

**A STUDY OF UGANDA-INDIA RELATIONS  
(1990-2002)**

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(1990-2002)

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**CERTIFICATE**

This is to certify that the dissertation entitled "*A Study of Uganda-India Relations (1990-2002)*" submitted by **Rajalaxmi Swain** in partial fulfillment of the requirements for the award of the **Degree of Master of Philosophy**, is her original work and has not been previously submitted for any degree of this or any other University.

We recommend that this dissertation may be placed before the examiners for evaluation.

  
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*To*

*My dearest ones*

*Bapí, Bou,*

*Shubhadarshini, Durlav, Sanghamitra, Basant,*

*Sharmistha, Ajay, Raja, Niki & Rishi*

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## ACRONYM

ADR	Aid to Disaster Relief Programme
ASSOCHAM	Associated Chamber of Commerce and Industry
AU	African Union
BPS	Big Push Strategy
BPST	Bureau of Parliamentary Studies and Training
CEP	Cultural Exchange Programme
CII	Confederation of Indian Industry
COMESA	Common Market for Eastern and Southern Africa
ECA	East African Community
ECGC	Export Credit Guarantee Corporation
EDI	Entrepreneurship Development Institute
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chamber of Commerce and Industry
GDP	Gross Domestic Product
GSFC	Gujarat State Fertilizer Company
HIPCs	Heavily Indebted Poor Countries
HMT	Hindustan Machine Tools
ICCR	Indian Council for Cultural Relations

IIMC	Indian Institute of Mass Communication
IMA	Indian Military Academy
IMF	International Monetary Fund
INC	Indian National Congress
ITEC	Indian Technical and Economic Cooperation
ITPO	India Trade Promotion Organisation
JBC	Joint Business Council
JTC	Joint Trade Committee
KUTIP	Kampala Urban Traffic Improvement Plan
MIGA	Multilateral Investment Guarantee Agency
MoU	Memorandum of Understanding
NAM	Non-aligned Movement
NDC	National Defence College
NEPAD	New Economic Partnership for Africa's Development
NIEO	New International Economic Order
NIEPA	National Institute of Educational Planning and Administration
NISIET	National Institute of Small Industry Extension Training
NRM	National Resistance Movement
PTA	Preferential Trade Areas

RITES	Rail India Technical and Economic Services
SCAAP	Special Commonwealth African Assistance Programme
UDC	Uganda Development Corporation
UIA	Uganda Investment Authority
UMA	Uganda Manufacturers' Association
UNCCI	Uganda National Chamber of Commerce and Industry
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNIDO	United Nations Industrial Development Organisation
VAT	Value Added Tax



## Preface

## PREFACE

In the post-colonial, post-cold war globalizing world, Uganda-India relations assume immense significance in the context of South-South cooperation and the recent Indian strategy of intensifying economic and political contact in Africa. Apart from historic links, India and Uganda have similar experiences of colonialism and anti-colonial struggle. As members of the NAM, the Commonwealth and most importantly of the Third World, both the countries share similar views on many international issues and face similar developmental challenges. These provide harmonious platform for bilateral relations to prosper.

The globalization of the economies of both countries implies that neither can prosper within isolated fortresses any more. Further, both sides have many things to offer each other, in a mutually beneficial socio-economic-political and cultural cooperation. India Uganda relations have remained traditionally cordial except for the brief period during Idi Amin's dictatorship (1972-79) following his expulsion of Asians from Uganda and have been on the upswing since the emergence of the National Resistance Movement Government under President Y.K. Museveni in 1986. India Uganda relations have much potential to travel a long way as an essential part of the larger ideal of forging collective self-reliance among the developing countries, especially in view of the globalization process.

Further in the context of south-south cooperation, Africa having one-third membership of the United Nations (UN), nearly half membership of the NAM and vast economic, natural and human resources potential, is entitled to a significant place in the foreign policy of India or of any other country specially belonging to the third world.

Because, at the level of multilateral diplomacy, Africa with its 54 members of the UN, is always an important voting bloc in global forums, with regard to vital national interests of India or any other country. In the economic front, Africa provides enormous scope for mutually beneficial trade and commercial cooperation.

Imperatives of India's liberalized and globalized economy necessitates the serious exploration of Africa and other third world countries and their markets. Geo strategically, India Africa collaboration remains crucial for maintaining Indian Ocean as a zone of peace, as well as for enhancing their mutual security concerns and for promoting their foreign trade. Further, the well being of the sizable people of Indian origin (to whose expertise and investment India adds more emphasis in recent times) in Africa is another Indian concern.

In the past, Africa has remained a relatively neglected area of India's foreign policy and an unexplored part of India's regional strategy. But fortunately, a big leap in the Indian thinking has occurred in recent times and New Delhi has stopped seeing Africa in terms of the old third world agenda of decolonization and anti-apartheid struggle. India has begun acknowledging Africa as part of its extended

neighbourhood. The recent launching of the “Focus Africa” programme by the Government of India, aimed at providing a framework for sustained partnership between India and individual African countries as well as with regional groupings in the continent, well explains the change in the Indian approach. The recent Indian strategy of intensifying economic and political contacts in the Indian Ocean littoral and the imperative of south -south cooperation in the era of globalization add further significance to Uganda-India relations.

The study focuses on India Uganda relations during the period from 1990 to 2002. The first chapter titled “*India Uganda Relations: A Background*” attempts to trace the origins and growth of relations between the two countries. Contacts between India and the territory of present day Uganda began as a part of historic contacts between India and Africa, particularly eastern Africa and subsequently as colonial entities in the British Empire. While during the colonial era relations were largely shaped by and grew as a part of British India’s policy towards British East Africa (of which Uganda was then an integral part), in the post colonial era the relations followed an independent approach, adjusting to the requirements of time. Hence the chapter, before focusing on India Uganda relations, briefly discusses the historical links between India and Africa particularly eastern Africa, which serve as a framework for contextualizing and understanding India Uganda relations.

The second chapter titled, “*India Uganda Relations (1990-2002)*” focuses on India Uganda relations during the period from 1990 to 2002. With the emergence of the

National Resistance Movement Government in 1986 India Uganda relations have received a fresh beginning. During the period from 1990-2002 several high level political contacts accompanied by active economic and cultural exchanges between the two countries. Consequently Indo-Uganda relations have been strengthened in its various dimensions. So the chapter discusses the bilateral relations in political, socio-economic, and cultural spheres, during the period 1990-2002.

The third chapter titled "*Prospects and Constraints in India Uganda Relations*" explores the prospects of India Uganda relations and the constraints on the way. The chapter identifies the existing opportunities in both the countries for each other and areas having scope for furthering bilateral cooperation. Then it discusses the stumbling blocks that slow down the pace and hinder the growth of relations. And finally *Conclusion* brings out the major findings of the study.

Chapter-I  
Uganda-India Relations: A Background

## CHAPTER-I

### UGANDA-INDIA RELATIONS: A BACKGROUND

Contacts between India and the territory of present day Uganda, began as a part of India's historical linkages with Africa, especially with Eastern Africa. Centuries before the advent of West and European sea route to India, India had trade relations with Eastern Africa, which resulted in inter mingling, social cultural exchanges and inter-migration, with sizeable Indian settlement in Eastern Africa. This formed the beginning of relations between the territories of present day 'India' and 'Uganda'. During the colonial era India Uganda relations were largely shaped by and grew as apart of British India's policy towards British East Africa, of which Uganda then was an integral part. After their independence, both countries followed independent approach towards each other.

