

An Analysis of India – South Korea Bilateral Trade Developments

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ABSTRACT

Being a High Performing Asian Economy (HPAE), Korea has emerged as a successful outward oriented country with superior growth performance. The state-led manufacturing policies has transformed the traditional agrarian economy into an effective high technology intensive manufacturing sector. In recent period, because of the rapid expansion of international trade, Korea has emerged as major player in the Asian region. In this context, there has been a massive increase in the bilateral trade flows between India and Korea. The superior comparative advantage of Korea in manufacturing has resulted in large amount of imports relative to India's exports to South Korea. As a result, the trade balance has deteriorated resulting widening trade deficit.

The paper finds that India's export baskets to Korea is dominated by traditional labour intensive products such as mineral fuels, cereals, food wastes, oil seeds and cotton products. On the other hand, the high-income elastic products like Iron & Steel, zinc articles and machinery items are found to be either low growth or low share in the overall export basket. The paper reveals that most of the high share products have competitive advantage in the global market. However, products like electrical machinery and non-electrical machinery and transport equipment, which enjoys the largest linkages and positive spillover in the overall manufacturing, are largely uncompetitive or has low growth rates. One plausible reason can be the prevalence of large amount of tariff and Non-Tariff Barriers (TBT/SPS) and the preferential trade agreements granted to some of the trade partners of Korea.

In the import case, the paper clearly shows the heavy dependence of India on capital goods and intermediate goods on Korea. India sources most of the machinery items from Korea. The net effect of these import surges on domestic industry depends on many factors. This is because some of the user industries can benefit from the low cost quality imported machines although the import competing industries can have adverse impact. In this scenario, it is essential that industry improves the quality and cost competitiveness through investment in technology and skill upgradation.

The issue is more relevant in recent time with the formation of CEPA in 2010. In the export case, for number of products, India will benefit from reduction in base rates. However, in the case of imports, the paper finds that the tariff reduction and introduction of specific schemes like IDS has significantly increased the import of intermediate and capital goods leading to loss in competitiveness in the domestic import competing segment. This has further accelerated the trade imbalances. Thus, to correct the trade deficit and maintain a healthy trade relation between Korea, it is necessary that India further strengthen the domestic capability and invest further in high value and sophisticated products in the near future.

Keywords: India-South Korea Trade, bilateral trade flows, CEPA, trade structure, potential export products

1. Introduction

Historically, India-Korea trade became significant since 1970s as Korea maintained trade surpluses with large exports of manufacturing goods to India. Studies have highlighted that the Korean exports to India largely consists of high value products while traditional and primary products constituted largest proportion in Indian

export basket. The liberalisation of trade and investment in 1990s by the Indian government has further increased the market domination by several Korean investment companies in white goods and consumer good products.

The bilateral trade flows between India and Korea during 2000-12 is given in table 1. During this period, the volume of India's exports to Korea has been consistently below its

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imports from Korea leading to persistent trade deficits. In value terms, the level of imports of India from Korea increased from \$0.8 billion in 2000 to \$13.7 billion by 2012 whereas the value of exports rose from \$0.4 billion

to only \$4.1 billion for the same period. As India's import from Korea rose much faster than its exports, the trade deficit also increased from US\$-0.4 billion in 2000 to US\$ -9.6 billion in 2012.

Table 1 : Bilateral Trade Flows between India & South Korea: 2000-2012 Million US\$

Year	India's exports to Korea	India's import from Korea	Total Trade	Balance of Trade
2000	439.1 (1.04)	817.1 (1.54)	1256.2	-377.9
2005	1519.6 (1.51)	4412.4 (3.13)	5932.0	-2892.9
2010	3634.5 (1.65)	9922.3 (2.83)	13556.8	-6287.9
2012	4076.4 (1.41)	13675.1 (2.80)	17751.4	-9598.7

Note: (a) Figures in brackets represent percent share of India's exports (imports) to (from) South Korea in India's total world exports (imports). Figures in the tables are calculated by the author based on UN COMTRADE (WITS)

The purpose of this paper is to examine and identify trade structure, potential export products, growth pattern of imports and the implication of the formation of CEPA on India's merchandise trade. The paper is organized into five sections including the introduction. In section 2, the bilateral trade pattern between India and Korea is detailed. This is followed by a detailed analysis of India's major exports and potential exports to Korea during 2000-2012 in section 3. The growth analysis of import products at disaggregate level is given in section 4. The implication of CEPA is discussed in section 5.

2. India-South Korea Trade Pattern

The rising trade deficit has worsened India's terms of trade with Korea over the years (see table 2). In 2000, India's terms of trade stood around 0.5, which worsened, to 0.3 by 2012. On the other hand, Korea has enjoyed better terms of trade as it increased, albeit with mild fluctuations, from 1.3 in 2000 to 1.7 by 2012. India was able to improve its presence in overall Korea's trade from 0.4 percent in 2000 to 1 percent by 2005 and further to 1.7

percent by 2012. However, as noted before, the bilateral trade of India & Korea is relatively smaller component of India's overall trade with the world. This suggest that there exist greater opportunity for India to expand trade volume with Korea.

The unfavorable terms of trade of India can be largely explained by the dominance of less technology driven primary products in its export basket to Korea. In 2012, the less sophisticated products such as Mineral Fuels (HS 27), Cereals (HS 10), Food industry waste (HS 23), Oil Seeds (HS 12) and Cotton products (HS 52) constitute almost 50 percent of India's total exports to Korea (see table 3). In contrast, around 60 percent of India's import basket consists of high technology intensive products such as non-electrical machinery (HS 84), electrical machinery (HS 85), Iron & Steel (HS 72), Ships & Boats (HS 89), organic chemicals (HS 29) and Transport vehicles (HS 87). Further, the volume of most of these products has increased considerably since 2005.

In the last column of table 3, we provide the relative importance of Korean market for India's major traded

Table 2 : India & Korea's Trade Pattern: Terms of Trade & Relative Position (2000-2012)

Year	India's Terms of Trade	Korea's Terms of Trade	India's trade in Korea's Total Trade (% Share)	India's trade to Korea as proportion of India's trade with the World (%)
2000	0.54	1.35	0.38	1.32
2005	0.34	2.18	1.09	2.46
2010	0.37	2.02	1.52	2.38
2012	0.30	1.72	1.66	2.28

Figures in the tables are calculated by the author based on UN COMTRADE (WITS)

products (at 2-digit HS). For the exported items, Korea is a major market for just two products, namely, Zinc articles (HS 79) and Aluminum (HS 76). The rest of the products have very low share in 2012. In contrast, India's dependence on Korean market for its technology intensive products is relatively high. For instance, Korea represents around 10 percent of the total import of machinery (HS84

and HS85) items from the world. Similarly, other technology intensive items like ships and boats (20 percent), transport vehicles (15 percent) and Iron & Steel (12 percent), India depends heavily on Korea. However, from Korea's perspective, India is an insignificant market for most of these products (see figures in parenthesis in column 7, table 3(B)).

