

The Political Economy of South Korea's Arms Trade with India

Challenges and Prospects

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South Korea's rapid rise as a manufacturing powerhouse and a leading export-oriented economy was made possible due to the active role of the 'developmental state' in the country. Despite adopting several neoliberal policies after the devastating Asian financial crisis of 1997, the South Korean state did not fully abandon its role in the country's economic development. In recent years, selling of military hardware has emerged as one of the 'new engines of economic growth' for this export-oriented nation. Furthermore, South Korea's economic and strategic relations with India have developed significantly, particularly after the end of the Cold War. The arms trade between the two countries has also grown notably. While India's developing economic and strategic relations with South Korea are well-documented, there is a lack of literature on New Delhi's increasing arms trade with Seoul. This article explains the challenges and prospects of South Korea's trade of weapons with India.

Keywords: South Korea, India, developmental state, arms trade, Make in India

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INTRODUCTION

South Korea witnessed rapid economic transformation from the 1970s, emerging as one of the leading manufacturing centres in the world. Notably, this rapid transformation of the South Korean economy was brought about due to the active role of the 'developmental state'¹ in the country which made economic development its top-most priority. Despite being poor in natural resources and having been substantially devastated during the Korean War (1950–53), the state applied well-planned strategies to make South Korea one of the leading hubs of manufacturing and exporter of ships, automobiles, television sets, etc.²

In the 1970s, it was the security dynamics on the Korean Peninsula, apprehensions regarding the withdrawal of American military support and constant threat of another major conflict that pushed the South Korean government, under Park Chung-hee (1961–79), to implement rapid industrialisation of the country along with the promotion of arms production.³ In fact, the adverse security situation on the Korean Peninsula and the arms race with North Korea gave an impetus to the defence industries in South Korea to pursue 'self-reliance' in the manufacturing of weapons.⁴ Throughout this rapid industrialisation process, the role of the South Korean state remained crucial. Even after the devastating Asian financial crisis of 1997 and the adoption of several neoliberal policies under the supervision of International Monetary Fund (IMF), the South Korean state did not completely give up its role in the economic development of the country.⁵ In recent decades, South Korea has also focused on the sale of military equipment in the overseas markets to sustain its export-oriented economic development.⁶ As a result, the country has emerged as one of the largest traders of military hardware in the world. The selling of conventional weapons, such as fighter jets, tanks, submarine, howitzers and minesweepers, has emerged as one of the 'new growth engines' for Seoul.

The South Korean arms industries, however, are still dependent on foreign manufacturers for some of the core technologies, and the cost of weapons development programme is also high. This contradicts the economic rationality based on comparative advantage. The collective memory and national pride can be attributed to be the dominating factors in Seoul's policy for achieving self-reliance in defence production.⁷ In this regard, the South Korean arms industry has indeed raised the country's profile in the world and South Korea is now competing with the traditional arms exporters, such as Russia, France, the United States (US), the United Kingdom (UK) and China.

Notably, the South Korean defence industries have been earning billions of dollars for this Asian nation. More recently, the onset of war in Ukraine in 2022 gave an opportunity to Seoul to emerge as one of the largest exporters of defence equipment in the world as European nations and members of the North Atlantic Treaty Organization (NATO) have purchased or are negotiating to buy arms from South Korea in large quantities.⁸

Meanwhile, South Korea's bilateral relations with India have grown exponentially after the end of the Cold War and both nations have strengthened their economic and strategic relations.⁹ India's vast population and South Korea's need for new markets have brought the South Korean companies and investors to India. Apart from this, South Korea has also emerged as a notable exporter of weapons to India. According to a report by the Stockholm International Peace Research Institute (SIPRI), during 2018–22, India was the biggest importer of weapons in the world.¹⁰ In this regard, New Delhi's huge arms bazaar has opened up a new arena for Indo-South Korean cooperation. While a military alliance between India and South Korea may not be a priority, trade and joint production of military equipment between these two countries certainly has bright prospects.¹¹ The recent success of some defence-related joint ventures between Indian and South Korean companies, such as the production of K9 Vajra howitzers, is testimony to the feasibility of further cooperation in arms trade between the two countries. Further, in the backdrop of China's rising military assertiveness, India has been supporting the 'Indo-Pacific strategy' in association with the US, Japan and Australia, and has also enhanced strategic engagement with other 'middle power' countries in the region, including South Korea.

