India-Croatia Relations

Relations between India and Croatia have been friendly since the days of the former Yugoslavia (SFRY). Marshal Tito, a Croat, who ruled Yugoslavia for more than three decades, maintained close relations with the then Indian leadership. Nehru and Tito were also pioneers of the Non-Aligned Movement. Croatia dominated bilateral trade relations accounting for more than two-thirds of trade between India and the former Yugoslavia. This included large scale purchases of Croatian ships by India in the 1970s and 1980s.

India recognized Croatia in May 1992 and established diplomatic relations with it on 9 July 1992. Croatia opened its resident mission at New Delhi in February 1995. The Indian Mission in Zagreb was opened on 28 April 1996, and upgraded to Ambassadorial level in January 1998. Bilateral relations are very good. There has been good cooperation between the two countries in international forums.

Political Relations

VVIP Visits

(a) From the Croatian Side:
Former Croatian President Stjepan Mesić paid a State Visit to India from 12-16 November 2002. In the Joint Statement issued during the visit, Croatia had expressed support for India’s claim for permanent membership of the UNSC.

(b) From the Indian Side:
Vice-President M. Hamid Ansari visited Croatia from 9-11 June 2010 at the invitation of Croatian President Ivo Josipovic.

Ministerial Level Visits

(a) From the Croatian Side
(i) Dr. Zvonimir Separović, Foreign Minister (April 1992).
(ii) Deputy Prime Minister and Foreign Minister, Dr. Mate Granić (April 1995).
(iii) Nenad Porges, Minister of Economy (November 1998).
(iv) Bozo Biškupić, Minister of Culture (March 1999).
(v) Dr. Goran Granić, Deputy Prime Minister (November 2000).
(vi) Foreign Minister Tonino Picula (May 2001).
(vii) Ms. Pave Zupan Rusković, Minister of Tourism (September 2003).

(b) From the Indian Side
(i) Shri Pranab Mukherjee, Commerce Minister (September 1994).
(ii) Dr. B.B. Ramaiah, MOS (Commerce) - September 1997.
(iii) Shri Shatrughan Sinha, Minister of Shipping (August 2003).
(iv) Shri Digvijay Singh, Minister of State for External Affairs (September 2003).
(vi) Shri Kapil Sibal, Minister of Science & Technology and Earth Sciences (February 2007).
(vii) Shri Anand Sharma, Minister of State for External Affairs (September 2007)
(viii) Smt Preneet Kaur, Minister of State for External Affairs (February 2014)
Parliamentary Delegations

**From Croatia:**

(i) Mr. Vladimir Šeks, the then Acting President of the Croatian Parliament (Sabor) – March 27 to April 3, 1999.
(iii) Ms. Marija Lugaric, a Member of Parliament (January 2007).
(iv) Dr. Furio Radin, Member of Parliament and Chairman, Committee on Human and National Minority Rights (February 2008).
(v) Mr. Luka Bebic, Speaker led a 6-member Parliamentary delegation to India from 6-10 March 2010.

**From India:**

(i) Shri P.A. Sangma, Speaker, Lok Sabha (July 1997).
(ii) Shri Manohar Joshi, Speaker, Lok Sabha (July 2002).

Foreign Office Consultations

The Protocol on Foreign Office Consultations (FOCs) was signed in April 1995. So far, nine FOCs have taken place alternatively in Zagreb and New Delhi. The last round was held in New Delhi on 6th May 2011.

Bilateral Agreements/ MoUs

(a) **Agreements:**

(iv) Agreement on cooperation between the Diplomatic Academy of the Ministry of Foreign Affairs of Croatia and the Foreign Service Institute (FSI), Ministry of External Affairs (2000).
(vii) Agreement on cooperation in the Fight against International Illicit Trafficking of Narcotic Drugs, Terrorism etc. (2001).
(x) Agreement on Cooperation in Health and Medicine (June 2010)
(xi) Agreement on Double Taxation Avoidance (February 2014)

