

Country Dossier

South Korea

2025





Country Dossier – South Korea

South Korea is India's 13th largest FDI investor from April 2000 to September 2024, with total investments of USD 6.35 billion, mainly in metallurgy, automobiles, electronics, machinery, and healthcare sectors. Bilateral trade between the two nations reached USD 27.52 billion in 2023–24, with a goal of USD 50 billion by 2030. The 'Korea Plus' initiative, launched in 2019 under the 'Invest India' scheme, plays a key role in facilitating Korean investments. In FY24, India's exports to Korea stood at USD 6.42 billion, with top export items including engineering goods (USD 2.7B), petroleum products (USD 1.4B), and chemicals (USD 679M).

Key Initiative and Strategic Investments



- The Logistics Division of the Department for Promotion of Industry and Internal Trade (DPIIT) will sign a memorandum of understanding (MoU) with the Korea Transport Institute (KOTI) to develop advanced planning techniques in building logistics and infrastructure domain expertise and capacities through knowledge exchange trainings and technical assistance.
- The two countries have been working closely in the defense sector, with South Korea exporting advanced military technology, including K9 Vajra-T howitzers to India. This partnership has also extended to air defense systems, with South Korea providing advanced military technologies.
- South Korea has committed to significant investments in India's infrastructure sector, including roads, ports, and logistics. The two governments have been working together on the GatiShakti National Master Plan, which aims to improve logistics efficiency and reduce costs.
- South Korea is actively involved in India's renewable energy sector, particularly in solar and wind energy. Companies like Hyundai and Samsung are investing in renewable energy projects, aligning with India's goal to achieve 500 GW of non-fossil fuel-based power by 2030.
- Free Trade Agreement (FTA) Talks: Both countries have been discussing a potential Comprehensive Economic Partnership Agreement (CEPA), which aims to improve trade and investment flows by reducing tariffs and improving market access.
- Karnataka secured approximately USD 780 million in investment commitments from South Korean companies during a delegation visit in mid-2024. Investments include Osaka Gas's ₹5,000 crore commitment to expand gas distribution infrastructure.
- Digital Infrastructure Growth Initiative (DiGi Framework): South Korea, has launched a framework to support digital infrastructure projects in India, including 5G, AI, and smart city initiatives.

Key Developments

- South Korea plans to boost its investments in India, aiming to double or triple business activities soon. Boditech Med Inc. opened a new manufacturing facility in Haryana to serve both local and export markets. This expansion supports India's 'Make in India' initiative and strengthens India-South Korea economic ties.
- LG Electronics commenced construction of a INR 5,000 crore plant in Andhra Pradesh, while LG Energy Solution and JSW Energy are negotiating a USD 1.5 billion joint venture to manufacture batteries for electric vehicles and renewable energy storage.
- India participated in South Korea's global startup event "COMUP 2024," showcasing innovative technologies and fostering collaboration between Indian and South Korean startups.
- South Korea will invest USD 349 million in 2025 to boost AI development across key sectors like manufacturing, autonomous vehicles, biotech, robotics, and AI chips. The government aims to build foundational AI models to support small and medium enterprises

Sectoral Synergies



Manufacturing

- South Korean companies plan to invest USD 81.8 billion across 10 key manufacturing sectors, including semiconductors, marking a 4% increase from last year's investment.
- Samsung Electronics has announced an investment of INR 1,000 crore, roughly USD 117 million, in its manufacturing site near Chennai, Tamil Nadu.
- Samsung Electronics' subsidiary Harman International is reportedly planning to divest part of its operations in India while pursuing growth opportunities in the automotive electronics sector through mergers and acquisitions (M&A).
- LG Electronics is holding roadshows for its Indian unit's planned IPO, expected to raise USD 1-1.5 billion with a valuation up to USD 15 billion.
- JSW Group has signed a Memorandum of Understanding (MoU) with Korea's POSCO Group to establish an integrated steel plant in India with an initial capacity of 5 million tonnes per annum. The partnership aims to develop a framework for collaboration in steel, battery materials for electric vehicles, and renewable energy.
- POSCO Group is restructuring its Indian operations by acquiring LX International's full stake in POSCO-India Pune Processing Center. The acquisition will be made through POSCO-India Processing Center, a POSCO Holdings subsidiary. This aims to streamline and consolidate POSCO's presence in India.
- Hyundai Motor India's IPO became the nation's largest ever, raising USD 3.3 billion. Hyundai plans to make India a manufacturing hub for emerging markets and is targeting a 30% increase in production over the next 3-4 years.
- South Korea-based YG-1, a global company in precision tooling, will invest USD 150 million in Karnataka.