Table 3 : India's Major Traded Product Groups with South Korea: by 2-Digit Classification

2Digit	Description	2000	2005	2012	Share of total exports to Korea (% in 2012)	Share of Korea in India's total World exports (% 2012)
(A) India's Exports to Korea (Million US\$)						
27	Mineral fuels	5.4	375.0	1173.6	28.8	2.2
72	Iron & Steel	28.6	152.4	416.8	10.2	5.4
29	Organic chemicals	35.8	110.8	342.9	8.4	2.7
76	Aluminium	11.4	5.1	265.0	6.5	16.8
10	Cereals	0.1	0.0	244.6	6.0	2.8
23	Food industry waste	57.6	63.6	212.9	5.2	8.1
52	Cotton	140.1	214.1	205.7	5.0	2.4
71	Cultured stones	4.5	16.8	162.3	4.0	0.4
79	Zinc articles	0.0	9.1	101.6	2.5	20.2
84	Non-Electrical Machinery	6.8	38.4	100.1	2.5	0.9
12	Oil seeds	1.4	19.8	85.1	2.1	4.7
(B) India's Imports from Korea (Million US\$)						
2Digit	Description	2000	2005	2012	Share of total import to Korea (% in 2012)	Share of Korea in India's total World imports (% 2012)
84	Non-Electrical Machinery	158.7	640.2	2097.3	15.3	5.7 (3.2)
72	Iron & Steel	61.7	326.4	1658.9	12.1	12.1 (6.6)
85	Electrical Machinery	136.4	1699.5	1430.4	10.5	4.9 (1.2)
89	Ships & Boats	0.0	273.0	1205.5	8.8	19.6 (0.9)
39	Plastics	74.3	263.6	1037.7	7.6	11.1 (3.7)
29	Organic chemicals	63.5	149.4	948.5	6.9	6.2 (4.0)
27	Mineral Fuels	5.3	0.0	898.1	6.6	0.5 (1.4)
87	Transport vehicles	17.2	270.8	753.2	5.5	15.1 (2.2)
71	Cultured stones	5.6	22.8	573.8	4.2	0.7 (2.6)
40	Rubber products	16.6	75.3	468.8	3.4	12.1 (4.3)

Note: (a) The reported products constitute around 80% of India's exports (imports) to (from) Korea in 2012. (b) Figures in parenthesis in the last column in B shows the proportion of the total exports of each of the products by Korea to India by the total exports of each of the products by Korea to the World (% share). This gives us the relative importance of Indian market for Korea.

Source: Authors calculation based on UN COMTRADE, accessed from WITS

Table 4 : Trade Complementarity Index between India & Korea (2000-2012)

TCI	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
TCI1	38.1	43.6	45.1	47.2	48.7	49.8	55.3	57.6	59.0	55.9	59.3	58.1	56.5
TCI2	62.6	62.0	62.2	63.4	65.5	66.8	66.4	68.0	64.8	67.5	67.4	68.1	68.2

Note: TCI 1 based on India's exports to the world and South Korea imports from the world; TCI2 is based on India's imports from the world and South Korea's exports to the world. In calculation of TCI2, we have excluded India's import of HS 27 (mineral fuels including petroleum) and HS 71 (precious stones including gold) from the world.

Source: Authors calculation based on UN Comtrade database, WITS

In Table 4, the trade complementarity index between India and Korea during 2000-12 is given, which assess the bilateral trade prospects between them. Similar to what we have observed in the case of China, the TCI1 shows an increasing trade overlap between India's exports to the world and Korea's import from the world since 2000. It is evident that TCI1 has increased steadily from 38 percent in 2000 to around 59 percent in 2008. Post global economic slowdown, the trade pattern has declined marginally and reached around 57 percent in 2012. Thus, in terms of India's exports prospects, Korea has gradually emerging as a natural trading destination.

The calculation on the import side (TCI2)¹ reveals that there has been an increasing overlap between India's import demand from the world and Korea's overall export supply to the world, as the index increased from 63 percent in 2000 to 68 percent in 2012. This suggests that Korea has the supply capabilities in those products for which demand is there in the Indian market. Looking at both indices, we can conclude that there is an overwhelming evidence of increasing trade integration between India and Korea in the recent past. The formation of CEPA has further accelerated this process, which is elaborated further in section 5.

3. Analysis of Export Opportunities

To analyse the export opportunities of India-Korea, the study uses disaggregate 6-digit trade data. The methodology consists of analysis of existing major exports as well as identification of potential export products. The details are as follows. First, India's major exporting HS 6-digit products to Korea have been identified and then these are categorized into low/high growth/share and/or competitive/non-competitive baskets². For all the identified major exports, the global RCA (2009-2012) was calculated in order to assess the competitive position in the world market. The analysis reveals that there are 43

products identified as major exporting (existing) products from India to Korea (see Table A.1).

3.1 Analysis of India's Major Exports to Korea

Out of the 43 products, large numbers of items (38 products) are found to be globally competitive. The paper further computed the average share and growth performance of all competitive (38) and uncompetitive (5) products. Since high RCA values indicate that the products have been successful in maintaining market share, it is necessary to look into the products trend in the Korean market. For all these products, the growth rates and share has been computed to assess the overall trends in exports.

It is found that only five competitive products, namely HS120740 (Sesamum seeds), HS230400 (Oil-cake and Other Solid Residuals), HS720241 (Ferro-chromium), HS760110 (Aluminum, not alloyed), and HS790111 (Zinc, not alloyed) have maintained high share and high growth rates during the reference period. It is evident that most of these products fall under low value category and as such, there is a need to further improve the export sophistication in order to maintain the export competitiveness in the future. There are 16 competitive products, whose growth rates has been higher but has low presence in the export basket. These are HS100590 (Other Maize), HS230690 (Other Oil Cakes), HS261400 (Titanium ores and concentrates), HS280300 (Carbon Blacks), HS290244 (Mixed xylene isomers), HS291619 (Unsaturated Monocarboxylic Acids), HS520524 & HS520512 (Single Yarn), HS520533 (Multiple or Cabled Yarn), HS720211 & HS720230 (Ferro-Silico-Manganese), HS720110 (Non-Alloy Pig Iron), HS722220 (Bars and Rods), HS780110 (Refined Lead), and HS780191 (Other Lead). These products fall under broadly in cereals, ores, chemicals, iron & steel and cotton. Several products belonging to chemicals (HS29), textiles (HS 52) machinery (HS 85) are found to have low

¹ The calculation excludes petroleum (HS 27) and gold products (71) as these products are often country specific. Incorporating all products, the TCI range is only 38-48 percent.

