CHAPTER - 4

Economic Co-operation and Economic Relations Between India and African Countries
Economic Co-operation and Economic Relations Between India and African Countries

This chapter analyzes the economic cooperation and economic relations of India and African countries.

India and African countries have had a longstanding partnership since India’s independence. The first Afro-Asian conference at Bandung (1955) followed by even more vibrant 50th anniversary conference of Afro-Asian countries in 2005, bear testimony of Indian commitment to Africa, especially in the framework of South-South Cooperation.

In this context, the emergence of India and African countries on the global economic scene is a recent phenomenon. In the past, both regions had limited resources to complement each other’s efforts to establish a niche in the global economy. India was suffering from a ‘Hindu rate of growth’ during the post-independence period whereas Africa suffered from a decline in its global share of exports, but after economic reforms of Indian trade with African countries increased year by year.

India and African countries set the target of India-Africa bilateral trade as US $ 90 billion (488430 cr. rupees) by 2015, in the year 2011, India-Africa bilateral trade has reached US $ 60 billion (325630 cr. rupees).
At present both side agreed on the need to strengthen the trade relationship between the two sides through, inter-alia, the building of trade-related capacity and the conclusion of trade cooperation agreements between India and African Regional Economic communities (RECs)/ countries 20% reduction each year. This tariff lines applied to Benin, Sudan, Tanzania, Zambia.

Indian DFTPI-LDC scheme contains only 6% of total tariff lines (326 items) on which no tariff preference is available and the imports are allowed at most favoured nations rates.

DFTPI scheme provides preferential market access on tariff lines that comprise 92.5% of global exports of all LDCs. Products of immediate interest to Africa, which are covered, include cotton, cocoa, aluminium ores, copper ores, cashew nuts, cane-sugar, readymade garments, fish fillets and non-industrial demands.

4.1 Recent Development of India-Benin Economic Cooperation & Relations in Various Field of Economy

Co-operation in Projects

WARDA : About a dozen Indian exports are working in West African Rice Development Centre.

Indian Investment in Benin
**Grants / Credits**: A line of credit of $15 million (81.405 cr. rupees) was announced by PM during President Yayi’s visit to India in March 2009. Grants of $2 million (10.854 cr. rupees) for mutually identified projects in health and education sectors was also agreed to.

An IT Centre of Excellence as well as Centre of Demonstration of Technology were to be set up with Indian grants. Benin is interested in joining Team-9 and availing of our US $ 250 million (1356.75 cr. rupees) LOC to ECOWAS. From the ECOWAS LOC, Benin has already availed of a US $ 15 million (81.405 cr. rupees) facility of rural development project.

**Air Connectivity**: There are no direct connections between Benin and India. The convenient alternatives are: via Lagos (which is three hours by road from Cotonou) and via Paris (connected by a daily flight from Cotonou).

India has extended a line of credit of US $ 15 million (81.405 cr. rupees) for empowering trade relation.

**High level Visit**

There have been several high level visit between India and Benin.

**Visit from India**

- Shri Hari Kishore Singh, Hon’ble MOS for External Affairs visited Benin in May 1990.
- Shri Lalit Mansingh visited Cotonou in April 1996.
- Shri Shashank, then Secretary (EAA) visited Cotonou in August 2003. During his visit, he had extensive discussions on bilateral matter with the Beninese foreign minister and other officials.
• Dr. Shashi Tharoor, then Minister of State for External Affairs paid an official visit to Benin in October 2009, for joining the first meeting of India-Benin Joint Commission was held on Cotonou. This Joint Commission meeting aimed to review the entire gamut of bilateral relation and discussed various measures to strengthen bilateral ties.

Visit from Benin

• Foreign Minister of Benin Mr. Pierre Osho visited India in April 1997. He again paid a bilateral visit to India on 11-23, November 1997.

• The Foreign Minister of Benin Antoine Idji Kolawole visited India on October 2000 and held talks with then Minister of External Affairs Shri Ajit Kumar Panja on bilateral issues.

• The Foreign Secretary of Benin visited New Delhi in April 2005 for Foreign Office consultations.

• Mr. Soumanou Issofou Moujaidou, Minister of Industry and Commerce, visited India from March 12-13, 2007 to attend the “Saving Doha Round and Delivering on Development.”

• Mr. Madam Mariam Aladj Boni Diallo, Foreign Minister of Benin visited India in May 10, 2007.

• Benin Minister of Mines and Research Mr. B. Kassa participated in second India-Africa Hydrocarbon conference held in New Delhi in December 2009.

• President Boni Yayi accompanied by Madame Chantal Yayi and five Ministers visited India for Bilateral meeting with President on March 3-7, 2009.
Important Bilateral Treaties, Agreements

Joint Commissions: The commission of India-Benin on political, economic etc. was set up in 2009.

