

NEWSLETTER | JAN - JUN 2024

NAMASTE KOREA

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FOREWORD

Welcome to the first edition of the “Namaste Korea” newsletter. This newsletter provides an overview of the latest business/trade news and developments in Indian law and practice which are relevant to Korean businesses and other organizations with India-related interests.

While last year (2023) marked the **50th anniversary** of formal diplomatic relations between India and Korea, this year (2024) marks the 20th anniversary of the **“Long-Term Cooperative Partnership for Peace and Prosperity”** between the two countries – a relationship that was elevated to a **“Strategic Partnership”** and a **“Special Strategic Partnership”** in 2010 and 2015, respectively.

At the same time, India's **“Act East Policy”** has continued to focus on expanding business ties with the Asia-Pacific region, including the Republic of Korea. More recently, along with 12 other countries (including the United States, Japan, Singapore and Australia), both India and Korea joined the **Indo-Pacific Economic Framework for Prosperity** (“IPEF”) to address **emerging economic challenges** in the region with respect to trade, supply chains, clean energy and taxation.

We hope that you find the information in Namaste Korea of interest, and we thank you for taking the time to review this newsletter.

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TRADE & BUSINESS UPDATES

- In June 2024, along with 12 other partner countries of the IPEF, both India and Korea participated in the IPEF Ministerial meeting held in Singapore, where agreements were reached in respect of a clean and fair economy, respectively. Meanwhile, the IPEF agreement on supply chains, signed in November 2023, has been in force since February 2024. *Read more [here](#), [here](#), [here](#) and [here](#).*
- India and the Republic of Korea are likely to begin a fresh round of negotiations to upgrade and expand the 2009 Comprehensive Economic Partnership Agreement (“CEPA”) in 2024. The India-Korea Electronic Origin Data Exchange System was launched to facilitate the exchange of information between the customs administrations of India and Korea and implementation of the CEPA. *Read more [here](#) and [here](#).*
- The Government of India has allocated 365 hectares of land in Noida, which is part of the National Capital Region of New Delhi, for establishment of a 'Korean' industrial city. This city will serve as a hub for electronic manufacturing units set up by Korean companies. *Read more [here](#).*
- Korea Investment Corporation (“KIC”), the Korean sovereign wealth fund has opened an office in Mumbai. KIC's Mumbai office will aim to explore investment opportunities in real estate and infrastructure markets. *Read more [here](#).*
- The Korea Trade-Investment Promotion Agency opened its sixth Indian office in Ahmedabad to assist Korean companies achieve better market penetration and boost bilateral trade between Korea and India. *Read more [here](#).*

TRADE & BUSINESS UPDATES

- During a visit to Seoul in March 2024, India's external affairs minister reviewed bilateral cooperation and special strategic partnership in areas of trade, investment, development, defence, security, science and technology, as well as new areas such as critical and emerging technologies, semiconductors, green hydrogen and resilient supply chains. *Read more [here](#).*
- The United States, the Republic of Korea and India convened the inaugural trilateral technology dialogue in Seoul in March 2024 and committed to expand cooperation on critical and emerging technologies. The delegation discussed opportunities in semiconductor supply chains, telecommunications, digital public infrastructure, artificial intelligence, quantum computing, space, advanced materials, clean energy and critical minerals. Read more [here](#). isks, and support local livelihoods with new entrepreneurial and digital tools. *Read more [here](#).*
- The United States and the Republic of Korea formalized their commitment to strengthen collaborations with India by signing a new Memorandum of Understanding (“MoU”) through their respective international development agencies i.e., USAID and the Korea International Cooperation Agency to leverage their combined capacities and expertise to advance key priorities in India. Through targeted initiatives, the collaboration seeks to enhance regional economic trade, cultivate innovative partnerships, mitigate climate risks, and support local livelihoods with new entrepreneurial and digital tools. *Read more [here](#).*

TELECOM, ELECTRONICS & SEMICONDUCTORS

- Pursuant to a gazette notification dated January 30, 2024 ([see here](#)), the Ministry of Finance, Government of India reduced the import duty applicable with respect to several key cellular mobile phone components from 15% to 10%. In addition, import duties on the inputs and/or parts which are used to manufacture such specified components within India have been completely removed and/or reduced to zero. This would significantly benefit Korean companies and business groups involved in the telecommunications sector to bolster manufacturing capabilities in India.
- A joint venture between APACT Co., Ltd., a Korean company, and Advanced System in Package Technologies Private Limited, an Indian company, has been formed to set up an outsourced semiconductor assembly and testing (OSAT) facility in the Indian state of Telangana involving a proposed investment of (approx.) INR9 billion (USD108 million). Subject to regulatory approval under the India Semiconductor Mission, the facility is expected to be set up in the Electronics Manufacturing Cluster near the city of Hyderabad. [Read more here.](#)
- Simmtech Co., Ltd., the world's largest manufacturer of semiconductor substrate, has proposed to set up a semiconductor unit in Sanand, Gujarat with an investment of INR12.50 billion (USD150 million). It has entered into a MoU with the Government of Gujarat pursuant to which Simmtech has been allotted 30 acres of land. [Read more here.](#)
- LG Electronics Inc. has reportedly hired investment advisors to evaluate a potential initial public offering (IPO) of LG Electronics India Limited. [Read more here.](#)