Hence before taking a focused look at India Uganda relations, a brief overview of the historical links between India and Africa, particularly with eastern Africa, India's Africa policy (which, from the Indian side shaped as well as gave direction to the relations) and the Indian settlement in Eastern Africa seem worthwhile, as they will serve as a framework for contextualizing and understanding India Uganda relations.

## HISTORICAL LINKS BETWEEN INDIA AND AFRICA

Africa is an ancient seat of civilization. It is surmised from archeological survey that Africa was home of first ancestors of modern man. African monuments like the Pyramids on the Nile, the enclosed stone village of Zimbabwe on the Zambezi-Limpopo basin symbolize that ancient Africa being at the forefront of civilization have pioneered many splendour civilizational achievements.

India has age-old relations with Africa This is evidenced by the parallelism between Egyptian thought and Indian ideology embodied in the scriptures. A 'harbor like structure' existed in Gujarat at Lothal (around 2300 BC) where, it is surmised ships from other Indian Ocean countries loaded and unloaded goods<sup>1</sup>. Historian B. N. Luniya in *Bharatiya Sabhayata Aur Sanskriti* has noted that "ships from south India could easily reach the ports of the Red sea by the longer sea route in about 40 days. And they united south India with South Arabia, Somaliland and Egypt in the first century BC<sup>2</sup>. The ebony, ivory and cotton goods including silk for wrapping Egyptian Mummies were supplied from India in the second millennium BC by Abyssinian and Somali traders<sup>3</sup>. During the first century BC, 120 ships sailed from India, from the sea port of Myos-Hirmos in one season. During AD 50-100 ships took wheat, rice, clarified butter, sesame oil, cotton cloth, girdles and sugarcane

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<sup>1</sup> R.R.S. Chauhan, *Africans in India: From slavery to royalty* (New Delhi: Asian Publication Services, 1995), p.12.

<sup>2</sup> Mohammed Farah Aidid and Satyapal Ruhela, *The Preferred Development in Somalia* (New Delhi: Vikas Publishing House Pvt Ltd., 1993), p.219.

<sup>3</sup> R.R.S. Chauhan, op cit, n.1, pp. 15-16.



from Gujarat to East Africa and returned with ivory, gold, iron, gum copal, ambergris and slaves<sup>4</sup>.

This trade and human intercourse was greatly facilitated by the “trade wind” which blew from November to March from the northeast and carried dhows from Asia to the east African coast. From May through September the winds blew from Southwest and carried the dhows and crew back to the Arabian Peninsula, India and the Far East. For five months that the wind blew from east to west, Indians, Arabs and other Asians could reach several points of East Africa, from the Horn to the present day Mozambique and beyond, selling their goods and establishing contacts<sup>5</sup>.

The well known sailor’s guidebook, *The Periplus of the Erythrean Sea* (written in the first century AD) and Ibn Battuta’s records of his travels in Asian countries, in the fourteenth century mention the flourishing trade between India and East African coastal States<sup>6</sup>. Even historical facts show that men who piloted Vasco da Gama from east Africa to India were Davane, an Arab broker in Bombay and a Gujarati munshi named Kanji. It was on May 20, 1498 that escorted by Kanji, Vasco da Gama entered the court of the Zamorin of Calicut<sup>7</sup>. Extensive excavations of the Great Zimbabwe ruins reveal that India’s contacts in the centuries gone by were not confined merely to the eastern coastal kingdoms but had extended to remote hinterland. R. N. Hall, Caton Thompson, L. Fouche and several others are of the

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<sup>4</sup> Uma Shankar Jha, "Introduction" in Uma Shankar Jha, ed., *India- Africa Relations: Prospects in the New Millennium* (Delhi: Association of Indian Africanist, 2001), p.21.

<sup>5</sup> Hari Sharan Chhabra, "Age Old ties", *World Focus*, vol.5, no.10, October 1984, pp. 3-6.

<sup>6</sup> K. Mathews, "Indo-African Ties", *World Focus*, vol. 5, no.11-12, November - December 1994, p.60.

<sup>7</sup> Hari Sharan Chhabra, op cit , n.5, p.3.

opinion that the Indian beads and coins discovered there, are indication of trade contacts between India and South Central Africa<sup>8</sup>.

However, by the Nineteenth Century, Indian traders were holding near-monopoly position in the whole trade of the Southern Red Sea. Trade relations subsequently resulted in cultural contacts, inter-mingling and inter-migration, which had far reaching consequences for the growth of India Africa relations.

While many Indians went to Africa, many Africans also came to India. In the years when the Indian Ocean trade became increasingly dominated by slave trade, Indians also participated in it. Evidences show that Mughal India was an importer of slaves from Africa for domestic and military service. According to reports, in the fifteenth century there were about 8,000 African slave soldiers in Bengal and about 5,000 in Ahmedabad.<sup>9</sup> Africans played a prominent role in the political and military life of India, during the Mughal period. Africans in India were known as '*Habshis*' or '*Sidis*'. Janjira, about 45 miles south of Bombay, was a Siddi strong hold till 1834, when it became subject to British rule<sup>10</sup>. A Habshi called Malik Amber, rose to become the virtual head of the Muslim state of Ahmednagar between 1607 and 1626. Many African came to India as adventurers, sailors, traders, clerics etc. The first woman ruler of India, who ascended the throne in Delhi in 1236, Queen Razia Sultana, was deeply influenced by an African slave, Jalaluddin Yakut by name, the

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<sup>8</sup> Ibid, p.4.

<sup>9</sup> K. Mathews, op cit., n.6, p.60.

<sup>10</sup> S.N. Malakar, "India's African Linkages: A Base for Promoting Relations in Uma Shankar Jha, ed., *India-Africa Relations: Prospects in the New Millennium* (Delhi: Association of Indian Africanist, 2001), p.21.

‘Master of the Stables’<sup>11</sup>. However, unlike Indians in Africa, Africans in India were not a trading community and they could integrate easily with the mainstream of Indian life.

A sizable Indian community also got established especially in Eastern and Southern Africa. It is said that the earliest settlers in East Africa, in around 650 A.D. were from India.<sup>12</sup> Heavy influx of Indians to Africa began with the abolition of slave trade in the British Empire and the subsequent Indian supply of large numbers of indentured labourers (sort of semi-slaves) especially to Mauritius and to the vast sugar plantations of Natal and Transval in South Africa. However, the Indian population in East Africa till the end of the nineteenth century comprised mostly traders. But with the beginning of the construction of the Kenya-Uganda railway in 1895, some 18,000 technicians and skilled labour were brought from India to East Africa to work on the railways and in the colonial administration in the British territories. Many of them choose East Africa as their permanent home after the expiry of the contract.

Centuries of trade and cultural exchanges, Indian settlement in Africa as well as the African settlement in India etc gave a historically warm basis for the India Africa relations, and had far reaching impact on the future India Africa relations in general and India Uganda relations in particular.

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<sup>11</sup> K. Mathews, *op cit.*, n.6, p.60.

<sup>12</sup> *Ibid*, p.60.

## INDIA'S AFRICA POLICY

In the nineteenth century, while Industrial Revolution in Europe, the consequential capitalist drive, the 1884-85 Berlin Conference and the consolidation of the European empire complexes through partitioning of Africa among the European colonial powers etc were taking place. In the meantime, strengthening the more than a century old colonial rule, India was firmly incorporated into the British Empire after the 1857 uprising. During this period global production relations were undergoing a basic shift with the slave labour being increasingly replaced by indentured labour.