Bilateral Agreement 2009: In March 3-7, 2009 India-Benin signed 5 bilateral agreement on IT, Technology etc.

Duty Free Tariff Preferences Agreements: In 2009-10, India and Benin both countries agreed to duty free tariff preferences trade relation by which both countries try to boost trade relation.

4.2 Recent Development of India-Egypt Economic Cooperation & Relations in Various Field of Economy

Co-operation in Projects

Dabur India: In Egypt India’s company Dabur India has a production facility for the cosmetics line.

Marico’s India: Marico’s acquisition of two hair care brands in Egypt.

Alexandria Carbon Black & Fibre Cooperation: Alexandria cooperation have two companies in Egypt, first is in carbon filed name Alexandria carbon black and the second one is Alexandria Fibre cooperation.

Sanmar Group’s: Sanmar Groups acquisition of a unit of Trust Chemicals of Egypt represent some of the main Indian investment in Egypt.

GAIL: GAIL has equity and management stake in two gas distribution ventures in Fayaum and Cairo as well as in Natgas.
**OVL Ltd.** : In April 2007, OVL and its partner IPR Red Sea Inc. announced a significant oil field discovery in the North Ramadan Concession in the Gulf of Suez and reported a second discovery in November 2008, though these deposits were later found to be commercially unviable.

**GSPC Ltd.** : Gujarat State Petroleum Corporation Ltd. signed a Concession Agreement for two oil and gas exploration blocks (North Hap’y and South Diyur) in Egypt.

**Ranbaxy** : Ranbaxy has an Egyptian subsidiary for manufacturing pharmaceutical formulations.

**Satyam Computers and WIPRO** : Both companies have set up Global delivery centres in Egypt.

**Oberoi Group** : The Indian Group of Hotels named Oberoi has been managing a hotel and Nile cruises in Egypt.

**Indian Auto-Companies and Groups** : Indian Auto-Companies like Ashok Leyland, Tata Motors, Maruti Suzuki are marketing their vehicles in Egypt. Mahindra and Mahindra and Bajaj Auto dominated the three-wheelers market.

**Kirloskar Brothers** : Indian based company Kirloskar assemble diesel engines and irrigation pump set in Egypt.

**Indian Investment in Egypt**

Egypt has traditionally been one of India’s most important trading partners in the African continent. The India-Egypt Bilateral Trade Agreement has been in operation since March 1978 which is based on Most Favoured National Clause.

**High Level Visits**
Since 1980s, there have been several high level visits exchanged between India and Egypt.

**Visits from India**

- In 2006 Indian Minister of State for Industry and Minister of State for Human Resource and Development visited Egypt.
- In 2007 Indian Ministers of Petroleum and Natural Gas and Minister of Social Justice and Empowerment visited Egypt.
- Prime Minister Dr. Manmohan Singh participated in the XV NAM Summit held in Sharm El-Sheikh in July 2009.
- In 2010, a Ministerial delegation visited Egypt and an another Ministerial delegation went Egypt in 2011 to join Joint Commission Meeting of India and Egypt on Joint Commission and Foreign Office Consultations.

**Visit from Egypt**

- In 2006, Minister of State for Military Production, Communications and IT, Administrative Development, and the Foreign Minister visited India.
• Minister of Social Solidarity and Minister of Tourism visited India in 2007.

• Egyptian Minister of Trade and Industry, Minister of Agriculture and Land Reclamation, and Minister for International Cooperation visited in 2008.

• An Egyptian Ministerial delegation from the high Election Commission and other Minister like Minister of Trade and Industry came India to participate the WTO Ministerial Meeting and Minister of Electricity and Energy visited India in 2009.

• In 2011, Foreign Minister of Egypt visit India.

Important Bilateral Treaties, Agreements

Joint Commission: India and Egypt Joint Commission set up in the first meeting of Joint Commission in 1985.


Bilateral Trade Agreement (1978): India and Egypt Bilateral Trade Agreement has been in-cooperation since March 1978 and is based on the most favoured nation clause.
Agreement 1983: India and Egypt signed an agreement on the establishment of the joint commission.

Agreement on cooperation in Science and Technology (1995): India and Egypt signed an agreement on cooperation in Science and Technology in October 1995, cooperation in Agriculture and Science and Technology is implemented through biennial Executive Programmes. Since the year 2000 a total of 190 Egyptian delegates have visited India under the ITEC Programme. From Egyptian side, 72 candidates came India for training.

Agreement 1997: India and Egypt signed an agreement on combating illicit traffic in Narcotic drugs and psychating substances, Agreement on combating international terrorism and trans-national and organized crime, agreement on cooperation in the field of information technology.

Agreement on Cooperation in Agriculture (1998): India Ministry of Agriculture and Egypt signed a MOU cooperation in the field of agriculture research in March 1998.

