

India-Kenya Relations

Kenya is an East African nation with Uganda (west), South Sudan (northwest), Ethiopia (north), Somalia (northeast), Tanzania (south) as its neighbours.

Kenya gained independence from Britain in 1963. It has been governed by Presidents Jomo Kenyatta (1963-78), Daniel arap Moi (1978-2002) and since 2002 by President Mwai Kibaki. Since 2008, Prime Minister is Rt. Hon. Raila Odinga. Kenyans approved a new constitution in a referendum on August 04 2010 which came into force on August 27 2010.

With a population of nearly 40 million (42% below 14 years), Kenya has great ethnic diversity.

The East African coast and the west coast of India have long been linked by voyages of merchants. India was among the first countries to establish an office in Kenya. The Indian Diaspora in Kenya has contributed actively to Kenya's progress. Many Kenyan have studied in India. In recent times, there is a growing trade (US\$ 2.4 billion in 2010-11) and investment partnership. Indian firms have invested in telecommunications, petrochemicals and chemicals, floriculture, etc. and have executed engineering contracts in the power and other sectors.

Before Independence, India had taken interest in the welfare of Indians in East Africa and several fact-finding missions visited East Africa such as the one led by Shri K.P.S. Menon in September 1934. In 1924, Sarojini Naidu was invited to chair the Mombasa session of the East African Indian Congress. H.N. Kunzru was another such invitee. India established the office of Commissioner (later Commissioner General) for British East Africa resident in Nairobi in 1948. Following Kenyan independence in December 1963, a High Commission was established. India has an Assistant High Commission in Mombasa.

Vice President Dr. S Radhakrishnan visited Kenya in July 1956. Smt. Indira Gandhi attended the Kenyan Independence celebrations in 1963. President Daniel arap Moi visited India in February 1981. President Neelam Sanjeeva Reddy and Prime Minister Indira Gandhi also visited Kenya in that year.

A Joint Commission was set up in 1999. The 1st meeting of the Joint Commission was held in July 2003 in Nairobi. A Memorandum of Understanding (MoU) on Foreign Office Consultations was signed during the meeting.

There have been a series of high level exchanges between India and Kenya in recent months.

H.E. Hon. Mwai Kibaki, President of the Republic of Kenya, attended the 2nd India-Africa Forum Summit held in Addis Ababa on May 24-25, 2011. He met Hon'ble Prime Minister Dr. Manmohan Singh on May 25 on the margins of the Forum Summit. The Kenyan delegation included Acting Foreign Minister and Minister for Internal Security Hon. George Saitoti and Minister for Trade Hon. Ambassador Chirau Ali Mwakwere.

Hon'ble Minister for External Affairs Shri S.M. Krishna visited Nairobi on May 27-28, 2011. During the visit, he met with Deputy Prime Minister and Minister for Local Government Hon. Musalia Mudavadi. Hon'ble Minister for Water Resources and Parliamentary Affairs Shri Pawan Kumar Bansal visited Kenya during September 16-22 2011. During the visit he met Minister for Water and Irrigation of Kenya Hon. Ms. Charity Kaluki Ngilu.

In April/May 2011, the Vice President of Kenya, Hon. Stephen Kalonzo Musyoka led a business delegation to India during which he visited Mumbai, Gujarat and New Delhi. During the visit, he met Hon'ble Vice President Shri Hamid Ansari on May 02, 2011.

Kenya participated at the 11th meeting of the Council of Ministers of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) and associated meetings held in Bengaluru during November 9-15 2011.

Kenya's Assistant Minister for Energy Ambassador Mohammed M. Mahmud visited India to participate at the 3rd India-Africa Hydrocarbon Conference (December 9-10 2011) in New Delhi.

INS *Sarvekshak* visited Mombasa from November 25-December 4 2011 and carried out a demonstration hydrographic survey of an earmarked area off Mombasa port.

The Public Diplomacy Division, Ministry of External Affairs organized '**Indiafrica: A Shared Future**' Initiative at the AIESEC Business Summit in Nairobi on August 26 2011.

