

India - Croatia Relations

The Republic of Croatia (*Republika Hrvatska* in Croatian language, population around 4 million) proclaimed independence on 25 June 1991 after breaking away from the former Socialist Federal Republic of Yugoslavia.

India formally recognized Croatia in May 1992 and diplomatic relations were established on 9 July 1992. Croatia opened its Resident Mission in New Delhi in February 1995. The Indian Mission in Zagreb was opened on 28 April 1996, and upgraded to Ambassadorial level in January 1998.

During the days of former Yugoslavia, Croatia played an important role in the close links between India and Yugoslavia. Croatia accounted for more than two-thirds of trade between the two nations, including large scale purchases of Croatian ships by India in the 1970s and 1980s. Marshal Tito, who ruled Yugoslavia for more than three decades, was a Croat, and maintained close relations with the Indian leadership. Prime Minister Nehru and Marshal Tito were also pioneers of the Non-Aligned Movement.

These friendly linkages with India have continued after Croatia's independence, though Croatia's initial focus after independence was on addressing the ethnic conflict that followed the breakup of former Yugoslavia, and thereafter on integration with NATO (1 April 2009) and the European Union (1 July 2013). Croatia is now working towards joining the Schengen Zone and adopting the Euro currency.

In recent years, Croatia has resumed looking at other parts of the world, particularly Asia. India and Croatia currently enjoy robust bilateral political and cultural ties, and both countries are focussed on imparting greater economic content to the relationship. There is also close cooperation at the multilateral level.

High level visits

From the Croatian side, there was a series of high-level visits in the years after independence. Then President Stjepan Mesić paid a State Visit to India in November 2002. Visits at the level of Deputy Prime Minister took place in April 1995 (Mate Granić, who was also Foreign Minister) and November 2000 (Goran Granić). Ministerial visits took place in April 1992 (Zvonimir Separović, Foreign Minister), November 1998 (Nenad Porges, Minister of Economy), March 1999 (Bozo Biškupić, Minister of Culture), May 2001 (Tonino Picula, Foreign Minister) and September 2003 (Pave Zupan Rusković, Minister of Tourism). After a gap, high-level visits have recently resumed with Deputy Prime Minister and Foreign Minister Marija Pejcinovic Buric visiting India in October 2018.

From the Indian side, then Vice-President M. Hamid Ansari visited Croatia in June 2010. Other visitors have included Shri Pranab Mukherjee, Commerce Minister (September 1994), Dr. B.B. Ramaiah, MOS (Commerce) (September 1997), Shri Shatrughan Sinha, Minister of Shipping (August 2003), Shri Digvijay Singh, Minister of State for External Affairs (September 2003), Smt. Bhavnaben Chikhaliya, Minister of State for Tourism & Culture and Parliamentary Affairs (October 2003), Shri Kapil Sibal, Minister of Science & Technology and Earth Sciences (February 2007), Shri

Anand Sharma, Minister of State for External Affairs (September 2007), Smt. Preneet Kaur, Minister of State for External Affairs (February 2014), General (Dr.) V.K. Singh (Retd), Minister of State for External Affairs (April 2016) and Smt. Nirmala Sitharaman, Minister of Commerce and Industry [Independent Charge] (February 2017).

Over the years, a number of Croatian Members of Parliament (*Parliament is known as Sabor*) have visited India, including Vladimir Šeks, Acting Speaker (March 1999), Zdravko Tomac, Deputy Speaker (January 2003), Marija Lugaric (January 2007), Furio Radin, Chairman, Committee on Human and National Minority Rights (February 2008), Luka Bebic, Speaker (March 2010) and Veljko Kajtazi, MP for National Minorities and President of Indo-Croatian Parliamentary Friendship Group (March 2018). From the Indian side, Speakers of Lok Sabha have visited in July 1997 (Shri P.A. Sangma) and July 2002 (Shri Manohar Joshi).

Nine rounds of Foreign Office Consultations at Secretary-level took place between 1995 and 2011, and a proposal to resume them is under consideration.