While India's developing economic and strategic relations with South Korea are well-documented, there is a lack of literature on New Delhi's increasing arms trade with Seoul. Therefore, this article argues that the recent rise of South Korea's defence industries is largely a part of Seoul's export-oriented economic development strategy, and explains the challenges and prospects of South Korea's trade of weapons with India.

SOUTH KOREA'S 'DEVELOPMENTAL STATE' AND ARMS MANUFACTURING INDUSTRIES

The Korean Peninsula was divided along the 38th North latitude by the Allied powers after the end of the Japanese colonial regime (1910–45) in the country. The establishment of two Korean states—North Korea and South Korea—with two opposite ideologies and political economy, created intense

competition between them. In 1950, Pyongyang and Seoul clashed to reunify the Korean Peninsula, which ended in an armistice in 1953. The failure to forge a peace agreement between the warring parties still continues, keeping the two Koreas technically at war with each other. In this environment of heightened tensions, the defence industries received significant attention in both North Korea and South Korea.

Apart from defence, rapid economic development also gained priority as a show of superiority between communism and capitalism on the Korean Peninsula. In this regard, the rise of the 'capitalist developmental state' in South Korea, particularly under the leadership of Park Chung-hee, played a pivotal role in the rapid economic transformation of the country and its rise as an 'Asian Tiger' economy. The powerful South Korean state under Park suppressed interest groups and implemented economic policies with an iron hand. The state selectively promoted some *chaebol* groups or family-controlled big business groups, like Hyundai, Samsung, LG and Daewoo, in its export-oriented development strategy. By controlling the banking sector, along with economic planning and incentivising performance in the export of manufactured goods, the South Korean government was able to transform an underdeveloped and resource-poor country into the fourth-largest economy of Asia. As a result, in 1996, South Korea joined the Organisation for Economic Co-operation and Development (OECD). Further, despite the destructive impact of the 1997 Asian financial crisis and subsequent adoption of several neoliberal policies under the guidance of the IMF, South Korean state did not completely surrender its role in the economic development of the country. However, rising competition from the Chinese manufacturing sector and the growth of new low-wage destinations in Asia threw up challenges for South Korea's economic development strategy, compelling Seoul to look for new products and markets. In this pursuit, the state in South Korea began supporting 'new growth engines', such as South Korean entertainment industries, tourism, scientific research and innovation, and defence industries.

South Korea's recent emergence as one of the leading arms traders in the world can also be attributed to the government's promotion of heavy and chemical industries, in collaboration with *chaebol* groups in the 1970s, through the strategy of 'militarised industrialisation'.¹² In addition, the threat of withdrawal of the United States' military support to South Korea during the tenure of American President Richard Nixon and the Park Chung-hee regime's push for 'self-reliance' in the field of arms manufacturing played a pivotal role in the rise of South Korean defence industries. The Park

administration even went to the extent of planning to develop its own nuclear weapons and ballistic missile system.¹³ Remarkably, the American war effort in Vietnam also gave a boost to the South Korean defence industries to produce weapons as part of the US military offshore procurement (OSP).¹⁴ In the post-Cold War phase, South Korean arms industries went through significant changes, with the Government of South Korea focusing its support on technological fields related to aerospace and electronics.¹⁵ The dissolution of the Soviet Union and South Korea's normalisation of diplomatic relations with China were momentous developments. Interestingly, South Korea even sought to buy sophisticated weapons from Russia—a former enemy state of Seoul and a country which had a close alliance with North Korea during the Cold War period.¹⁶ Though the 1997 Asian financial crisis had a detrimental impact on the South Korean economy, the economic recovery after the crisis witnessed a jump in the export of weapons from South Korea.¹⁷