Independent India's Africa policy could be traced back to the beginning of the recruitment of Indian indentured labour for the White mines and plantations in South Africa. Arrival of the first indentured labour from India in Natal in 1860, marked the beginning of an extensive Indian settlement in the interior region of the Southern and Eastern Seaboard of Africa. The years from 1861 to 1914 truly constitute the first colonial phase in this respect.<sup>13</sup> During these years, British India's policy attention was initially focused on the welfare of Indian indentured labour in South and East Africa. In later years, Mohan Das Karam Chand Gandhi's heroic 'satyagraha movement' (1907 – 1913) against the blatant racial discrimination prevailing in South Africa, demonstrated that the non-violent protest movement provides a powerful weapon for use by the oppressed people, who were initially non-entities, politically subjugated and economically insignificant, against

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<sup>13</sup> R.R. Ramchandani, "India-Africa Economic and Technical Cooperation, 1947-1997: An Assessment", *Africa Quarterly*, vol. XXXVII, no. 1-2, 1997, p.78.

all forms of discrimination by the mighty imperial powers. Due to this reason, since the arrival of Gandhi in South Africa as the legal representative of an Indian firm in 1893, India-Africa relations have been sealed into an abiding bond of special relationship.

Inspired by this bond, the next colonial phase, the years from 1914 to 1947, witnessed yet another shift in India's policy perspective. This time the emerging Indian leadership moved away from the narrow confines of nationalistic concern for 'Indians in Africa' to a much wider humanitarian canvas.<sup>14</sup> Since then, worldwide 'liberation factor' guided the course of the freedom struggle. Indian interest in Africa intensified and the racial issue was addressed in the larger context. With Indian agitation for equality in East Africa intensifying after World War I, the East African territories of Kenya, Uganda and Tanganyika became the hotbed of racial issue. In this connection, the East African Indian National Congress was formed in 1918.

This period also witnessed the East African Indian Community demanding for a separate Indian colony in the recently acquired British mandated territory of German East Africa (Tanganyika). But the Indian leadership persuaded the Indian Community and decided to work towards 'African Paramountcy' with dedication, than pay a mere lip service to that phrase, coined by the colonial office, mainly to keep the Indian East Africans at bay. This was the beginning of India's committed drive to bridge the gulf between the 'native' Africans and Indian Africans. Through

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<sup>14</sup> Ibid, p.78.

out the post-colonial phase (1947 onwards) India's Africa policy has drawn inspiration from the above thrust.<sup>15</sup>

Indian leaders particularly Mahatma Gandhi and Jawaharlal Nehru greatly impressed and influenced African nationalist leaders. Gandhi's twentyone year long fight against racial oppression and injustices in South Africa and then in India, his technique of mass struggle and 'Satyagraha' had a profound impact on the growth of African Nationalism. African Nationalist leaders like Kwame Nkrumah of Ghana, Chief Obafemo Awolowo of Nigeria, Kenneth Kaunda of Zambia, Tom Mboya of Kenya, Julius Nyerere of Tanzania etc were inspired by Gandhian ideals. Nationalist struggle in many African countries particularly in West Africa were also influenced by the Indian Freedom Movement. For example, the establishment of the West African National Congress in 1920, under Casey Hayford, the founding father of Ghanaian Nationalism.

In the post-independence period, a firm foundation for Indo-African relations was laid by Jawaharlal Nehru, who took lead in making the world aware of the problems and importance of the African continent. Under his leadership, India consistently advocated the cause of Africa's liberation at various international forums such as the United Nations (UN), the Commonwealth and the Afro-Asian meetings. At the Asian Relations Conference in New Delhi in 1947, Nehru said:

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<sup>15</sup> Ibid, p.79.

“We in Asia have a special responsibility to the people of Africa. We must help them to their rightful place in the human family.” His commitment to Afro-Asian Resurgence helped India to pledge its support to African anti-colonial and anti-apartheid struggles.

While much of Nehru’s earlier pronouncements on Africa and African States were ‘continental’ in sweep and scope, by 1953 he had already outlined the policy to be pursued in respect of the different territories that were emerging into separate successor states. The basic objective of this policy was to further India’s national interests as well as those of the African countries. Because he was convinced that Indian interests were to be bound up with African growth. Consequently by 1953-54, region-wise and country-wise differentiation had become the rule in India’s Africa policy.<sup>16</sup> The policy attempted to reinforce not only anti-colonial and anti-racist thrust, but more importantly to provide a third world non-aligned framework to meet the challenges of the bipolar ideological world, in the context of South-South drive for collective self-reliance.

In this context, ‘non-alignment’ was adopted as the major policy percept and as an instrument of collective self-reliance. Nkrumah of Ghana and Gamal Abdel Nasser of Egypt as close associates of Nehru provided the initiative and early leadership in the Non-aligned Movement (NAM). Conscious of the implications of the bipolar global system and the antagonistic bloc-politics, the African countries favoured non-

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<sup>16</sup> T.G. Ramamurhi, “Foundation of India’s Africa Policy”, *Africa Quarterly*, vol. XXXVII, no. 1 & 2, 1997, p. 33.

alignment and adopted the 'Declaration of World Peace and Cooperation' in Bandung Conference in 1955.

Thus the Nehru years (till 1964) witnessed a comprehensive Africa Policy, marked by two distinguishing features. Firstly translating the Indian Nationalist Movement aspirations with emphasis on the humanitarian factor, in projecting India's relations with Africa and Secondly, dismantling the colonial mould and founding a new basis of relationship in the South-South context.<sup>17</sup>

In the post-Nehru era, Indian's Africa policy has been shaped to develop a system approach, so that leadership function is directed along institutional lines, devised under NAM percepts and South-South cooperation. However, with the end of the struggle for liberation in Africa with the final dismantling of apartheid in South Africa in 1994 and the end of cold war etc, the emphasis has gradually moved from liberation issues to greater importance on mutually beneficial economic relationship, in the framework of South-South cooperation.

The failure of North-South dialogues and the quest for the creation of a New International Economic Order (NIEO) aimed at the equitable reallocation of global resources and the challenges in today's fast globalizing world have lent a new sense of urgency as well as relevance to the very concept of South-South cooperation. NAM also has adopted economic cooperation among its members as an alternative means to reduce their dependence on the industrially advanced countries.

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<sup>17</sup> R.R. Ramchandani, p. 82.



The relevance of South-South Cooperation is explained well by the Government of India's recent initiative 'Focus Africa' aiming at providing a framework for sustained partnership between India and individual African countries as well as with regional groupings in the continent. This is the departure from Indian view of Africa in terms of old Third World agenda of decolonization and anti-apartheid struggle. In this context India's relations with Africa in general and with Uganda in particular acquires significance.

### **INDIAN SETTLEMENT IN EASTERN AFRICA**

As mentioned earlier, Indians went to Africa in two major waves, first as seafaring merchants and then as indentured labour. The Indian merchants had settlements on the East African coast, several centuries before the advent of west and the European discovery of sea route to India. These merchants were the first to open and virtually monopolize trade between India, the Persian Gulf and Africa. They had close rapport with Arab and African communities and held high offices in the services of local chieftains. In the early nineteenth century, the British found the presence of the Indian merchants most useful to ward off French threat to the region.<sup>18</sup> But at a later date, relations soured when the British charged that the Indian merchants were as much involved as the Arabs in the slave trade.<sup>19</sup> This change came mainly because, the predominance of Indians in oceanic trade prevented the expansion of British trade into Africa's interiors, Christian missionaries campaigned to oust the Hindus

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<sup>18</sup> Anirudh Das Gupta, "Indians in Africa: Past, Present and Future", *Africa Quarterly*, vol. XXXVIII, no. 1-2, 1997, p.59.

<sup>19</sup> *Ibid*, p.59.

and Muslims from the area.<sup>20</sup> And also the European powers brooked no interference from non-European quarters, during the scramble for Africa.