Sectoral Synergies



Online Gaming

- Krafton acquires a controlling stake in Indian gaming studio Nautilus Mobile for USD 14 million. The deal aligns with Krafton's vision to establish India as a global hub for game development.
- Krafton has invested over USD 170 million in India to date, with another USD 150 million earmarked for further investments in gaming and entertainment, aiming to exceed USD 200 million by early 2025.



Defence

- Hanwha Aerospace has secured a USD 253 million contract with India for 100 more K9 Vajra-T self-propelled howitzers, strengthening the defense partnership between the two nations. The howitzers will be built locally by Larsen & Toubro, boosting India's defense manufacturing capabilities.



Healthcare

- Boditech Med Inc. Plans to capture over 5 percent of India's IVD market, targeting INR 650 crore in annual revenue and serving both domestic and export markets.

Sectoral Synergies



Logistics

- South Korean companies, including CJ Logistics, are pursuing IPOs in India to expand their market presence. This reflects growing South Korean interest in India's logistics sector amid its economic rise.
- Korean Air has finalized its USD 1.3 billion acquisition of Asiana Airlines, forming one of Asia's largest carriers. The deal, initially announced four years ago to rescue Asiana from financial troubles during the COVID-19 pandemic, faced delays due to competition concerns.



Information Technology

- Shinhan Financial Group, via Shinhan Bank, acquired a 10% stake in HDFC Credila. The deal was valued at USD 180 million, aiming to expand education financing. This marks Shinhan's growing interest in India's financial services sector.
- South Korean corporations like Samsung, LG, Hyundai, and POSCO have established Innovation / Global Capability Centres (GCCs) in Indian tech hubs such as Bengaluru, Pune, Hyderabad, and Mumbai. These centres drive digital transformation, AI, machine learning, analytics, predictive platforms, product engineering, and act as innovation engines supporting regional and global markets.



Confectionaries

- Lotte Confectionary is expanding its presence in India's ice cream market, investing USD 66 million over five years to boost the production of Havmor Ice Cream. The company plans to develop a state-of-the-art manufacturing plant in Maharashtra's Pune district, which is expected to become operational by June 2024.

Sectoral Synergies



Semiconductors

- Simmtech signs USD 150 million deal to set up semicon ecosystem in India. The company has signed a memorandum of understanding (MoU) with the Gujarat government to set up a plant close to Micron in Sanand.
- Amber Enterprises' subsidiary, ILJIN Electronics, has partnered with Korea Circuit Co. to establish a joint venture in India focused on manufacturing semiconductor substrates like HDI and Flex PCBs. ILJIN will hold a 70% stake in the venture, with Korea Circuit owning the remaining 30%.
- SK hynix is in advanced discussions with the Indian government to establish a semiconductor packaging facility in India. This move is part of India's broader strategy to develop a comprehensive semiconductor ecosystem, including assembly and testing units.



Financial Services

- Mirae Asset Financial Group has completed the USD 361.45 million acquisition of Sharekhan, following all necessary regulatory approvals. This strategic move aims to combine Mirae Asset's global expertise with Sharekhan's established presence in India, creating a comprehensive financial services platform to cater to a diverse clientele.
- NH Absolute Return Partners, a subsidiary of NH Investment & Securities, partnered with Singapore-based Lighthouse Canton. To co-invest in India's private debt market, leveraging Lighthouse Canton's local expertise and NH's resources.
- Korea Investment Corporation (KIC), South Korea's sovereign wealth fund, established its fifth overseas office in Mumbai, India. The Mumbai office will focus on identifying investment opportunities in alternative assets, including venture capital, real estate, and infrastructure, to support India's economic advancement.

Key Representative Experience

KOREAN CLIENTS

Hyundai Motor

- Acquisition of General Motors India's plant at Talegaon.

