

## Lusophone nations seek more from Goa

**The Lusophone Congress is the first step towards creating a consensus for more economic cooperation with India**

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India and the Lusophone countries have much to offer each other and it is important that they make a move and interact in greater depth with each other. This was the general sentiment expressed by speakers at the first international congress held earlier this week. The CM Manohar Parrikar who was the chief guest said it was an important initiative given that till a few years ago, Portugal evoked a negative image with memories of Salazar coming to mind. Now however with the Lusofonia games scheduled to be held later in the week and with this conferences focus on business the image much more positive.



Salimo Abdula, President of the Business Confederation of the community of Portuguese Speaking countries said through this conference they hoped to be able to enter into the very lucrative Asian market. Indian companies he said could enter a grouping that had countries that were picking up the pace of development. India was a market he said many were interested in entering and this congress was a start. Dr. Manoj Kamat, Economist and Special Advisor to the Lusophone Society Goa during the course of his presentation highlighted the attractions of India as an investment destination. The economy of India, he said is the tenth-largest in the world by nominal GDP and the third largest by purchasing power parity (PPP), 4th in terms of GDP in USD, 9th as per GDP according to UN, and 10th as per GDP computed by the IMF. The country is one of the G-20 major economies and a member of BRICS and is the 19th-largest exporter and the 10th-largest importer in the world. The results of the Annual Survey of Industries released first week of January 2014 shows that the growth in industrial sector could be substantially higher than what was indicated earlier. The structural changes that occurred in the Indian economy over the last two decades have imparted greater resilience to the system and making the economy more competitive. He said “ On the economic front, India’s economic engagement with Lusophone countries is already set at an advanced stage, but lots remain to be tapped. For instance Indian market continues to represent less than 0.20% of total Portuguese exports. Overall India’s business investment in the Lusophone countries has shown upward trend since 2006, from the total investment was of USD 3 billion to around USD 20 billion in 2012-13”. Trade with Brazil’s had witnessed a ten-fold increase in the last decade and expected to reach \$ 15 billion by 2015, with exports of \$5.04 billion and imports of \$5.58 billion, close to 10 times increase in the last ten years. Enhanced trade with and through

Portugal can also facilitate India's entry into Angola and Mozambique, as well as other Lusophone countries in which it remains influential at the political level. Indian investors could also explore opportunities in the energy sector, as Portugal now is the third largest producer of renewable energies in Europe. Angola has become one of India's major trading partners in Africa, mainly due to its massive reserves of natural resources. 5 per cent of India's oil imports already originate from Angola, and there is an immense scope for further Indian bids and investments, from exploration and refinery capacity to supporting infrastructure such as railways and specialized training. The same applies to the booming diamond industry, Angola being the world's fifth largest producer in value and a privileged source for India's polishing and commercialization segments. On the important subject of double taxation a start had been made with India having signed a double taxation avoidance agreement (DTAA) with Macau. Studies have suggested that foreign direct investment in developing countries with whom a "tax sparing" agreement exists is 1.4 to 2.4 times higher than what it would have been otherwise and that DTAA's are associated with higher cross-border M&A flows.

The international landscape had changed with traditional business partners like Spain, France and Germany of Portugal are not anymore the countries with higher growing rates. Dr. Kamat said India ought to exploit the positive image it enjoyed in the Lusophone societies. This is primarily resulted of the tradition of historical Indian migration to Lusophone countries and is linked to the colonial past, our common culture, heritage and the language advantage. This congress he hoped would help foster ties, find new partners, embrace new opportunities, and over the advantages of partnering with this stimulating economy. The President of the Lusophone Society of Goa Dr. Aurobindo Xavier reiterated that Goa could well be the hub for small and medium sized companies in the country looking to establish their presence in the Lusophone market. The proposed hub will help utilize the advantages that are inherent in the state like an understanding of the language as well as a colonial legacy that binds these countries.

The two day international congress is being attended by senior executives from some of the large companies in the country like Syamal Gupta, Special Advisor, Tata International Limited, the former Prime Minister of Sao Tome and Principe Jaoquim Rafael Branco amongst several others. At the time of going to press this congress had attracted 50 national companies had registered while 15 from the state had confirmed their participation.