The second wave of Indian migration as indentured labour is linked to the colonial system. Indian migration to the East African countries was necessitated in the Nineteenth century by the British colonial empire's extension to Africa. During the early phase of Merchant Capitalism (around the beginning of sixteenth century) capitalist system was consolidated through private capital and enterprise. As the Industrial Revolution and the accompanying technical change, had led to the concentration of such factor inputs in the West European states, they in course of time, located the other factor inputs like cheap labour and raw materials in their colonial possessions. So the colonies were subordinated to fit into the paradigm of 'comparative advantage'.<sup>21</sup> The colonial development was rendered critically dependent on the growth process generated in the Western Metro poles and the colonies (both India and Africa) gradually got sucked into the whirlpool of unequal exchange. However, against the backdrop of European rivalry of that period, the process of 'comparative advantage' was considered in the context of Empire complexes and that too was permitted as long as the interests of the mother country and the White settlers were not jeopardized. No sooner than such interests were

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<sup>20</sup> Ibid, pp. 59-60.

<sup>21</sup> R.R. Ramchandani, p. 80.

threatened or just perceived to be threatened, the colonial office willy nilly applied the brakes.<sup>22</sup>

By the last quarter of the nineteenth century, when Africa was formally claimed by the Western powers, but was yet to be commercially opened to the world, India was already effectively serving as a major source of raw materials, a flourishing mine of cheap labour and an important market for the British manufactures. Besides, the Eastern and Southern regions of Africa were acquainted with the Indian enterprise and Indian Merchandise.

Hence, while colonizing these regions, the British welcomed Indian enterprise on two counts: firstly, in the earlier phase of opening up Africa, the Imperial Colonial policy engaged unrestricted free enterprise. Since Indians (who were British subjects too) were actively engaged in trade in the coastal region, they considered to be the major British agency in the development of the interior of the region. Secondly, Indian subjects had earlier been a major source of cheap unskilled coolie and plantation labour in South Africa, East Africa, Mauritius and Fiji. With the advancement of the capitalist system to Industrial phase, they emerged as a major source of middle-level manpower-suppliers of both the artisan and technical personnel as also the clerical and other subordinate cadre manpower requirements. Because supply price of such services from the western quarters were much higher.

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<sup>22</sup> Ibid, p.80.

Under this colonial arrangement, the first batch of Indentured Labour (known as 'girmit') termed by Hugh Tinker as 'New Form of Slavery', from India reached Natal, South Africa, in 1860.<sup>23</sup> This marked the beginning of extensive Indian settlement in the Southern and the Eastern Seaboard of Africa. This time Indians did not go to Africa voluntarily for trading, but under various agreements between the British Government of India and the colonial administration of the British Eastern and Southern African colonies.

The building of Kenya-Uganda railway line from Mombasa to Kampala (1895-1902), which was intended to facilitate exploitation of the resources of the interior, marked the beginning of modern formal contacts between Uganda and India. Further, as the stories of rich opportunities awaiting them in Africa spread, a new wave of voluntary immigration took place. As a result, by the end of the Nineteenth century, ethnic Indians constituted a sizeable population in the present East African countries of Kenya, Tanzania and Uganda.

The hallmark of British colonial rule in East Africa was the compartmentalization of society into three racial groups, viz, Europeans, Asians (People of Indian Origin settled in East Africa) and the native Africans, reinforced by socio-economic and political discrimination and segregation. Racial divisions were supplemented by the existence of African reserves and wide disparities in the quality and number of social and economic services provided by the government for different races. These

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<sup>23</sup> Hugh Tinker, in his book *A New System of Slavery: the export of Indian Labor 1830 – 1920*, published in Oxford in 1974, has described the system of indentured labour as the 'New Form of Slavery'.

policies were successful in preserving and strengthening the political, economic and social dominance of Europeans in East Africa and resulted in Africans always remaining at the bottom of the racial structure, with Indians in the middle position.

Leaving aside few cases of occasional and specific protests, Indians for the most part tended to acquiesce in this East African colonial system. At the social level, this colonially compartmentalized system suited the Indian/Asian temperament. Because, Indians in East Africa were mainly a conservative community and were therefore happy to be left alone to pursue their own lifestyles and preserve their culture. Also as they were an immigrant community unsure of their rights and status, perhaps they were happy for being spared of the pains of transition and of the tension of racial conflicts and competition. Though they knew that certain positions of eminence were closed to them, they were to some extent sheltered from competition from the Africans.<sup>24</sup> So while Indians could not hope to rise high in the public services, a number of them rose high in the world of commerce and private professional practices. In matters of political rights, it was easier for Indians to accept the colonial set up because of their low level of political awareness and education. Indians were also subject to much humiliation like the Africans. Whatever the reasons, the colonial system was regarded by many African nationalists as an instance of Indian complicity with the Imperialists.<sup>25</sup>

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<sup>24</sup> K. Mathews, "Indian Diaspora in Africa", *World Focus*, vol. XXII, no.3, March 2001, pp. 5-6.

<sup>25</sup> *Ibid*, p.6.

However, contribution of the Indian community to the development of East Africa has been significant. Services of Indian artisans and mechanics was widely used for the construction of Kenya-Uganda railways as well as in other works, for which Africans were not ready and European labour would have been too costly.

Winston Churchill in his book *My African Journey* published in 1905, has assessed Indian contribution to the development of east Africa, "It is the trader, who penetrating himself in all sorts of places which no white man would or in which no white man could earn any living, has more than anyone else, developed in the early beginning of trade and opened up the first slender means of communication. It was by Indian labour that one vital railway on which everything else depend was constructed. It is the Indian banker, who supplies the larger part of capital, yet available for businessmen and enterprise".<sup>26</sup>

While the India '*Dukawalla*' (petty shopkeeper) continues to be the characteristic feature of East African townships, supply of high and middle level manpower and capital is their main economic contribution in recent times. It is said that some 50 percent of the skilled manpower of East Africa in areas like medicine, law, engineering, pharmacy and accountancy and business management are Indians. Further, Indians by investing in most sectors of the economy (especially manufacturing and construction) have contributed, by making capital available for the expansion of the economy.

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<sup>26</sup> Ibid, p.6.

## INDIA UGANDA RELATIONS

As has been mentioned, contacts between India and Uganda are historic. Research documents of the early nineteenth century revealed that the Nile was clearly a Sanskrit word and that the Hindus were familiar with the source of the river Nile, which they Christened *Amara* (Immortal). The river Nile itself has been described as *Mahakali* and the country near the source was called *Chandrasthana* or the land of moon.<sup>27</sup>

Modern formal contacts between India and Uganda had their beginning in the construction of Kenya-Uganda railway line from Mombassa in Kenya to Kampala in Uganda (1895- 1902). For this construction around 32,000 Indians were brought as labours. They were mainly brought from the western part of the country: Punjab, Sindh, Beluchistan, and North Western Frontier districts of present day Pakistan and from former Bombay Presidency comprising present day Gujarat and Maharashtra in India.

Of those Indian railway labours, many were mauled, savaged and eaten by lions, many others died of dreadful Malaria and other diseases. Some of the survivors were able to return home, others either choose to stay on or could not afford to go home. J.S. Mangat writes in *A History of Asians in East Africa* that "of the 32,000 imported for the construction of the railway, 16,312 returned to India at the expiry of their contracts, 2,493 died, while 6,454 were invalidated home after being

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<sup>27</sup> Sri Francis Vaz, "Message", *Africa Quarterly*, vol. XXXVI, no.2, 1996, p.1.

incapacitated by diseases or mishaps at work – thus leaving a balance of 6,724 who failed to avail themselves of their contractual right to free repatriation”.<sup>28</sup>

However, inauguration of the railways encouraged immigration of ‘passenger’ Indians, who fanned out as shopkeepers and construction workers. Uganda railways established its own recruiting agency for indentured labour in Karachi in 1897, which was abolished in 1902. In 1899 an agency was established in Bombay to recruit indentured labour for East Africa, Zanzibar, Uganda and British Central African Protectorates.