Hyundai Motor Company and Kia Motors Corporation

- Investment and conducting a limited due diligence on Primemover Mobility Technologies Private Limited, on-demand mobility company.
- CCI filing in relation to their investment in ANI Technologies (Ola) for providing smart mobility solutions including electric vehicles.

Hyundai Rotem Company

- Tax compliance issues in India.
- Arbitration proceedings in India.

Hyundai Steel Company

- Setting up of an integrated steel plant in India and conducting a feasibility study for the same.

Hyundai Mobis

- Preparation of a memo on queries on Indian regulations applicable to employee inventions.

CLO Virtual Fashion

- Strategies for setting up a presence in India, assistance with incorporation and related general corporate advice.

Innocean Worldwide Inc

- Proposed acquisition of a marketing agency in India.

KOREAN CLIENTS

Samsung Electronics Corporation, Korea

- Representing before the High Court to defend the favourable order of the ITAT wherein it was held that there is no Permanent Establishment of Samsung in India.

Samsung India Electronics

- Represented before the ITAT in complex transfer pricing dispute for multiple assessment years involving the highly litigated issue of advertising, marketing and promotion expenses (AMP) and choice of comparable.
- Proposed AMP transaction with Samsung Electronics Corporation, Korea.

Doosan Heavy Industries and Construction Company

- International arbitration proceeding before the International Chamber Commerce and injunction proceedings before Bombay High Court in relation to a dispute arising out of a contract for supply of earth moving machinery.
- ICC Arbitration and proceedings for interim reliefs before High Court against ABG Kandla Container Terminal Limited.
- Sale of controlling stake in Doosan Power System India.

Lotte Corporation

- Joint venture with an Indian food major, including drafting of the joint venture and technology license agreements and rendering advice on exchange control and securities issues.

Lotte Advanced Materials

- Advice on exclusivity arrangements.



Key Representative Experience

KOREAN CLIENTS

LG Life Sciences India

- Representing before the ITAT in a transfer pricing dispute involving the highly litigated AMP issue.

LG Chemicals

- Joint venture with Adani Group to set up a petrochemicals complex in Gujarat.
- Review of EPC contract in relation to a new polymer manufacturing plant in Vizag.

LG Energy Solution

- Strategies for setting up a presence in India.
- Setting up of a sales subsidiary in India.

LX Hausys (formerly LG Hausys)

- Carve out and sale of business divisions.

Korean National Oil Corporation

- Arbitration under LCIA Rules regarding a dispute under a project management agreement for developing certain off-shore oil fields in Vietnam.

Korea Southern Power Company

- Proposed joint venture with the promoters of Narmada Thermal Power and development of a 270MW coal-fired thermal power plant project in Gujarat.

KOREAN CLIENTS

The Export-Import Bank of Korea

- USD 180,000,000 credit facility granted to POSCO Maharashtra Steel for its investment in the construction of the cold-rolled steel plate production facility located in Maharashtra.

Korean shipping companies

- Execution of arbitration awards on charter party claims.

South Korean conglomerate Samsung Electronics Company and their Indian subsidiary Samsung India Electronics

- Complex transfer pricing, international tax and corporate tax disputes before the Income Tax Appellate Tribunal and the High Court.

Hot-rolled steel products*

- Defending major exporters from EU, Russia, Korea and China in the anti-dumping investigation by India on "Hot-Rolled Steel Products".

Korea Development Bank (KDB)

- Unsecured external commercial borrowing of USD 6,000,000 (ECB Facility) provided by KDB to DR Enterprise Automotive.
- Amendment agreement from an Indian law perspective capturing certain specified amendments to be executed in relation to a USD 6 million ECB facility availed by DR Enterprise Automotive from Korea Development Bank in 2012.
- Capacity as the Lender, in connection with a USD 15,000,000 facility granted to Myoung Shin India.

*Name of the company has been withheld due to confidentiality reasons.

Key Representative Experience

KOREAN CLIENTS

Represented exporters* from EU, Indonesia and South Korea before National Tariff Commission (NTC), Pakistan.

- Anti-dumping investigation concerning Hydrogen Peroxide; assisted the officials from NTC during on-site verification visit to exporters from South Korea.

Doosan India

- Disputes with National Thermal Power Corporation and West Bengal Power Development Corporation for claims for damages.

Doowon Corporation

- Review of a supply/purchase agreement between the client and its Indian subsidiary.





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