In this regard, defence industries have emerged as the new generators of wealth for South Korea. While South Korean manufacturing sector applied the strategy of reverse engineering during the initial years of rapid industrialisation drive, in the recent decades the focus has shifted towards innovation of new technologies through research and development. An innovation-driven 'creative economy' has become the goal of the South Korean state, to make the products of the country more competitive in the international market.¹⁸ As a result, South Korea has also been supporting research and improvement in weapons production. Remarkably, the weapons produced by South Korean industries have rapidly gained markets in several developing as well as developed countries of the world, largely due to their low price, rapid delivery and reliable quality.¹⁹ This is evident from the fact that Seoul's export of arms has dramatically increased in the recent years (Table 1).

Table I South Korea's Export of Arms

(unit: US\$ 1 billion)

Year	2017	2018	2019	2020	2021	2022
Export of arms from South Korea	3.12	2.77	3.08	3.00	7.25	17.00

Source: Defense Acquisition Program Administration, Korea, cited in Michael Lee, 'Korea Rising as a Defense Supplier amid Global Tensions', *Korea JoongAng Daily*, 1 May 2023, available at <https://koreajoongangdaily.joins.com/2023/05/01/national/defense/Korea-weapons-KDefense/20230501155823374.html>, accessed on 12 May 2025.

The constant support of state institutions remains crucial for the development of defence industries in South Korea. The state support to arms production even became an issue in the 2025 presidential election in the country. During his election campaign, the current South Korean President Lee Jae Myung pledged for 'a state-led defence sector', which has become 'a new growth engine' for the country.²⁰ Expecting a boom in defence exports, South Korean political parties of different ideological shades support the promotion of arms production in the country. Notably, the advent of the second Donald Trump administration in the US in 2025 and its transactional approach towards South Korea has also pushed Seoul to look for new markets and promote defence industries.

SHIFT IN INDIA'S PLANNED ECONOMIC DEVELOPMENT AND DEFENCE INDUSTRIES

India, after becoming independent from British colonial rule in 1947, adopted a model of planned economic development based on socialist ideas. As a result, the defence industries were a monopoly of the state in India. The government-owned factories and institutions produced most of the weapons required for the defence sector. The effort was to achieve self-reliance in national defence and minimise dependence on foreign countries for procurement of arms. In foreign affairs, India adopted a 'non-aligned policy' to keep away from ideological rivalry of the Cold War period, led by the Soviet Union and the US. However, the country maintained good relations with both the power blocs and received weapons from Western nations as well as from the Soviet Union. After the end of the Cold War and the collapse of the Soviet Union, Russia remained the largest foreign source of arms to India. In 1991, the Indian government liberalised the economy and adopted several market measures.

Currently, the Indian Army is considered to be the second-largest active army in the world. As the most populated country in the world, with a subcontinental-sized geography and the large peninsular coastlines, the defence of India is indeed a challenging task. Being surrounded by hostile and nuclear-armed neighbours, New Delhi has been one of the largest spenders on defence in the world. With China's rapid rise as a military power, Indian defence establishment has been gearing up to counter security threats from this 'Middle Kingdom'. In this effort, India has been seeking greater cooperation with the US, Japan, Australia and other like-minded countries in the Indo-Pacific region.

