

India – Zambia Relations

The leaders of Zambian freedom struggle, such as Dr. Kenneth Kaunda, drew inspiration from India's freedom struggle, particularly Mahatma Gandhi. Gandhi continues to inspire and invoke admiration in Zambia and among its leaders, even the younger generation. The warm relations have continued into this century. Over these last several decades, India has come to be seen as a reliable partner and friend and is described by Zambian leaders as an "all weather and time-tested friend". The relationship continues to be driven by mutual respect and is based in a spirit of partnership for mutual benefit.

Bilateral Visits:

High level visits have been a feature of our historical bilateral relationship. During his presidency, Dr. Kenneth Kaunda, the first Republican President of Zambia, visited India more than ten times beginning in 1967. The Late President Mwanawasa paid a state visit to India in April 2003. President Michael Chilufya Sata, accompanied by First Lady Mrs. Christine Kaseba, paid a private visit to India in March 2012 and First President Dr. Kenneth Kaunda paid a private visit to India in June 2012. In 2013, Vice President Dr. Guy Scott led a high-power official and business delegation, comprising Ministers of Commerce, Trade & Industry, Gender and Child Development and Deputy Minister of Mining, to the 9th CII-EXIM Bank Conclave in New Delhi in March 2013 at which Zambia was a Focus Country. Deputy Health Minister Dr. Chitalu Chilufa represented Zambia at the India-Africa Health Forum, held in New Delhi on 24th April, 2015. Ms. Margaret M. Mwanakatwe, Minister of Commerce, Trade and Industry participated in the 4th India-Africa Business Forum meeting in New Delhi on 24th October 2015 on the sidelines of IAFS-III. Vice President Mrs. Inonge M. Wina, accompanied by Minister of Agriculture, and Deputy Ministers of Health and Foreign Affairs, represented Zambia at the 3RD India-Africa Forum Summit in New Delhi [26th to 29th October 2015]. Zambia's Agriculture Minister Given Lubinda visited the India-Africa Agro Business Forum in New Delhi in February 2016.

From India, Prime Minister Smt. Indira Gandhi visited Zambia in 1964 [as I&B Minister] and 1970 and 1976; and Presidents V.V. Giri and Sanjiva Reddy in 1974 and 1981 respectively. Prime Minister Rajiv Gandhi undertook a visit in 1986 and President Venkataraman in 1989. More recently, in January 2010, Vice President Shri Hamid Ansari paid an Official visit to Zambia.

In August 2014, Secretary [West] visited Lusaka and held talks with Deputy Foreign Minister Gabriel Namulambe and Health Minister Joseph Kasonde. In July 2015, Mr. G. M. Siddeshwara, MoS [State Heavy Industries & Public Enterprises], visited Zambia as Prime Minister's Special Envoy to invite Zambian President for the 3rd India-Africa Forum Summit held in New Delhi in October 2015. Mr. Narendra Singh Tomar, Minister of Mines & Steel, met with Ms. Margret Mwanakatwe, Minister of Commerce, Trade and Industry of Zambia and the then Acting Minister for Mines on the side-lines of the Mining Indaba at Cape Town [South Africa] in February 2015. A 22-member Indian Parliamentary delegation, led by Hon'ble Speaker Smt. Sumitra Mahajan, attended the 134th IPU Meeting in Lusaka in March 2016. An ICCR sponsored cultural troupe performed at the 3rd Livingston International Cultural Festival during 24-27 March 2016.

Mr. Dinesh Sharma, Additional Secretary, Ministry of Finance, participated in the 2016 Annual Meetings of the African Development Bank in Lusaka [23-27 May 2016] as temporary Governor of the Reserve Bank of India. On this occasion, a 14-member Exim Bank, led by Shri Yaduvendra Mathur and a 22-member FICCI-led multi-sectoral business delegation also visited Zambia from 22-27 May 2016, to promote the 2017 Annual meetings of the AfDB, due to take place in Gujarat [India] in May 2017. Ms. Bandana Preyashi, Deputy Secretary, Department of Economic Affairs, Ministry of Finance, and two officials from the Government of Gujarat, namely, (i) Mr. Sanjeev Kumar, Secretary (Expenditure), and (ii) Mr. Rajkumar Beniwal, MD, INDEXTb, also visited Zambia [22-27 May] during this period. On the sidelines of the AfDB meeting, Exim Bank of India and FICCI jointly organized 'Africa-India Partnership Day' on 25th May with focus on health sector.

Economic Cooperation:

India provides economic assistance to Zambia and assists in imparting a wide range of skill development courses and training programmes. Zambia avails of a large number of ITEC scholarships and till date around 2400 civilian Zambians have been trained in India in various disciplines under ITEC.

In January 2014, GoI approved a LoC of US\$50 mn for a Zambian proposal for setting up 650 pre-fabricated health posts. Project implementation is progressing well and about 250 duly completed health posts have been handed over to the Zambian Government. In February 2016, GOI approved a LoC of US\$40mn for Zambia's Agricultural Mechanization Programme and the two sides are working towards its early operationalization. In addition, a GOI grant of US\$5mn is under consideration. GOI has included Zambia in the second phase of its ongoing Cotton Technical Assistance Programme [CTAP].

Bilateral Trade:

Bilateral trade has been growing steadily. Mission continues to encourage Indian business to enter the Zambian market in view of positive long term economic indicators as well as prospects in Zambia.

