



Giving New Range to India-Madagascar Relations

*Dr Saurabh Mishra**

India's President Ram Nath Kovind visited Madagascar on March 14-15, 2018 as a part of India's ongoing proactive outreach to Africa. It was the first ever visit to the island nation by an Indian Head of State. This high level political visit reflects the importance being given to country in the new phase of Africa outreach. President Kovind was accompanied by a delegation including Minister of State for Health & Family Welfare Mr. Ashwini Kumar Choubey and a group of other four parliamentarians.

The highlights of the visit were the signing of two important Memoranda of Understanding (MoU) with the Madagascar Government, i.e. MoU on cooperation in the field of defence, and MoU on air services. The purpose of the defence agreement is to establish a framework for possible future cooperation in the field of defence and to promote co-operative activities in this dimension of the relationship. The agreement on air services enhances the earlier cooperative marketing arrangement with the country.

The President of Madagascar Mr. Hery Rajaonarimampianina gave a warm welcome to his visiting counterpart, and conferred him the Grand Cross of the Second Class, the highest honour Madagascar gives to non-citizens. This can be read as willingness on the part of Madagascar for a warmer friendship, greater cooperation and stronger relationship with India. Giving his reciprocal message of "goodwill", President Kovind expressed India's keenness "to enhance and strengthen" the partnership with the island nation; and India's willingness to cooperate with Madagascar in the field of "health, education and sanitation" as well.² He also offered India's help in other areas crucial to the country's development like building infrastructure in energy, roads and port development. Moreover, a Category-I³ US\$80.7 million line of credit (LoC) for agriculture development and farm mechanisation was offered by President Kovind on the request of the Madagascar Government.

On the ongoing development cooperation front, a Center on Geoinformatics Applications for Rural Development (CGARD), set up with India's assistance in Antananarivo was jointly

inaugurated by the leaders of the two nations. The Centre has been equipped with cutting edge equipment related to remote sensing, geo-informatic system (GIS) and global positioning system (GPS) that can be used in several sectors like fishing, agriculture, cartography, disaster management, and scientific research. Several other gestures like a grant assistance of 1000 metric tonnes of Rice, a gift of Bhabhatron-II Cancer therapy machine and about 10 tonnes of medicines, text books of English, Maths and Science for Malagasy schools, deputation of English & IT teachers, grant assistance of computers and peripherals, grant assistance for election related materials, computers, video projector, sound and office equipments, etc. by India were also announced. President Kovind handed over a cheque for US\$2 million to the Madagascar National Office for Management of Risk and Disaster Relief as India's contribution towards disaster relief.

A Brief History of the Relationship

Although little known, India-Madagascar relations have been cordial in general. The relationship has a history since eighteenth century when traders from Gujarat in India began trading and settling in the island. Another phase of steady increase in the number of people of Indian origin in Madagascar happened in the early twentieth century. The population of the Indian origin people in the island is estimated to be somewhere between 15 and 25 thousand with about 2500 Indian passport holders. Among these people, the majority is constituted of Gujarati Muslims who engage in trade and market activities within Malagasy society. The other sections of the Indian diaspora are in harmony with the dominant section and they also are recognised entrepreneurs with their own businesses. Although Indian origin community in the Madagascar is only about 2 per cent of the total population of the country, it controls more than 50 per cent of the island's Gross Domestic Product (GDP).⁴ The community controls important economic sectors like gold and real estate.

The formal political relationship between India and Madagascar had begun with the establishment of the Indian diplomatic representation as a consulate in 1954, which was later upgraded to a full-fledged embassy after the island's independence in 1960. The two countries, in general, have similar worldview.

President Didier Ratsiraka from Madagascar had visited India long back in 1980 and 1983. Although there had been no high level visits from India to the island country before President Kovind's, the two countries have had many ministerial and official level visits since the 1980s. Of course, visitors from Madagascar have been more and frequent than the official visitors from India. However, President Ratsiraka's claimed socialist leanings and ambitions as one of the leaders of the so called 'third world' during the Cold War brought him in the non-aligned group, thereby closer to India. It led to a slow but steady growth in India-Madagascar relations in terms of development cooperation, primarily under the south-south framework. However, due to the internal political strife within Madagascar resulting in short periods of instability and unrecognised rule, the relationship could not truly remain continuous, as India was cautious to recognise governments that come to power in an unpopular/illegal manner. There were two hiccups in the relationship – one during the 2002 political crisis in Madagascar, and the other during 2009-13 when the international community did not recognize the Madagascar

Government. But, the relationship between the two nations is changing with times; and the engagement is steadily growing at part of India’s efforts to rekindle and deepen its relationship with Africa.

