

India-Ethiopia Relations

Historical linkages

Historical linkages between India and Ethiopia go back about 2,000 years of recorded history. Trade between the two countries flourished during the ancient Axumite Empire (1st century AD), which is seen to be origin of modern Ethiopia. Indian traders flocked to the ancient port of Adulis in the 6th Century AD trading silk and spices for gold and ivory. In the 16th century AD, the Portuguese assisted the Christian King in Ethiopia to repel Muslim invaders, and with them came Indians from Goa. In 1935, General Robert Napier led a punitive expedition to obtain the release of European diplomats and missionaries who had been imprisoned by Emperor Tewodros II in his bunker fort at Makdala. The 30,000 strong force had 13,000 soldiers from India, mostly Sikhs. The British Army that ended the Italian occupation of Ethiopia (1936-41) also had a sizeable contingent of Indian soldiers. General William Platt, who led one of the three simultaneous attacks, commanded a force consisting of the 4th and 5th Indian Divisions.

Soon after achieving independence, a goodwill mission led by Sardar Sant Singh was sent to Ethiopia. Diplomatic relations at legation level were established in 1948. Full diplomatic relations were established in 1950 with Sardar Sant Singh as the first Ambassador.

A sizeable Indian community consisting of merchants and artisans, settled down in this country in the latter part of the 19th century. Post-war Ethiopia, under Emperor Haile Selassie (1941-1974), saw a large number of Indian teachers in Ethiopia, even in the remotest parts. This, more than anything else, explains the tremendous goodwill that India enjoys in Ethiopia. Ethiopia also values India as an important partner in its development efforts.

Institutional Framework

An agreement to establish a Joint Commission was signed during the visit of Shri Pranab Mukherjee, then EAM to Ethiopia in July 2007. The first meeting of the Joint Commission was held in New Delhi in December 2010. The Ethiopian side was led by the then Deputy Prime Minister and Minister of Foreign Affairs Hailemariam Desalegn. EAM led the Indian delegation.

A Protocol on Foreign Office Consultations was signed during the visit of the then EAM to Ethiopia in July 2007. The first round of Consultations was held in New Delhi in March 2010 and the second was held in Addis Ababa in January 2012.

Bilateral visits

Emperor Haile Selassie visited India in 1956 and again in 1968. Col. Haile Mariam Mengistu, who headed the Communist regime that ruled the country from 1974-91, visited India in 1983 for the NAM Summit. He later paid a State visit to India in 1985. Late Prime Minister Meles Zenawi visited India on a bilateral visit in March 1997. He again visited India for the 4th International Conference on Federalism in November 2007. He accompanied by Mrs. Azeb Mesfin, visited India for the India Africa Forum Summit in 2008. In February 2009, he participated in the Delhi Sustainable Development Summit.

From our side, President S. Radhakrishnan visited India in 1965. This was followed by the visit of Vice President Zakir Hussain in 1967 and President V.V. Giri in 1972. Smt. Indira Gandhi visited Ethiopia as Minister of Information and Broadcasting in 1964. Shri Pranab Mukherjee, then External Affairs Minister visited Ethiopia in 2007.

Prime Minister visited Addis Ababa from 23-26 May 2011 for the India Africa Forum Summit-II and for a bilateral visit to Ethiopia. During his visit, Prime Minister also addressed a joint session of the two Houses of Parliament. Prime Minister was accompanied by the then EAM. The visit was preceded by that of Shri Anand Sharma, Commerce & Industry and Textiles Minister for the first India-Africa Trade Ministers meeting.

Smt. Preneet Kaur, Minister of State for External Affairs led the Indian delegation for the funeral of Prime Minister Meles Zenawi that held in September 2012. MOS(PK) called on the widow of the late Prime Minister during the visit.

Bilateral agreements

The bilateral agreements signed by the two countries are:

- i) Air Services Agreement (1967) which was signed again in March 2008.
- ii) Agreement on Technical, Economic and Scientific Cooperation (1969)
- iii) Cultural Agreement (1983)
- iv) Trade Agreement (1997)
- v) Agreement on Cooperation in Micro Dams and Small Scale Irrigation Schemes (2002)
- vi) Agreement on Establishment of Joint Ministerial Commission (2007)
- vii) Bilateral Investment Promotion and Protection Agreement (2007)
- viii) Agreement on Cooperation in the field of Science and Technology (2007)
- ix) Educational Exchange Programme (2007)
- x) Protocol on Foreign Office Consultations (2007)
- xi) Double Taxation avoidance treaty (2011)
- xii) MOU between NSIC, India and FEMSEDA (2011)
- xiii) MOU between ICAR and Ethiopian institute of Agricultural Research in December 2011.

Bilateral Trade

A trade agreement, signed by the two countries in 2007 provides for the establishment of a Joint Trade Committee (JTC). The first meeting of the JTC was held in Addis Ababa in February 1998, the second in Delhi in March 2001, the third in Addis Ababa in July 2002, the fourth in New Delhi in January 2006 and the fifth in Addis Ababa in October 2008. For the fifth meeting, the Ethiopian side was led by Mr. Ahmed Tusa, State Minister for Trade and Industry and the Indian side by Shri Jairam Ramesh, MOS for Commerce and Power.