However, despite efforts to achieve indigenisation and self-reliance in defence production, India is still heavily dependent on the import of military equipment from foreign countries. In 2014, the Indian government, under the leadership of Prime Minister Narendra Modi, launched the 'Make in India' initiative to overcome India's heavy dependence on import of manufactured goods. This strategy of New Delhi also had an impact on India's defence industry.²¹ Apart from this, in recent years, the Indian government has roped in the private sector to manufacture defence equipment. Indian private companies, such as Tata, Mahindra, Reliance, Godrej, Adani, Bharat Forge and Larsen and Toubro (L&T), have entered the field of manufacturing arms and other heavy machineries to meet the demands of the Indian Army. The entry of private companies into the defence sector reflects a significant shift in the policy of the Government of India. In fact, the efforts towards indigenisation have led to the production of the first indigenous aircraft carrier in India.

India's efforts for indigenisation of defence production can also be regarded as 'the quest for strategic autonomy' in international affairs.²² Self-reliance in production of military hardware will reduce India's huge trade deficit, as well as its dependence on foreign countries. Being one of the largest importers of arms in the world, India would be able to save money for economic development of the country. Indeed, India's massive expenditure on the import of defence equipment is certainly an issue of concern. In this regard, the 'Make in India' strategy seeks to reduce India's dependence on manufacturers of arms in foreign countries. Notably, while India has been successful in indigenising nuclear and space technologies, it is still struggling to catch up with advanced countries in producing conventional weapons. The lack of innovation, research and development in weapons-related technologies has been a major obstacle in developing an autonomous defence industry in India. This has not only encouraged New Delhi's dependence on foreign countries but has also given rise to several cases of corruption in defence deals. Time and again, India has been rocked by issues of bribery, nepotism and undue favours in the procurement of weapons from abroad. The emphasis on indigenisation of arms production by the Government of India also aims to reduce corruption in defence-related deals.

Further, New Delhi has been seeking greater collaboration with foreign defence-related entities for indigenisation of weapons production. In this regard, the transfer of technology and building of production facility in association with Indian partners is a crucial component. The joint production of BrahMos missile system and K9 Vajra howitzers in India are two separate

cases of successful partnerships between Indian and foreign entities. The relatively cheaper production cost in India has made it an attractive destination for some foreign arms manufacturers. Also, as the arms industry is becoming global, India is aiming to join the supply chain by manufacturing parts and components of weapon systems.

INDIA–SOUTH KOREA RELATIONS AND ARMS TRADE

The cultural relationship between India and the Korean Peninsula dates back to ancient times.²³ India also played some role during the Korean War, first, by sending a medical team and later, in the repatriation of prisoners of war.²⁴ The contemporary relationship between New Delhi and Seoul got a boost largely due to the merging of their economic and strategic interests, as well as India's initiation of 'Look East' policy in the post-Cold War period. Besides, South Korea's globalisation drive and efforts for securing new markets brought its business groups to the Indian shores after the end of the Cold War. South Korea's rapid entry into the newly liberalised Indian market provided enormous benefits to Seoul's export-oriented economy.

More recently, South Korea's efforts to reduce its dependence on the Chinese market and India's 'Make in India' strategy have increased synergy between the two countries. This is reflected in the burgeoning bilateral trade relations between New Delhi and Seoul (Table 2). The India–South Korea strategic relations were also upgraded to a Special Strategic Partnership in 2015, and both countries are now engaged in the '2+2 dialogue' of foreign and defence ministries. In addition, the people-to-people contacts between the two countries have increased substantially. The 'Korean Wave' or the rise of South Korean popular culture has also made its impact in India, and the South Korean *chaebol* groups, such as LG, Hyundai, Samsung and Kia, have become household names in this second-biggest economy in Asia. To further enhance India's relations with countries of the Asia-Pacific region, the Narendra Modi government has been pursuing 'Act East' policy, in which South Korea remains a key partner.²⁵ Similarly, South Korea has been making efforts to diversify its foreign relations and lessen Seoul's overdependence on the four major power of the Northeast Asian region, namely, China, the US, Japan and Russia. The former Moon Jae-in administration (2017–22) in Seoul launched the 'New Southern Policy' as part of its strategy to reduce dependence on neighbouring powers and deepen relations with India and the Association of Southeast Asian Nations (ASEAN).