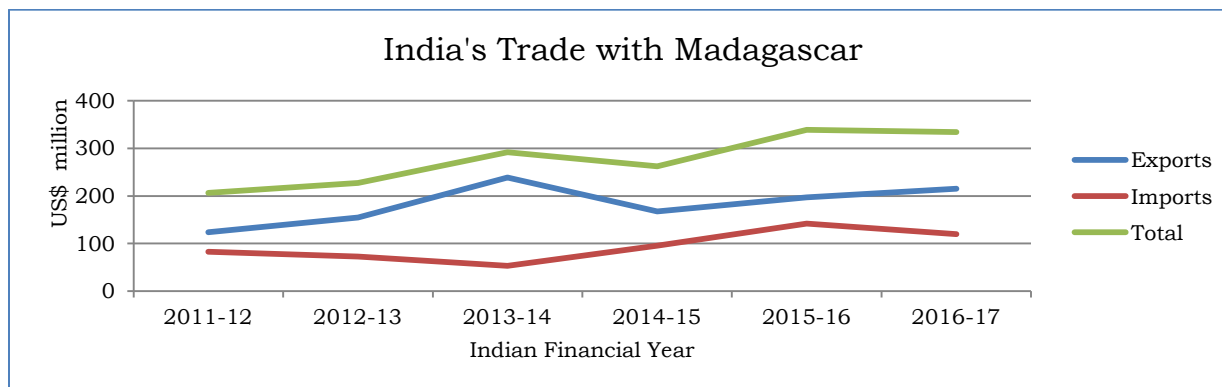
There has been a new and sustained effort from India to strengthen its relationship with Madagascar since the launch of the India-Africa Forum Summit in 2008. With its President’s visit, India intends to reset the pace and the range of engagement with the country for a stronger strategic, economic and developmental partnership.

Economic Engagement and Development Cooperation

Although people of Indian origin in Madagascar have big economic influence, India’s trade with Madagascar is still not very impressive.

Financial Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Exports	123.63	154.52	238.74	167.19	197.03	214.88
Imports	82.75	72.88	52.84	95.29	141.74	119.55
Total	206.38	227.40	291.58	262.48	338.77	334.43

[Indian Trade with Madagascar from April 2014-January 2018 in USD million]⁵



As the above table and figures reflect, although steadily growing, India’s trade with the country has not yet taken-off. India mainly exports cereals, mineral fuel, pharmaceutical products, cotton, iron & steel, sugar & confectionary products, etc. The major imports for India from the country are coffee, tea, mate & spices, edible roots and tubers, precious & semiprecious stones, etc. Currently, trade of agricultural products between the two countries tops the list on both the demand and supply sides; and there is a wide scope for increasing the range and scale of trade between the two countries.

In the current phase of its Africa engagement, India has taken several steps towards the improvement of the trade and development partnership with Madagascar. The US\$25 million

concessional line of credit (LoC) given by India to the island country for increasing rice productivity and setting up fertilizer plant in 2008 boosted its image as a serious development partner. Indian companies also showed renewed interest with the announcement of five-year Madagascar Action Plan in 2007 to improve the state of the country's economy after a period of both political and economic instability. Yet, with another phase of political instability in the country from 2009-13, the development cooperation suffered a setback and the assistance for development projects as well as the bilateral cooperation was suspended. But, since the restoring and recognition of a legitimate government in the nation in 2013, India-Madagascar relations are back on normal course and have accelerated. All the LoCs given/offered to the country can be seen in the following table.⁶

Year	Credit Amount (US\$ million)	Purpose	Status	Disbursements (US\$ million)
2008-09	25.00	Project for rice productivity and fertilizer plant	Signed by the recipient on 14.11.2008	25.0
2016-17	2.50	For completion of the fertilizer plant project	Not yet signed	0.00
2017-18	80.72	Agriculture development and farm mechanisation	Offered/Not yet signed	0.00

The Confederation of Indian Industries (CII) and the International Trade Board of Madagascar (ITBM) signed an MoU on March 18, 2014 to enhance trade and economic cooperation between the two countries. The Indian Embassy in Madagascar, while celebrating the diamond jubilee year of formal diplomatic relations between the two countries, also organised 'Showcase India Event' and 'Make in India' trade promotion activity in 2014. India also conducted a market survey in the pharmaceutical, agribusiness and investment sectors of the country.⁷ The companies from India have been primarily involved in mining, oil & gas, telecom and health sectors with a total investment of approximately US\$11.85 million.⁸