While Indians went to Uganda, Ugandans began travelling to India only from the middle of twentieth century and interacted with Indians in their home country, because the then British administrators of Uganda were not very enthusiastic about encouraging Ugandans to travel to India for education and training. But the limited opportunity for tertiary education in Uganda opened way for Ugandans to seek higher education and training beyond the boundaries of Uganda and of the United Kingdom.

Indian agitation for equality in East Africa was intensified after World War I (1914-1919). The East African Indian National Congress, based on the model of Indian National Congress (INC) was found in 1918. A.M. Jeevanjee started voicing the grievances of Indian settlers in East Africa. When in 1922, Europeans retaining their privileged position gave inferior representation to Kenya-Indians in a separate

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<sup>28</sup> J.S. Mangat, *A History of the Asians in East Africa, C. 1856 to 1945*, (OUP, 1969), p. 39.



electoral roll, B.D. Chaturvedi was deputed by the INC to study the conditions of Indian emigrants in Kenya, Uganda, Tanganyika and Zanzibar. Chaturvedi along with Sarojini Naidu and S.G. Vase attended the fifth session of the East African National Congress.

The British conquered the German territory of Tanganyika during World War I and after the War, it was transferred to be administered as the British Mandated Territory. The East African Indian Community petitioned that the newly acquired German East Africa (Tanganyika) be reserved for Indian colonization. Such a development raised alarm for the European settlers and they in turn argued that presence of Indian immigrants adversely affected the progress of 'Native Africans'. However Indian settlers in East Africa, under the guidance of Indian leadership, prominently of Srinivas Shastri, C.F. Andrews soon realized that they too must underline the significance of 'native interests' and 'native welfare' and work in that direction.<sup>29</sup> The Indian Government cleared its stance that India stood for independence of all in the world and was not interested in a colony and what Indians demanded was equality of status of all races before law. In subsequent negotiations in the colonial office, Srinivas Shastri led the Indian delegation. Shastri asserted at this meeting that Indian and European interests alike be subordinated to those of the African community.<sup>30</sup> In 1927, Srinivas Shastri (the then agent of the Government of

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<sup>29</sup> Srinivas Shastri was a member of British Indian Legislative Council and C.F. Andrews was a British Missionary and educator and then the most influential person in India concerned with East Africa.

<sup>30</sup> R.R. Ramchandani, "India's Africa Policy and South-South Cooperation", in Uma Shankar Jha, ed., *India Africa Relations: Prospects in the New Millennium*, (Delhi: Association of Indian Africanist, 2001), p.43.

India in South Africa), was deputed to East Africa to help Indians present their case before the Under Secretary of State for Colonies.

Even before India's formal independence in 1947 from British colonial rule, the Department of External Affairs had proposed to set up an agency in British East Africa, of which Uganda then was an integral part. The proposal was pursued after independence and in 1948, a Commissioner of the Government of India was appointed to cover Kenya, Tanganyika, Uganda and Zanzibar, having headquarters in Nairobi, the Kenyan capital.

Independent India's crusade against colonialism had its beginning in British East Africa. Apasaheb Balasaheb Pant was appointed independent India's first Commissioner to British East Africa. He took the brief from Nehru "to befriend Africans and support their political advance" seriously and soon became the meeting place for aspirants of political advance. He actively supported the African nationalist demands and encouraged collaboration of Indian and African leaders. This provided a message in early days of India's independence that New Delhi could be fully depended upon, for support of the African cause despite the powerful opposition of the colonial masters. British authorities considering Apa to be 'too friendly' with the Africans, insisted upon his involvement with the resident Indian population than with the indigenous Africans. Subsequently the Government of India clarified that India's interest in Africa as a whole and British East Africa in particular arose from

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- (a) India's general attitude towards colonialism and her desire to see the subject people achieve independence.
  - (b) Her membership of the United Nations, whose Charter laid down that Non-Self-governing territories should achieve political advancement.
  - (c) Her membership of the Commonwealth, which consists of many races,
  - (d) Her general desire for peace, which can be jeopardized by large scale racial conflict, and finally
  - (e) The presence of an appreciable number of people of Indian origin in these territories.<sup>31</sup>

Under this broad based interest in East Africa, Pant in August 1953, gave temporary asylum to the *Kabaka* (king) of Buganda, who had an uncomfortable time with the British Governor in Uganda. The annoyed British authorities demanded Apa's recall, to which the Government of India had to agree.

Office of an Assistant Commissioner was opened in Kampala in 1955. Indian Vice-President Dr. Sarvapalli Radhakrisnan visited Uganda in 1956 as part of an East African tour. A goodwill mission, sponsored by the Indian Council for Africa, led by Shrimati Indira Gandhi, visited Uganda and other East African Territories in 1961, symbolizing India's abiding interest in the Political advance of East Africa.

<sup>31</sup> The whole issue was clarified in the Annual Report, 1953-54 of the Ministry of External Affairs. Government of India.



Uganda got independence from British colonial rule in 1962. Shri Dinesh Singh, Deputy Minister of External Affairs, represented India in Ugandan Independence Day celebration on 9<sup>th</sup> October 1962. On the very same day an Indian High Commissioner assumed office in Kampala.

India's relations with independent Uganda began with an economic edge, with the signing of the First Memorandum of Agreement on Sugar Industry, on 18th September 1964, in New Delhi, following the visit of Minister of Planning and Community Development of Uganda. Considering the favorable conditions for sugarcane production in Uganda, it was proposed to establish additional sugar manufacturing in Uganda, with India's participation in the form of Indian manufactured sugar mill machinery as well as factory building materials. The Sugarcane Development Corporation of Uganda was to be helped by India, in establishing sugarcane estates and sugar factories. India also offered to train up Ugandan personnel for managerial and technical posts, to ultimately have the whole project staffed by Ugandan nationals. This memorandum was endorsed during Ugandan Prime Minister Milton Obote's visit to India from 1<sup>st</sup> to 7<sup>th</sup> August 1965. This visit provided political underpinning to India Uganda relations.

As agreed during this visit, an Indian Economic Mission under the leadership of the Minister of Commerce Shri Manubhai Shah, visited Uganda in the third week of November 1965, preceded by a team of Indian experts and technicians for detailed

discussions with their Ugandan counterparts. This mission visited Kampala, Lugari, Jina, Kinyala etc and signed four economic agreements.

The first Trade Agreement between India and Uganda was signed on 18<sup>th</sup> November 1965. India then was the largest single buyer of Ugandan cotton and Uganda imported cotton textiles, rayon silk fabrics, jute goods and other manufactures, pharmaceuticals, chemicals, light engineering items, steel, iron and other miscellaneous consumer goods.<sup>32</sup>

Besides the Trade Agreement, it was agreed by both countries to undertake joint ventures in the field of industrialization. An Agreement of Friendship and Technical, Economic and Scientific Cooperation was signed in 1965. Under this agreement the Indian Technical and Economic Cooperation (ITEC) Programme was launched in Uganda in 1965.

India Uganda Educational Cooperation began before the later's independence. In a move to prepare the English speaking African territories for eventual self rule, by offering scholarships for higher education especially to African students, a General Cultural Scholarship Scheme was launched by India in 1949. At the same time senior leaders of political movements were encouraged to visit India. Besides, many Ugandan political leaders and civil servants have received higher education in India. Prominent among them are former Prime Minister Mr. Kintu Musoke, former Minister Mr. Kirunda Kivejinja, both alumni of Delhi University, Senior Diplomat

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<sup>32</sup> T.G. Ramamurthi, "A Multi-Faceted Cooperation: Five Decades of India-Uganda Relations", *Africa Quarterly*, vol. XXXVI, no.2, 1996, p.14.

