

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". While India gave support to the economic and technical development of Zambia, the latter reciprocated by supporting India on issues of importance to it, such as India's concerns on terrorism, J&K and India's admission as a Permanent Member in the expanded UN Security Council. 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 to India which included the Ministers of Commerce, Trade & Industry, Gender and Child Development and the Deputy Minister of Mining. Dr. Scott was in India to participate in the 9th CII-EXIM Bank Conclave held in New Delhi from March 17-19, 2013 at which Zambia was a Focus Country. Zambian Deputy Health Minister, Dr. Chitalu Chilufa represented Zambia at the India Africa Health Forum 2015 held in New Delhi on 24th April, 2015. The event was organized by CII with the support of Ministry of Commerce & Industry and Ministry of External Affairs. Senior Zambian leaders continue to regularly participate in various trade and commercial exhibitions and conferences.

From the Indian side Prime Minister Smt. Indira Gandhi, visited in 1964 (As I&B Minister) 1970 and 1976 and Presidents V.V. Giri and Sanjiva Reddy in 1974 and 1981 respectively. In 1986, Prime Minister Rajiv Gandhi visited in 1986 and President Venkataraman in 1989. More recently, in January 2010, the Hon'ble Vice President, Shri Hamid Ansari, paid an Official visit to Zambia. Announcements made during the visit include a new line of credit of US\$75 million for developmental projects in Zambia and a grant of US\$5 million for projects in health, education and social sectors.

In August 2014, Secretary (West) visited Lusaka and held talks with the Deputy Foreign Minister Gabriel Namulambe and Health Minister Joseph Kasonde. The discussions were held in a warm and cordial atmosphere with the Zambian side repeatedly expressing gratitude for India's decades long assistance in Zambia's socio-economic development. Secretary (West) and DFM agreed that meetings of the bilateral Joint Permanent Commission are long overdue and should be convened at the earliest. India and Zambia have set up a Joint Permanent Commission at the Ministerial level, its last

meeting was held in New Delhi in September 2005 and discussions are underway for convening of the next JPC in New Delhi before the 3rd IAFS in October, 2015.

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 under ITEC in various disciplines. Most recently, in January 2014, GoI approved an EXIM Bank loan of US\$50 million for a Zambian proposal for setting up 650 pre-fabricated health posts in Zambia. The project is currently under implementation. Mission is coordinating with the three Indian contractors as also the concerned Zambian authorities.

Bilateral Trade:

Bilateral trade has been growing steadily but remains below potential due primarily to Zambia's landlocked nature and the 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 once again logistics and the small size of the Zambian economy remain the main hurdles. The small size of the Zambian economy (GDP of US\$22 billion) has also been a limiting factor. However, Mission continues to encourage Indian business to enter the Zambian market as long term economic indicators as well as prospects in Zambia are substantial.

In the year ended 2104-15 India's exports to Zambia stood at US\$367 million and imports at US\$ 283 million; in the previous years, these figures were US\$376 million export and imports US\$ 243 million in 2012-14, US\$ 243.10 million export in 2012-13 and imports from Zambia were at US\$226.31 million in 2012-13. 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. Zambia's Minister of Communications and Transport, Hon. Professor Geoffrey Lungwangwa interacted with Hon'ble EAM at the Tele-education facility installed under the project at Mulungushi University in the town of Kabwe. A e-networking project was also completed by the TCIL-Patient End Location (PEL) Centre at University Teaching Hospital, Lusaka and was commissioned in November 2009.

(ii) An MoU between the Golden Valley Agricultural Research Trust (GART) of Zambia and the Indian Council for Agricultural Research (ICAR) was signed in October 2009 in New Delhi envisaging professional cooperation and collaboration in agricultural research and education.

(iii) India participated in the 48th Zambia International Trade Fair held in Ndola in June-July 2012. A total of 30 Indian companies from different fields like solar power, agricultural equipment and mining equipment, electrical and cosmetic participated under the umbrella of ASSOCHAM.

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.

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 will also develop 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.

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). The ITPC is undertaking construction of the Itezhi-Tezhi (\$200 million) power project. GoI has provided an LOC of US\$ 50 million to Government of Zambia for this power project. 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.

Indian Community/PIOs:

Zambia has a large and vibrant Indian community many of who had settled down in Zambia decades ago. There are about 13,000 Indians/PIOs 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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