope that the discussions under this forum will help us make the most of these advantages and identify concrete steps to bring our two nations closer together.

Thank you.