
India-Zambia Relations

Political:

The leaders of Zambian freedom struggle drew inspiration from the leaders of 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. Dr. Kenneth Kaunda, the first Republican President of Zambia, visited India more than ten times including as a freedom fighter in 1957 and a state visit in 1967. President Chiluba paid a state visit to India in October 1993. 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 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. A four-member delegation from the office of the Auditor General of Zambia visited India for a study tour from 16-20 January 2017 and another delegation participated in the XXIII Commonwealth Auditors General Conference in Delhi from 21-23 March 2017. Dr. William Kilembe, Director, Zambia-Emory HIV Research Project attended the expert working group meeting for establishing health research collaboration organized by Indian Council of Medical Research in New Delhi on 6-7 April 2017.

A Zambian Health Ministry delegation, led by Permanent Secretary [Technical] attended the Third India-Africa Health Forum on 19th April 2017 in New Delhi. A delegation from the Lusaka Chamber of Commerce and Industry participated in the 3rd Edition of Global Exhibition on Services in New Delhi in April 2017. Two Zambian Parliamentarians attended a familiarization programme for young Parliamentarians from Africa in India in July/August 2017. Mr. Felix Mutati, Finance Minister of Zambia attended the AfDB Meetings 2017 in Gujarat in May 2017. Dr. Dennis

Musuku Wanchinga, Minister of Water Development and Sanitation visited India in October 2018 to attend the Mahatma Gandhi International Sanitation Convention. A Parliamentary delegation led by Dr. Patrick Matibiti, Speaker, National Assembly of Zambia, visited India from 17-20 December 2018. At the invitation of Prof. Ashutosh Sharma, Secretary, Ministry of Science & Technology, Prof. Nkandu Luo, Minister of High Education of Zambia visited India as Special Guest of Honour and Panelist at the Global R&D Summit 2019 which was held from 21-22 February 2019 in Hyderabad.

President Edgar Lungu undertook a state visit to India from 20-22 August 2019, when he had discussions with Hon'ble President of India and Prime Minister as well as held delegation level talks. MoUs on Defence Cooperation, Cooperation in the field of Geology and Mineral Resources, Cooperation in the field of Health and Medicine, MoU on Art & Culture; MoU between the Foreign Service Institute of India and Zambian Institute of Diplomacy and International Studies; Cooperation in the field of Elections between the Election Commission of India and Electoral Commission of Zambia were signed during the visit. In addition, an MoU for Zambia's participation in tele-education, tele-medicine (E-VBAB) was also signed. India also announced support to set up an SME Incubation Centre in Zambia. Government of India also announced donation of 1,000 metric tonnes of rice and 100 tonnes of milk as well as 100 solar irrigation pumps and five fire tenders to Zambia.

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 R. Venkataraman in 1989. 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 delegation, 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. 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. A six-member ICCR-sponsored 'Light Classical Vocal cultural troupe' led by Ms Shaila Hattangadi performed live in Lusaka on 4th November 2016. A three member CAG delegation led by Shri Shashi Kant Sharma, Comptroller and Auditor General of India, paid an official visit to Zambia from 6-8 October 2016. A 40-member PHARMEXCIL-led delegation visited Zambia during 12-15 Feb'17 and held B2B meetings in Lusaka on 13th February and a 16-member EEPC-India led delegation organized a BSM in Lusaka on 3rd April 2017. Dr. Nina Malhotra, Joint Secretary [E&SA], Ministry of External Affairs, led the Indian delegation for the second round of FOCs held in Lusaka on 24th March 2017.

Shri Ram Nath Kovind, Hon'ble President of India paid a State visit to Zambia at the invitation of Zambian President from 10-12 April 2018. He held bilateral talks involving a wide range of issues with his Zambian counterpart on 11th April 2018 at State House followed by signing of four MoUs, namely Avoidance of Double Taxation, Setting up of Entrepreneurship Development Centre in Zambia, Visa exemption for holders of diplomatic passport; and Cooperation in the judicial sector. Construction of Mahatma Gandhi Convention Centre in Lusaka as well as medicines and medical equipment worth US\$ 3mn to Zambia were also announced. A donation of US\$ 100,000 was also announced for renovation of Mahatma Gandhi School in Lusaka apart from donation of US\$ 10,000 to Zambia Institute of Special Education. Along with his Zambian counterpart, Hon'ble President also attended the groundbreaking ceremony with his Zambian counterpart for the Lusaka City Roads De-Congestion Project.

A 16-member delegation from National Defence College (NDC) of India, led by Major General Suresh Kumar Mohanty, visited Zambia from 19-24 May 2019 on a study tour.

More recently, Shri V. Muraleedharan, Minister of State for External Affairs, led a delegation of senior representatives of Indian industry and officials for CII-EXIM Bank Regional Conclave on India-Southern Africa Project Partnership in Lusaka from 14-15 October 2019.