² Under the identified two digit products, all the 6-digit products have been listed. Based on the export trends during 2009 and 2012, the products that constituted 80% share of all exports in 2012 have been identified as Major exports. The share of each of the 6-digit product is calculated by taking India's exports of each 6-digit product to Korea by the total 6-digit exports of India to Korea in 2012 (%). The growth rates are based on CAGR during 2009-2012. The benchmark growth rate is 27.8 percent and the benchmark share is 1.7 percent.

growth rates.

One plausible reason behind the low growth and low share of most of the competitive products is the excessive protective policy measures adopted by Korea. This is evident from our analysis of tariff and non-tariff barriers (SPS & TBT) (see last three columns in table A.1). For instance, HS320416 (Synthetic Organic Coloring), a globally competitive product face an applied MFN duty rate of 8 percent plus three NTB namely TBT1, TBT2 and TBT3. Similarly, HS520523 (Single Yarn, of Combed Fibers) faces an applied MFN duty rate of 8 percent plus three NTBs. Generally, it is found that the protective instruments are applied throughout the competitive products of India.

The preferential tariff granted by Korea on India's top five competing countries is analysed. It is found that for 13 out of the 87 major existing exporting products, India faces competition mainly from China under the Asia-Pacific Trade Agreement (APTA). For instance, out of the top four suppliers namely China, Thailand, Indonesia and Switzerland, due to the Asia-Pacific Trade Agreement (APTA), Chinese exports of HS320416 (Synthetic Organic

Colouring) enter the Korean market at an applied preferential duty rate of 6.2 percent. On the other hand, for other supplying countries, the MFN applied rates are at 8 percent. Thus, the proliferation of preferential agreements and stringent standards and technical barriers has unfavorable consequences on India's major exports in recent period.

3.2 Analysis of India's Potential Exports to Korea

To assess the potential export opportunities for India, an analysis of Korea's world imports and India's world exports has been carried out at disaggregated 6-digit product level for the period 2009-12. The premise here is that if domestic demand in Korea is expanding and India has supply capability for these products, then opportunities for export expansion will also arise for India. As such, the trend in major world imports (80 percent) has been mapped against the major world exports of India (top 80 percent). This provide us the common traded products for the analysis.

Table 5 : India's Export Potential Products to Korea at the HS 2-digit Product Category

2 Digit	Description
02	Meat and edible meat offal
03	Fish & crustacean & other aquatic invertebrate
27	Mineral fuels, oils & product of their distillation; etc.
29	Organic chemicals
30	Pharmaceutical products
39	Plastics and articles thereof
40	Rubber and articles thereof
44	Wood and articles of wood; wood charcoal
52	Cotton
54	Man-made filaments
71	Natural/cultured pearls, precious stones & metals, coin etc.
72	Iron and steel
73	Articles of iron or steel
74	Copper and articles thereof
76	Aluminum and articles thereof
80	Tin and articles thereof
81	Other base metals; cermets; articles thereof
82	Tool, implement, cutlery, spoon & fork, of base metal etc.
84	Nuclear reactors, boilers, machinery & mechanical appliance; parts thereof
85	Electrical machinery equipment parts thereof; sound recorder etc.
94	Furniture; bedding, mattress, mattress support, cushion, etc.

Description of each HS 2-digit product is collected from UN COMTRADE (WITS) database

Table 6 : List of Competitive & Non-Competitive Products across Export Category: India-Korea

Export Category	Global RCA		Bilateral RCA	
	Competitive	Non-Competitive	Competitive	Non-Competitive
Major Exports	38	5	40	3
Potential Exports	9	27	7	20

In table 6, the list of competitive and non-competitive products for major and potential exports of India to Korea according to global RCA and bilateral RCA³ is given. In major exports, there are 38 globally competitive products which increases marginally to 40 products based on bilateral RCA. However, comparing these two indices, it is observed that the bilateral competitive position deteriorate marginally in the case of export potential products (The competitive products declined from 9 to 7). For few products, the analysis reveals that few of the globally competitive products such as other cuttlefish (HS 030749), other maize (HS 100590), packaged medicine (HS 300490), and miscellaneous diesel engines (HS 840890), have been unsuccessful in penetrating the Korean markets (RCA < 1). The existing tariff and non-tariff protections are largely responsible for the poor performance of Indian products. On the other hand, the disaggregation of competitiveness into two levels (global & bilateral) indicates that few skill intensive products like steel alloy (HS 7304590) and bearing motor parts engines (HS 840999) are only competitive at the bilateral level. It has to be noted that these products belongs to the increasing production fragmentation chains in Asia.

To understand why India, despite having supply capability, fails to enter the Korean market, the paper also examined the trade barriers (tariffs and non-tariff barriers) by Korea on India's identified potential products (see last three columns in table A.2). Generally, both tariffs and non-tariff barriers are widespread and especially the latter is high for most of the products in category I and category III. Thus, the prevalence of SPS and TBT results in unfair trade barriers for Indian exporters in the Korean market. The pattern of competitive pressure from top five rival economies in the Korean market is examined. Across the three categories, Korea grants an applied preferential duty rates only for seven products. For these products (HS440710 from category-I; HS760110 and HS720241

from category-II; and HS853669, HS940540, HS820900 and HS760120 from category-III) India faces competition mainly from China under the Asia-Pacific Trade Agreement (APTA). For instance, because of APTA, Chinese exports of HS853669 enter the South Korean market at an applied preferential duty rate ranging from 0 to 4 percent, compared to the exports from Germany, USA, Japan, and Thailand, which enter the Korean market at an applied MFN rate of 0-8 percent.

Thus, the section clearly indicates India's over dominance of low value and income inelastic products in the export baskets. In order to succeed in the Korean market, India has to improve the sophistication of export basket and improve competitive performance. India has domestic capability in serving these products but suffer from low market share and trade barriers and untenable quality standards. Once these anomalies are addressed, India can expect to improve the export performance and reduce the persistent trade deficits.

4. Analysis of India's Imports from Korea

India's total imports from Korea increased from a mere US\$ 817.1 million in 2000 to US\$13675 million in 2012 registering a 17-fold increase. During 2000-2012, share of India's imports from Korea with respect to its total world imports increased from 1.5 percent to 3.4 percent. As before, the broad structure of the import product composition is examined using aggregate 2-digit classification followed by detailed disaggregate 6-digit product classification. Examining the major imports reveals India's heavy reliance on high valued sophisticated products like machinery (HS 84 & HS 85), Iron & Steel (HS 72) and transport structures (HS 89). Out of the 10 products, machinery items (both HS 84 and 85) account around 26 percent of total imports into India in 2012 (see table 7).