During 2010, there were several high level political exchanges between India and Kenya. Kenya's Prime Minister Hon. Raila Odinga met Hon'ble Prime Minister Dr. Manmohan Singh during a visit to India in November 2010 to attend the India Economic Summit organized by the World Economic Forum. He had visited Gujarat in 2009. Hon'ble Commerce & Industry Minister Shri Anand Sharma called on Prime Minister Odinga and held consultations with Minister of Trade Hon. Ambassador Chirau Ali Mwakwere during his visit to Kenya for the 6th session of the India-Kenya Joint Trade Committee in October 2010. Hon'ble Speaker Smt. Meira Kumar led the Indian parliamentary delegation to the 56th Commonwealth Parliamentary Association Conference in Nairobi in September 2010. Minister of Sports and Youth Affairs of Kenya Dr. Paul Utuoma attended the Commonwealth Sports Ministers Meeting held ahead of the New Delhi Commonwealth Games in October 2010. Hon'ble Minister for Overseas Indian Affairs, Shri Vayalar Ravi visited Kenya in February 2010.

ECONOMIC & BUSINESS LINKS

An India-Kenya Trade Agreement was signed in 1981, under which both countries accorded Most Favoured Nation status to each other. The India-Kenya Joint Trade Committee (JTC) was set up at Ministerial level in 1983 as a follow-up to the Agreement. The JTC has met six times since, the last in October 2010 in Nairobi. A Joint Business Council was set up in 1985 by the Federation of Indian Chambers of Commerce & Industry and the Kenya National Chamber of Commerce & Industry (KNCCI). The KNCCI signed a Memorandum of Understanding with the Confederation of Indian Industry (CII) in 1996.

Business promotion events organized during 2011 in Kenya include : 'India: Medical Tourism Destination 2011' organized by Services Exports Promotion Council (SEPC) in Nairobi in March; Buyers Sellers Meet organized by the Engineering Exports Promotion Council (EEPC) in Nairobi in April; participation by 11 Indian companies at the Build Expo Kenya exhibition; participation of Plastics Export Promotion Council (PLEXCONCIL) with 48 Indian exhibitors at the 4th International Exhibition for Plastics, Rubber and Packaging Industry held in Nairobi in July; participation of 24 Indian companies through FIEO at the 15th Kenya International Trade Exhibition that was held in Nairobi in November. Tata Africa Holdings (Kenya) and Mahindra & Mahindra were among the companies that participated at the Kenya Motor Show that was held in Nairobi in September.

DEVELOPMENT COOPERATION

India offers development assistance to Kenya in the form of loans and credit. This includes a loan of Rs. 50 million to Government of Kenya in 1982 and Lines of Credit by EXIM Bank to Industrial Development Bank.

An Agreement on extension of a Line of Credit of US\$ 61.6 million by EXIM Bank of India to the Government of Kenya for utilization in the power transmission sector was signed during the visit of Prime Minister Raila Odinga to India in November 2010.

In 1998, a MoU was signed between the National Small Industries Corporation and Kenya Industrial Estates Ltd. In 2003, a MoU was signed between India Trade Promotion Organisation and Export Promotion Council of Kenya.

Kenya is among countries planned to be covered by the Pan African e-Network Project that was launched in 2007. An Agreement was signed in July 2009 between TCIL and the Kenyan Ministry of Information and Communication regarding the project. Equipment was delivered by TCIL in 2010. VSAT terminals have been installed at Kenyatta National Hospital in Nairobi (August 2011) and at Maseno University Varsity Plaza for Learning Centre in Kisumu (September 2011).

High Commissioner led the Indian delegation at the **Summit on the Horn of Africa Crisis** hosted by Government of Kenya in Nairobi on September 8-9 2011. On September 14 the Government of India announced that it will provide humanitarian assistance of US\$ 8 million to the countries affected by famine and drought in the Horn of Africa i.e. Somalia, Kenya and Djibouti. The assistance was being provided through the World Food Programme.

TRADE

Bilateral trade grew by 57% to reach US\$ 2.4 billion in 2010-11. Nearly US\$ 2.3 billion constituted India's exports to Kenya. India is the sixth largest trading partner of Kenya. According to Kenyan statistics, bilateral trade for January-November 2011 is approximately US\$ 1.5 billion.

Main Indian exports to Kenya include pharmaceuticals, steel products, machinery, yarn, vehicles and power transmission equipment. Main Kenyan exports to India include soda ash, vegetables, tea, leather and metal scrap.

INVESTMENT

Tata Chemicals Ltd. acquired Magadi Soda Company Limited in 2005. Several leading Indian public sector insurance companies participate in KenIndia Assurance Co. Ltd. More recent investments by Indian corporates in businesses in Kenya include Essar Energy (petroleum refining), Bharti Airtel (telecom), Reliance Industries Ltd. (petroleum retail); Tata (Africa) (automobiles, IT, pharmaceuticals, etc.). Several Indian firms including KEC, Kalpataru Power Transmission Ltd., Kirloskar Brothers Ltd., Mahindra & Mahindra, Thermax, WIPRO, Jain Irrigation System Ltd., Punj Lloyd, Emcure, Dr. Reddy, Cipla, Cadila, TVS and Mahindra Satyam, etc., have a business presence in Kenya as do the Bank of India and the Bank of Baroda. HDFC has a Representative Office.

