

## **High Commission of India Maputo**

### **India-Mozambique Bilateral Relations**

India enjoys warm, friendly and substantive ties with Mozambique. Trade links between Mozambique and the western states of India go back to several centuries, and pre-date the colonial era. These ancient people-to-people links have been 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**

After 1947, independent India's 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 set up a diplomatic mission in Mozambique. Mozambique opened its Mission in New Delhi in 2001.

Since the independence of Mozambique, there have been frequent contacts between the leaderships of both 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, then Prime Minister Smt. Indira Gandhi visited Maputo in August 1982 and Prime Minister, Shri Narendra Modi, visited Mozambique in July 2016.

MoS for External Affairs, Gen, Retd. V K Singh visited Maputo as a Special Envoy of PM to invite President Nyusi for IAFS III in July 2015. He again visited Mozambique in February 2018 to review the progress of the decisions taken during PM's visit to Mozambique in July 2016. Raksha Mantri, Shri Rajnath Singh, visited Maputo in July 2019. MoS for External Affairs, Shri V. Murleedharan, visited Mozambique from 14-16 January 2020 to attend the swearing-in ceremony of President Filipe Nyusi held on 15<sup>th</sup> January as a Special Envoy of Prime Minister, Shri Narendra Modi. An Inter-Ministerial team led by the Deputy National Security Advisor of India visited Mozambique from May 3-5, 2022 to assist Mozambique address its national defence and security challenges.

At the Ministerial level visits, the then Prime Minister Carlos Rosario attended the 3<sup>rd</sup> India Africa Forum Summit in New Delhi from 28-30 October 2015, former Foreign

Minister Oldemiro Baloi paid a bilateral visit to India in November 2014 when he had met with then EAM, Smt. Sushma Swaraj, Mozambican Health Minister, Dr. Nazira Abdula, visited India in September 2016, Mozambican Minister for Transport and Communication, Carlos Mesquita, visited India in January 2017 when he had signed the Bilateral Air Services Agreement, former Foreign Minister Jose Pacheco visited India from 28<sup>th</sup> November to 2<sup>nd</sup> December 2018 to lead Mozambique at the 4<sup>th</sup> Joint Commission Meeting, Minister of Industry and Commerce, Dr. Ragendra de Sousa attended 14<sup>th</sup> CII-EXIM bank conclave with business delegation from 17-19<sup>th</sup> March 2019 at New Delhi, and Defence Minister, Atanasio Salvador M'tumuke visited India from 26-30 November 2019 when he had met NSA, EAM and RM and signed a supplementary MOU on Maritime Security in Mozambican EEZ. 2<sup>nd</sup> Foreign Office Consultations were held between the two countries during July 4-5, 2022 at New Delhi. President of the Assembly of the Mozambique, H.E. Ms. Esperanza Bias visited India during July 26-30, 2022 on the joint invitation of the Hon'ble Speaker of the Lok Sabha and the Chairman of the Rajya Sabha, during the visit a bilateral MoU on Cooperation on Parliamentary Affairs was signed between the two sides. Defence Minister, Mr. Cristovao Artur Chume led a delegation to India to participate in the Def-Expo 2022 in Gandhinagar, Gujarat from October 18-22, 2022 when he met with Raksha Mantri Ji and also participated in the India-Africa Defence Dialogue. Minister for Industry & Commerce, Mr. Silvino Augusto Moreno, participated in the CII-EXIM Bank Africa Conclave on the theme – '*India-Southern Africa Growth Partnership*' that was held at Johannesburg in South Africa on 31 October – 01 November 2022.

Mozambique and India have signed several bilateral agreements and MoUs for collaboration in diverse sectors covering agriculture, rural development, scientific and technical research, protection of investments, avoidance of double taxation, small and medium enterprises, mineral resources, oil and natural gas, defence and maritime security, Mutual Recognition of Vaccine Certificate, etc.