Table 2 India–South Korea Bilateral Trade Figures in Recent Years

(value in US\$ million)

Year	2019–20	2020–21	2021–22	2022–23	2023–24
India's total exports to South Korea	4,845.15	4,684.62	8,085.03	6,654.10	6,416.67
India's total imports from South Korea	15,659.70	12,772.97	17,477.20	21,227.32	21,136.11
Total trade between India and South Korea	20,504.85	17,457.59	25,562.24	27,881.42	27,552.78

Source: 'Export Import Data Bank', Department of Commerce, Ministry of Commerce and Industry, Government of India, available at <https://tradestat.commerce.gov.in/eidb/iecnt.asp>, accessed on 15 December 2024.

As mentioned earlier, South Korea has been aiming to expand its market opportunities and reduce dependence on the Chinese market. In this regard, the South Korean defence-related industries have been targeting the lucrative Indian market. The Indian defence sector has indeed emerged as one of the major markets for South Korean arms manufacturers as both the countries have increased cooperation in defence production.²⁶ The rising arms trade between India and South Korea reflects the increased level of confidence and interdependence between these two Asian countries. The Indian defence bazaar provides huge prospects to the South Korean arms manufacturers. Additionally, the South Korean military equipment is now being rated as among the best in the world and is available at a competitive price.

Meanwhile, the Indian defence sector is also in dire need of indigenisation and catching up with the Chinese military. In this regard, the joint production of K9 Vajra howitzers is a successful venture between India's L&T and Hanwha Aerospace of South Korea. Evidently, in April 2025, the two companies signed a contract to manufacture 100 additional K9 Vajra howitzers in India.²⁷ The manufacturing of submarines, anti-missile defence system, fighter jets, tanks and even aircraft carriers could also benefit from Indo-South Korean arms cooperation. In July 2025, it was reported that the South Korean shipbuilding company, HD Hyundai, and India's Cochin Shipyard would collaborate in ship construction industry.²⁸

The 'Make in India' strategy of the Indian government is not only to reduce import dependence of defence equipment, but also to increase the export of arms from the country.²⁹ In this regard, India's nascent arms export business may find market in South Korea. Several short-range missiles produced in

India may be useful for South Korea to counter Pyongyang's missile threats. Similarly, Seoul can utilise Indian defence production facilities to produce military hardware for the South Korean Army at a reasonable cost. Both India and South Korea depend on several American defence systems, which opens up the possibility for cooperation in parts and repair work between the two countries. Further, the joint production of defence equipment by India and South Korea, which can be exported to a third country, has huge possibilities. The quality and price competitiveness will be crucial factors for weapons produced in India with South Korean technology to enter into the newly emerging defence markets in Southeast Asia, Middle East, East Europe, Latin America, Australia and Africa.

The Indian and South Korean defence industries can complement each other in several respects. While India has been quite successful in developing missile technology, South Koreans have done well in building tanks, howitzers and submarines. The cold and mountainous terrains of India's northern borders have similarities with the topography of the Korean Peninsula. Therefore, the weapon system which is suitable for both the countries can be jointly produced. It can also be exported to other countries with similar geographical features and needs.

CHALLENGES TO SOUTH KOREA'S ARMS TRADE WITH INDIA

India and South Korea face similar security threats as both the countries are bordered by hostile neighbours, such as Pakistan and North Korea, respectively. China, too, is a common factor in foreign affairs, international trade and strategic calculations of India and South Korea. Notably, New Delhi and Seoul are also now closer to the US for strategic reasons. Therefore, there is plenty of scope for cooperation between India and South Korea in defence industries. However, South Korean arms trade with India faces several challenges.

