India’s Equations with South Korean

What is the issue?

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- South Korean President Moon Jae-in recently visited India for a bilateral meet.
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- While ties have been drifting apart for a while due to lack of sustained engagement, the current meet would help in restoring the subdued warmth.
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What is context in which the visit is taking place?

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- Mr. Moon has long argued for enhancing ties with India to the level of South Korea’s engagement with its major allies (US, Japan and China).
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- PM Modi too has often said he sees South Korea as a significant partner for India, and had travelled to Seoul earlier.
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- But despite the personal touch, and ambitions to align India’s Act East policy with Korea’s New Southern Policy, ties have drifted for lack of focus.
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- As both countries face neighbourhood tensions and are strained to engage with the major world powers, the bilateral engagements had taken a toll.
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What is the state of business ties?

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- At just about $20 billion, bilateral trade is a fraction of the potential, given that India and South Korea are Asia’s third and fourth largest economies.
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- Even after signing the “Comprehensive Economic Partnership Agreement” (CEPA) in 2009, the results haven’t been great.
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- Notably, South Korea enjoys a large trade surplus with India and this has made India wary of further opening up to trade.
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- In turn, Korean companies cite problems in doing business in India, despite a special “Korea Plus” desk set up by the Prime Minister’s Office in 2015.
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- Tourism between the two countries has always been low, and there has been little vision to capitalise on this potential area.
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What are the outcomes of the visit?

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- Both Mr. Moon and Mr. Modi had displayed clear sense of purpose in advancing mutual ties, and this was amply visible in the recent meet.
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- **Business -** Agreement to invoke the “early harvest” clause in the 2009 CEPA will allow both to do away with tariffs in 11 areas.
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- This would benefit Indian seafood exporters and food processing units, as well as South Korean petrochemical companies.
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- The inauguration of Samsung’s biggest mobile factory in Noida will bring investment and create jobs in India.
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- Furthering economic ties will depend on how the negotiations of “Regional Comprehensive Economic Partnership” (RCEP) are proceeding.
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- **Strategic Front -** Presently, U.S. foreign policy is unpredictable, and China’s is making purposeful moves towards global domination.
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- India has asserted itself as a “stakeholder” in the Korean peace process, while South Korea has shown interest for evolving a shared Indo-Pacific outlook.
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- In this context, it is important that the South Korea-India partnership grows and consolidates, to contribute to stability in the region.
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