

A win-win way to reduce India's trade deficit with Korea

In the year 2009, India and Korea signed Comprehensive Economic Partnership Agreement (CEPA) to boost bilateral trade.

Between 2010 and 2025, India's trade deficit with Korea exceptionally increased 150% due primarily to sluggish exports while import surged.

Import has outpaced the export. Clearly the trade is one way. Indian industry has not achieved adequate success in supplying Indian goods to Korean market.

It's a known fact that India has low competitiveness compared to Korea – especially for electronic and engineering goods.

Trade growth must be two-way to foster shared prosperity. One-sided trade leads to unequal gains.

Under the circumstances, it's time to seriously harness Indian agricultural sector to reduce the growing trade deficit with Korea.

There are strong reasons. They include:

- India's comparative advantage in agriculture is much greater than that in manufacturing sector.
- Prices for most agricultural commodities remain flat (or lower) now as production has outpaced domestic consumption.
- Increasing agri. exports is essential to accelerate growth in our agri. economy.
- Rise in agri. exports leads to multiplier effect in the entire economy.

Year	India's Merchandise Export to Korea	India's Merchandise Import from Korea	Trade Deficit
2010	4	10	6
2025	6	21	15
Growth	50%	110%	150%
CAGR	3%	5%	6%

Source: WTO-ITC (Accessed on 19th April 2026)

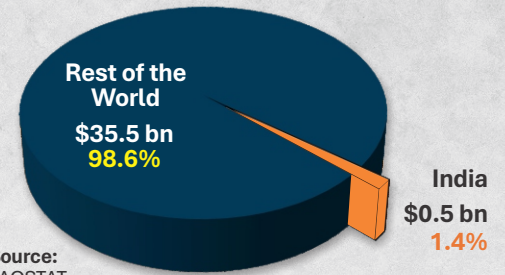
Unit: \$ bn



Currently, Korea imports agricultural food products worth of \$36 bn – mainly from USA, China, Australia, Brazil, and Thailand. India's share is less than 1.5%.



Korea agricultural import



Source: FAOSTAT (Accessed on 20th April 2026)



Source: WTO-ITC and FAOSTAT (Accessed on 20th April 2026)

Share of India in Korea's agricultural import

Major marine and agri. commodities imported by Korea in 2024	Import from World (\$ mn)	Import from India (\$ mn)	% Share of India
Marine products	4755	47	1%
Meat of cattle	3717	0	0%
Maize	2898	0	0%
Food preparations	2671	17	1%
Meat of pig	2088	0	0%
Wheat	1401	0	0%
Rice, Banana and Mango	963	0	0%
Raw cane or beet sugar	880	0.17	0%
Cake of soya beans	859	36	4%
Coffee, green	857	23	3%

India's share is negligible.

There is a huge potential to increase our agricultural exports to Korea in a bid to reduce the trade deficit. India's agricultural export to Korea can easily leap forward from present \$0.5 bn to a minimum of \$5 bn in the next 2-3 years. This will in turn reduce the trade deficit by as much as one third.

Accelerating our agricultural exports to Korea would require a “strong push” at the political and diplomatic level.

Our embassy in Seoul would be called upon to play a lead role in promoting our agricultural exports with a fixed annual export target.

A radical thinking is necessary to challenge the status quo and to pave way for rapid economic growth in Bharat.



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