The failure of some South Korean projects in India has been a setback for New Delhi's 'Make in India' strategy. In particular, the land acquisition process for establishing manufacturing industries in India is often a cumbersome process, threatening future South Korean investments. For instance, the cancellation of South Korean steel major POSCO's Rs 51,000 crores project in the Indian state of Odisha was largely due to the land acquisition issues.³⁰ The South Korean investors also blame cultural differences and lack of adequate infrastructure facilities as major obstacles in establishing industries in India.³¹ According to a recent news report in South Korea, 'India also

grapples with labor unrest and a shortage of highly skilled workers'.³² Further, the predominance of government institutions and opposition to reform measures in India has been detrimental in the incorporation of foreign contractors in the country's defence-related industries.³³ In recent years, the Indian government has been tough on specific issues with South Korean industries, including imposing anti-dumping measures on some of them.³⁴

The rising conflict between South Korea and Russia over Seoul's support to Ukraine and Moscow's support to North Korea may also have an impact on India–South Korea arms trade. In 2022, Russia had warned South Korea against sending lethal weapons to Ukraine as that would severely impair Moscow–Seoul relations.³⁵ It is worth noting here that Russia has been the largest supplier of weapons to India; and the Modi government has taken a largely neutral position on the issue of Ukraine war which broke out in 2022. Earlier, Moscow had raised objections to South Korea's planned sales of K30 Biho anti-aircraft system, worth about US\$ 2.66 billion, to India.³⁶ In future, the US may also object to South Korea's sale of certain weapons and technologies to India. Further, the close cooperation between India and Russia in military hardware is often resented by the US. In recent years, the US has shown apprehension regarding New Delhi's relationship with Moscow.³⁷ Although India has been developing a closer strategic partnership with the US, maintaining 'strategic autonomy' in foreign affairs is still important for New Delhi. Meanwhile, for South Korea, the US remains a crucial security ally.

The disagreements over price and transfer of technology are some of the other bottlenecks for South Korea's arms trade with India. South Koreans are known for closely guarding their trade secrets and not sharing know-how with foreigners. This is even more problematic for defence-related technologies, which are often more classified and valuable for national security. Yet another issue that could derail South Korea's cooperation with Indian defence industries is the price. For example, the failure of the Kangnam Corporation project for producing minesweepers in India was due to issues related to technology transfer and differences over the cost of production.³⁸ The significant trade deficit in India's bilateral trade with South Korea may further increase if the defence deals benefit only the South Korean companies.

Insensitivity towards each other's national security concerns can also create problems for cooperation in arms production between India and South Korea. A tweet, in 2022, by Hyundai in Pakistan regarding the company's support to the separatist movement in the Indian union territory of Jammu and Kashmir led to discomfiture in India–South Korea

relations.³⁹ Although the issue was diffused by the quick intervention of Hyundai Motor Company in India, similar incidents in future may have a detrimental impact on South Korea's arms trade with India. Earlier, the South Korean foreign ministry had instructed its businesses to not invest in Pakistan-occupied Kashmir (PoK).⁴⁰ However, it would be a challenging task for New Delhi to prevent South Korean companies from selling defence equipment to Pakistan that may be detrimental to India's security. In the past, North Korea's collaboration with Pakistan in the development of nuclear weapons and ballistic missiles technology had heightened India's security concerns.⁴¹ A similar cooperation between Seoul and Islamabad regarding the trade of weapons may have a negative impact on the India-South Korea relations in the future.

PROSPECTS OF SOUTH KOREA-INDIA DEFENCE TRADE

The rise of South Korea as a defence exporter is an interesting development. A region which has remained divided for the last eight decades and is located in the midst of the most powerful nations of the world, the Korean Peninsula has often been regarded as 'a shrimp surrounded by whales'. Under these circumstances, national survival has been a serious challenge for South Korea. The constant existential threat from North Korea has compelled Seoul to remain prepared for war at all times. More recently, rising conflicts and hegemonic rivalry between the US and China have further increased the strategic challenges for Seoul. Therefore, self-reliance in defence and arms production has been one of the major goals for South Korea. The emphasis on heavy and chemical industrialisation in the 1970s was primarily motivated by the goal of self-reliance in national defence. As a result, in the subsequent decades, South Korea emerged as a major manufacturer of not only ships and automobiles but also of military hardware in the world. Notably, in recent years, the arms industry in South Korea has become one of the 'growth engines' for this export-oriented nation.

