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# Korea wants duty cuts for auto, machinery exports to India

Nayanima Basu, Business Standard

New Delhi, 29 January 2014: South Korea has demanded a deep cut in tariffs on its goods entering India, under the Comprehensive Economic Partnership Agreement, signed by the two countries in 2009 and taking effect from 2010.

The two governments had decided to revise the pact, during the recent visit here of South Korea's President Park Geun-hye.

"We have been urging India to liberalise tariff duties, especially in automobiles, auto parts and Korean machinery. We want drastic reduction in this," Dong Seok Choi, director-general, Korea Trade-Investment Promotion Agency, told Business Standard.

Talks for revising the pact are expected to begin by the middle of this year. The first round will be in Seoul, said Dong.

The Indian government has asked South Korea for greater market access for its information technology export, generic medicine and textiles. Dong said Korea was aware of these wishes.

India's trade deficit with Korea rose from \$5.1 billion in 2009-10 to \$8.9 bn in 2012-13. The matter was raised by commerce and industry minister Anand Sharma with South Korean counterpart Yoon Sang-jick during a meeting here early this month.

On the pending approval for the \$12-bn project in Odisha of Posco, the Korean steel giant, Dong said this would induce more Korean companies to invest. "Korean SMEs (small and medium enterprises) are very keen to do business here and Posco will give them a boost. Korea is also keen to invest in India, mainly in aerospace, ship building, construction and urban development," he added.

He also said some Korean companies, such as Hyundai, Samsung and LG, had planned to expand in the country in the next couple of years. "Many Korean companies want to make India their research and development hub," he said.

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