Bilateral Investment Protection Agreement (2000): India and Egypt signed Bilateral / Investment Protection Agreement in November 2000. India has a total investment of approximately USD 2.5 billion (13567.5 cr. rupees) in about 45 projects.

Partnership Agreement (2006): Both countries agreed to signed an agreement on partnership in 2006. Both countries want to enhanced trade and economic relation and signed this agreement.

August, 2010. Under the same project, at Regional Centre for women’s Health and Development in Alexandria has also been commissioned.


### 4.3 Recent Development of India-Kenya Economic Cooperation & Relations in Various Field of Economy

**Co-operation in Projects**

**Tata Chemicals Ltd.** : Tata Chemicals acquired an interest in Magadi Soda Company Limited in 2005.

**KenIndia Assurance Co. Ltd.** : Several leading Indian public sector insurance companies participate in KenIndia Assurance Co. Ltd.

**HDFC** : HDFC Bank has a representative office in Kenya.

**Bank of India and Bank of Baroda** : Both banks have a business presence in Kenya.

**Bharat Heavy Electricals Ltd. (BHEL) :** Cooperation areas proposed by BHEL in the areas of power, plant equipments, transformer manufacturing plant etc. BHEL is interested in setting up of Thermal (Coal and Gas based), co-generation and hydro power plant in Kenya.

BHEL is also interested in setting up of Solar Power Projects (both grid connected and stand alone plants) in Kenya.

BHEL can supply Drilling Rigs, Wellheads, X’mas Tree Valves etc. for their Petroleum sector.
BHEL is willing to explore the possibility of setting up of a power
Transformers manufacturing plant in joint venture mode with govt. of Kenya.
Ministry of Energy, Kenya is requested to provide the estimated requirement of
power transformers in Kenya as well as in neighbouring countries, EAC / COMESA
in next 20-25 years along with proposed guidelines / incentives for the plant so that
BHEL can consider the same.

**Group of Indian Corporates in Kenya**

There are many Indian corporate in businesses in Kenya like Essar Energy
(Refining), Bharti Airtel (Telecom), Reliance Industries Ltd. (Petroleum Retail), Tata
(Africa), (Automobiles, IT, Pharmaceuticals, etc.). Many Indian firms KEC, Kalpataru
Power Transmission Ltd., Kirloskar Brothers, Mahindra & Mahindra, Thermax,
WIPRO, Jain Irrigation System Ltd., TVS and Mahindra Satyam etc.

**India's Investment in Kenya**

India was among the first country to establish an office in Kenya. The Indian
Diaspora in Kenya has contributed actively to Kenya’s progress. In recent times,
there is a growing trade (US $ 1.5 billion in 2010) and investment partnership.

**High Level Visits:**

The following high level visits have been exchanged between India and
Kenya.

**Visits from India**
• Before Independence, India had taken keen 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.

• Vice President Dr. S. Radhakrishnan visited Kenya in July 1956.

• Former Indian Prime Minister, Indira Gandhi visited Kenya in 1963 to attend the Kenyan independence celebrations in 1963 and in 1981 a formal visit by Prime Minister Indira Gandhi with former Indian President Sanjeeva Reddy.

• Shri M.S. Solanki, former External Affairs Minister visited Kenya in September 1991.

• 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.

Visit from Kenya

• Former Kenyan President Arap Moi Paid a state visit to India in 1981. He also visited India in 1983 to attend the NAM Summit (March 1983) and CHOGM Summit (November 1983).

• The Kenyan Foreign Minister, Mr. Moses Weteng’ula visited India in April 2008 and represented President Mwai Kibaki at the India-Africa Forum Summit.

• Prime Minister Raila Odinga, led a delegation to India to participate in the Vibrant Gujarat Global Investors Summit (VGGIS) from 11-14 January 2009 at Ahmedabad, Gujarat. He was accompanied by a large delegation which included Mr. M. Mudavadi, Deputy Prime Minister and Minister for Local
Government, Mr. William Ruto, Minister for Agriculture, Mr. Christopher Obure, Minister for Public Works, Mr. Chirau Ali Mwakwere, Minister for Transport etc.

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

Important Bilateral Treaties, Agreements

**Joint Commission**: A Joint Commission between India and Kenya was set up in December 1999. The first meeting of the Joint Commission was held in Nairobi on 21-22 July 2003. A Memorandum of understanding (MOU) on Foreign Office Consultations was sign during the meeting.