Important Bilateral Agreements/ MoUs

- Trade and Economic Cooperation Agreement (2017). Flowing from this, the first India-Croatia Joint Business Council was set up in April 2017. Separately, the Joint Economic Commission under the Agreement met in New Delhi in November 2017.
- Maritime Transport Agreement (1997).
- Agreement on Cooperation in Culture, Science & Technology, Education and Sports (1999). A new Cultural Exchange Programme for 2019-22 was signed between the Ministries of Culture of both countries in October 2018.
- Agreement on Cooperation between the Diplomatic Academy of the Ministry of Foreign Affairs of Croatia and the Foreign Service Institute (FSI), Ministry of External Affairs (2000)
- Modified Air Services Agreement (2000). Croatian Airlines and Air India entered into a Code Share Agreement in November 2016, which came into effect on 1 April 2017.
- Agreement on Cooperation in the Fight against International Illicit Trafficking of Narcotic Drugs, Terrorism, etc. (2001).
- Agreement on Agricultural Cooperation (2002).
- Agreement on Exemption of Visa Requirement for Holders of Diplomatic and Official / Service Passports (2007)
- Agreement on Cooperation in Health and Medicine (2010). The first JWG on Health and Medicine was held in Delhi in February 2018.

- Agreement on Double Taxation Avoidance (2014).
- Agreement on Gainful Occupation of Family Members of Members of Diplomatic and Consular Posts (2018).
- Cooperation between Croatian Bank for Reconstruction and Development (HBOR) and EXIM Bank of India (2000)
- Cooperation between Export Credit & Guarantee Corporation of India Ltd. (ECGC) and Croatian Bank for Reconstruction and Development (HBOR) (2002)
- Programme of Cooperation in Science and Technology for 2005-08 (2005).
- Educational Exchange Programme (2006), renewable every five years.
- Establishment of ICCR Chair of Hindi between ICCR and University of Zagreb (2009).

Economic and Commercial Linkages

Croatian GDP is estimated at Euro 49.01 billion (2017), with per capita GDP at Euro 11,882 (2017). Its total foreign trade in 2017 was Euro 35.78 billion, with imports of Euro 21.80 billion and exports of Euro 13.98 billion.

India-Croatia bilateral trade during 2017 was US\$ 199.45 million, as per our Department of Commerce statistics (Croatian statistics are slightly lower at Euro 141.50 million). Nearly 85% of this was Indian exports to Croatia. Figures of India's trade with Croatia are given below (both Indian and Croatian statistics):

Croatia-India Bilateral Trade

(In million)

| Year | 2014 | 2015 | 2016 | 2017 | Jan-Sep 2018 |
|-------------------|-------------|-------------|-------------|-------------|---------------------|
| Croatia's Exports | € 13.50 | € 17.53 | € 11.05 | € 15.36 | € 8.07 |
| Croatia's Imports | € 88.19 | € 104.5 | € 100.60 | € 126.14 | € 97.80 |
| Total Trade | € 101.69 | € 122.03 | € 111.65 | € 141.50 | € 105.87 |

(Source: Croatian Central Bureau of Statistics)

Croatia-India Bilateral Trade

(In million)

| Year | 2014 | 2015 | 2016 | 2017 | Jan – Oct 2018 |
|-------------------|-------------|-------------|-------------|-------------|-----------------------|
| Croatia's Exports | \$28.27 | \$26.47 | \$28.84 | \$32.27 | \$28.44 |
| Croatia's Imports | \$194.56 | \$116.49 | \$117.88 | \$167.18 | \$123.34 |
| Total Trade | \$222.83 | \$142.96 | \$146.72 | \$199.45 | \$151.78 |

(Source: Department of Commerce)

Our exports include chemicals and fertilizers, pharmaceuticals, machinery and equipment, metals, readymade garments and textiles, rubber and plastics, while we import machinery, food products and wood products. There is potential for increasing India's exports in segments such as textiles, leather, pharmaceuticals, basic chemical products, coffee, tea, industrial and electrical machinery. Opportunities also exist for India to use Croatia as a gateway to the South-East European markets using its major ports of Rijeka and Ploce.

As regards investments, despite being a small market, some Indian companies are now present in Croatia. ACG World Wide acquired Lukaps (Ludbreg) in 2007 and has since become a major supplier of gelatine capsules to EU. It plans to expand further with the establishment of an R&D Centre. It also acquired a Croatian IT company, IN2 Trace, specializing in pharmaceutical serialization solutions, in April 2017. Orient Green Power (Europe) owned by Orient Green Power (Chennai) invested in construction of wind power plants near Sibenik in 2011. Infosys Engineering Delivery Centre was officially opened (Karlovac) in 2017 after taking over GE engineering operations, with 100 qualified engineers, making it the main near shore Centre for Europe. JGL, a Croatian pharmaceutical company signed two five-year license agreements with Dr. Reddy's in 2017. The Embassy has been encouraging Indian companies to position themselves in Croatia as it can serve as a gateway not only for entry into the little-known Balkan market estimated at more than 20 million people, but also Western Europe.

