

India – Afghanistan Relations

India and Afghanistan have a strong relationship based on historical and cultural links. The relationship is not limited to the governments in New Delhi and Kabul, and has its foundations in the historical contacts and exchanges between the people. In recent past, Indo-Afghan relations have been further strengthened by the Strategic Partnership Agreement signed between the two countries in 2011. As Afghanistan was undergoing three simultaneous political, security and economic transitions in 2016, India had allayed its fears about its future by making a long-term commitment to the security and development of Afghanistan.

The Strategic Partnership Agreement (SPA) between the two sides, inter alia, provides for assistance to help rebuild Afghanistan's infrastructure and institutions, education and technical assistance to re-build indigenous Afghan capacity in different areas, encouraging investment in Afghanistan's natural resources, providing duty free access to the Indian market for Afghanistan's exports support for an Afghan-led, Afghan-owned, broad-based and inclusive process of peace and reconciliation, and advocating the need for a sustained and long-term commitment to Afghanistan by the international community. As the lead country for Trade, Commerce and Investment (TCI) CBM of Heart of Asia Process, India has organised various activities under TCI CBM including 7th Regional Technical Group (RTG) in March 2016 and a Conference and Exhibition on "Made in Afghanistan" in July 19-20, 2016. India successfully hosted the 6th Heart of Asia Ministerial Conference in Amritsar in December 2016 and Conference called for immediate elimination of terrorism to help the war-ravaged country in its political and economic transition.

After a protracted electoral process for two rounds of elections and UN mediated audit process, a Political Agreement was signed between two leading contenders – Dr Ashraf Ghani and Dr Abdullah Abdullah which led to the formation of national unity government, inaugurated on 29 September 2014. The ceremony was attended by our Vice President Dr Hamid Ansari. Our consistent signalling on the political inclusivity and peaceful transfer of power was addressed and appreciated by all sections of the Afghans.

There also exists a high-level political engagement with Afghanistan, which is reflected in the large number of bilateral high-level visits. In 14 March 2015, Abdullah Abdullah, Chief Executive of arrived in India for a three days visit. During his visit he met with Mohammad Hamid Ansari, the Vice President of India and some other high ranking government officials. He also participated in India Conclave Conference organised by India Today magazine. President Dr Ashraf Ghani in April 2015 paid an official visit to India in April 2015. During the visit, President Ghani met President of India, Shri Pranab Mukherjee; Prime Minister of India Shri. Narendra Modi; and External Affairs Minister Shri Sushma Swaraj. Both side discussed about the cooperation and assistance in various sectors including the health, education, agriculture, disaster management, power sector and electoral management. As a result of President Ghani's visit, India has gifted Afghanistan three Cheetal helicopters; assistance for the annual maintenance of M/s Habibiya School, Kabul and Indira Gandhi Institute of Child Health; USD 5 million fund to ARCS to treat

Afghan child with Congenital Heart Disease (CHD) in India for 5 years; extension of ICCR scholarship till 2020 and indicated readiness to sign a bilateral motor vehicle pact to allow vehicles from both sides to traverse each other's countries.

The National Security Adviser of Afghanistan, Mohammad Haneef Atmar visited India on November 8-9, 2015. During his two-day visit, the Afghan NSA engaged in bilateral talks with the relevant Indian government authorities. The meetings focused on cooperation in the political, security and economic areas including the current situation in Afghanistan and the region. The Deputy Foreign Minister of the Islamic Republic of Afghanistan, Hekmat Khalil Karzai paid an official visit to New Delhi from November 16 – 20, 2015. Deputy Foreign Minister Karzai during his four day visit conducted meetings with Indian authorities to discuss a host of issues and the state of progress in the bilateral ties between Afghanistan and India and interacted at India based think-tanks

In 25th December 2016, Prime Minister along with a high level delegation paid a visit to Afghanistan. During his visit he called on President Ashraf Ghani; he met Chief Executive, Dr Abdullah and Former President Hamid Karzai. During his visit he inaugurated the newly built Afghan Parliament; he announced 500 scholarships for the children of the martyrs of Afghan Security Forces in school and colleges both in Afghanistan and in India; and Prime Minister gifted four Mi25 Attack helicopter to Afghan Air forces. During the visit, it has been decided to conduct the first Strategic Partnership Council meeting headed by the Foreign Minister of the both country in the first quarter of 2016 along with four joint working group meetings.