**Agreement on Trade and Economic Cooperation**: An India-Kenia Trade Agreement was signed in 1981, under which both countries accorded Most Favoured Nation status to each other. The India-Kenia Joint Trade Committee (JTC) was set up at Ministerial level in 1983 as a follow-up to the agreement. The 5th India-Kenia Joint Trade Committee (JTC) met in New Delhi on 16-17 December 2008. The Kenyan delegation was led by the Dr. (Eng.) Cyrus Njiru, Permanent Secretary in the Ministry of Trade, while the Indian delegation was headed by Shri Jairam Ramesh, MOS for commerce and power.

**Agreement on Extension of Line of Credit**: An Agreement on extension of Line of Credit of US $ 61.6 million (334.30 cr. rupees) 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.

**MOU Agreement between India and Kenya:** 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 Organization and Export Promotion Council of Kenya.

**Pan African e-Network Project:** 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.

**Agreement to development of trade, further expansion and diversification of trade:** The sixth session of the Kenya-India Joint Trade Committee (JTC) Meeting was held in Nairobi on 12th and 13th October, 2010 in accordance with article X of the Trade Agreement signed between the Republic of Kenya and India on 24th February 1981 in New Delhi. Article 10.1 of the Bilateral Trade Agreement provides for continuous review of the implementation of the provisions of the Bilateral Trade Agreement, examination of measures for the solutions of problems which arise or may arise in the implementation of this agreement or in the course of development of trade between India-Kenya and consideration of proposals made by either contracting party within the framework of this agreement aimed at further expansion and diversification of trade.
4.4 Recent Development of India-Sudan Economic Cooperation & Relations in Various Field of Economy

Co-operation in Projects

BHEL: In February 2006, BHEL signed an agreement for the US$ 457 million (2480.14 cr. rupees) 4x125 MW Kosti Thermal Power Plant (the single largest power project in Sudan) financed by a US $ 350 million (1899.45 cr. rupees) EXIM loan.

Pan-African e-Networks: In November 2006, Sudan became the 18th African nation to sign the Pan-African e-Network country agreement with India for the establishment of a satellite and fibre-optic network that would provide effective communication and connectivity among the 53 members of the African union. Funded by India, the US $ 50 million (271.35 cr. rupees) project is being implemented by Telecommunications consultants India Ltd. When complete, the leaders of Africa would be able to video-conference instantly while the people would benefit greatly from tele-medicine and tele-education.

ONGC Videsh Ltd.: Indian company ONGC Videsh Ltd. operation in Sudan have also contributed generously for developmental purposes.

Following devastating floods in Khartoum in late 1996, India airlifted urgently needed medicines. In October 2003, India, announced a grant of US$ 50,000 of medicines for the victims of the floods in Kasala region. In response to the Sudanese governments request, India offered 20,000 tons of wheat as humanitarian assistance to the people of Dafur in March 2005.
In April 2006, India’s ministry of Non-conventional Energy sources funded a solar electrification system (implemented by Central Electronics Ltd.) for Khadarab village about two hours from Khartoum, bringing light for the first time into the lives of some 1,500 villagers. The project has been replicated in several other villages.

**High level visits**

There are many high level visit exchanged between India and Sudan which are as follows:

**Visit from India**

- Prime Minister Jawahar Lal Nehru visited Sudan in July 1957 soon after its independence.

- In April 1963, Vice-President Dr. Zakir Hussain visited Khartoum and President Fakruddin Ali Ahmed visited Sudan in December, 1975.

- After a quarter century later Minister of State for External Affairs Ajit Kumar Panja in April 2000.

- Minister of State for Commerce and Industry Omer Abdullah came in February 2011 with a business delegation and his successor.

- A Presidential visit after 28 years then President Dr. A.P.J. Abdul Kalam visited to Sudan from 20-22 October 2003, during this visit India-Sudan signed two agreements, (i) BIPPA, (ii) DTAA and MOU on cooperation in Information Technology were signed.
• Shri Sontosh Mohan Dev, Union Minister for Heavy Industry and Public Enterprises visited Khartoum in February 2006 to Witness to signing of the 4x125 MW oil fired power project to be done by BHEL.

• Minister of State for External Affairs, E. Ahmed visited Sudan in June 2011 accompanied by a multi disciplinary delegation.

Visit from Sudan

• Prime Minister of the Sudan, Ismail El Azhari, visited India in 1955 and again in 1967 as President of the Sudan.

• President Ibrahim Abboud came in 1964. In this visit, India offered a line of credit of Rs. 50 million.

• After ten years Mr. Jaffer Nimeiri visited India in 1974.

• Foreign Minister Ail Osman Taha visited India in June 1995 and in April 1997 to attend the Ministerial Conference of NAM countries.

• President Omar Hassan Ahmad Al Bashir transited through India in July 1999 again in July 2002 President Bashir transited through Mumbai.

• President Bahir again transited India through Mumbai in July 2002.

• Sudanese National Assembly Speaker Ahmed Ibrahim Al Tahir visited India in January 2003 to participate in the celebrations of the 50th anniversary of India’s parliament.