TELECOM, ELECTRONICS & SEMICONDUCTORS

- Daewoo Electronics (“Daewoo”) has entered the Indian market in collaboration with Kelwon Electronics and Appliances Private Limited (“Kelwon”), an Indian company which acts as the exclusive brand licensee for Daewoo in India. Using cutting-edge Korean technology, Kelwon specializes in consumer electronics appliances and innovative products related to power and clean energy, such as hybrid lithium battery inverters. The collaboration between Daewoo and Kelwon aims to establish the Daewoo brand and launch several new Daewoo products in India by the end of the year, as well as to enter the Indian electric two-wheeler segment by next year. *Read more [here](#) and [here](#).*

AUTO, FINANCE, GAMING & HEALTHCARE

AUTOMOBILE SECTOR

- As part of their expansion plans in India, Hyundai Motor Company and Kia Corporation signed an MoU for strategic cooperation with Exide Energy Solutions Limited, an Indian battery company, including for the purpose of pursuing local production of electric vehicle (EV) batteries. According to a recent report, both companies are expected to launch 'Made in India' EVs in 2025. *Read more [here](#) and [here](#).*
- Hyundai Motor India Limited ("Hyundai India") has filed a draft red herring prospectus with the Securities and Exchange Board of India (SEBI) for an IPO worth almost USD 3 billion, potentially making it the country's largest IPO until date. *Read more [here](#).*
- Hyundai India has announced a proposed investment of INR62 billion (USD743 million) in the state of Tamil Nadu on various initiatives, including the establishment of a hydrogen resource center. This investment will be in addition to the INR200 billion (USD2.4 billion) that Hyundai India plans to deploy over a ten-year period (2023-2032) to bolster efforts in EV manufacturing, charging infrastructure and skill development. Hyundai India has announced plans to introduce five new EVs by 2030. *Read more [here](#) and [here](#).*

FINANCIAL SERVICES

- NH Absolute Return Partners Pte. Ltd., a Singapore-based asset management company owned by NH Investment & Securities Co., Ltd., one of Korea's largest securities firms, signed an MoU with Lighthouse Canton Pte. Ltd., a Singapore-

AUTO, FINANCE, GAMING & HEALTHCARE

headquartered global investment institution specializing in the Indian market to co-invest in India. Through its collaboration with Lighthouse, NHARP aims to capitalize on investment opportunities in private equity bonds, leveraging the resources of its Korean parent company. *Read more [here](#).*

- Korea's Shinhan Bank plans to invest USD180 million in HDFC Credila Financial Services Limited, India's largest education loan provider, to expand its retail banking business in India. *Read more [here](#).*

GAMING

- Korean gaming companies such as KRAFTON, Inc. and Devsisters Corporation are exploring new business opportunities in India. India is expected to have 500 million online gamers by 2025. The country's gaming sector raised (approx.) USD4 billion from domestic and global investors in the last five years and is expected to continue to grow at a CAGR of close to 30% to reach USD9 billion by 2027. *Read more [here](#) and [here](#).*

HEALTHCARE

- Mumbai-based healthcare and pharmacy start-up Zippin Pharma Private Limited, which operates a mobile app called 'Zeno Health', received an investment of USD25 million in a series C funding round led by South Korean PE fund, STIC Investments, Inc. *Read more [here](#).*

OTHER PUBLICATIONS BY THE FIRM

- For an overview of opportunities in the semiconductor industry in India, *see our note [here](#).*
- For an overview of opportunities and incentives with respect to data centers in India, *see our note [here](#).*
- For an overview of data embassies in India, *see our notes [here](#) and [here](#).*
- For an overview of India's space and satellite communication sectors, respectively, *see our notes [here](#) and [here](#).*
- For an overview of India's digital public infrastructure (DPI) and proposed digital governance frameworks, respectively, *see our notes [here](#) and [here](#).*
- For discussions on clean energy, *see our collected notes [here](#).*
- For analyses of artificial intelligence (AI) regulation and opportunities in India, *see our notes [here](#), [here](#) and [here](#).*
- For India-related discussions on green hydrogen, *see [here](#) and [here](#).*
- For a current overview of foreign investment in nuclear energy in India, *see our note [here](#).*
- For an overview of the EV sector in India, *see our note [here](#).*

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