In comparison, despite the strategy of 'Self-reliant India' or *Atmanirbhar Bharat*, India remains heavily dependent on the import of weapons. In this regard, South Korean defence-related industries have been providing arms needed by the Indian Army. The eagerness of the South Korean arms manufacturers to engage in licensed production and share technologies with their Indian partners is in tune with Modi government's 'Make in India' project to promote indigenisation of weapons manufacturing in the country.⁴² As a result, New Delhi is wooing South Korean companies to further invest

in Indian defence production.⁴³ The Indian government is also encouraging the involvement of local private sector in the arms industries.

The South Korean and Indian companies can complement their specific requirements in the production of arms and ammunitions. India has already made significant progress in the development of various kinds of missiles and has even been successful in the manufacture of an indigenous aircraft carrier. Further, India's emergence as a new customer of South Korean weapons will not only help Seoul to diversify its market opportunities, but will also be beneficial for India by lessening its dependence on traditional arms suppliers, such as Russia, France, the US and Israel. Moreover, New Delhi's growing confrontations with Beijing would increase India's defence procurements in the coming times and Seoul could benefit from it. Apart from this, the rising Sino-American strategic rivalry in the Indo-Pacific region provides enormous opportunities for both India and South Korea to deepen their bilateral cooperation in defence production.⁴⁴

Interesting, although India has been one of the largest importers of arms, it has also emerged as an exporter of arms. Therefore, there are possibilities of joint production of military equipment between India and South Korea, as well as exploring new markets for these defence products. While major arms manufacturing countries of the world have been focused on developing highly advanced and costly weapon systems, 'second-tier' arms traders, like India and South Korea, could meet the requirements of developing countries.⁴⁵ Further, collaboration in research and development of weapon systems, such as anti-missile defence system, howitzers, submarine and drone technology, can be useful for both South Korea and India to counter threats from North Korea and Pakistan, respectively. Apart from cooperation in conventional weapons, India and South Korea can also look for engagement in the field of cybersecurity. The emerging threats to information technology (IT) infrastructure have the potential to seriously jeopardise national economies across the world. Therefore, India and South Korea could utilise their comparative advantage and expertise to counter such threats in the future. There are also commonalities in technologies used in defence industries and those used in space exploration. This, again, can open a range of collaboration between India and South Korea in the field of outer space research.

CONCLUSION

The South Korean arms trade with India has a bright future as both the countries face similar security threats from their neighbouring countries:

North Korean nuclear and missile systems have been aimed towards Seoul; and Pakistan's animosity towards India remains perpetual and unending. The rapid rise of China as an economic and military power is also a challenge for both India and South Korea. Simultaneously, as India is one of the largest markets of arms in the world, there are enormous opportunities for exports and joint production of military equipment of South Korean defence industries with Indian companies. Therefore, increased cooperation in defence industries between New Delhi and Seoul could be mutually beneficial for the two nations. The South Korean hardware and Indian software would lead to synergy in production of defence and other security equipment.

India's goal of achieving self-reliance and indigenisation of weapons production needs reliable and trusted partners, like South Korea. However, there are few challenges in South Korea's arms trade with India, as have been discussed in this article. As 'middle power' countries, India and South Korea should explore possibilities of more cooperation and look beyond merely arms trade, such as in the fields of space exploration, artificial intelligence and green technologies. Most importantly, a better understanding of the security concerns of each other will be crucial for building a truly strategic partnership between India and South Korea.

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