

Towards a True Partnership Between Korea and India: "To Be a Model for Other Countries to Emulate"

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Koreans and Indians are no strangers to each other. Historians claim that the initial stage of contact through commercial activities between Korean and Indian people dates back to the 1st Century A.D. However, the establishment of diplomatic ties between Korea and India in 1973 marked a watershed in the history of our modern day bilateral relations.

Ever since, our political and commercial interactions have escalated steadily. Our relationship reached its recent high in October 2004 during the successful State Visit to India by His Excellency Mr. Roh Moo-hyun, President of the Republic of Korea.

During the visit, a landmark document was signed, elevating our bilateral ties beyond trade and commerce towards a truly integrated all-round relationship. The Long-Term Cooperative Partnership for Peace and Prosperity was established, formalizing ROK-India foreign policy, security dialogue and joint study group, among others, and agreeing to work closely on issues of common interest in the international fora.

The Korea-India Joint Commission, co-chaired by the two foreign ministers, has been held regularly to discuss political, economic, strategic, cultural and other matters of mutual interest for the promotion of bilateral cooperation. His Excellency Shri K. Natwar Singh, Minister of External Affairs, visited Seoul in December 2004 to co-chair the last joint commission with his Korean counterpart, Mr. Ban Ki-moon, Minister of Foreign Affairs and Trade.

Undoubtedly, the most significant aspect of the relationship between the two countries has been the spectacular expansion in economic cooperation. In 1991, the introduction of economic reforms in India provided crucial momentum to the subsequent escalation of ties.

The bilateral trade volume, which stood at a mere few US\$100 million in the early 1990s, exceeded US\$5.5 billion last year. It is expected to touch US\$10 billion in the next 2~3 years. The fact that Korea is the fifth largest investor in India is a testimony to the confidence that Koreans have in the potential and fundamentals of the Indian economy.

Currently, there are over 200 Korean companies operating and investing in India. Companies like LG Electronics, Samsung Electronics and Hyundai Motors are household names in India. Korean white and brown goods and automobiles are value for money favourites among Indian consumers.

Not only are the Korean companies in India selling their top quality products to the domestic market but also exporting these products, thereby creating a made in India brand image in the global market.

Furthermore, the hitherto one-sided investment from Korea to India is gradually acquiring a

two-way dimension as exemplified by the recent acquisition of Korean Daewoo Commercial Vehicles by the Indian automobile company, Tata Motors. It is also noteworthy that the single largest foreign investment project in the history of India, involving capital over US\$10 billion, has been proposed by a Korean company, POSCO, and negotiations are in the final stages.

There has also been marked increase in people-to-people contact and cultural exchanges between the two countries in recent years. During the period from 2003 to 2004, many cultural, arts and sports events were held to commemorate the 30th Anniversary of the Establishment of Diplomatic Relations between Korea and India. These functions further increased mutual understanding of our respective national heritage and cultures which is essential to strengthen our friendship.

Today, like never before, Koreans are visiting various places of tourist attraction in India such as Delhi, Agra, Aurangabad etc. Last year, there was a cross-flow of an impressive count of 70,000 people between India and Korea for matters ranging from business to tourism. The number is expected to reach a high of 100,000 by the end of this year.

The on-going transformation of Korea-India relations is not a mere coincidence but has roots in common values and interest such as democracy, market economy, economic complementarities, common membership of a host of international and regional organizations such as the United Nations, WTO, ASEAN, ARF etc. However, there is still immense scope for further expansion and augmentation of our relations.

India, as one of the fastest growing economies, is well on its way to become a major power of the world in the next few decades. Korea, since its successful recovery from the Asian currency crisis of the late 1990s, has emerged as an engine for economic growth and vitality. As India adds greater substance and depth to its "Look East Policy," the cooperation will strengthen and both countries, working as partners, can transform 21st Century into an "Asian Century."

We are optimistic that the days ahead will surely see an exchange of high-level visits, including those of heads of state and government officials. Given the economic size and dynamism of the two countries, bilateral trade and investment are bound to escalate and strengthen. The interaction between the two peoples will further intensify to promote mutual understanding to a higher level and enhance awareness of our respective cultures.

I am sure that if the tremendous potential that exist between our two countries is tapped effectively, our bilateral cooperation will be cemented into a true partnership which will be a model for other countries to emulate.

I would like to conclude by quoting a remark by His Excellency Dr. A.P.J. Abdul Kalam, President of the Republic of India, at the state dinner he hosted in honour of His Excellency Mr. Roh Moo-hyun, President of the Republic of Korea.

"There is vast potential for fruitful exchanges between our two countries in the knowledge-driven economy, manufacturing, infrastructure, science and technology and other areas. We are confident this partnership will be mutually rewarding."