³ The bilateral RCA reflects the share of India's exports of product *j* in Korea to all countries exports to Korea divided by the share of India's total exports to Korea vis-à-vis all countries total exports to Korea.

Table 7 : India's Top 80% imports from Korea at HS 2-digit Product Category US \$ Million (%)

2 Digit	Description	2000	2005	2010	2012
84	Non-Electrical machinery	158.74 (19.43)	640.19 (14.59)	1603.20 (16.16)	2097.25 (15.34)
72	Iron and Steel	61.72 (7.55)	326.37 (7.44)	1310.10 (13.20)	1658.86 (12.13)
85	Electrical machinery & equipment	136.38 (16.69)	1699.54 (38.75)	1718.35 (17.32)	1430.45 (10.46)
89	Ships, boats and floating structures.	-	273.04 (6.22)	16.97 (0.17)	1205.52 (8.82)
39	Plastics and articles thereof.	74.28 (9.09)	263.60 (6.01)	820.93 (8.27)	1037.69 (7.59)
29	Organic chemicals	63.47 (7.77)	149.43 (3.41)	702.21 (7.08)	948.46 (6.94)
27	Mineral fuels, oils & product	5.30 (0.65)	0.04 (0.001)	693.32 (6.99)	898.07 (6.57)
87	Vehicles other than railway or tramway rolling-stock, parts & accessories thereof	17.24 (2.11)	270.78 (6.17)	784.43 (7.91)	753.24 (5.51)
99	UN special code	17.03 (2.08)	-	455.35 (4.59)	654.78 (4.79)
71	Natural or cultured pearls, stones	5.64 (0.69)	22.81 (0.52)	40.24 (0.41)	573.81 (4.20)

Note: Figures in parenthesis are the respective shares of each HS 2 2-digit product category in total imports from Korea for a given year (percent).

Source: Authors calculation using data from UN COMTRADE (WITS) database. Figures in the table have been sorted in descending order on year 2012.

The large surge in machinery imports can be mainly attributed to the Inverted Duty Structure (IDS) following the implementation of CEPA with Korea from 1st January 2010. Under the scheme, the duty structure for raw materials is higher, ranging from 2.5 to 10 percent, while it is zero for the final product. This has allowed domestic user industries like automobiles, engineering manufactures to source machinery and tools from Korea instead from domestic manufacturers. The fall in demand has adversely impacted on the competitiveness of the domestic machinery sector.

The detailed disaggregate level analysis further

corroborates the findings at the 2-digit level. Accordingly, there are 52 six digit level products, of which 12 products are from HS39, and 11 products each are from HS72, and HS84 (see table A.3). These 52 identified products not only have CAGR greater than the average CAGR for all products during 2009-2012 but also have a higher share in the overall imports in 2012. Using the 2012 data it is seen that out of 52 top 80 percent imports, 18 products are machinery items (35 percent). In terms of end-use category, the largest components are capital goods (23 products) followed by intermediate goods (27). This further substantiates our earlier observation regarding India's heavy dependency on some of the critical sectors.

Table 8 : Relative position of India's Imports from Korea at the HS 2-digit Product Category (%)

2 Digit	Description	2000	2005	2010	2012
89	Ships, boats and floating structures.	-	14.69	0.47	19.57
87	Vehicles other than railway or tramway rolling-	4.37	27.21	19.85	15.13
72	Iron & Steel	6.18	6.15	12.24	12.07
39	Plastics and articles thereof.	10.90	10.86	11.17	11.14
29	Organic chemicals	3.98	2.93	5.80	6.22

84	Non-Electrical Machinery	3.77	4.97	5.71	5.72
99	UN special code	2.31	-	5.18	5.44
85	Electrical machinery	5.07	15.35	6.82	4.90
71	Natural or cultured pearls, stones	0.06	0.10	0.06	0.70
27	Mineral fuels, oils & product	0.03	0.0001	0.63	0.48

Note: Relative position of India's imports from Korea at the HS 2-digit product category is calculated as India's imports of product i from Korea with respect to India's imports of product i from the world.

Source: Authors calculation from UN COMTRADE (WITS) database.

There are two effects of capital goods imports on domestic industrial sector. There can be some user industries, which depends heavily on imported machines to improve its productivity and efficiency. In addition, there can be some import-competing segment of the machinery-producing units, which compete directly with these foreign capital goods, resulting loss in competitiveness and ultimately the market share. There is some evidence to support the latter argument. For example, the Pressure vessel reactors/Towers and Chemical storage tanks (HS 84798910), a major non-electrical engineering segment is facing competitive disadvantage due to the Inverted Duty Structure (IDS). Due to CEPA, the custom duty is zero while the other countries imports face a duty of 7.5 percent. This resulted in large imports from Korea and creating unwarranted competitive pressure on the indigenous domestic manufactures.

Finally, a look at the relative importance reveals that India depends heavily on Korea for ships & boats (HS 89), railway & vehicles apparatus (HS 87), Iron & steel (HS 72) and plastic products (HS 39) (see Table 8). All these products have at least 10 percent or more share (India's import from Korea vis-a-vis to the world) in 2012. It is

evident that some of the products, like ships & boats apparatus, railway & vehicles apparatus, iron & steel, organic chemicals, non-electrical machinery, the share has witnessed an increasing trend during 2000-2012. Carrying out similar calculation at the 6-digit reveals that since 2000 Korea has emerged as a major supplier to India for 3 products, namely HS390330, HS721070, and HS390220 (see table A.4).

4.1 Intra-Industry Trade between India & Korea

The intra-industry trade or two way trade between India and Korea for the identified products at the exports and imports are given in table 9. It can be seen that high amount of trade between similar products is prevalent across mineral fuels, aluminium, organic chemicals, natural stones and zinc articles during 2000-12. Products such as oil seeds and organic chemicals witnessed large decline in IIT. It is evident that IIT is concentrated across few products. This implies that there is scope of further enhancing the trade prospects between these two countries so that both will enjoy product specialisation and exploit economies of scale. This is especially relevant in the context of the formulation of free trade agreement between the two in recent period.

