

High Commission of India Maputo

India-Mozambique Bilateral Relations

India enjoys warm and substantive ties with Mozambique. Trading links between Mozambique and the western states of India go back 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, Prime Ministerial visits have taken place twice – Smt. Indira Gandhi in August 1982 and Shri Narendra Modi 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 workdone after the visit of PM in July 2016. MOS Shri Rajnath Singh, Defence Minister 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 on 15th January as a special envoy of the Prime Minister.

From Mozambique side, Health Minister, Dr. Nazira Abdula, visited India in September 2016 for attending the India-Africa Health Sciences Meeting and also had a bilateral meeting with her Indian counterpart. Minister for Transport and Communication, H.E. Carlos Mesquita, visited India in January 2017, during which he signed the Bilateral Air Services Agreement with the Indian Minister for Civil Aviation. Foreign Minister, H.E. Jose Pacheco visited India, in November 2018 to attend 4th Joint Commission Meeting at New Delhi. Minister of Industry and Commerce, Dr. Ragendra de Sousa attended 14th CII-EXIM bank conclave with business

delegation in March 2019 at New Delhi. Defence Minister, Atanasio Salvador M'tumuke visited India in November 2019.

Mozambique and India have signed a number of bilateral agreements and Memoranda of Cooperation for structuring collaboration in different areas. These agreements cover sectors like agriculture, rural development, scientific and technical research, protection of investments, avoidance of double taxation of each other's nationals, small and medium enterprises, mineral resources, oil and natural gas, defence cooperation, etc.

India's development partnership with Mozambique

In recent years, India's support for Mozambique's development agenda has become an important priority within the bilateral relationship. 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.

Through these projects, 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 support provided 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 increased in recent years. In addition, Government of India sponsors a large number of short-term training courses 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 links between both countries.

In the aftermath of IDAI cyclone, Government of India deployed three Indian naval ships to provide Humanitarian Assistance and Disaster Relief (HADR), in coordination with local government and High commission of India, Maputo to the affected people in Beira. Defence Minister handed over two fast interceptor boats to Mozambican Navy to boost the security of a friendly country and strengthen the existing bond between two countries. GOI donated 30 communication sets to Mozambican Government.

Some recent examples of Indian development and humanitarian assistance to Mozambique include the USD 250 million LoC which was re-offered to Mozambique in 2019

for the different project of electricity in Maputo and adjoining areas and LOC agreement was signed in August 2020. In September 2020 High Commissioner 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 100000 doses and supplied 384000 doses of Covishield vaccine to under COVAX programme to Mozambique.

Economic Relations

In recent years, deepening economic interests have become the most important vector of India-Mozambique relations. Indian companies have invested heavily in the energy resources of Mozambique and by some estimates these investments amount to almost a quarter of India's total FDI 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 huge Rovuma gas block of Mozambique, at a cost of over USD 5 billion. This was in addition to 10% already held by another PSU BPCL since 2008, that means India is the biggest investor in Rovuma Area-1 gas project.

In the coal mining sector, in July 2014, International Coal Ventures Private Ltd, a consortium of five Indian PSUs (SAIL, NMDC, RISEL, CIL and NTPC) purchased a 65% stake in the coal assets sold by Rio Tinto. Other Indian companies with a presence in the coal mining sector include JSPL, JSW, Coal India Ltd, Tata Steel, Essar, Midwest Africa, Sunflag group, etc.

Indian investments in sectors other than mining include the 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 in investing in newer sectors in Mozambique, including healthcare, education, electricity, information technology, pharmaceuticals, etc.

Apart from investment, bilateral trade has also been growing fast 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. However, in 2019-20 total trade between two countries was again reached to 3.00 billion dollars. The most important export commodities from the Indian side are refined petroleum products, pharmaceuticals, machinery etc., whereas coking coal, cashew and raw agri products are the leading items among Mozambican exports to India. There are regular exchanges between the Mozambican and Indian Chambers of Industry, which take part in trade fairs and commercial events organized in the other country.

Community and Cultural Relations

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

April 2021