His Excellency Dr. Abdullah Abdullah, Chief Executive of the Islamic Republic of Afghanistan (CEO) visited India from 31 January- 4 February 2016. During this visit, he met Prime Minister on 1st February 2016 and held discussions on bilateral, regional and global issues of mutual interest including the security situation and peace and reconciliation in Afghanistan. EAM and NSA called on CEO, on February 1 & 4, respectively. In the context of continued bilateral development cooperation, the decision of the Government of India to approve the 3rd phase of Small Development Projects comprising of 92 projects in Afghanistan was conveyed. An Agreement on Exemption from Visa Requirement for Holders of Diplomatic Passports was signed. On 3rd February, CEO addressed a joint interaction with the three leading chambers of commerce and industry in India, namely ASSOCHAM, CII and FICCI. CEO delivered the Keynote Address at the Counter Terrorism Conference organised by India Foundation in Jaipur on February 2, where the inaugural address was by Rashtrapatiji.

On 4 June 2016, Prime Minister visited Herat in western Afghanistan and he along with President Ghani jointly inaugurated the Afghan-India Friendship Dam, earlier known as Salma Dam. The completion of the dam project represents culmination of years of hard work by about 1, 500 Indian and Afghan engineers and other professionals in very difficult conditions. It also highlights India's continued commitment to Afghanistan's reconstruction and development.

Later on 22 August 2016, Prime Minister jointly inaugurated through video conferencing the restored Stor Palace in Kabul with President Ghani. During his

speech Prime Minister said the 1.25 billion Indian people will “always” stand with Afghanistan in ensuring peace and prosperity.

President Ghani paid a working visit to India from 14-15 September 2016. The visit provided an opportunity to continue the close and frequent consultations between the two friendly neighbours. During the visit, Extradition Treaty, the Agreement on cooperation in civil and commercial matters and the Memorandum of Understanding on Cooperation in Peaceful Uses of Outer Space were signed. It was also stressed that expeditious implementation of the trilateral agreement involving Afghanistan, India and Iran, signed in May 2016, using Chahbahar will augment connectivity within and of the region. India also announced additional USD 1 billion assistance for capability building in spheres such as education, health, agriculture, skill development, empowerment of women, energy, infrastructure and strengthening of democratic institutions of Afghanistan.

Commercial Relations

Indo-Afghan Trade and Investment

India recognizes the pre-eminence of Afghanistan as a junction of trade routes between central, south and west Asia for 3000 years. The bilateral trade at USD 683.02 million for 2013-14 (US\$ 474.25 million export and US \$ 208.77 million import by India) and \$684 million for 2014-15 (\$422 million export and \$ 262 million import by India) is a modest figure going by the actual potential. However, the trade relations can realize its true potential if the Wagah-Attari route is opened for bilateral trade with Afghanistan. So far, the Afghanistan Pakistan Transit Trade Agreement (APTTA) has been restrictive in this aspect. India after Pakistan is the major export destination of Afghanistan. One of the objectives of building Zaranj-Delaram road by India was to boost bilateral economic relations besides offering Afghanistan another outlet to Sea port. The successful operation of the Chabahar port in Iran could capitalize on this road to offer a new transit route of Afghan products to India while opening a new route for India, and the rest of the world, for trade with Central Asia.

India and Afghanistan signed a Preferential Trade Agreement in March 2003 under which India allowed substantial duty concessions, ranging from 50% to 100%, to certain category (38 times) of Afghan dry fruits. Afghanistan in turn has allowed reciprocal concessions to Indian products, including tea, sugar, cement and pharmaceuticals. In November 2011, India removed basic customs duties for all SAARC LDCs at the SAARC Summit in Male which gave all products of Afghanistan (except alcohol and tobacco) duty free access to Indian market. Afghanistan (as LDC) is signatory to SAFTA and is required to lower its tariffs of all goods not on its sensitive list of 5% or less. This decade-long process helps avoid any sudden or dramatic reductions in tariffs and eases the changes with minimal disruption to Afghan industry. Afghanistan recently reduced its sensitive list from 1,063 tariff lines to 850 out of roughly 6,000 total tariff lines. Only 30% of the tariff lines on Afghanistan's sensitive list have tariff rates above the requisite 5%. Under Afghanistan's sensitive list, the highest tariff rates are applied on fruits, vegetables and nuts, basic construction materials, beverages, plants, articles of leather and carpets. Some other items that are not produced in Afghanistan are also subject to

higher tariffs for revenue collection purposes such as tobacco, ceramic products, perfumery, minerals and fuel.