### **India's development partnership with Mozambique**

In recent years, India's support for Mozambique's development agenda has become an important priority under a vibrant, robust and versatile bilateral relationship between both countries. Most of this assistance has been provided through concessional Lines of Credit (LOC) implemented through EXIM Bank of India. 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.

By implementing projects under its concessional LoCs, India has extended support to 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, railway equipment etc.

The most visible and appreciated form of development partnership extended by India to Mozambique is in the form of scholarships and training opportunities in India. The number of Indian scholarships available for Mozambican students to pursue Undergraduate and Postgraduate studies in India has been steadily increased in recent years. In addition, Government of India sponsors a large number of short-term training courses, particularly for public functionaries working in the Mozambique Government. These educational and training scholarships have not only helped improve human resources within Mozambique but have also helped to strengthen people-to-people linkages between both countries.

In the aftermath of Cyclone IDAI in March 2019, Government of India had deployed three Indian naval ships to provide Humanitarian Assistance and Disaster Relief (HADR) to the affected people in the Beira province of Mozambique. Raksha Mantri during his visit to Mozambique in March 2019, had handed over two fast interceptor boats to Mozambican Navy to boost maritime security of a friendly country and strengthen the existing bonds of friendship between two countries. GOI also subsequently donated 30 communication sets to the Mozambican Government. The Indian Naval Ship (INS) Kesari visited Maputo in December 2021 and delivered a huge consignment of Government of India's assistance package to Mozambique comprising of 500 MT of rice, two fast speed interceptor boats, military equipment as also other useful military accessories.

Some recent examples of Indian development and humanitarian assistance to Mozambique include USD 250 million LoC which was re-offered to Mozambique in 2019 for improving the quality of electricity in Maputo and adjoining areas for which the LOC agreement was signed in August 2020. In September 2020, India handed over 13 essential medicines worth 22 million Meticaís to Mozambique to combat and prevent COVID-19 pandemic. In March 2021, Government of India donated 100,000 doses and supplied over 1 million doses of Covishield vaccine under COVAX programme to Mozambique.

In February, 2022, India and Mozambique signed a MoU for implementation of a Drinking Water Project at the Mueda District under Government of India's grant assistance of US \$ 10 million. The project would be implemented shortly. In June 2022, India also donated a consignment of Covid-19 related assistance package comprising of PPE kits and face masks to Mozambique besides 2 Mahindra SUVs to the Ministry of Foreign Affairs of Mozambique.

## **Economic Relations**

In recent years, India-Mozambique economic relations have steadily deepened and expanded mainly through greater involvement of Indian companies that have invested heavily in the energy resources of Mozambique. By some estimates these investments amount to almost a quarter of India's total FDIs 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 Rovuma gas block of Mozambique, at a cost of over USD 5 billion. This was in addition to 10% already held by another Indian PSU, BPRL since 2008, thus making India, the biggest investor in the Rovuma Area-1 gas project that is being operated by the French petroleum giant, TOTAL Energies that has 26% stakes in the project.

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 presence in the coal mining sector of Mozambique include JSPL, JSW, Coal India Ltd, Tata Steel, Essar, Midwest Africa, Sunflag group, etc. Vulcan, a fully owned subsidiary of the Jindal Group, acquired the Moatize coal mining asset and the 920-km Nacala Logistical Corridor from the Brazilian mining giant, Vale, in December 2021. The mine has an annual production capacity of 20 million MT of coal per year.

Indian investments in sectors other than mining include Godrej group's interest in hair & beauty products in Matola, and investments in commercial agriculture by companies like Pure Diets, Rajarambapu Group, and Asian Tea Company. Indian companies are present in automobile sector like Tata and Mahindra. There is increasing interest by Indian companies to invest in newer sectors of Mozambique, including healthcare, education, electricity, information technology, pharmaceuticals, etc.

