

India - Mozambique Relations

India enjoys warm and substantive ties with Mozambique. Trading links between Mozambique and the western states of India go back several Centuries, and pre-date the colonial era. These ancient people-to-people links have been further built upon in modern times, to forge a strong bilateral relationship based on regular political contacts, ever-deepening economic engagement, and a well-integrated Indian community in Mozambique.

Political Relations

Independent India's strong support for the Mozambican freedom struggle established the basis for warm political ties between the leaderships of both countries. Diplomatic relations between India and Mozambique were established as soon as Mozambique became independent in 1975, and India was among the first countries to establish its diplomatic mission in Mozambique. Mozambique opened its Mission in New Delhi in 2001.

Since the independence of Mozambique, there has been fairly regular high-level contact between the leaderships of the two countries. All four Mozambican Presidents have visited India – President Samora Machel in April 1982, President Joaquim Chissano in May 1988 and again in May 2003, President Armando Guebuza September-October 2010, and President Filipe Nyusi in August 2015. From the Indian side, Prime Ministerial visits have taken place twice – Smt. Indira Gandhi in August 1982 and Shri Narendra Modi in July 2016.

The nature and regularity of political exchanges between India and Mozambique has seen a sharp uptick in the last two years. The highlights have been the visits of President Filipe Nyusi in August 2015 and of Prime Minister Modi in July 2016.

On his visit to India in August 2015 (which was his first visit to any Asian country), President Nyusi was accompanied by four of his Ministers, responsible for Foreign Affairs, Agriculture, Mineral Resources, and Transport & Communication. The visit helped identify a wide gamut of areas and sectors for further strengthening and deepening the bilateral relationship. An important Memorandum of Understanding was signed for cooperation in the area of renewable energy. President Nyusi appreciated India's investments in developing the energy resources of Mozambique, and requested Indian support for further development of Mozambican agriculture. President Nyusi also visited Gujarat during the visit.

Prime Minister Narendra Modi's State Visit to Mozambique, which was his first destination in continental Africa, helped raise the level of the bilateral relationship to unprecedented highs. Prime Minister committed India's support for economic and institutional development of Mozambique, and also interacted with the large Indian community of Mozambique. Agreements were signed for furthering cooperation in

prevention of drug smuggling, and for encouraging sporting and youth exchanges. In response to President Nyusi's call for greater Indian support for Mozambican agriculture, an important agreement was signed aimed at sharply increasing the quantity of pulses exported by Mozambique to India.

Apart from these two high-level visits, other important visits during the last two years have included those of Mozambican Prime Minister Carlos Agostinho do Rosario for the 3rd edition of the India-Africa Forum Summit (IAFS) in October 2015. Prior to that, Foreign Minister Oldemiro Baloi had visited India in November 2014. The Mozambican Ministers for Agriculture, Mineral Resources and Industry & Trade had also visited India at different times in 2014. From the Indian side, important recent visits include that of Minister of State for Petroleum & Natural Gas, Shri Dharmendra Pradhan, in April 2015. Minister of State for External Affairs, Gen. V.K. Singh, visited Mozambique twice in 2015 – in January for the inauguration of President Nyusi and in July to convey Prime Minister's invitation to President Nyusi for the IAFS.

India's support for infrastructural and social development in Mozambique has been an important part of the political relationship. Most of this assistance has been provided through concessional lines of credit (LOC) implemented through EXIM Bank. Until 2010, India had carried out LOC-funded projects worth about USD 140 million in Mozambique. During President Guebuza's visit to India in 2010, further LOC support of USD 500 million was announced. Through the LOC projects, India is supporting Mozambique in diverse areas - provision of drinking water, improving power generation and distribution, improving agricultural productivity, rehabilitation of irrigation infrastructure, creation of an Information Technology park, construction of an assembly plant for solar cells, rehabilitation of road networks, construction of housing units, etc.

