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'Vast scope for India-Lusophone business'

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PANAJI: 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, said Dr Manoj Kamat, special advisor to the Lusophone society of Goa.

Kamat made the remarks in this talk "India and the Lusophone market: trade opportunities galore", on the opening day of the international Congress on India and the Lusophone market on Tuesday.

Kamat said that 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.

He said each of the Lusophone countries offers a distinct stake for Indian interests, and together they represent eight valuable votes and a lot of influence on the global stage and given the above potential, the economic and strategic importance of the Lusophone world to India's interests cannot be minimized.

Brazil's trade relations with India have 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. These numbers include \$ 2 billion in export of diesel and \$3.4 billion Indian import of crude oil. So, in 2012, \$5.4 billion accounts for oil trade out of total \$10.6 billion - over 50 per cent and, 76 per cent of Indian imports from Brazil were crude oil, sugar and soya.

The good news is the increase in pharmaceutical, fertilizers and chemicals exports to Brazil from India which together is now close to \$ 1 billion along with auto components and electrical and mechanical equipments have also seen good growth, so have textiles and fibres exports, Kamat said.

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, Kamat said.

Mozambique's natural resources like coal and offshore gas) have attracted several major public (ONGC, GAIL) and private investments from India and this is perhaps one of the few African countries in which India has been able to compete with China in terms of influence.

Kamat said that the smaller Lusophone countries also offer distinct opportunities for India. There are substantial resources such as oil and gas reserves in the Timor Sea (jointly explored with Australia) and oil reserves in Sao Tome and Principe (with Nigeria) where important Indian investments are at stake (Reliance and ONGC).