Table 9 :India's Intra-Industry Trade with Korea

HS 2Digits	Description	2000-02	2010-12
10	Cereals	0.00	0.00
12	Oil Seeds	0.89	0.09
23	Food Waste	0.02	0.03
27	Mineral Fuels & Oils	0.19	0.72
29	Organic Chemicals	0.87	0.56
39	Plastics	0.07	0.07
52	Cotton	0.05	0.06
71	Natural/cultured stones	0.63	0.55
72	Iron & Steel	0.60	0.41
76	Aluminium	0.93	0.68
79	Zinc Articles	0.02	0.45
84	Non-Electrical Machinery	0.10	0.10
85	Electrical Machinery	0.07	0.06
87	Vehicles, railway & parts	0.17	0.06
89	Ships & Boats	0.00	0.00

Note: The exports and imports data are the cumulative figures for the given period

Source: Authors calculation from UN COMTRADE (WITS)

The analysis so far suggests a clear case of heavy dependence of India on Korea for technology intensive, knowledge based product groups. It is evident that India has not been successful in emerging as a leading producer of these sophisticated products even though the domestic production has been in place for a long period of time. Therefore, it is necessary that India improve the manufacturing capability in order to meet the growing user demand and supply quality products in the Korean market. The issue of competitiveness and efficiency is even more important in the context of the recent formation of CEPA between the two countries. In the following section, we provide a brief introduction to CEPA and its implication on India's exports and imports.

5. Formation of CEPA and Its Implication for India's Trade with Korea

India and Korea signed Comprehensive Economic Partnership Agreement (CEPA) in 7th August 2009, which came into effect on 1st January 2010. The agreement has twelve chapters covering issues on goods, services, investments, bilateral cooperation, intellectual property rights and competition. Under the CEPA agreement, tariffs will be reduced or eliminated on 93percent of Korea's and 85percent of India's tariff lines. It will also facilitate trade in services through additional commitments made by both countries to ease movement of Independent Professional and Contractual Service Suppliers (IPCSS). Both countries have committed to provide national treatment and protect each other's investments to give a boost to bilateral investments in all sectors. Since its implementation, the two way trade has increased from US\$ 12 billion in 2009-10 to US\$ 17 billion in 2012-13 and expected to reach around US\$ 40 billion by 2015 (Taneja, et al 2014). Through the effects of CEPA, Korea wants to grow as the economic and logistic hub in East Asia, and India wants to diversify its trade partners from traditional Western

countries to Asian countries. The CEPA allows 75 percent of Korean export goods to India to face no tariff or an eight-year phasing out of tariffs. India's tariffs on another 10 percent of goods will be phased out after 8-10 years (Tayal and Yoon, 2014).

The impact of CEPA on India's exports and imports is assessed by a comparative assessment of MFN rates and CEPA concession rates across Indian exports and India's major imports. It is evident that large number of identified products is covered under the CEPA concession rates. Since the base rates are expected to reduce in successive periods, India can hope to improve market access for number of existing and potential products in the future. On the import side, also it is found that CEPA provides tariff concessions to number of products leading to an overall surge in imports in Indian market. As examined earlier, some of the domestic import competing sectors are facing unwarranted competitive pressure because of the implementation of inverted duty structure scheme under CEPA. These aspects need to be addressed the future dialogue between India and Korea.

Apart from these developments, a recent study by Taneja, et al (2014) looked at the inclusion of service trade in India-Korea CEPA. In services, both India and Korea have undertaken liberalising commitments in 11 service sectors along with additional commitments in audio-visual, financial and telecommunication services. The study finds that there are strong complementarities in services sectors such as IT, transportation, construction and audio-visual services which can be accentuated by further liberalising trade and movement of natural persons. In addition, as India has a competitive advantage in information technology, it can provide sophisticated testing, consulting and system solutions to Korean clients and on the other hand, the Korean construction firms can have huge investment opportunities in Indian market.

Table A.1 : India's major Exports to Korea at the HS 6-digit Product Category

6Digit	Description	Relative position	Growth Status	Competitiveness		Applied MFN Tariff (%)	SPS/TBT	Number of SPS/TBT
				Global RCA	Bilateral RCA			
100590	Other	Low Share	High Growth	Competitive	Non-Competitive	328-630	SPS1-SPS11	11
120740	Sesamum seeds	High Share	High Growth	Competitive	Competitive	0-0	SPS1-SPS5, SPS7-SPS11	10
230400	Oil cake and residues	High Share	High Growth	Competitive	Competitive	1.8-1.8	SPS1-SPS5, SPS7-SPS11	10
230640	Of rape or colza seeds	High Share	Low Growth	Competitive	Competitive		No Information Available	
230690	Other	Low Share	High Growth	Competitive	Competitive	5-5	SPS1-SPS5, SPS7-SPS11	10
240120	Tobacco, stemmed/stripped	Low Share	Low Growth	Competitive	Competitive	20-20	SPS1-SPS5, SPS7-SPS11	10
260111	Iron ores and concentrates	Low Share	Low Growth	Competitive	Competitive	0-0	TBT1-TBT3	3
261400	Titanium ores and concentrates.	Low Share	High Growth	Competitive	Competitive	0-0	TBT1-TBT3	3
271000	Petroleum oils and oils	High Share	Low Growth	Competitive	Competitive		No Information Available	
280300	carbon blacks	Low Share	High Growth	Competitive	Competitive	5-5.5	TBT1-TBT3	3
290124	Unsaturated- Buta	High Share	Low Growth	Competitive	Competitive	0-0	TBT1-TBT3	3
290244	Mixed xylene isomers	Low Share	High Growth	Competitive	Competitive	3-3	TBT1-TBT3	3
291619	Other acyclic monocarboxylic acids	Low Share	High Growth	Competitive	Competitive	6.5-6.5	TBT1-TBT3	3
294190	Other	Low Share	Low Growth	Competitive	Competitive	2-6.5	TBT1-TBT3	3
294200	Other organic compounds.	Low Share	Low Growth	Competitive	Competitive	6.5-6.5	TBT1-TBT3	3
320416	Synthetic organic colouring matter	Low Share	Low Growth	Competitive	Competitive	8-8	TBT1-TBT3	3
320417	Synthetic organic matter thereon	Low Share	Low Growth	Competitive	Competitive	8-8	TBT1-TBT3	3
330190	Other	Low Share	Low Growth	Competitive	Competitive	8-754.3	TBT1-TBT7	7
410620	Parchment-dressed	Low Share	Low Growth	Competitive	Competitive		No Information Available	
520512	Single yarn, of uncombed fibres	Low Share	High Growth	Competitive	Competitive	0-0	TBT1-TBT3	3
520522	Single yarn decitex	Low Share	Low Growth	Competitive	Competitive	8-8	TBT1-TBT3	3
520523	Single yarn, fibresdecitex	High Share	Low Growth	Competitive	Competitive	8-8	TBT1-TBT3	3
520524	Single yarn, of combed fibres	Low Share	High Growth	Competitive	Competitive	8-8	TBT1-TBT3	3
520533	Multiple (folded) or cabled yarn	Low Share	High Growth	Competitive	Competitive	0.8-0.8	TBT1-TBT3	3