Development Cooperation:

Over the years, India has provided extensive economic assistance to Zambia in the form of Government and EXIM Bank credits; railway wagons and flood relief grants and lines of credit besides fully paid scholarships for various higher education courses and ITEC training slots as well as specialized capacity building programmes under IAFS. During President Mwanawasa's visit to India in April 2003, India waived off the inter-governmental credit amounting to about \$3mn. Zambia has also shown keen interest in utilizing LoC announced by GOI at the 3rd IAFS meeting in New Delhi in October 2015. Zambia has also been availing of ITEC slots and the specialized training programmes flowing from the IAFS-III summit.

Construction of a 650 pre-fabricated rural health posts project under an Exim Bank LoC of US\$68mn is currently underway in Zambia. 120 MW Itezhi Tezhi Hydropower Project (ITHP), a joint venture project of Zambia's State Power utility ZESCO and TATA Power of India, was commissioned in March 2016. Pan-Africa E-network Project was completed at three sites in Zambia in 2009: *VVIP Centre for Video Conferencing at the State House, Lusaka; Patient End Location at the UTH, Lusaka;* and, *Learning Centre for tele-education at the Mulungushi University in Kabwe* was inaugurated on August 16, 2010. Lusaka Roads Decongestion Project, under Exim Bank's buyer's credit of US\$ 245mn is currently being executed by Afcons Infrastructure Limited of India [Shapoorji Paloonji Group].

Government of India has included Zambia in the second phase of its ongoing Cotton Technical Assistance Programme [CTAP].

Duty Free Tariff Preference Scheme (DFTP), designated as part of India's commitment under the WTO Hong Kong Ministerial Declaration of 2005, came into effect in 2008. Zambia signed the Letter of Intent to utilize the scheme in May 2010 and in April 2012, it was notified as one of the beneficiaries of the scheme. As part of the Scheme, India is providing duty-free market access on about 96% of India's

tariff lines (at HS 6 digit level of classification) and 2.2% of the lines under preferential duties to LDCs.

In fulfillment of commitment made during the visit of Hon'ble President of India to Zambia in April 2018 for donation of US\$ 3mn worth medical equipment/medicines, medicines worth US\$ 2mn were handed over to the Zambian government in December 2019.

Bilateral Trade:

Bilateral trade has been growing steadily but remains below potential due primarily to Zambia's landlocked location, logistical difficulties and consequent costs of undertaking cross border trade. In recent years, there has been a renewed interest in India for trade and investment with Zambia but again logistics and the small size of the Zambian economy remain the main hurdles and limiting factors.

In 2015-16, two-way trade posted an increase of about 19% over the preceding year [US\$649mn], crossing US\$770mn with India's exports valued at US\$298mn and imports at US\$475mn. In 2016-17, bilateral trade touched US\$980mn with the balance of trade heavily skewed in favour of Zambia [India's exports: \$237mn and, Imports: \$743mn]. During 2017-18, two-way trade was valued at about US\$1388.29.29mn [India's imports: \$1094.98mn and exports \$294.29mn. In 2018-19, two way trade stood at US\$ 829 million [Imports: \$319 and, exports: \$ 510].

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.

India's investments:

Zambia, with its rich natural resources, has become an important destination for Indian investments particularly in the mining sector. With investment of over US\$5bn, India is one of the leading investors in Zambia. India's Investments in Zambia 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. Some other noteworthy investments are:

- Exim Bank of India had a 34% share in Development Bank of Zambia. At the end of 2012, its equity stood at 2.4%.
- Vedanta's Konkola Copper Mines (registered in UK) 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 invested US\$108 million in the recapitalization of Mamba Collieries and the installation of the new coal handling and washing plant. Nava Bharat also developed a coal fired power plant of a minimum generating capacity of 270 megawatts using the low-grade coal of Mamba Collieries.

- 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.
- Bharti Airtel launched its new brand, Airtel Zambia, in November 2010 and is now among 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). The ITPC is undertaking construction of the Itezhi-Tezhi (\$200 million) power project. GoI has provided an LOC of US\$ 50 million (US\$ 29 mn utilised) to Government of Zambia for this power project.
- In July 2015, Mylon Laboratories Limited of India signed a 40-year land lease agreement 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. The facility was inaugurated by Health Minister of Zambia in September 2018.
- Some other companies set-up by Indian origin are: Neelkantha Group of Companies; PLR Projects and Parrogate – Continental Ginnery Limited. In addition, scores of medium size Indian companies have made sizeable investment in various fields of the Zambian economy and trade. Some new investments in 2019 include Prasad Seeds and Vagmi Cottons.

Indian Community/PIOs: Zambia has a large and vibrant Indian community many of them had settled down in Zambia decades ago. There are about 30,000 Indians/PIOs in Zambia and some have taken up Zambian nationality and/or British nationality. Majority of Indians/PIOs are from Gujarat State. Zambians of Indian origin play a significant role in Zambia’s economy, especially in trade, industry, hospitality and transport sectors. Indians have held public offices and have occupied government positions. During the Movement for Multi-Party (MMD) government, Dipak K. A. Patel and Suresh Desai held cabinet-level positions. In March 2019, Ms. Abha Patel was appointed a Judge in High Court of Zambia, a first for an Indian national in Zambia.

Useful Resources at: www.hcizambia.gov.in
