

## India, Portugal Ties: Exploring New Avenues: RSTV – Big Picture

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### What's in the News?

- Prime Minister Narendra Modi and Portuguese President Marcelo Rebelo de Sousa held extensive talks and signed seven agreements to increase cooperation in a wide range of areas.
- This is the first time a Portuguese President is visiting India since 2007.

### Larger Background on relations between India and Portugal:

- India's relations with Portugal began amicably after its Independence in 1947, and the diplomatic relations began in 1949.
- The bilateral relations, however, went through a troubled phase, after Portugal refused to surrender its enclaves of Goa, Daman and Diu and Dadra and Nagar Haveli on India's west coast. The diplomatic relations had been completely cut-off by 1955.
- Goa was liberated by the Indian military forces in 1961 through **Operation Vijay**.
- **India and Portugal signed a treaty** recognizing India's sovereignty over Goa, Daman & Diu, Dadra & Nagar Haveli and related matters in 1974.
- The signing of the treaty was a watershed moment for bilateral relations between India and Portugal.
- Portugal is an important country for India in Southern Europe, and bilateral ties have witnessed steady progress in the last 15 years.
- Portugal extradited Abu Salem and Monica Bedi, in 2005, to face terror charges in India.
- Portugal is also currently supportive of India's bid for a permanent seat at the United Nations Security Council.
- Both the countries participate actively in other multilateral fora and support each other for candidatures.

### India-Portugal Agreements:

- India and Portugal have signed seven agreements to boost cooperation in areas including maritime transport, port development, audio-visual co-production, and industrial and intellectual property rights.
- The agreements were signed after detailed high-level talks between Indian Prime Minister Narendra Modi and the visiting Portuguese President Marcelo Rebelo de Sousa.
- The agreements include:
  - Cooperation for setting up a National Maritime Museum Heritage Complex in Lothal (Gujarat) between Portuguese Ministry of Defence and Indian Ministry of Shipping.
  - A Memorandum of Understanding (MoU) was signed between the Economic and Food Safety Authority (ASAE) and DPIIT, Ministry of Commerce for co-operation in the field of industrial and intellectual property rights.
  - A MoU was signed for Audio-Visual Co-production between India and Portugal.
  - A MoU was also signed between the Portuguese Diplomatic Institute and Foreign Service Institute for training.
  - A Co-operation Agreement was signed for the development of Maritime Transport and Ports

between India and Portugal.

- Joint Declaration on India and Portugal Mobility Partnership.
- The final MoU was signed to enhance cooperation between Invest India and Start-Up Portugal.

### Significance of the visit:

- The signing of these agreements increases the continuity and predictability of the bilateral relations between the two countries.
- There will be enhanced cooperation between the countries, which will have a positive impact on the economic situation of both countries.

### India's engagement with European countries in a Post-Brexit era:

- The European Union (EU) is an economic and political union involving 27 European countries. The UK joined in 1973 and it became the first member state to withdraw. Brexit refers to the UK exiting from the EU.
- The UK formally left the EU on 31 January 2020, but there are still a lot of issues to resolve and months of negotiation to come.
- A lot of changes are expected in the post-Brexit era. India and EU relations may definitely change as most of the business, diaspora and tourism agreements India had, were with the UK. Thus India is trying to engage with the other members of the EU.
- The EU is important to India, and India hasn't neglected smaller countries such as Portugal while trying to develop better relationships and engage with the rest of the 27 member states of the EU.
- There is a shift in the Indian policy and the focus has been diverted towards smaller countries who could vote for India's candidature at the United Nations Security Council (UNSC).
- **Lusophone countries:** the Lusophone countries have developed independent relations with India. This move is aimed at reaching out to the middle powers too.
  - Eg. **Mozambique** is the largest recipient of FDI and is one of India's emerging trading partners for energy products in Africa.
  - **Angola**, the largest oil producer in Africa, has reached out to India to develop closer relations with India.
  - **Brazilian** President Jair Messias Bolsonaro was invited for Republic Day celebrations in India.
  - This is a move to build medium to long term relations with middle powers like Brazil.
    - **Lusophone countries:** this refers to all the countries where **Portuguese** is spoken. The official Lusophone countries are Portugal, Brazil, Angola, Cape Verde, Equatorial Guinea, Guinea-Bissau, Mozambique, East Timor, and Macau.

### Portugal's significance in a post-Brexit era:

- Portugal is a stable country & will be holding the presidency of the EU next year.
- It is a part of the Community of Portuguese Language Countries known as the Lusophone countries which are spread across four different continents.
- Portugal is a happening economy. It bounced back from recession during 2007-08.
- Amid all the other countries in Europe which are facing political instability, Portugal remains to be politically stable.
- Portugal's Socialist Party leader came back to power and their economy is better than the rest of Europe with over 2 percent growth.
- Portugal's economy is predominantly dependent on the services sector which gives India a lot of opportunities to invest. India has a lot of leverage in the services sector and thus, has a lot to offer.
- Portugal and India also have similar interests and value systems. There is a harmonious convergence of ideas between the two countries. Both countries are opposed to terrorism.

- Portugal is very invested in the development of alternative forms of energy. Thus India could engage with Portugal in the energy sector too.
  - During February 2016, an equivalent to 95% of electricity consumed in Portugal was produced by renewable sources such as biomass, hydropower, wind power and solar power.

### **Portugal and World Politics**

- Portugal has always been important to the USA due to its strategic location in the **Iberian Peninsula**.
- Portugal is instrumental in organizing Indo-European summits and plays a key role in the Lusophone countries.
- It acts as a great place to start for India's engagement with the 27 member nations of the EU, as India needs Portugal to advocate relations in Europe apart from France and Germany.

### **Possible challenges:**

- Goa is a sore spot between the two countries.
- The trade relations might be under-utilized.
- India has a lot of troubled history with the Portuguese which at some point might act as a trigger for hurdles.

### **Way Forward:**

- Encourage education exchange programs between the two countries.
- Promote India as a tourist destination as Portuguese tourists widely prefer to travel.
- The best practices have to be shared between the two countries, i.e the renewable energy sector ideas from Portugal and IT sector ideas from India.
- Trade between both the countries must be enhanced. The trade balance has consistently been in India's favor. It currently stands at \$924mn.

### **Conclusion:**

Portugal has a stable economy and will be holding the presidency of the EU next year. It is a service sector dominated economy that will offer India many opportunities to invest and both can share their best practices with each other. Portugal can also be India's advocate in the EU, as they share similar interests. Thus, past differences would have to be buried and the ongoing relations would have to be strengthened further.