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Relations, Accelerating India's Economic Development"*

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India's Deepening Ties with Northeast Asia

by Amb. Skand Tayal



India's "Look East" policy is a manifestation of its longstanding interest in securing

its rightful place in the growing regional integration trends in East Asia.

While India's relations with ASEAN are now well on course to realise their potential, it is important to also focus on the development of India's strategic ties with the two economic giants in Northeast Asia — Japan and the Republic of Korea (ROK).

India's "Global Partnership in the 21st Century" with Japan, launched in August 2000, was elevated to a "Strategic and Global Partnership" in December 2006 based on five pillars of cooperation: political, defence and security; comprehensive economic partnership; science and technology; people to people exchanges; and cooperation in regional and multilateral fora.

This has been progressively strengthened through a process of annual bilateral summits.

India's more recent strategic partnership with ROK was established in January 2010, when President Lee Myung-bak was invited to be the Chief Guest at its Republic Day. This reflected India's recognition of the economic and geo-political importance of the Republic of Korea as the world's 13th largest economy, with a critical role in the maintenance of peace and stability in East Asia. The ROK leadership – of all political persuasions – has been enthusiastically supportive of strengthening economic, trade and strategic ties with India.

India, Japan and the Republic of Korea are vibrant democracies with dynamic private sectors. Corporate linkages are expanding and there is a strong mutual desire for deeper economic integration as reflected in the bilateral Comprehensive Economic Partnership Agreements which came into force with ROK in January 2010 and with Japan in August 2011.

With the persisting economic travails among the developed economies,

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**"G-20: Beyond Economic
Coordination?"**

**by Amb. Hemant Krishan Singh
June 12, 2012**

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Japan and Korea view India's growth as an opportunity. They also have a strategic objective to hedge against over-reliance on the Chinese market. India, with its large domestic market, offers better opportunities to Korean and Japanese manufacturer-investors as compared to other Asian countries.

Korean Chaebols saw the opportunity early in the emerging Indian market and entered into manufacturing in India with persistence and commitment to secure an early mover advantage. Investment by Korean companies in India already exceeds \$3 billion. Bilateral trade between India and ROK has expanded to over \$20 billion, exceeding India-Japan trade.

Korean and Japanese companies increasingly view India as a manufacturing hub for meeting the demands of the Indian market and also for exports to South Asian and Gulf countries. They are making a significant contribution to India's exports. Hyundai India, based in Chennai, has achieved more than 90% localisation in its automobiles and exports 250,000 cars annually out of a total production of 600,000 cars. Maruti Suzuki of Japan also exported 114,000 cars made at its Indian plants last year.

Defence contacts are steadily growing. The Indian and Japanese coast guards have been participating in regular exercises and the first bilateral naval exercise between the two countries, JIMEX 12, has just been concluded. Indian and ROK Coast Guard vessels have been exchanging visits. There is a degree of co-ordination for anti-piracy operations in the Gulf of Aden. Visits of senior military personnel are being exchanged as both Korea and Japan see value in giving their respective defence relationships with India more depth and content. These are good downstream prospects for defence industrial cooperation.

REGIONAL CONCERNS

India has strong misgivings about the nexus between Pakistan and North Korea (DPRK) on exchanging North Korean missile technology with Pakistan's uranium enrichment technology. India's interests converge with those of ROK and Japan in working with the international community to expose and stop the continuation of such clandestine proliferation and curb North Korea's destabilising activities in Northeast Asia. Regional developments that have led to shrinking the political leverage of the North Korean regime will be welcomed in all three capitals.

India, Japan and ROK aspire for stable and friendly relations with their neighbour and emerging

Asian giant China, while safeguarding their national interests. All three have unresolved maritime boundary/territorial disputes with China.

In this context, a prominent Korean columnist, Bae Myung-bok, writing in ROK's leading paper Joong Ang Ilbo on 28 September 2010, contributed the following view:

"The more China makes a loud voice to its neighbours, the more it gives chances to the US to intervene and isolate itself. China's overbearing attitude shown in the Cheonan incident and the dispute over Senkaku, from a security point of view, will highly likely result in raising Korea's and Japan's dependence on the US. As the US quickens its pace to return to Asia, an encircling net connecting Australia-India-Vietnam-Japan-Korea is being visualised."

Professor Masao Okonogi, a Japanese specialist on international affairs, has observed that:

"Ten years later, a powerful China will be bordered by two rival twin economies within East Asia, a Japan which has abandoned its ambitions to become a superpower, and a Korea which has become too powerful to be a simple mid-level country any more."¹



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On future relations between Japan and ROK ten years hence, Prof. Okonogi believes that both countries would continue to be fierce competitors. However, as the two nations share the same goals and methods, he believes that "the diplomatic strategies of each cannot help but converge."¹

With the entry of the US and Russia, the 18-member East Asia Summit is emerging as the region's premier security forum. India is no longer a silent spectator to regional security issues. After the recent spat between the Philippines and China over the Scarborough Shoal in the South China Sea, India's Ministry of External Affairs urged "both countries to exercise restraint and resolve the issue diplomatically according to the principles of international law."

In this emerging scenario, India may be in a position to pursue growing bilateral strategic ties with both ROK and Japan. The three countries can work harmoniously in the EAS process to promote peace and security in East Asia.

SHARED INTERESTS

India, Japan and South Korea share democratic values and are comfortable with a strong US presence in the Asia-Pacific region, which they view as a factor of stability and reassurance. All three countries strive to avoid a hostile relationship with China but are wary about the emergence of an overly assertive and hegemonic China.

This convergence in strategic thinking and an increasing stake in

India's economic growth make Japan and the Republic of Korea our reliable strategic partners in Asia.

The first trilateral India-Japan-South Korea dialogue amongst think tanks to be held later this month marks a significant new direction for regional strategic thinking. A Track 1 trilateral dialogue will hopefully follow. These three Asian maritime democracies can forge a valuable partnership for peace, stability and prosperity of East Asia and the world.

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- ❖ The author is a former Ambassador of India to the Republic of Korea.