530599	Other	Low Share	High Growth	Competitive	Competitive	No Information Available	3
710239	Non-industrial :- Other	Low Share	Low Growth	Competitive	Competitive	TBT1-TBT3	3
711290	Other	High Share	Low Growth	Competitive	Competitive	No Information Available	
720110	Non-alloy pig iron	Low Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
720211	Ferro-manganese	Low Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
720230	Ferro-silico-manganese	Low Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
720241	Ferro-chromium	High Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
722220	Bars and rods	Low Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
722240	Angles, shapes and sections	Low Share	Low Growth	Competitive	Competitive	TBT1-TBT3	3
730459	Other, of other alloy steel	Low Share	High Growth	Uncompetitive	Competitive	TBT1-TBT3	3
760110	Aluminum, not alloyed	High Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
760120	Aluminum alloys	Low Share	Low Growth	Uncompetitive	Competitive	TBT1-TBT3	3
780110	Refined lead	Low Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
780191	Other lead & articles	Low Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
790111	Zinc, not alloyed	High Share	High Growth	Competitive	Competitive	TBT1-TBT3	3
840999	Other	Low Share	Low Growth	Uncompetitive	Competitive	TBT1-TBT3, TBT8-TBT12	8
848180	Other appliances	Low Share	High Growth	Uncompetitive	Non-Competitive	TBT1-TBT3	3
854511	Electrodes	Low Share	Low Growth	Competitive	Competitive	TBT1-TBT3, TBT13	4
870899	Other parts and accessories	Low Share	High Growth	Uncompetitive	Non-Competitive	TBT1-TBT3, TBT14-TBT17	7

Note: 'No information available' means that the product is not listed in the WTO tariff database, MFN or non-MFN, and non-tariff databases for South Korea or the product is listed and there is no information available on it. Applied MFN tariff (%) data is for the year 2013 while no year pertains for the SPS/TBT data. Applied MFN Tariff is based on the min-max format.

Source: Author's calculation from Compendium of India's Trade Portal, Government of India, WTO database, and UN COMTRADE (WITS) database.

Table A.2 : India's Export potential products to Korea at the HS 6-digit Product Category

6Digit	Description	Competitiveness		Applied MFN Tariff (%)	SPS/TBT	Number of SPS/TBT
		Global RCA	Bilateral RCA			
Category-I						
440710	Coniferous		Uncompetitive	NA	TBT1-TBT3	3
020714	Cuts and offal, frozen		Uncompetitive	27-20	SPS1-SPS5, SPS7-SPS12	12
441214	Plywood consisting solely		Uncompetitive		No Information Available	
841112	Turbo-jets		Uncompetitive	8-3	TBT1-TBT3, TBT8-TBT12	8
842630	Portal or pedestal jib cranes		Uncompetitive	0-0	TBT1-TBT3, TBT8-TBT12	8
722550	Other, cold-rolled (cold-reduced)		Uncompetitive	0-0	TBT1-TBT3	3
800120	Tin alloys		Uncompetitive	3-3	TBT1-TBT3	3
400122	Technically specified natural rubber		Uncompetitive	0-0	TBT1-TBT3	3
710610	Powder		Uncompetitive	3-3	TBT1-TBT3	3
Category-II						
270900	Petroleum oils crude minerals		Uncompetitive	3-3	TBT1-TBT3, TBT18	4
760110	Aluminium, not alloyed		Competitive	1-1	TBT1-TBT3	3
720241	Ferro-chromium		Competitive	2-2	TBT1-TBT3	3
Category-III						
740400	Copper waste and scrap.		Uncompetitive	0-0	TBT1-TBT3	3
854430	Ignition wiring sets		Uncompetitive	8-8	TBT1-TBT3, TBT13	4
847160	Input or output units, whether		Uncompetitive	0-0	TBT1-TBT3, TBT8-TBT12	8
760200	Aluminium waste and scrap.		Uncompetitive	0-0	TBT1-TBT3	3
290124	Unsaturated Bura-		Competitive	0-0	TBT1-TBT3	3
722830	Other bars and rods,		Uncompetitive	0-0	TBT1-TBT3	3
392062	Of polycarbonates, alkyd resins		Competitive	6.5-6.5	TBT1-TBT3	3
520100	Cotton not carded or combed.		Competitive	0-0	TBT1-TBT3	3

843143	Parts for boring machinery	Uncompetitive	Uncompetitive	0-0	TBT1-TBT3, TBT8-TBT12	8
840890	Other engines	Competitive	Uncompetitive	0-8	TBT1-TBT3, TBT8-TBT12	8
840734	Reciprocating piston engines	Uncompetitive	Uncompetitive	8-8	TBT1-TBT3, TBT8-TBT12	8
730459	Other, of alloy steel :-: Other	Uncompetitive	Competitive	0-0	TBT1-TBT3	3
842129	Filtering machinery	Uncompetitive	Uncompetitive	0-8	TBT1-TBT3, TBT8-TBT12	8
300490	Other	Competitive	Uncompetitive	8-8	TBT1-TBT3, TBT5, TBT19-TBT20	6
841410	Vacuum pumps	Uncompetitive	Uncompetitive	3-8	TBT1-TBT3, TBT8-TBT12	8
841199	Parts	Uncompetitive	Uncompetitive	3-8	TBT1-TBT3, TBT8-TBT12	8
853669	Other Lamp-holders	Uncompetitive	Uncompetitive	0-8	TBT1-TBT3, TBT13	4
390110	Polyethylene having a	Uncompetitive	Uncompetitive	6.5-6.5	TBT1-TBT3	3
540233	Textured yarn Of polyesters	Competitive	Competitive	8-8	TBT1-TBT3	3
940540	Other electric lamps and lighting fittings	Uncompetitive	Uncompetitive	8-8	TBT1-TBT3	3
030749	Sepiolasp Other	Competitive	Uncompetitive	10-22	SPS1-SPS5, SPS7-SPS11	11
820900	Plates, sticks, tips and the like	Uncompetitive	Uncompetitive	8-8	TBT1-TBT3	3
760120	Aluminium alloys	Uncompetitive	Competitive	1-3	TBT1-TBT3	3
840820	Engines of a kind	Uncompetitive	Uncompetitive	8-8	TBT1-TBT3, TBT8-TBT12	8

Note: Only those products whose information on tariff and NTB are listed in this table. 'No information available' means that the product is not listed in the WTO tariff database, MFN or non-MFN, and non-tariff databases for South Korea or the product is listed and there is no information available on it. Applied MFN tariff (%) data is for the year 2013 while no year pertains for the SPS/TBT data. Applied MFN Tariff is based on the min-max format.