Probably the most visible and appreciated form of development support provided by India to Mozambique is in the form of scholarships and training opportunities in India. India provides about 35 scholarships for Undergraduate and Postgraduate studies in India through ICCR and a few other schemes. In addition, about 30 scholarships are provided under MEA's ITEC programme for short-term training courses meant for public functionaries working in the Mozambique Government. In addition to the regular ICCR and ITEC courses, some special courses have also been organised in India for Mozambican trainees, including courses for Mozambican police personnel at the Maharashtra Force One academy and at the Gujarat Forensic Sciences University. Over the years, these scholarships have not only helped improve human resources within Mozambique, but have also helped to strengthen people-to-people links between both countries through the scholarship beneficiaries who return with knowledge and happy memories about India.

Economic Relations

In recent years, deepening economic interests have become the most important vector of India-Mozambique relations. Indian companies have invested heavily in the energy resources of Mozambique and by some estimates these investments amount to almost a quarter of India's total FDI in Africa. The most important investments have been in the natural gas and coal industries. In 2014, two Indian Public Sector Companies, ONGC Videsh Ltd. and Oil India Ltd. completed the acquisition of 20% stake in Area 1 of the huge Rovuma gas block of Mozambique, at a cost of over USD 5 billion. This was in addition to the 10% stake already held in the same block by another Indian PSU, Bharat Petro Resources Ltd. In the coal mining sector, in July 2014, International Coal Ventures Private Ltd, a consortium of five Indian PSUs (SAIL, NMDC, RISL, CIL and NTPC) purchased a 65% stake in the coal assets sold by Rio Tinto. Other Indian companies with a presence in the coal mining sector include JSPL, JSW, Coal India Ltd, Tata Steel, Essar, Midwest Africa, Sunflag group, etc. Indian investments in sectors other than mining include the Essar group's interest in developing a coal terminal at Beira port, and investments in commercial agriculture by companies like Pure Diets, Rajarambapu Group, HK Jalan group and Asian Tea Company. There is increasing interest by Indian companies in investing in newer sectors in Mozambique, including healthcare, education, information technology, pharmaceuticals, etc.

Apart from investment, bilateral trade has also been growing fast in recent years. The value of trade between the two countries grew five-fold between 2010 and 2015, to reach USD 2.4 billion dollars in 2014-15. The slowdown in the commodity market caused a dip in the trade volume in 2015-16, to about USD 1.5 billion dollars. The most important export commodities from the Indian side are refined petroleum products and pharmaceuticals, whereas coal and cashew have been the leading items among Mozambican exports to India.

There are regular exchanges between the Mozambican chamber of industry and Indian industry associations – CII, FICCI and ASSOCHAM. Indian and Mozambican companies take part in trade fairs and other commercial events organised in the other country.

Community and Cultural Relations

Almost 20,000 Mozambican nationals trace their ancestry to India. Most of them are from the Indian states of Gujarat, Goa, Daman & Diu. This Indian-origin community is mostly engaged in wholesale and retail trade in Mozambique, where it has made a strong mark.

The Indian community of Mozambique is well integrated into the local economy and society, and is contributing to the creation of wealth and employment in Mozambique. At the same time, it has preserved its cultural roots from India. There are

several community associations among the Indian community, which regularly organise charitable and cultural events.

Recent highlights on the cultural front have been the organization of the first and second International Day of Yoga in 2015 and 2016 respectively. Both these events saw good participation, not just from the Indian community of Mozambique but also local Mozambicans and other expatriates. In July 2015, ICCR sponsored the visit of a Goan cultural troupe to Mozambique, to mark the 40th anniversary of establishment of diplomatic relations between both countries.

Useful Resources:

Embassy of India, Maputo Website:

www.hicomind-maputo.org

Embassy of India, Maputo Facebook page:

<https://www.facebook.com/pages/High-Commission-of-India-Maputo/149303415166553?ref=hl>

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