Mr. Peter Nkurunziza is an alumnus of Jawaharlal Nehru University, New Delhi. Joseph Mubiru, who received his first degree in Economics in India, brilliantly contributed in establishing a Central Banking System in Uganda. He understood the relevance of India's experience in setting up of Central Bank in a developing world.

During their student days in India, the Ugandan and other African students were influenced by the nationalistic activities of the Indian politicians in the early independence days and organized themselves into Continental and National Students' Associations. According to Kirunda Kivejinja, under the patronage of India's leaders and more particularly under the instigation of Jawaharlal Nehru, the African students became highly inspired and committed to return home after their studies and vigorously organized the mass in order to effect political change.<sup>33</sup>

Political awareness was a good preparation for young Ugandans in India, most of them intern after the completion of their studies and training, returned to Uganda and contributed to nation building.

India Uganda relations suffered its most severe setback during Idi Amin Dada's regime (1971-1979), following his mass expulsion of Asians (people of Indian origin in East African sense) from Uganda in 1972. This can be mentioned here, that after independence, the Ugandan Government was committed to rapid enlargement of the economic and social role of the Ugandans. This entailed substantial changes

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<sup>33</sup> John Ntimba, "Relevance of India's Experience in Uganda's Development: some Case Studies", *Africa Quarterly*, vol. XXXVI, no.2, 1996, p.30.

in the traditional allocation of functions and status among the three racial groups, Europeans, Asians and the native Ugandans.

A legislation was enacted by the government soon after independence in 1962, for the acquisition of entire ginneries by African cooperatives. Non-citizens were not allowed to trade in rural areas and the government took up certain parts of town and premises vacated by non-citizens, for sale to Africans on long term repayment basis.<sup>34</sup> Under the Trade Licensing Act of Uganda 1970, non-Ugandans were allowed to trade only in specified areas and in specified goods.<sup>35</sup> Work permits were introduced for them. Uganda's drive for Africanisation and Nationalisation of retail and wholesale import export trade, plantations, banks, key industries threw thousands of Indian settlers, holding British passports, out of business.<sup>36</sup>

At the social level, the largely conservative background of the Indians, their very closed typical living and daily hard work routine came in the way of frequent social intermingling with indigenous population with whom they used to trade. Sense of service, hard work mixed with profit objectives brought great business success to Asians. At the same time, Indian presence was more visible to the Africans, because the Indians came directly in contact with the Africans, through their retail shops and business and they were aggressive in the commercial sector. Consequently, a mind of distrust emerged in the African society, about the Indians whom they saw as

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<sup>34</sup> K. Mathews, *op cit.*, n. 24, p.7.

<sup>35</sup> *Ibid*, p.7

<sup>36</sup> In the early 1970s, all sugar produced in Uganda was grown on plantations of the Mehtas and the Madhvanis, the two leading ethnic Indian industrialist families in East Africa.

exploiters of the economy. The mass expulsion of Asians from Uganda in 1972 by President Idi Amin was the direct result of that distrust.<sup>37</sup> On 9<sup>th</sup> August 1972, Amin announced the expulsion of non-citizen Asians. They were to leave Uganda by 9<sup>th</sup> November. The order was subsequently extended to include all Asians (this was later rescinded, under both external and internal pressure).

Amin wanted to put the entire Ugandan economy in the hands of the Ugandans of African origin. He said that the 80,000 Asians in Uganda were sabotaging the economy and encouraging corruption and therefore there was no room for them in Uganda.<sup>38</sup> Amin called the expulsion of Asians, a 'part of the war of liberation'. The expulsion was condemned by African countries like Mauritius, Zambia, Tanzania. India saw the expulsion as inhuman and cruel. The Indian Deputy Minister of External Affairs said in Parliament: "We are in touch with the Ugandan authorities and I can assure the house that we shall do everything we can to protect the interests of Indians there."<sup>39</sup>

Public opinion was aroused in India. It ridiculed Amin's allegation that India was planning to invade Uganda along with Zambia and Tanzania. India made it clear that it was going to support any international move, which would persuade Amin to extend the expulsion deadline. A tougher line was not taken by the Indian side as an Indian move against a purely racial issue would have been interpreted as Indian

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<sup>37</sup> K. Mathews, "Indian Diaspora in Africa", p.7.

<sup>38</sup> Ajay K. Dubey, "Indian Settlers in Africa: A Link with Great Potential", in Umashankar Jha (ed.), *India - Africa Relations: Prospects in the New Millennium*, (Delhi: Association of Indian Africanist, 2001), p.76.

<sup>39</sup> Ibid, p.76.



interference and design in Africa. Indian support to Afro-Asian solidarity was another constraint.<sup>40</sup>

India did not accept the Asians with British Passport as it considered them as British responsibility and began evacuating the Indian Passport holders. However, India's restrained approach succeeded in getting Amin to agree to pay compensation for business and properties of Indian Passport holders. As a result of the mass expulsion, 50,000 Asians left Uganda before deadline. Most took shelter in Europe, mainly in US, Canada and U.K.<sup>41</sup> Few opted for Australia, India and Pakistan.

Shops and homes of the expelled Asians were expropriated by the Government and in most cases allocated indiscriminately, without considering the capacity of the persons to carry on business. Generous loan in foreign exchange were given from the Central Bank to new allottees in a hope for business revival.<sup>42</sup> Almost nothing or very little positive effect the move came out with. The effects of the mass expulsion began to be felt. Education, engineering, import-export, trade, industry, building and transport services etc.were adversely affected. Uganda, began to witness the era of shortages and long queues for essential commodities. This indirectly was an acknowledgement of the contributions of the Asians to Uganda.

This expulsion gave a severe jolt to India Uganda relations and slowed down the pace. After the fall of Amin in 1979, relations began to pickup slowly. After Amin,

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<sup>40</sup> Ibid, pp. 76-77.

<sup>41</sup> The United Kingdom severed diplomatic relations and imposed a Trade Embargo against Uganda.

<sup>42</sup> Syed A.H. Abidi, "The Return of Asians to Uganda", *Africa Quarterly*, vol. XXXVI, no.3, 1996, p.48.

Uganda witnessed short lived administrations of President Lule, President Binaisa and Chairman Military Commission Paulo Muwanga, followed by the regime of Milton Obote and Major General Tito Okello.

A bilateral Trade Agreement was signed between two countries in 1981. Both countries also signed a Cultural Exchange Programme (CEP) in 1981. This programme provided for gifts of books, sports and scientific equipments, besides exchange of experts and trainees. However, with the coming to power of the NRM Government under the leadership of President Yoweri Kaguta Museveni, things started to change for the better. This marked the beginning of a new chapter in India Uganda relations.

Chapter-II  
Uganda-India Relations (1990-2002)

## CHAPTER-II

### UGANDA-INDIA RELATIONS (1990-2002)

After the major aberration during the period 1972-76, India Uganda relations slowly moved towards normalcy. Idi Amin's expulsion of resident Indian community signaled the flight of capital resulting in the economic decline. By Amin's downfall in 1979, Uganda was already a dead economy. The following regime under the veteran leader Milton Obote failed to improve matters much. After a decade long oppressive rule of Amin and Obote's misrule, Uganda was plunged into chaos and civil strife for several years, which further worsened the state of economy. However, the emergence of the National Resistance Movement (NRM) Government under the leadership of the incumbent President Mr Yoweri Kaguta Museveni in 1986 brought back the country under civilian rule. And most importantly it introduced a comparatively stable and progressive rule.