• Dr. Awad Al-Faz, Minister of Finance and National Economy visited India in October 2008 with a confidential letter from President of Sudan for Prime Minister of India.
• Mr. Mohamed Yousif Abdulla Sudanese Minister for Culture, Youth and sports visited India in December 2008 for the launch of the Indo-Arab Partnership Forum and Cultural Festival.

• Sudan’s Minister of Energy and Mining Dr. Elzubeir Ahmed Elhassan visited India for participated in Petro Tech 2009 in New Delhi in January 2009.

• Petroleum Minister Dr. Lual Acuek Deng attended the ninth International Oil and Gas Conference and Exhibition “PETROTECH 2010” in New Delhi in November 2010.

• Foreign Minister of Sudan Mr. Ali Karti visited India in April 2011 to handover a written message from his President to Prime Minister of India, Mr. Manmohan Singh.

**Important Bilateral Treaties, Agreement**

**Joint Commission**: The Indo-Sudanese Joint Committee (formed in January 1995) was upgraded to a Joint Commission in June 1997 during the visit of Foreign Minister Ali Osman Taha. The India-Sudan Joint Ministerial Commission first met in November 1997 at New Delhi and again in Khartoum in April 2000. In this met both sides agreed to upgrade the JMC to the level of Foreign Ministers.

**Agreement on MOU, Economic, Technical, SMI etc.**: In November 1974 India and Sudan have signed several agreements and Memoranda of Understanding Agreements on Economic, Technical and Scientific Cooperation. Other cooperation agreements include Science and Technology, Avoidance of Double Taxation, Promotion and protection of Investments, Agriculture, Small and Medium Industries, Foreign Office Consultations etc.
Agreement for Creation of the Indo-Sudanese Joint Commission (1995) :

India and Sudan signed an agreement for the creation of the Indo-Sudanese Joint Committee for economic, technical, commercial information, political trade and cultural cooperation. This agreement signed at Khartoum on 10th January, 1995.

Pan-African e-Network : In November 2006, Sudan signed the India-funded Pan-African e-Network country Agreement with India for the establishment of a satellite and fibre-optic network that will provide effective communication and connectivity among the 53 members of African Union. At present this project working properly.

The Promotion and Protection Agreement 2003 : In 22 October 2003 India and Sudan signed promotion and protection agreement at Khartoum. In this agreement various field of promotion and protection covered like promotion and protection of Investment, Most Favoured Nation, Expropriation Compensation for losses, Repatriation of Investment and Returns etc. for promotion of Trade and Investment.

4.5 Recent Development of India-Tanzania Economic Cooperation & Relations in Various Field of Economy

Co-operation in Projects

Indian companies have been actively involved in exploration of coal / gas / mineral resources in Tanzania in the past.
Tanzania discovered most important hydrocarbon natural gas at Sango-Sango island located at a distance of 25 kms. from the east coast, was made by ONGC in 1944.

**ONGC Videsh Limited**: In 1997 ONGC Videsh Limited was requested by TPDC for assistance in the re-evaluation of drilled well MITA-1, part of onshore oil exploration programme. The Mandawa Block in eastern Tanzania (OVL provided the consultancy service free of charge).

**Larsen and Toubro Ltd.**: In 2004 Larsen and Tourbo Ltd. constructed a gas processing plant at Songo Songo, a 25 km. marine pipeline and a 220 km. land pipeline (contract valued at US$ 100 million (542.7 cr. rupees).

**Central Mine Planning and Design Institute Limited, Ranchi**: The Central Mine Planning and Design Institute Limited carried out detailed ore-feasibility and feasibility studies in respect of Mchuchuma-Katewaka Coal reserves in the mid-1990s.

**Tata Chemicals**: Tata Chemicals is considering investment in the extraction of soda ash from Lake Natron and conducted a detailed feasibility study of the project. The project remains stalled due to opposition from Environment Groups and is pending with the Tanzanian investment.

**National Mineral Development Corporation (NMDC)**: The only Indian company currently active in mineral sector in Tanzania is the National Mineral Development Corporation (NMDC) it had carried out gold exploration in the region south of Lake Victoria in orth west Tanzania during the period 2000 to 2003 and successfully delineated promising targets in Siga Hill area (Kahama Dist.) and
Bulyang Ombe area (Nzega Dist.). NMDC has renewed their exploration licence and is carrying out further gold exploration activities in Tanzania.

**Major Indian Companies in Tanzania**

- **Bank of Baroda**: Bank of Baroda resumed operations in 2004 in Tanzania (Dar es Salaam) with a second branch opened in Arusha.

- **Bank of India**: Bank of India resumed operations in June 2008.

- **Tata International Limited**: It has a subsidiary office in Dar es Salaam.