In the year ended 2015-16, India's exports to Zambia stood at US\$298 million and imports at US\$ 475 million. India's export items include drugs and pharmaceuticals, machinery and instruments, transportation equipment, cotton yarn and fabrics, plastic, rubber, chemicals, and electronic goods. India's imports from Zambia include non-ferrous metals, ores (copper and cobalt), semi-precious stones and raw cotton.

Given below are some important bilateral initiatives and trade related issues:

(i) Pan African e-networking project: The Pan-African e-Network Project for Zambia was successfully inaugurated through Video Conferencing at the Mulungushi University in Kabwe in August 2010. Ae-networking project was completed by the TCIL-Patient End Location (PEL) Centre at University Teaching Hospital, Lusaka, and was commissioned in November 2009. The project is working satisfactorily.

(ii) India's investments in Zambia: India is one of the largest investors in Zambia. India's Investments include Indo-Zambia Bank which was established in 1984, as a joint venture between GoZ and three Indian public sector banks i.e. Bank of India, Bank of Baroda and Central Bank of India. The three Indian PSUs hold 60% equity with the remaining 40% held by the Zambian government. The IZB operates the largest network of banks and a cornerstone of Zambia's banking sector. It has become a byword for banking in the country. It is a milestone in India's relations with Zambia and is an example of a mutually beneficial, solid joint venture partnerships that has withstood the test of time.

Vedanta's Konkola Copper Mines (KCM) has investments of over US\$2.8 billion in Zambia and these are expected to rise to US\$3 billion in the coming years.

M/s RJ Corporation, an Indian firm, has invested US\$30 million, are the authorized bottlers of Pepsi Co. in Zambia. M/s Nava Bharat Singapore Limited, a subsidiary of Nava Bharat Ventures Ltd. Hyderabad, purchased 65% equity shares in Mamba Collieries Ltd. (the GoZ holds the remaining 35% shares through Zambia Consolidated Copper Mine Investment Holdings or ZCCM-IH). Nava Bharat will invest US\$108 million in the recapitalization of Mamba Collieries and the installation of the new coal handling and washing plant. Nava Bharat has also set up a 330megawatts thermal plant. The plant was commissioned recently.

Taurian Manganese Ltd, part of Dharni Sampada Pvt. Ltd, invested about US\$20 million in 2010 in manganese mining and plans to invest another US\$200 million 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.

M/s NRB Pharma Limited started construction of a US\$10 million pharmaceutical plant in Lusaka South Multi-Facility Economic Zone (MFEZ) in June 2013. Bharti Airtel launched its new brand, Airtel Zambia, in November 2010 and is now the leading mobile service provider in Zambia. Investments by TATA include a five-star hotel the Taj Pamodzi, managed by the Taj Hotels group; a joint venture between Zambia Electricity Supply Company (ZESCO) and TATA Africa Holdings called "Itezhi Tezhi Power Corporation Limited" (ITPC). For the latter, GOI had provided a LoC of US\$50mn to Zambian Government, of which only about \$29mn was utilized and, at Zambian request, the unutilized portion was cancelled by GOI in September 2015. The project was officially commissioned by President Lungu in March 2016. In addition, scores of medium size Indian companies have made sizeable investment in various fields of the Zambian economy and trade.

In view of growing economic and commercial relations, the steady growth in volume of Indian investments in Zambia, both countries continue to engage on a range of issues and are in discussion on ways and mechanisms that would further strengthen bilateral relations. A number of businesspersons desirous of exploring business opportunities in Zambia's mining, health, agriculture, and infrastructure sectors are visiting Zambia. Noteworthy events in 2015 were: Mylon Laboratories Limited of India signed an Agreement with Zambian Authorities to construct a state of the art oral solid dosage pharmaceutical facility at a cost of US\$4mn in the Lusaka South Multi Facility Economic Zone; Cooperation Agreement between BLK Super Specialty Hospital, New Delhi, and the University Teaching Hospital of Zambia in July 2015; Roadshow by Indian Electrical

& Electronics Manufacturers Association at Lusaka on 29th September to promote their 12th edition of ELECRAMA 2016; product launch event by M/s Nagarjuna Agrichem Limited, Hyderabad, to unveil their six Crop protection products in Lusaka on 2nd October; MoU between Apollo Group of Hospitals and Zambian Health Ministry in October 2015; an event by M/s Guardian Motors Limited, Zambia to launch Maruti Suzuki's Ertiga Vehicle in Lusaka in November 2015; Bajaj Auto Limited to launch its Bajaj Boxer MB150 motorbike in Zambia in December 2015, and Tata Motors Limited of India launched its luxury passenger car product Jaguar in the Zambian market in June 2016.

Indian Community/PIOs:

Zambia has a large and vibrant Indian community many of whom had settled down in Zambia decades ago. There are about 13,000 PIOs and 3000 Indian expatriats in Zambia and some have taken up Zambian nationality and/or British nationality. Zambians of Indian origin play a significant role in Zambia's economy, especially in trade, industry, hospitality and transport sectors. The Indian community is also becoming more engaged in precious and semi-precious stones mining, agriculture, horticulture and chemicals. Indians have also risen to occupy government positions and during the term of President Chiluba, two persons of Indian origin were appointed as Cabinet Ministers. In recent years, the renewed rise of India's economic and commercial engagement has seen a visible growth in the number of Indian professionals especially in Indian owned enterprises.

Useful Resources:

High Commission of India, Lusaka website:
www.hcizambia.gov.in

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