Source: Author's calculation from Compendium of India's Trade Portal, Government of India, WTO database, and UN COMTRADE (WITS) database

Table A.3 : India's top 80% Imports from Korea at the HS 6-digit Product Category US\$ Million (%)

271000	Petroleum oils and oils obtained	Consumer goods	431.24 (52.78)	563.20 (12.76)	772.48 (7.79)	786.18 (5.75)
840820	Engines of a kind used for the propulsion of vehicles of Chapter 87	Capital goods	54.67 (6.69)	89.48 (2.03)	177.67 (1.79)	275.67 (2.02)
710812	Non-monetary :- Other unwrought forms	Intermediate goods	1.33 (0.16)	17.24 (0.39)	298.43 (3.01)	241.32 (1.76)
390421	Other polyvinyl chloride :- Non-plasticised	Intermediate goods	93.67 (11.46)	144.92 (3.28)	201.64 (2.03)	239.96 (1.75)
843149	Of machinery of heading No. 84.26, 84.29 or 84.30	Capital goods	29.77 (3.64)	70.37 (1.59)	103.30 (1.04)	143.78 (1.05)
721070	Painted, varnished or coated with plastics	Intermediate goods	13.10 (1.60)	69.01 (1.56)	78.57 (0.79)	99.55 (0.73)
720839	Other, in coils, not further worked than hot-rolled :-	Intermediate goods	12.10 (1.48)	5.93 (0.13)	57.95 (0.58)	90.89 (0.66)
390330	Acrylonitrile-butadiene-styrene (ABS) copolymers	Intermediate goods	32.69 (4.00)	69.64 (1.58)	74.76 (0.75)	85.59 (0.63)
890800	Vessels and other floating structures for breaking up.	Intermediate goods	-	4.29 (0.10)	1.33 (0.01)	81.70 (0.60)
722511	Of silicon- electrical steel :- Grain-oriented	Intermediate goods	37.97 (4.65)	47.06 (1.07)	52.22 (0.53)	74.08 (0.54)
846299	Other :- Other	Capital goods	16.15 (1.98)	11.76 (0.27)	20.89 (0.21)	71.71 (0.52)
390130	Ethylene-vinyl acetate copolymers	Intermediate goods	17.61 (2.16)	24.66 (0.56)	20.52 (0.21)	63.58 (0.46)
722519	Of silicon-electrical steel :- Other	Intermediate goods	4.54 (0.56)	26.41 (0.60)	68.76 (0.69)	61.02 (0.45)
848071	Moulds for rubber or plastics : Injection or compression types	Capital goods	14.12 (1.73)	25.38 (0.58)	48.61 (0.49)	58.59 (0.43)
845710	Machining centres	Capital goods	6.09 (0.74)	9.46 (0.21)	20.61 (0.21)	52.70 (0.39)
720837	Other, in coils, not further worked than hot-rolled :-	Intermediate goods	5.43 (0.66)	10.11 (0.23)	31.17 (0.31)	52.23 (0.38)
848180	Other appliances	Capital goods	11.70 (1.43)	18.85 (0.43)	43.43 (0.44)	41.08 (0.30)
846229	Bending, Other	Capital goods	11.26 (1.38)	5.17 (0.12)	3.97 (0.04)	35.91 (0.26)
870850	Drive-axles transmission components	Capital goods	23.02 (2.82)	21.03 (0.48)	19.88 (0.20)	35.25 (0.26)
853690	Other apparatus	Capital goods	16.12 (1.97)	24.45 (0.55)	26.86 (0.27)	32.33 (0.24)
841989	Other machinery, plant and equipment :- Other	Capital goods	2.68 (0.33)	6.92 (0.16)	33.46 (0.34)	31.65 (0.23)
710813	Non-monetary :- Other semi-manufactured forms	Intermediate goods	0.21 (0.03)	0.05 (0.0012)	2.27 (0.02)	31.24 (0.23)
721933	Not further worked than cold-rolled (cold-reduced)	Intermediate goods	10.13 (1.24)	22.87 (0.52)	25.08 (0.25)	29.27 (0.21)
842199	Parts :- Other	Capital goods	10.21 (1.25)	12.28 (0.28)	21.15 (0.21)	26.03 (0.19)
390230	Propylene copolymers	Intermediate goods	7.97 (0.98)	12.68 (0.29)	13.82 (0.14)	25.44 (0.19)
870893	Other parts and accessories : Clutches and parts thereof	Capital goods	10.96 (1.34)	14.63 (0.33)	21.94 (0.22)	25.29 (0.18)
853890	Other	Capital goods	11.01 (1.35)	18.03 (0.41)	21.18 (0.21)	24.60 (0.18)

841790	Parts	Capital goods	1.66 (0.20)	1.61 (0.04)	3.62 (0.04)	24.01 (0.18)
841590	Parts	Capital goods	6.35 (0.78)	39.06 (0.89)	28.54 (0.29)	23.74 (0.17)
890400	Tugs and pusher craft	Capital goods	-	11.15 (0.25)	26.31 (0.27)	23.60 (0.17)
721934	Not further worked than cold -rolled (cold-reduced)	Intermediate goods	2.68 (0.33)	7.67 (0.17)	20.62 (0.21)	23.25 (0.17)
720838	Other, in coils, not further worked than hot-rolled	Intermediate goods	4.32 (0.53)	4.87 (0.11)	24.85 (0.25)	23.14 (0.17)
390190	Other	Intermediate goods	7.28 (0.89)	14.18 (0.32)	15.34 (0.15)	22.26 (0.16)
720712	Containing by weight less than 0.25 % of carbon	Intermediate goods	0.28 (0.03)	0.67 (0.02)	34.62 (0.35)	21.75 (0.16)
854460	Other electric conductors, for a voltage exceeding 1,000 V	Consumer goods	2.82 (0.35)	10.08 (0.23)	24.69 (0.25)	21.72 (0.16)
850440	Static converters	Capital goods	3.12 (0.38)	3.27 (0.07)	10.24 (0.10)	20.23 (0.15)
870839	Brakes and servo - brakes and parts thereof :- Other	Capital goods	8.60 (1.05)	11.39 (0.26)	16.19 (0.16)	18.17 (0.13)
720690	Other	Intermediate goods	0.22 (0.03)	-	-	17.39 (0.13)
290711	Monophenols : --Phenol (hydroxybenzene) & its salts	Intermediate goods	0.01 (0.001)	3.96 (0.090)	3.24 (0.033)	17.36 (0.13)
721990	Other	Intermediate goods	4.17 (0.51)	10.15 (0.23)	14.45 (0.15)	16.92 (0.12)
853669	Lamp-holders, plugs and sockets : -- Other	Capital goods	3.66 (0.45)	4.19 (0.09)	7.66 (0.08)	16.70 (0.12)
851150	Other generators	Capital goods	7.19 (0.88)	13.48 (0.31)	10.79 (0.11)	16.34 (0.12)
853710	For a voltage not exceeding 1,000 V	Capital goods	3.08 (0.38)	2.76 (0.06)	8.36 (0.08)	16.31 (0.12)
390799	Other polyesters :- Other	Intermediate goods	5.61 (0.69)	8.93 (0.20)	14.07 (0.14)	15.88 (0.12)
391990	Other	Intermediate goods	4.68 (0.57)	9.48 (0.21)	11.62 (0.12)	13.87 (0.10)
390220	Polyisobutylene	Intermediate goods	1.57 (0.19)	5.86 (0.13)	8.25 (0.08)	13.65 (0.10)
870894	Other parts and accessories :- Steering wheels, steering columns and steering boxes	Capital goods	4.08 (0.50)	8.62 (0.20)	11.43 (0.12)	13.53 (0.10)
390610	Polymethyl methacrylate	Intermediate goods	6.07 (0.74)	7.67 (0.17)	10.87 (0.11)	13.28 (0.10)
390730	Epoxide resins	Intermediate goods	5.34 (0.65)	8.73 (0.20)	9.75 (0.10)	12.55 (0.09)
390740	Polycarbonates	Intermediate goods	3.84 (0.47)	16.08 (0.36)	10.84 (0.11)	12.10 (0.09)
390760	Polyethylene terephthalate	Intermediate goods	5.00 (0.61)	8.94 (0.20)	19.36 (0.20)	12.08 (0.09)
870892	Other parts Silencers and exhaust pipes	Capital goods	4.86 (0.59)	5.27 (0.12)	5.99 (0.06)	7.74 (0.06)