- **National Mineral Development Corporation**: Prospecting currently at Nzega Ibungu in north-central Tanzania.

  RITES has a small project office at Tabora for the locomotives leased to the Tanzania Railway Corporation. In March 2006 RITES was awarded the concession worth US $ 100 million (542.7 cr. rupees) to run Tanzania Railway Corporation for 25 years. The actual concession agreement was signed in September 2007 and in October 2007 the operations of Tanzania railways was handed over to Tanzania Railways Limited (TRL, in which RITES holds 51% shares with the rest being held by the Government of Tanzania.)

  Some Insurance Companies (LIC, NIC) with Indian Connections including the Tanzindia Consortium operate in Tanzania.

- **Reliance Industries Ltd.** has acquired a majority stake and management control of Gulf Africa Petroleum Corporation (GAPCO), head quartered in Mauritius and having a significant presence in East Africa in the downstream petroleum sector.
Kamal Group of Industries: The first ever private exporting processing zone (EPZ) owned by an Indian company – Kamal Group of Industries, was set up in Tanzania which was designed to accommodate 80 industrial units spreading over 300 acres, was inaugurated by President Kikwete on 25th July, 2010.

Bharti Airtel: Bharti Airtel has acquired Zain Telecom in Tanzania as part of its 16 countries buy from Zain Africa. Zain Telecom was re-branded as Airtel on 22nd November 2010 which was presided over by President Jakaya Kikwete. Airtel is estimated to invest US $ 150 million (814.05 cr. rupees) and is focusing on competitive pricing as well as penetration into rural areas.

India’s Investment in Tanzania: India is the second in the top-ten leading investors in Tanzania for the for the period 1990 to December 2009, with a total investment of US $ 1.31 billion (7109.37 cr. rupees).

Small Industry Development Organization (SIDO) was established by NSIC of India in November 2007. Currently two Indian funded projects are under implementation a centre of Excellence in ICT by C-DAC, and the Pan-African e-network project by TCIL.

- Government of India has extended a line of credit by US $ 40 million (217.08 cr. rupees) for financing Tanzanian agriculture sector. The LOC was signed on 5 June 2009. The Tanzanian Prime Minister, Mr. Mizengo Pinda inaugurated the first consignment of 288 tractors on 07th October 2010 which have arrived in Tanzania, of the total of 1860 tractors.

- Tanzania is one of the largest beneficiaries of the ITEC / SCAAP programme. The two countries signed in 1966 an agreement on Friendship and Technical,
Economic and Scientific Cooperation, within the framework of which ITEC cooperation has been extended to Tanzania since 1972. Starting with 24 trainees annually, the number has gradually increased to the current 120 per annum in 2009, and the total number of trainees till date has exceeded 1200.

- Tanzania is a major beneficiary of Indian scholarships and other educational assistance including self-financing seats in Indian Institutes of higher learning. Almost all official agencies in Tanzania have Indian trained alumni, 17 scholarships offered annually (2009) by ICCR under the commonwealth scholarship / fellowship plan and general cultural scholarship scheme. About five thousand Tanzania students are estimated to be in India on a self-financed basis.

**High Level Visits**

The two countries enjoyed a tradition of high level visit exchanges between India and Tanzania. The following high level visits have been exchanged.

**Visits from India**

- Then President APJ Abdul Kalam paid a state visit to Tanzania from 11-13 September, 2004.

- Shri Yashwant Sinha, then Minister of External Affairs visited Tanzania for the 6th Joint Commission meeting, 25-28 April 2003.
Minister of State for external affairs Shri Anand Sharma visited Tanzania from 27-30 August 2008 and inaugurated the 10th Regional Conclave on India-Africa Project partnership.

Speaker, Lok Sabha, Smt. Meria Kumar accompanied by 54 member strong delegation visited Tanzania to attend the 55th Commonwealth Parliamentary Conference from 28 September to 6 October, 2009 in Arusha.

The Minister for Overseas Indian Affairs, Shri Vayalar Ravi visited Tanzania from 29-30 January, 2010.

Visit from Tanzania

- President Jakaya Mrisho Kikwete visited India in May 2001 as the Minister for foreign affairs for the Joint Commission Meeting.
- President Benjamin William Kkapa visited India from 15-21 December 2002, followed by President Amani Abeid Karume of Zanzibar from 7-12 March 2004.
- In 2007, three Tanzanian Ministers, Foreign Minister Mgiro, on a working visit in November 2006, Minister for Information and Culture Muhammed Seef Khatib participated in the Satyagraha Conference in January 2007; and industry and Trade Minister Basil Mramba for Joint Trade Committee Meeting in May 2007.
- Vice President Dr. Ail Mohammed Shein, Health Minister Prof. David Mwakyusa, Industry Trade and marketing Dr. Mary Nagu visited India from 18-24 March 2008.