As regards investment in India, efforts are being made to encourage Croatia to be our partner in GOI's socio-economic schemes like 'Make in India', 'Smart Cities', 'Smart ICT', 'Digital India', etc. through their cutting-edge technologies and investments, which can open up significant markets for them not only in India but also for export to South-East Asia, Central Asia and Africa. Although Croatian economy is relatively small with limited prospects for outward FDI, there is potential for collaboration in complementary sectors like infrastructure, defence, tourism, ship-building, renewable energy, agro processing, IT and pharmaceuticals. Croatia is also reported to have oil and gas reserves in the Adriatic coast.

The "Bilateral Economic Cooperation Agreement" signed between Smt. Nirmala Sitharaman, MOS(IC) for Commerce and Industry, and Croatian Minister of Economy, Martina Dalic in February 2017 has given an impetus to trade and investment ties. Pursuant to this agreement, the first India-Croatia Joint Business Council has been set up, comprising of leading corporate leaders and academics.

Cultural Relations

India has been well known in Croatia for centuries, and the earliest Croatian visitors to India were Missionaries. Links have been found between the Principality of Dubrovnik and Goa, and the Church of Sao Braz was reportedly built by Croatians around 1563 in Goa. Ivan Filip Vezdin, a Croat, is credited with publishing the first printed Sanskrit grammar in 1790, and plaque to commemorate him was unveiled in Trivandrum in 1999.

In contemporary times, a Department of Indology has been functioning at the University of Zagreb for more than 50 years. There is also widespread interest in

Yoga and Ayurveda in Croatia. There are several India-oriented cultural Societies in Croatia, comprising mostly of Croatian nationals, such as Yoga in Daily Life, Art of Living, ISKCON, Bhakti Marga, Vedic Centre, LOTOS India Culture Centre and Sathya Sai. A number of Croatian students have learnt various forms of Indian classical dance in India under ICCR scholarships as well as on self-financing basis. In response to demand for Hindi, a Hindi Chair was set up by ICCR in 2009 at the Indology Department of the University of Zagreb. This Department has been active in promoting Sanskrit and Hindi in Croatia. Croatian troupes also participate from time to time in cultural festivals in India.

A Cultural Exchange Programme for the period 2019-22 was signed during the October 2018 visit of Croatian DPM and Minister of Foreign and European Affairs Ms. Marija Pejcionvic Buric to India.

Numerous events are organized on a regular basis by the Embassy to showcase Indian culture in Croatia. Among recent activities, a regional seminar on Hindi teachings in Europe was held in February 2018 as part of World Hindi Day celebrations, with participation of scholars from Zagreb and Central Europe region. Multi-faceted 'India Day' events are organised in various provinces periodically, including Yoga workshops, screening of films, exposure to Indian cuisine, exhibitions on various themes, planting of peace trees, etc. Since 2016, a tradition has commenced of taking out the annual 'Ratha Yatra' in downtown Zagreb, to replicate the 3,000 thousand year old tradition of Orissa. Mr. Veljkoi Kajtazi, President of India-Croatia Friendship Group in the Croatian Parliament, visited India in March 2018 at ICCR's invitation.

Annual International Day of Yoga celebration attracts large participation, and celebrations were held across 37 cities in Croatia in 2018. Special activities were held across Croatia to celebrate India@70. Various events are being organized to celebrate Gandhi@150.

Indian tourists to Croatia have been increasing sharply over the last few years, but with Croatia in the queue to join the Schenge Zone, visa issuance process is cumbersome (however, dual / multiple entry Schengen visa holders can enter Croatia without a Croatian visa).

The Indian community in Croatia is very small, with only about 70 Indians in Croatia, of which 35 are PIO and 35 Indian nationals.

Useful Resources:

Embassy of India, Zagreb-Website : <http://www.indianembassyzagreb.gov.in>
Embassy of India Facebook Page : <https://www.facebook.com/Indiaincroatia/>
Embassy of India, Zagreb-Twitter : https://twitter.com/India_Croatia

Updated on 31 Dec 2018