Being a least developed country (LDCs), Madagascar has all the concessional advantages given by India to this economic category. Hence, the island nation has a duty free tariff free preferential (DFTP) access to the Indian market since 2008. The scheme was further expanded in April 2014. It now provides duty-free market access on about 96 per cent of India's tariff lines (at HS 6 digit level of classification) and another 2.2 per cent of the lines are under preferential duties

to LDCs, leaving only 1.8 per cent of the tariff lines in the Exclusion List pertaining to items with no duty concessions.⁹

India has also come forward with its assistance to Madagascar in the times of natural calamities. It has also assisted the country in its electoral and parliamentary capacity building. Training under the ITEC (Indian Technical and Economic Cooperation) programme is working well; and the country is also benefiting from the Pan African e-network programme. The country, in fact, utilised 66 out of 85 slots provided under ITEC in 2016-17; and 27 against 50 allotted in 2017-18. Indian Institute for Foreign Trade (IIFT) in collaboration with Malagasy Ministry of Trade and the Chamber of Commerce, Economic Development Board of Madagascar (EDBM), and the International Trade Board of Madagascar (ITBM) also conducted workshop on Executive Management Programme for targeted groups in Malagasy. Given its benefits and a positive feedback, the institute is considering continuing with such programmes.¹⁰

Cultural Engagement

Given an influential diaspora in Madagascar, India's cultural relations with the country are very old. Indian origin Malagasy people are culturally active and conscious of their traditions. They are also the careers of India's contemporary cultural connect. India's Ministry of Culture and Sangeeth Natak Academy sponsored the first ever India Festival in Madagascar during September-December 2015. The Indian mission and the Indian Council of Cultural Relations (ICCR)¹¹ are also showcasing India's pluralistic heritage by organising photo exhibitions and Indian folk dance performances. In fact, the diaspora is India's living and continuous connect with the island nation. However, although economically well integrated, and culturally up to some extent, its tendency for cultural preservation has also brought a kind of distinction between the people of Indian origin and others. Given the economic success of the Indian diaspora and economic distinction, their cultural distinction sometimes invites wrath from the people of other ethnicities. There have been incidents of kidnappings of the people of Indian origin, but the issue is taken as a matter of law and order in the country. President Kovind, during his visit, thanked the Malagasy Government for taking steps to address the issue. He also lauded the Indian diaspora for integrating with the socio-economic fabric of the Malagasy society and becoming a part of them. With this, he approached them to have a greater connect with their land of origin and become, for the benefit of both the nations, a part of the growth story it is writing.

A Postscript to President Kovind's Visit

It is evident that India's quantum of development cooperation and economic engagement with the country is steadily increasing, especially after the initiation of India-Africa Forum and various programmes and projects introduced with it. President Kovind's March 2018 visit was the biggest ever official gesture made by India in the history of the relationship between the two nations. Although it was a part of the recent efforts for engaging with the countries of Africa, Madagascar's location in the Indian Ocean made it special. India, aiming for Indian Ocean to be an Ocean of peace, stability and prosperity, is following a proactive policy for economic and strategic engagement with the nations in the Ocean and its rim. The defence MoU signed during President

Kovind's visit was a part of an array of India's enabling defence cooperation agreements with the African countries in the Indian Ocean Rim; and it gives a new range to India-Madagascar relations.

* *Dr Saurabh Mishra, Research Fellow, Indian Council of World Affairs, New Delhi.*

Disclaimer: The views expressed are that of the Researcher and not of the Council.

Endnotes

¹ "Press Release on State Visit of President to Madagascar (March 14-15, 2018)", *Ministry of External Affairs*, March 15, 2018, <http://www.mea.gov.in/press-releases.htm?dtl/29637/press+release+on+state+visit+of+president+to+madagascar+march+1415+2018>

² *Ibid.*

³ The terms in this category imply LoCs on lowest interest, with longest maturity period, and the largest of grant element.

⁴ High Level Committee Report on Indian Diaspora under the chairmanship of L.M. Singhvi.

⁵ Data sourced from the Ministry of Commerce, India.

⁶ (Data sourced from Exim Bank of India and the joint statement released during President Kovind's Visit to Madagascar on March 14-15, 2018).

⁷ "Trade and Commerce with Madagascar", *Embassy of India in Madagascar*, <https://www.embassyofindia.mg/eoi.php?id=Madagascar-Trade> (Accessed on April 10, 2018)

⁸ *Ibid.* Also see *Exim Bank Working Paper No. 50*, pp. 63; *Exim Bank Occasional Paper No. 152*, pp. 199.

⁹ *Ibid.*

¹⁰ Bilateral Brief on India-Madagascar Relations, *Ministry of External Affairs*, India, August 31, 2017.

¹¹ 17 Malagasy students were granted General ICCR Scholarship in 2016-17; and three in 2017-18.