

India-Latvia Relations

Political relations

Relations between India and Latvia are warm and growing. Latvia seeks an enhanced engagement with India based on recognition of India's credentials as a democracy and economic power and a perception of common cultural roots. India's relations with Latvia reach back to the time when it was part of the Soviet Union and had a twinned status with Rajasthan. India recognized Latvia as a sovereign and independent state on September 7, 1991 and established diplomatic relations on February 25, 1992.

2. Since establishment of diplomatic relations, there have been a number of visits from Latvia to India, including by the Latvian President in 1997, by Speaker in 2003, Deputy Prime Minister in 2003, Foreign Minister in 2006, Minister for Culture in 2007 and Minister for E-Governance in 2007. The Latvian Economics Minister accompanied by a business delegation visited India in February, 2010. From India, the recent high level visits to Latvia include visit of Hon'ble Minister of State for External Affairs Shri Rao Inderjit Singh in October, 2005 and; Hon'ble Minister of State for External Affairs Shri Anand Sharma in March 2007. The last round of Foreign Office Consultations was held in May 2008 in New Delhi. Hon'ble Minister of State for External Affairs Smt. Preeti Kaur visited Latvia on March 31-April 2, 2011.

3. Commensurate with desire for enhanced relations, a number of institutional Agreements/arrangements have been put in place for promoting trade, investments and other relations including (i) Declaration of Principles and Directions of Co-operation signed in September, 1995; (ii) Protocol on Foreign Office Consultations signed in September 1995; (iii) Air Services Agreement signed in October 1997; (iv) Agreement on the Inter- Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation signed on June 27, 2001; (v) Cultural Exchange Programme signed in May 2006 and; (vi) Bilateral Investment Protection Agreement signed in February, 2010.

4. In December 2010, an India-Latvia Parliamentary Friendship Group in Latvian Saeima has been set up, which is currently being chaired by Mr. Atis Lejins. A similar Friendship Group has also been set up in Parliament of India and includes a total of 26 MPs. The Latvian government has identified India as a country of strategic importance and has concurrently accredited the Latvian Ambassador to Azerbaijan to India. The Latvian Government has appointed its Honorary Consuls in Delhi and Chennai. The Latvian Government has also authorised the Hungarian Embassy in Delhi as well as the Consulate of Netherlands in Mumbai to issue visas to Indian nationals for Latvia. The Indian Mission in Stockholm is concurrently accredited to Latvia.

5. Latvia envisages itself as a gateway to both the EU and Russian hinterland in view of its location. Latvia looks to India for greater investment and trade and use of its all weather ports. This along with the investment friendly policies of the Latvian government provides great opportunity for Indian firms to make forays in the Latvian market. Potential areas of investment from India include pharmaceuticals and healthcare, telecommunications, IT and software development, heavy engineering, biotechnology, timber and pulp. Growth in trade can be driven by export of textiles, gems and jewellery, chemical dyes and pharmaceuticals. As per trade data from India, bilateral trade stood at USD 202 million in 2009-10.

6. A table on bilateral trade data is as follows:

Years→	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
India's exports to Latvia	17.42	28.39	39.81	59.50	44.93	47.17	103.69
India's imports from Latvia	1.10	10.13	31.85	40.95	113.87	154.94	196.32

In US\$ Millions

Source: DGFT, India

7. Indian exports to Latvia include tea, coffee, tools, pharmaceuticals, chemicals, garments, iron & steel etc. Indian imports include chemicals, fertilisers, iron & steel, machinery etc. There are around 42 registered Indian ventures in Latvia which range from production to marketing to software development. Indian investment in Latvia is about USD 1.7 million.

8. Under the Cultural Exchange Programme for 2006-08 between the two countries, several ICCR sponsored cultural troupes have performed in Latvia. Latvians have been regular beneficiaries of ITEC training programmes, the courses for foreign diplomats offered by the FSI as well as scholarships provided to Latvian students by ICCR.

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