The NRM Government under President Museveni came with a Ten-point Programme of 1. establishment of popular democracy 2. restoration of security 3. consolidation of national unity 4. defending national independence 5. building national economy 6. restoration and rehabilitation of social services 7. elimination of corruption and misuse of power 8. resettlement of the displaced people 9. regional cooperation and human rights 10. strategy of mixed economy, as the fundamental guiding philosophy of the movement's political, social and economic policies.

In the words of Mr. K.H. Patel, High Commissioner of India to Uganda from 1992 to 1994, "By 1986, when President Museveni assumed power, GDP has been declining at a rate of 5.5% per annum, while percapita GDP was declining at 8% per annum. Real income perhead declined by 40% between 1972-1985. However, since 1987, average growth of GDP has been 5.5 % per annum. The 1994-95 fiscal year had a GDP growth of 10%. Inflation has declined from an average of 258% in 1986-87 to below 10% for the last two years. Presently Uganda has the second fastest growing economy in Africa.<sup>1</sup>

To quote Mr. K.H. Patel again, he writes, "A recent World Bank publication on Uganda said:

When the National Resistance Movement (NRM) Government came to power in 1986, it inherited a country shattered by years of misrule, instability and insecurity, and civil war. Uganda's once impressive economic and social infrastructure lay devastated by war and lack of maintenance. Skilled personnel had fled the country. Agricultural production had fallen considerably, and industrial enterprises lay abandoned. Severe macro-economic imbalances fueled inflation, external payments arrears were large and growing.

In the period since then, the Government has made considerable progress toward stabilizing the economy restoring essential infrastructure such as trunk roads and reviving the agricultural sector. In view of the progress that has been achieved in these areas, the Government is now devoting greater attention to addressing medium to long term issues.

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<sup>1</sup> K.H. Patel, "Transition in Uganda: From Chaos to Stability", *Africa Quarterly*, vol. XXXVI, no.2, 1996, p.20.

It is an unusual tribute from an international organization known for its moderate and restrained language”.<sup>2</sup>

President Museveni, on 26<sup>th</sup> January 1991, while addressing the nation on the fifth anniversary of his administration, called Amin’s act of expulsion of 70,000 Asians in 1972 as the “mindless grabbing of the fruits of others labours ” and called that “the consequences are still tormenting us”. In May 1991, President Museveni formally invited all émigré Ugandan Asians who had been expelled during the Amin regime, to return to Uganda and reclaim their properties and assets. He also announced that the properties of the expelled Asians would be returned to the rightful owners. This gesture was intended to attract both international approval and investment in the Ugandan economy, by expelled Asians who had prospered since leaving Uganda.

The Asians also responded positively to the President’s call. They held several meetings in the United Kingdom, Canada, India and in other countries, to exchange ideas about the plans of returning to Uganda. Asians began returning and the properties began to be returned to the returnees.

No doubt the process provoked jealousies and racial antagonism from domestic quarters, the return of émigré Asians to reclaim the property continued. In many cases indigenous businessmen complained that they had been insufficiently compensated. Despite sporadic acts of violence the government adhered to its

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<sup>2</sup> Ibid, p.19.

compensation policy and extended the deadline for Asians to return and reclaim their expropriated assets from October 1993 to April 1994.

Though the return was slow, it was steady. Over 4,000 properties have been thus repossessed by people of Indian origin. Many of them have rehabilitated several of these properties including agricultural farms, factories and other enterprises.<sup>3</sup> Sri T.G. Ramamurthi has written "As the Indian High Commissioner in Kampala observed: The government deserves a lot of praise for making a tough decision. It has not been easy to allow people to take back property which had been expropriated, but homes as well as businesses have been handed back. Uganda has sustained a well thought out policy and deserves credit for it. In this I would single out the President for taking a decision and sticking to it."<sup>4</sup>

## **POLITICAL RELATIONS**

Since Uganda's independence from British colonial rule in 1962, India's relations with Uganda have been traditionally cordial except, for a brief period between 1972 and 1979. There has been several high level political contacts accompanied by active economic and cultural exchanges between the two countries, during the period from 1990 to 2002.

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<sup>3</sup> Ibid, p.24.

<sup>4</sup> T.G. Ramamurthi, "A Multi Faceted Cooperation: Five Decades of India-Uganda Relations". *Africa Quarterly*, vol.36, no.2, 1996, p.16-17.

President Museveni's state visit to India on 12<sup>th</sup>-16<sup>th</sup> October 1992 was the first landmark event during the period 1990-2002. It provided a fresh fillip to India Uganda relations and a momentum on which both countries could move forward to forging a constructive relationship based on mutual benefit. During his state visit, speaking at a Presidential Banquet, President Museveni apologized for the sufferings that the Indian community had to go through because of its expulsions from Uganda by Idi Amin and said that "let bygones be bygones and let us turn a new leaf in Indo-Uganda relationship." The then Indian Prime Minister Sri P.V. Narasimha Rao also said that this unfortunate chapter should be treated as closed, and that it would not stand in the way of further cooperation in all the fields between India and Uganda.

In December 1992, Ugandan Vice President Dr. Samson Kisekka visited the Indian state of Gujarat. During his visit, at the instance of Mr. K.H. Patel, the then High Commissioner of India to Uganda, the Vice President Mr. Kisekka spoke at the opening of Sri Swaminarayan sect's Akshaydham temple at Gandhinagar. There he once again expressed Uganda Government's regrets over Amin's reckless action and handed over to the head of this sect, the repossession papers concerning some Swaminarayan temples, confiscated during Idi Amin's rule.<sup>5</sup> The Vice President also visited various industrial concerns in Gujarat. Mr. Kriya Kategaya, in additional charge of foreign affairs, who was President Museveni's close companion right from

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<sup>5</sup> K.H. Patel, *op cit.*, n 1, p.25.



the beginning of armed struggle against Milton Obote's regime in 1981, and also the first Deputy Prime Minister and the National Political Commissar of Uganda, paid a brief visit to India in September 1993. He held talks with the Indian Vice President Sri K. R. Narayanan and had luncheon meetings, with Minister of State for Commerce, Kamaluddin Ahmed and Minister of State for External Affairs Sri R.L. Bhatia. Besides, he visited the Escorts Tractor Factory at Faridabad and Tata Exports Ltd. at Bombay. He was impressed with Indian Technology and expertise. After his return to Uganda, he expressed their relevance to Ugandan needs.

In the same month, September 1993, Indian Minister of State for Commerce Kamaluddin Ahmed visited Uganda with a government and business delegation of twenty persons. The Indian Minister called on President Museveni and had meetings with several ministers and endeavored to promote economic relations with Uganda. The accompanying businessmen entered into several contracts regarding import of Indian goods, with their Ugandan counterparts. The first meeting of the India Uganda Joint Committee for Economic, Technical, Scientific and Cultural Cooperation, was held at Kampala in January 1994. The meeting reviewed the scope and extent of existing relations between the two countries. Several proposals, ways and means for strengthening the bilateral relations were also considered during this meeting.

In September 1994, President Museveni leading a high power trade and investment delegation visited India for the second time. During the visit, he addressed a large

gathering of businessmen, convened by the Confederation of Indian Industry (CII), in Bombay. During his address, the President reiterated the attractive terms offered by Uganda, and also invited Indian industrialists to invest in Uganda. President Museveni also held one-to-one meeting with the Chief-Executive Officers of important Indian Corporations. The accompanying Ugandan government and business delegates held bilateral talks with businessmen in Bombay, Baroda and Ahmedabad for joint ventures and commercial deals.