Important Bilateral Treaties, Agreements

Agreement on Avoidance of Double Taxation and Prevention of Fiscal Evasion (5 September 1979): Both countries agreed on the need for updating the agreement. The 3rd round of talks was held in New Delhi from 28-30 April 2009.

Agreement on Friendship and Technical Economic and Scientific Cooperation: Both countries signed ITEC agreement on 28 January, 1966.

Air Services Agreement: Both countries signed Air Services Agreement on 12 July 1995. Official talks were held in Dar es Salaam in April 2006 to update the agreement, in this talk it is decided that further discussions are required to conclude the agreement.

An MOU for Co-operation in the field of Agriculture, Health and Medicine: India and Tanzania signed this agreement on 16th December 2002 during the visit of President Benjamin William Mkapa to India.

Exchange Programme on Co-operation in the field of Trade Agreement / Committee: Both countries pursuant to the agreement a Joint Trade Committee was established on 14 January 2000. The first meeting of the Joint Trade Committee took place in Dar-es-Salaam from 30 June – 2 July 2003. The 3rd Joint Trade Committee meeting is due to be held in Dar-es-Salaam.

PTA / FTA: PTA / FTA announcement by PM in the India-Africa Forum Summit in April 2008, for extending Duty Free Tariff Preferential Scheme to LDCs,
Tanzania signed the letter of intent in June 2008 and completed the formalities for process including issuance of certificates of origin.

**Bilateral Investment Promotion and Protection Agreement (BIPPA):** At present India does not have any investment promotion and protection agreement with Tanzania. At the first meeting of India-Tanzania JTC Dar-es-Salaam, 30 June to 2 July 2003, both sides emphasized the need for early conclusion of BIPPA. The first meeting of BIPPA was held in New Delhi in January, 2010.

### 4.6 Recent Development of India-Zambia Economic Cooperation & Relations in Various Field of Economy

**Co-operation in Projects**

**M/s Vedanta Resources:** (The parent company M/s Sterlite Industries of India) M/s Vedanta Resources has invested US$ 48 million (260.49 cr. rupees) in Konkola Copper Mine (KCM) to acquire a majority stake. Their further combined investment in Konkola Deep Water Copper Mining Project, a sulphuric acid plant and a new smelter is to touch almost US $ 2 billion (10854 cr. rupees) by 2008. While Vedanta Resources in Indian owned, they are registered in UK – hence their investment figures are not reflected in India investment figures.

**Tata Group Ltd.** Tata has invested about US$ 8 million (43.416 cr. rupees) in renovation of a five-star hotel called Taj Pamodzi, which is being managed by the Taj Hotel group and have in October, 2006 set up a vehicle and bicycle assembly plant in Ndola. Zambia Electric Supply Company (ZESCO) and Tata Africa Holding have
formed a joint venture company called Utezhi-Tezhi Power Cooperation Limited (ITPCa) to carry out Utezhi-Tezhi (US$ 200 million (1085.4 cr. rupees) power project.

Contracts to Indian Companies

M/s Bharat Heavy Electricals Limited of India: BHEL of India was awarded two contracts (of US$ 21 million (113.967 cr. rupees) by the Zambian government for rehabilitation of power sub-stations and supply of transformers.

M/s CIPLA was given a contract of US$ 3 million (16.281 cr. rupees) for supply of anti-retroviral drugs.

M/s Central Electronics India Limited: CEIL was given a small contract for supply of solar equipment for lighting in schools in remote areas.

M/s Kalpataru Power: An Ahmedabad based company has executed a US$ 15 million (81.405 cr. rupees) contract for setting up of a power transmission line between Chingola and Solwezi.

M/s KEC Limited: KEC Limited of India got a contract worth US$ 11 million (59.697 cr. rupees) for setting up a power transmission line between the bordering towns of Zambia and Namibia.

Major Indian Investments in Zambia

Indo-Zambia Bank: With 60% equity held by three Indian public sector bank – Bank of India, Bank of Baroda and Central Bank of India – and the remaining equity by the Zambian government. EXIM Bank of India has a 34% share in Development of Bank of Zambia after a debt settlement agreement with the Government of Zambia, who owned US$ 18.8 million (102.0276 cr. rupees) of EXIM
Bank. Out of US$ 18.8 million (102.0276 cr. rupees), US$ 9.4 million (51.0138 cr. rupees) was written off, US$ 8 million (43.416 cr. rupees) paid by the Government of Zambia in six installments to EXIM Bank and US$ 1.4 million (43.416 cr. rupees) invested in DBZ and EXIM Bank given 34% equity.