(b) **MoUs:**

(i) MoU between the Croatian Bank for Reconstruction and Development (HBOR) and the EXIM Bank of India (2000).
(ii) MoU between Export Credit & Guarantee Corporation of India Ltd. (ECGC) and the Croatian Bank for Reconstruction and Development (HBOR) (2002).
Economic and Commercial Relations

Although Croatia's entry into the European Union in July 2013 opened up possibilities of increased economic activities leading to the country coming out of its five year old recession, this remained elusive due to the inherent weaknesses in the economy. The Government was able to increase revenues slightly through better and wider collection of taxes. However, it was much less successful in containing the fiscal deficit which reached 5% of the GDP, leading to the European Commission recommending Excessive Deficit Procedure for Croatia, which may force the Government to bring in harsher economic reforms. The economy shrank by 0.5% year-on-year in the third quarter of 2014. While industrial production increased by 2.38 per cent, Croatia's GDP declined by -0.4% during the year 2014. The total foreign investment in Croatia from 1993 to 2014 was a mere Euro 29.3 billion as against Euro 26.86 billion up to 2013.

Bilateral trade has been growing but does not reflect the potential of the two countries. Bilateral trade in the year 2014 was valued at Euro € 101.69 million, as compared to Euro 79.49 million in 2013, reflecting an increase of 27.91% per cent over the previous year. Indian exports were valued at Euro € 88.19 million and imports at Euro € 13.50 million during the year 2014.

Figures of India's trade with Croatia as per the Croatian government statistics are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Mar 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Croatia's Exports (% change y-o-y)</td>
<td>€ 22.00 (-)</td>
<td>€ 16.51 (-)24.95%</td>
<td>€ 6.82 (-)58.7%</td>
<td>€ 13.50 97.95%</td>
<td>€ 2.27 223%</td>
</tr>
<tr>
<td>Croatia's Imports (% change y-o-y)</td>
<td>€ 120.36 26.68%</td>
<td>€ 64.16 (-)46.7%</td>
<td>€ 72.67 13.7%</td>
<td>€ 88.19 21.34%</td>
<td>€ 23.90 29%</td>
</tr>
<tr>
<td>Total Trade (% change y-o-y)</td>
<td>€ 142.36 (-)19.16%</td>
<td>€ 80.67 (-)43.33%</td>
<td>€ 79.49 (-)1.5%</td>
<td>€ 101.69 27.91%</td>
<td>€ 26.17 36.6%</td>
</tr>
</tbody>
</table>

(Source: Croatian Central Bureau of Statistics)

There exists a potential for increasing India's exports to Croatia in segments such as textiles, leather and leather products and pharmaceutical products. Similarly electrical equipment and medicines hold promise for Croatia's exports to India. Opportunities also exist for India to use Croatia as a gateway into the Southeast European markets using its major ports such as Rijeka and Ploce.

The signing of the Agreement on Trade and Economic Cooperation in September 1994 and holding the first Joint Committee on Trade and Economic Cooperation in the following year at Zagreb paved the way for a better economic cooperation. The 8th session of the Joint Committee and the (4th) meeting of the Joint Business Council of FICCI/CII and the Croatian Chamber of Economy were held in New Delhi in October 2005.
The Indian official delegation was led by Secretary, Department of Commerce while the Croatian delegation was led by State Secretary in the Ministry of Economy, Labour and Entrepreneurship. Both sides agreed to expand trade and economic cooperation in the traditional areas as well as in the emerging areas of mutual strength. In this regard, thirteen sectors viz. textiles, leather & leather products, petrochemicals and pharmaceuticals, shipbuilding, science & technology, information technology, telecommunications, tourism, oil and gas, railways, engineering and construction, electrical equipment and food processing industries were identified for intensive cooperation. The last (9th) session of Joint Committee was held in Zagreb on 5-6 March 2009. The Indian side was led by Additional Secretary, Ministry of Commerce & Industry and the Croatian side by Secretary of Economy. The talks focused on cooperation in the energy sector, infrastructure, IT sector, tourism etc.