An India-Kenya Double Taxation Avoidance Agreement (DTAA) was signed in 1989. The 2nd round of negotiations to review the DTAA was held in Nairobi in November 2010.

CONNECTIVITY & TRAVEL

Air India began operations to Nairobi via Aden on January 21 1951, the carrier's second overseas route after London (via Cairo and Geneva). It ended services in January 2010 and closed its Nairobi office in March 2011. Kenyan Airways flies to Mumbai. Kenyan Airways signed a code-share agreement with Jet Airways in 2010.

Many Kenyans study in India. Nearly 15,000 visas are issued by the High Commission annually. Many Indians travel to Kenya for tourism as well as on business.

ACADEMIC & CULTURAL LINKS

Government of India offers over 100 scholarships annually to Kenyan nationals. These include scholarships for professional training in various fields under the Indian Technical & Economic Cooperation (ITEC) Programme and related schemes and Indian Council of Cultural Relations scholarships. Pursuant to the 2nd Africa-India Forum Summit held in Addis Ababa in May 2011, the availability of ITEC training slots has been increased to 71 during 2011-12 for Kenya. A Cultural Cooperation Agreement was signed in 1981. Kenya sent its largest ever sporting contingent to the 19th Commonwealth Games 2010 at New Delhi. During 2011-12, 31 Kenyan nationals have so far availed of the 45 ICCR scholarships offered. 46 Kenyan nationals have so far availed of the 71 ITEC training programmes offered, while 12 Kenyan nationals have so far availed of the 48 IAFS training programmes offered during the same period. 2 Kenyan nationals have so far availed of the CV Raman International Fellowship training programmes during 2011-12. One Kenyan official attended the 50th Professional Course for Foreign Diplomats (PCFD) in January-February 2011, while another Kenyan official attended the Special Course for Commonwealth Diplomats held in March 2011.

The late Kenyan Nobel Peace laureate and environmentalist Prof. Wangari Maathai was conferred the 2005 Jawaharlal Nehru Award for International Understanding in March 2007 by the President, Shri APJ Abdul Kalam. She was also conferred the 2006 Indira Gandhi Award for Peace, Disarmament and Development by the President, Smt. Pratibha Patil in November 2007.

INDIAN COMMUNITY AND DIASPORA IN KENYA

Although trade links between India and East Africa go back several centuries, recent migration from India took place in the 19th and early 20th centuries initially via Zanzibar and Lamu and then through Mombasa. Indians were brought in large numbers to work on the Uganda Railroad. Merchants, artisans and others followed. Eventually, a vibrant community of persons of Indian origin emerged.

Leading figures of the Kenyan Indian community in Kenya's pre-independence period included the labour leader Makhan Singh. M. A. Desai and Pio Gama Pinto participated actively in Kenya's independence struggle. Diwan Chaman Lall MP joined Jomo Kenyatta's defence team which included two other persons of Indian origin, F R S DeSouza (later Kenya's Deputy Speaker) and A R Kapila, at his 1953 trial. Several Kenyans of Indian origin have distinguished themselves as lawyers, judges, doctors and academics.

The Indian Diaspora in Kenya, estimated at around 250,000 in 1960s, today numbers approximately 70,000 persons. The community is well established in trade, industry and the professions. Many Indian professionals also work with MNCs and Indian companies in Kenya.

Three persons of Indian origin from Kenya have been awarded the Pravasi Bharatiya Samman: Mr. Manilal Premchand Chandaria, Mr. Pheroze Nowrojee and Dr. FRS De Souza. Many key businesses in Kenya are owned by the persons of Indian origin. These include a wide range of areas covering all sectors: manufacturing, agriculture & food processing including fisheries, transportation and

infrastructure development as well as banking and finance. Indian Diaspora-owned firms also figure prominently in the Kenyan hotel and tourism sectors.

The Kenya-India Friendship Association (KIFA) was set up in 1981. The current Chairperson is Dr. Kenneth S. Ombongi. There are a large number of associations representing different communities among the Indian Diaspora as well as several places of worship, schools, etc.

Sportspersons of Indian origin have represented Kenya in motor rallying, hockey, cricket, tennis, squash and golf. There are two Asian FM radio channels broadcasting from Nairobi and other cities as well as one weekly newspaper.

January 2012