Apart from investment, bilateral trade between India and Mozambique has also been rapidly growing in recent years. The value of trade between the two countries grew five-fold between 2010 and 2015, to reach a peak of USD 2.4 billion dollars in 2014-15. The subsequent slowdown in the world commodity market caused a dip in the trade values in 2015-16 and 2016- 17 to about USD 1.5 billion dollars. In 2019-20 total trade between two countries again increased to 2.17 billion US dollars which was again followed by a dip due to Covid-19 pandemic to 1.23 billion dollars in 2020-21. However, it has again picked up in the post pandemic period to reach nearly 2 billion dollars in 2021-22. The most important exports from India to Mozambique are refined petroleum products, pharmaceuticals, machinery etc., whereas coking coal, cashew and raw agri products are the leading Mozambican exports to India. There is active and regular exchange between Mozambican and Indian Chambers of Industry. Businessmen of both

countries participate in trade fairs and commercial events organized in each other's countries.

Value: Million US\$, DGCIS

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Indian exports</b>	1241.99 (-40.02%)	1009.97 (-18.60%)	900.58 (-10.83%)	1073.31 (+19.18)	2174.31 (+102.58)	1231.34 (-43.4%)	1976 (+60.5%)
<b>Mozambican Exports</b>	362.86 (+11.38%)	546.29 (50.54%)	931.75 (+70.56%)	1097.43 (+17.78%)	835.07 (-23.85)	631.60 (+24.4%)	1879 (+197.5%)
<b>Total trade</b>	1604.85 (-33.03%)	1556.26 (-3.03%)	1832.34 (17.74%)	2170.74 (18.47%)	3009.38 (+38.56)	1862.94 (-38.1%)	3855 (+106.9%)

Source: DGCIS

India's exports to Mozambique comprises mainly of Petroleum products, Engineering goods, Pharmaceuticals, Rice, Fabrics, Bicycles, Machinery, Ceramic products and Glassware, Plastic and Linoleum. Major item-wise imports from India over the last few years and their associated changes in percentage terms are as follows:

<b>Item wise exports from India and their percentage changes over last few years</b>					
<b>(US \$ million)</b>					
S. No.	India's Exports to Mozambique	2018-19	2019-20	2020-21	2021-22
1.	Petroleum Products	687.69	1731.70 (151.81%)	732.81 (-57.68%)	1433.31 (+95.6%)
2.	Engineering Goods	103.9	103.6 (21.3%)	170.9 (-14.67%)	190.00 (+11.17%)
3.	Drug & Pharmaceuticals	108.05	139.26 (+28.92%)	135.47 (-2.72%)	140.0 (+3.34%)
4.	Plastic Products	39.77	33.71 (-15.2%)	23.81 (-29.36%)	27.1 (+13.82%)
5.	Rice	5.0	5.8 (+16%)	70.3 (+1112%)	90.2 (+28.3%)

Source: DGCIS

The contribution of India's exports to total global imports of Mozambique are as follows:

Percentage of India's exports in the Mozambique's total imports	<b>Total Imports from India</b>					
	<b>2019 (Position 5)</b>		<b>2020 (Position 3)</b>		<b>2021 (Position 3)</b>	
	USD Million	Percentage (%)	USD Million	Percentage (%)	USD Million	Percentage (%)

	451.864	6.08	581.994	8.99 after South Africa: 30.84% and China:10.73%	742.183	8.61 after South Africa: 26.56% and China:10.77%
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*Source: National Institute of Statistics of Mozambique*

## **Community and Cultural Relations**

Almost 20,000 Mozambican nationals trace their ancestry to India. Most of them are from the western Indian states of Gujarat, Goa, Daman& Diu. The Indian diaspora is mostly engaged in wholesale and retail trade in Mozambique, where it has made a strong and dominant 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. It has also preserved its cultural roots from India. In addition, there are around 3000 Indian nationals in the country engaged in various Indian companies or working as professionals in Mozambican companies. There are several community associations of the Indian community, which regularly organize charitable and cultural events.

November 2022