India's exports to Ethiopia in 2012 amounted to US \$ 890 million. This is significant given that Ethiopia's global non-oil imports are only US \$ 8 billion approximately. India is the third most important source of imports for Ethiopia, contributing 11% of all of Ethiopia's imports. [China at 19 and Saudi Arabia at 13% are ahead.] These imports cover the entire range of manufactured goods that are imported into Ethiopia.

India's annual imports from Ethiopia have stagnated in the range of US \$ 30 million. These mainly consist of cotton, pulses and spices. There has been no significant increase despite Ethiopia's accession to the Duty Free Tariff Preferential Scheme in August 2008. This is because of the small size of Ethiopia's global exports (US \$ 3 billion) and the limited nature of its export basket (pulses, semi precious stones, leather and leather products, cotton and oil seeds).

Joint Business Council

An agreement to establish a Joint Business Council with FICCI and ASSOCHAM on the Indian side and the Ethiopian Chamber of Commerce was signed in June 1997. The first meeting was held in Addis Ababa in 1998 and the second was held in New Delhi in 2001. Both meetings were held on the margins of meetings of the Joint Trade Committee.

Indian Investments

India is the second largest foreign investor in Ethiopia with approved investment of US \$ 4.78 billion. Of this, approximately US \$ 1 billion is already on the ground or in the pipeline. About 40% of Indian investment is in the field of commercial agriculture. Some of the major investors in this field are: M/s Karaturi – 1,00,000 hectares, Bho-Bio – 27,000 hectares, Ruchi Soya – 25,000 hectares, Sannata Group - 10,000 hectares, White Field Cotton – 10,000 hectares.

Concessional Lines of Credit

A concessional line of credit of US \$ 65 million was approved during the visit of Mr. Sufian Ahmed, Ethiopian Minister of Finance and Economic Development to India in January 2006. The credit was given to support the rural electrification programme.

The Government of Ethiopia had, in February 2006, requested for US \$ 640 million in concessional lines of credit for financing the development of the sugar industry. The total cost of the project was indicated to be US \$ 1.35 billion. The project involves setting up a green field project at Tendaho with an annual sugar production of 600,000 tonnes, expansion of the existing Finchaa Sugar Factory to take its annual production up to 270,000 tonnes and expansion of the existing Wonji-Shoa factory to take its production up to 300,000 tonnes. The project will change Ethiopia from being an importer of sugar to a major exporter.

Cooperation for Capacity Building

The ITEC Programme for Ethiopia was started in 1969. In 2007-08, the number of training slots offered by us was 25. There has been a steady increase and the number of slots offered by us for 2012-13 was 160. The Ethiopian Government carefully selects nominees for the ITEC programme and the trainees have usually appropriate qualification and they benefit considerably from the training.

The pan African e-Network project was launched in Ethiopia in July 2007. The Tele-Education Centre at Addis Ababa University and the Tele-Medicine Centre at the Black Lion Hospital in Addis Ababa are working well and are considered useful by the Ethiopian side. The Tele-Education project has been replicated by the Ethiopian side and

linkages established between the Addis Ababa University and the Indian Institutes of Technology at Delhi and Kanpur.

Ethiopia looks to India for cooperation in capacity building. The Central Leather Research Institute and the Footwear Design and Development Institute has a sizeable twinning programme with the Ethiopian Leather Development Institute. We are also providing consultancy to the Ethiopian Revenue and Customs Authority for implementation of WTO customs valuation. Separately, experts from the Centre for WTO Studies in India have held workshops for senior Ethiopian officials to enhance capacities for WTO accession negotiations. There have also been exchanges between our Foreign Service Institute and the counterpart Ethiopian institutions.

Cooperation in Education Sector

ICCR provides 50 scholarships to Ethiopian students for University studies in India every year. There is full utilization of these scholarships. Many of the Ethiopian applications are for Ph.D studies.

The Educational Exchange Programme signed in July 2007 provides for the establishment of a Joint Working Group (JWG). The first meeting of the JWG was held in April 2011.

Cultural Cooperation

ICCR sponsors the visit of cultural troupes to Ethiopia every year. The recent visits have been : Gujarati Dance troupe (2006), Bihari Dance Group (2007), Bharatnatyam Dance Troupe (2008), Goa Dance Troupe (2008), Fusion Music Group (2009), Punjabi Music and Dance Troupe (2010), Sidhi Goma Troupe (2011), Fusion Band 'Shwaas' (2012).

People-to-People contact

The traffic between the two countries is largely limited to the Indian community in Ethiopia, Ethiopian students studying in India, and Indian businessmen. Given the lack of tourism infrastructure in Ethiopia, there is little tourist traffic from India to Ethiopia. Ethiopian Airlines, however, has daily flights to Mumbai and Delhi. The number of visas issued by the Embassy annually is in the range of 2600.

Indian Community

The traditional Indian community in Ethiopia is from Gujarat. They came to this country in the latter years of the 19th century. During imperial times, there were also tens of thousands of Indian teachers in schools all over Ethiopia, even in the most remote parts. The numbers of the Indian community fell very significantly during the Derg regime. It is now around 6,000 – the majority being the new investors, their employees and lecturers and professors in Universities.

July 2013