Transit is a major bottleneck in Indo-Afghan trade due to denial of export of Indian goods via Wagah border and delays at Karachi port. Most of the trade occurs via Bandar Abbas port in Iran or through Dubai. Earlier Banks/Insurance companies were refusing to provide their services via Bandar Abbas port due to US sanctions but after lifting of sanctions now the situation may change. Many Indian companies are engaged in the infrastructural development of Afghanistan and are contributing in the development of the country. During the visit of President Ghani to India in September 2016, to further deepen the commercial engagement, Prime Minister proposed to supply world class and easily affordable medicines from India and cooperation in solar energy through mutually agreed instruments. Both the countries are now working on air corridor to increase the trade and commerce

In the recent times, there are quite a number of visits by business delegations of both the countries to each other's country. The important Afghan/Indian Trade/Business delegations that visited India/Afghanistan in the recent times are:

9thMP Expo, 29-31, January 2016: 22 members from KCCI participated.

30th Surajkund Mela 1-15 Feb 2016: Six Afghan participants have been nominated by the Mission. The event is being supported by SAARC Division of MEA.

Conference and Exhibition on "Made in Afghanistan" in July 19-20, 2016.

India-Afghan Culture Relations

Afghanistan has been an important trading and craft center for over 2000 years connecting the civilizations of Persia, Central Asia with India. However, over 3 decades of war have undermined Afghanistan's unique traditions of art and architecture. Today, the biggest challenge for Afghanistan is to rediscover and sustain its ancient art and architectural illegal opium trade and providing employment to the most vulnerable communities, particularly women and the rural people. India and Afghanistan share centuries old cultural heritage with deep rooted linkages in the field of music, arts, architecture, language and cuisine.

In the field of music, in particular, in the old days, most Afghan musicians were trained in the Patiala Gharana. Today, Indian films, songs and TV serials are hugely popular with the masses, contributing significantly to the popularization of Hindi and familiarization of the populace with Indian socio-cultural value system. TV serials like Saas Bhi Kabhi Bahu Thi, Kasauti Jindagi Ki, Kum Kum and Kahani Ghar Ghar Ki, Saare-ga-ma-pa, Pratigya, Utran have been dubbed in Dari language. They have the highest overall viewership and shown on prime time slots, both on the national as well as private TV Channels. As part of India's restructuring programme for Afghanistan, India has aimed to take up projects that will render Afghanistan's cultural heritage sustainable. The Indian cultural centre has also been working towards building of or shared cultural heritage.

Indian Diaspora in Afghanistan

The Mission maintains a database on Indians staying in Afghanistan, though many Indians don't register with the Mission. Presently, there are estimated to be about 3500 Indians in the country, though only about 850 are registered with the Mission. Most of the Indian Diaspora are engaged as professionals in Banks, IT firms, Construction companies, Hospitals, NGOs, Telecom companies, Security companies, Universities, Govt. of India sponsored projects, Govt. of Afghanistan and UN Missions. The Mission interacts closely with the Indian citizens, helping them to resolve their problems, and routinely invite them to **attend National & Embassy functions**. The prominent Indian companies doing businesses in Afghanistan are:

- (1) KEC – Electrical Transmission Lines
- (2) Phoenix – Consultancy in Electrical Transmission
- (3) AIPL – Establishment of Hydro Power Project in Hilmand Province
- (4) WAPCOS – Salma Dam
- (5) ANGELIQUE International – Salma Dam and other Power project
- (6) APTECH – Computer & Management Education
- (7) GAMMON INDIA – Power Transmission Line & Power Sub-stations
- (8) KPTL – Power Transmission Line
- (10) ANAAR GROUP (AIR INDIA GSA)
- (11) Spice Jet

Useful Resources:

Embassy of India, Kabul website:

<http://eoi.gov.in/kabul/>

Embassy of India, Kabul Facebook Page:

<https://www.facebook.com/IndiaInAfghanistan>

Embassy of India, Kabul Twitter account:

<https://twitter.com/IndianEmbKabul>

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