Note: Figures in parenthesis are the respective shares of each product in total imports of India from Korea for a given year (%). Figures in the table have been sorted in descending year on % share in year 2012.

Source: Authors using data from UN COMTRADE (WITS) database.

Table A.4: Relative position of India's Imports from South Korea at the HS 6-digit Product Category (%)

6 Digit	Description	2000	2005	2010	2012
390330	Acrylonitrile-butadiene-styrene (ABS) copolymers	31.61	59.39	68.41	70.76
721070	Painted, varnished or coated with plastics	43.23	63.48	82.79	66.41
390220	Polyisobutylene	13.44	56.66	61.07	64.62
848071	Moulds for rubber or plastics : - Injection or compression types	23.10	30.78	23.90	37.85
390610	Polymethyl methacrylate	29.74	44.48	34.98	37.63
851150	Other generators	3.01	20.51	40.28	36.61
870892	Other parts and accessories : - Silencers and exhaust pipes	0.49	81.16	39.37	32.89
721934	Not further worked than cold - rolled (cold-reduced) :- Of a thickness of 0.5 mm or more but not exceeding 1 mm	0.29	11.54	26.17	31.92
854460	Other electric conductors, for a voltage exceeding 1,000 V	1.61	3.46	16.34	31.50
390130	Ethylene-vinyl acetate copolymers	14.20	13.22	12.24	30.21
720837	Other, in coils, not further worked than hot rolled :- Of a thickness of 4.75 mm or more but not exceeding 10 mm	11.70	5.37	4.28	29.26
870893	Other parts and accessories :- Clutches and parts thereof	1.39	18.23	27.99	29.24
840820	Engines of a kind used for the propulsion of vehicles of Chapter 87	-	19.89	21.92	25.81
722519	Of silicon-electrical steel :- Other	4.59	7.68	15.42	25.43
846299	Other :- Other	1.90	4.54	14.87	24.87
843149	Of machinery of heading No. 84.26, 84.29 or 84.30 :- Other	2.67	6.43	17.12	24.25
846229	Bending, folding, straightening or flattening machines (including presses) :- Other	5.03	16.22	7.04	23.86
390421	Other polyvinyl chloride :- Non-plasticised	18.97	18.71	23.12	23.33
721933	Not further worked than cold - rolled (cold-reduced) :- Of a thickness exceeding 1 mm but less than 3 mm	0.11	13.79	44.55	22.95
720839	Other, in coils, not further worked than hot rolled :- Of a thickness of less than 3 mm	3.81	1.71	3.78	21.84
720690	Other	1.01	-	-	21.38
722511	Of silicon-electrical steel :- Grain-oriented	1.24	1.60	13.46	20.44
720838	Other, in coils, not further worked than hot rolled :- Of a thickness of 3 mm or more but less than 4.75 mm	0.00	19.67	10.31	18.62
390230	Propylene copolymers	39.54	14.42	13.87	16.51

870850	Drive-axles with differential, whether or not provided with other transmission components	0.65	25.70	10.16	15.57
271000	Petroleum oils and oils obtained from bituminous minerals, other than crude	0.29	-	9.74	15.20
845710	Machining centres	3.57	6.62	4.51	14.96
890800	Vessels and other floating structures for breaking up.	-	-	3.99	14.64
721990	Other	1.60	3.94	11.61	13.72
870839	Brakes and servo -brakes and parts thereof : -- Other	1.19	18.42	10.36	12.60
390760	Polyethylene terephthalate	8.94	12.56	18.62	12.11
841790	Parts	0.68	5.82	1.89	12.02
390799	Other polyesters :- Other	3.05	13.62	6.69	10.33
870894	Other parts and accessories :- Steering wheels, steering columns and steering boxes	7.71	36.07	11.20	10.04
842199	Parts :- Other	2.91	5.55	7.00	9.75
841989	Other machinery, plant and equipment :- Other	1.84	0.75	4.31	9.73
853690	Other apparatus	4.39	3.43	10.54	9.19
720712	Containing by weight less than 0.25 % of carbon	-	-	0.45	9.18
390730	Epoxide resins	10.25	6.47	6.73	8.88
390190	Other	7.28	5.58	10.34	8.65
841590	Parts	43.03	20.49	13.72	7.92
290711	Monophenols	-	5.13	2.14	7.21
853669	Lamp-holders, plugs and sockets :- Other	4.12	11.05	4.30	6.99
391990	Other	13.62	6.05	6.49	6.99
853710	For a voltage not exceeding 1,000 V	1.57	0.69	1.45	5.23
848180	Other appliances	1.29	3.07	3.63	5.03
853890	Other	1.87	2.28	3.71	4.36
390740	Polycarbonates	1.58	7.03	5.67	3.77
850440	Static converters	2.76	1.63	0.63	2.83
890400	Tugs and pusher craft.	-	2.61	1.26	2.00
710813	Non-monetary : -- Other semi - manufactured forms	-	0.01	0.005	0.84
710812	Non-monetary :- Other unwrought forms	0.07	0.14	0.05	0.49

Note: Relative position of India's imports from South Korea at the HS 2-digit product category is calculated as India's imports of product *i* from South Korea with respect to India's imports of product *i* from the world. A '-' indicates that the relative position could not be calculated as there was no information available on the exports of product *i* from South Korea into India for that particular year. Figures in the table have been sorted in descending order on year 2012.

Source: Authors calculation using data from UN COMTRADE (WITS) database.

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