Pliva, the regional major in pharmaceuticals, has opened a representative office in Mumbai. Pliva signed an agreement with Dr. Reddy's Laboratories in November 2003 for developing formulations for oncology related medicines and marketing of each other's products in regional markets. Pliva set up a subsidiary - PLIVA Research (India) Private Ltd in Goa with an investment of about US$ 4 million in 2006 for testing some of its generic drugs for bio-availability in healthy volunteers. Some 50-60 Indian doctors and scientists are involved in research in the Laboratory.

The Mumbai based ACG Worldwide acquired, in September 2007, the Croatian pharmaceutical company Lukaps, a manufacturer of capsules, which operates out of Ludbreg in the Varazdin County. This is the first Indian investment in Croatia of any significance. Another Indian pharmaceutical major, CIPLA, has acquired (in 2013) a Croatian pharmaceutical company – Celeris – based in Zagreb. HLL Biotech Limited (HBL) also signed an agreement with Croatian Institute of Immunology, Zagreb (in August 2013) for supply of bulk and technology transfer for manufacturing measles vaccine from working seed/master seed.

An 11-member Indian business delegation led by Capt. Avinash Batra, President of the Council of EU Chamber of Commerce in India (CEUCCI) visited Zagreb on May 31-June 3, 2015 as part of their visit to East European countries to explore the possibilities of trade opportunities and pave the way for bilateral investment. The Croatian Chamber of Economy organised the Croatia-India Business Forum and B2B meetings for them. The two Chambers also signed an MoU on mutual cooperation. The delegation also met with the concerned Assistant Ministers in Ministries of Foreign & European Affairs and Economy and apprised them about their activities etc. The delegation members expressed their satisfaction about the arrangements made by the Embassy and Croatian Chamber of Economy.

**Cultural Cooperation**

In June 2010 India and Croatia signed a Programme for Cooperation in the field of Culture for 2010-12. A three-member Indian Writers' delegation visited Croatia in October 2012 under this Programme. A number of Croatian students have learnt various forms of Indian classical dance in reputed Indian schools under scholarships from the Indian Council for Cultural Relations (ICCR) as well as on self-financing basis. The ICCR set up a Hindi Chair at the Indology Department of the University of Zagreb in 2009. This was given a formal shape through the signing of a Memorandum of Understanding between the ICCR and the University of Zagreb in October 2012. An Indian professor on deputation is assigned to the Chair.
On 29th January, 2015 the Embassy of India and the Department of Indology of the University of Zagreb commemorated Vishwa Hindi Divas at a simple but well attended function at the University. Embassy participated in the 4th International Tourism Fair (Place2Go) held in Zagreb from March 13-15, 2015 on behalf of GoI Tourism Office, Frankfurt. The annual cultural event 7th "Days of Indian Culture" was held in Zagreb from 15th April to 5th May, 2015. It was organised by the Mission and Indo-Croatian Cultural Association - ‘Lotos’ with the support of various local authorities. The event was dedicated to various aspects of Indian culture. During the event, various seminars, lectures, workshops, exhibition etc. were held and documentary films ‘The way of Budha’, ‘India by choice’, ‘The Bombay Jews’ and ‘Mumbai’s Way’ were screened. ‘Collection of Photographs’ titled ‘Churches of Goa’ by B.K. Behl were displayed at Europe House, Zagreb from 22nd April to 5th May, 2015.

Embassy of India, Zagreb celebrated International Day of Yoga on 21st June, 2015 at Maksimir Park, Zagreb. Earlier, a ‘Talk on Yoga’ by Croatian intellectuals and Yoga Masters was organised on 18th June, 2015, and the film ‘History of Yoga’, duly sub-titled in Croatian language, was screened on 19th June, 2015 at Cultural Information Centre, Zagreb, as a curtain raiser to the main even on 21st June 2015.

Indian Community

The Indian community in Croatia is small. There are about 20 PIOs, most of whom are engaged in small businesses, about 44 NRIs including a couple of Infosys personnel working on short term basis in the Croatian Postal Bank.

Useful Resources:

Embassy of India, Zagreb website link: http://www.indianembassy.hr

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June 2015