**Konkola Copper Mines**

Phase-1 of the Konkola Deep Mining Project (KDMP) and the ultramodern Nchanga Smelter of the **Konkola Copper Mines (KCM)** were launched by President Rupiah Banda on April 20, 2010 at Chingola. KCM is a subsidiary of the Vedanta Resources group (the parent company M/ s Sterlite Industries in India). With the launch of these two projects, KCM aims to reach the target of producing 500,000 tonnes of finished copper per annum by 2013. KCM’s investment is expected to reach US $ 3 billion (16281 cr. rupees) in the next three years.

**RJ Corporation**, an Indian firm, has pledged to invest US $ 30 million (162.81 cr. rupees) over the period of six years. The company would spend US $ 15 million (81.40 cr. rupees) on manufacturing plant for Pepsi in Phase I of the project. In Phase II, the firm would construct another plant for manufacturing fruit drinks at a cost of another US $ 15 million (81.40 cr. rupees) in Zambia.

**M/s Nava Bharat Singapore Limited**, a subsidiary of Nava Bharat Ventures Ltd. Hyderabad, has purchased 65% equity shares in Mamba Colleries Ltd. Government of Zambia retains the remaining 35% shares through Zambia Consolidated Copper Mine Investment Holdings (ZCCM-IH). Nava Bharat will invest US $ 108 million (586.116 cr. rupees) in the recapitalization of Mamba Colleries and the Installation of the new coal handling and washing plant. Nava
Bharat would also develop a coal fired power plant of a minimum generating capacity of 270 megawatts using the low grade coal of Mamba Colleries.

**Taurian Manganese Ltd.**, one of the group of companies of Dharni Sampada Pvt. Ltd. in India, has invested about US $ 20 million (108.54 cr. rupees) in 2010 in manganese mining and plans to invest another US $ 300 million (1628.1 cr. rupees) in construction of a manganese processing plant in Serenje district in Central Province. It will be one of the biggest manganese processing plants in Africa.

**Bharti Airtel** launched its new brand, Airtel Zambia, in November 2010. The new brand comes with a promise to meet the emerging needs of customers with innovative, affordable and relevant solutions to empower consumers and will provide low tariffs and roll out deep in rural areas and bridge the digital divide.

The other major Indian investments include a joint venture – **Indo Zambia Bank** – with 60% equity held by three Indian public sector banks – Bank of India, Bank of Baroda and Central Bank of India – and remaining by the Zambian government.

**High Level Visit**

The following high level visit have been exchanged between India and Zambia.

**Visit from India**


In recent years from Indian side, the speaker of Lok Sabha Shri Manohar Joshi paid an official visit to Zambia with a 7-member Parliamentary delegation from February 9-13, 2003.

Smt. Shashi Tripathi then Secretary (West), Ministry of External Affairs paid an official visit to Zambia from February 27 March 1, 2005 for Foreign Office Consultations.


Visit from Zambia

Dr. Kermeth Kaunda paid more than ten visits to India, beginning 1967 and 6000 Indian expatriates worked in Zambia and it became the biggest recipient of ITEC assistance.

President Chiluba paid a state visit to India in October 1993; during his rule, the relations between the two countries remained cordial and friendly.

Zambian President Late Levy P. Mwanawasa visited India in January 2002, there has been qualitative improvement in the Indo-Zambia relations. President Mwanawasa met Prime Minister Vajpayee in New York on September 2002 in UN General Assembly session and for India’s support to revive agriculture and other sectors of Zambian Economy, which was agreed to Zambian President paid a state visit to India from 20-25 April 2003 and met
our President, Vice President and PM etc. who assured him of India’s support in Zambia’s efforts to fight against drought, revival of Zambia’s economy.

- Former Energy Minister George Mpombo visited India in March 2005 to attend the CII conclave on ‘India-Africa Project Partnership.’
- In 2008, Commerce, Trade and Industry Minister and Vice-President visited India to participate in India-Africa Forum summit.

**Important Bilateral Treaties, Agreements**

**Joint Commission** : India have a joint permanent commission with Zambia. The last meeting of Joint permanent commission held on Lusaka in 2012.

**Agreement on Avoidance of Double Taxation**

On 17th August, 2007 the draft agreement on avoidance of double Taxation has been approved by both side and is awaiting to be signed.

**Agreement for Cooperation in Trade and MOU**

On 21st April, 2003 India and Zambia signed an agreement for cooperation in Trade and an MOU for cooperation in Agriculture during the visit of Zambian President to India.

**Protocol for Institutionalization**

Both countries signed protocol for Institutionalization of the Annual Foreign Office Consultations during the visit of Secretary (West), MEA to Zambia on 28th Feb. 2005.

**Duty Free Tariff Preference Scheme (DFTP)**
Zambian Minister for Commerce, Trade and Industry signed the letter of intent of utilize India’s DFTP in May 2010. Under the scheme Zambian product will be able to access up to 94% of Indian market.

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