Ugandan Minister for Education and Sports visited India in December 1994. The second meeting of the India-Uganda Joint Committee for Economic, Technical, Scientific and Cultural Cooperation, was held in New Delhi in January 1996. During the same month Ugandan Vice President Dr. Specioza Wandira Kizibwe visited India. During his visit he attended the constructive deliberations of the second session of the India Uganda Joint Committee, in New Delhi. He was also present at the CII centenary celebrations in Bombay. In December 1996, the private visit of the Foreign Minister of Uganda Mr Eriya Kategaya to Delhi provided an useful opportunity for both the countries to review developments in the bilateral relations.

In the fiftieth year of India's independence, underscoring the priority India attached to sustaining and rejuvenating its close and privileged relations with Uganda, the Indian Prime Minister Sri I.K. Gujral visited the country on 4<sup>th</sup>-5<sup>th</sup> October 1997 (and the neighbouring Tanzania on 18<sup>th</sup> to 28<sup>th</sup> September). It was the first ever visit by any Indian Prime Minister to Uganda. This visit provided both the countries

opportunities to exchange views on a wide range of bilateral, regional and international issues. The Prime Minister expressed his government's support for Uganda's efforts to combat the drought situation and its programmes of development. There was also a convergence of perception on various international issues on both sides. The Indian Prime Minister expressed his appreciation of the Ugandan and Tanzanian Governmental initiatives to bring in a climate of peace, stability and cooperation in the region. During the visit, a Cultural Exchange Programme was renewed and an Air Services Agreement were concluded between the two countries. In a gesture of homage to a personage who inspired the freedom movements both in India and in Africa, the Prime Minister and President Museveni of Uganda jointly unveiled a bust of Mahatma Gandhi at the source of the river Nile in Uganda.<sup>6</sup> The Ugandan Government also issued a postage stamp, to honour Mahatma Gandhi on the occasion.

An exhibition of low-cost housing was organized by Building Materials Technology Promotion Council of India, from 3<sup>rd</sup> to 10<sup>th</sup> April 1998 in Kampala. This exhibition generated considerable interest in Uganda. Most significantly, this exhibition was the biggest ever fair/exhibition in Uganda, organized by India in April 1998. Ugandan President Mr Museveni made a transit halt at Mumbai. Uganda's First Deputy Prime Minister and Foreign Minister Mr Eriya Kategaya paid a private visit to India from 28<sup>th</sup> April to 1<sup>st</sup> June 1998. Dr Abil Rwendire, Ugandan Minister for

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<sup>6</sup> Annual Report 1997-98, Ministry of External Affairs, Government of India, p. 59.

Higher Education led a delegation to India on 1<sup>st</sup> to 7<sup>th</sup> November 1998. On 23<sup>rd</sup> – 24<sup>th</sup> November 1998, the Indo- Uganda Joint Committee met in Kampala. The Indian delegation was led by Secretary (ER) Sri S.T. Devare. Several areas of mutually beneficial cooperation were indentified by the Joint Committee deliberations. In December 1998 the Ugandan Minister of State for Health Dr P. Byaruhanga visited India.

Leading a delegation to India the Ugandan Minister of State for Housing, Mr Michael K. Werikhe participated in the International Exhibition “Build India 99” and “Environment India 99” held in New Delhi between 13<sup>th</sup> to 16<sup>th</sup> April 1999. Ugandan Minister for Ethics and Integrity Mrs Miria Matembe also visited India in 1999. Ugandan Minister for Local Government led a 4 member delegation to Andhra Pradesh and Karnataka, states of India on 17<sup>th</sup> 28<sup>th</sup> July 2000. The Delegation called on the Chief ministers and concerned officials of the two state governments and discussed about decentralization and related issues.

A 10 member delegation of Parliamentarians from Uganda led by Ugandan Parliament speaker Mr Edward Ssekandi, visited Indian Parliament on a 3 day study visit, in October 2002. Welcoming the visiting delegation, the Indian parliament speaker Sri Manohar Joshi observed that there was an ample scope for enhancing the socio-cultural, economic and commercial relations between India and Uganda. Calling for better Indo-Uganda relations, he emphasised on the need of frequent

meetings of parliamentarians of both sides, in order to facilitate people to people contact between both the countries.

During the visit, Mr Ssekandi condemned the terrorist attack on the Indian Parliament on 13<sup>th</sup> December 2001 and said it was an attack on the largest democracy of the world. He recalled that India has always been a true friend not only of the people of Uganda but also of entire Africa. Mr Ssekandi added that since the framing of new constitution in 1995 in which more power is given to parliamentarians, the number of women parliamentarians has increased in Uganda. This visiting delegation of parliamentarians called on Sri P.M. Syeed, Deputy Speaker of Lok Sabha. Sri Sayeed said, India and Uganda share a common agenda of strengthening Parliamentary Democracy. The deligation also called or Minister of State for External Affairs Sri Digvijay Singh. It had meetings with prominent personalities of India like the former Prime Minister Sri I.K. Gujral, former Lok Sabha Speaker Sri Shivaraj Patil, Member of Parliament Sri Pranav Mukerjee, Secretary General Sri G.C. Malhotra and had discussions on themes like Indian parliamentary and political system, an overview of Indian economy, parliamentary practices and procedures.

## **ECONOMIC RELATIONS**

Relations between India and independent Uganda acquired an economic edge from the very beginning. The first Agreement signed between both the countries on 18<sup>th</sup> September 1964, was a Memorandum of Agreement on Sugar Industry. Since then economic relations between both the countries have continued and grown, excepting the major aberration during 1972 – 79 period. Both the countries have exchanged many trade and business delegations and signed many agreements. Economic and Technical cooperation between India and Uganda has flourished significantly particularly after the taking over by the NRM Government under the leadership of President Museveni in 1986. The NRM government has been looking to India, as a matter of policy, for economic cooperation and investment in industrial joint ventures. A number of economic and business delegation have been exchanged between India and Uganda, which has facilitated the growth of bilateral economic relations.

In his second visit to India in September 1994, President Museveni headed a high power business delegation. This visit generated considerable interests among Indian investors. During this visit the India – Uganda Joint Business Council Agreement was signed on 12<sup>th</sup> September 1994 at Bombay. The signatories from the Indian side were Federation of Indian Chamber of Commerce and Industry (FICCI) and Associated Chambers of Commerce (ASSOCHAM) and from the Ugandan side were the Uganda National Chamber of Commerce and Industry (UNCCI), Uganda

manufacturers' Association (UMA), Uganda Export Promotion Council, Uganda Investment Authority (UIA), Uganda National Farmers' Association and the Uganda Small Scale Industries Association. The Joint Business Council (JBC) was set up to carryout business promotion activities in areas such as trade, investment, technology transfer and other related services systematically, for promotion of Indo-Ugandan economic cooperation. And thus become a regular and recognized forum for discussion on the promotion of cooperation between businessmen and industrialists of the two countries. The JBC met for the first time on 7th February 2001 in Uganda, during the visit of Indian Minister of State for Commerce.

In July 2002 a conference "India and the New Economic Partnership for Africa's Development (NEPAD): Furthering Africa – India Economic Cooperation" was held in New Delhi. It was organized by the CII and the Export-Import (EXIM) Bank of India in collaboration with the Ministry of External Affairs, Government of India. The conference was part of the Indian Government's vibrant "Focus Africa" policy aiming at providing a functional framework for sustained partnership between India and individual African countries as well as with regional groupings in the continent. This important conference was attended by over 30 representatives of industry and finance from various African countries, including the representative of Uganda Central Bank. This conference provided opportunity for interaction between Ugandan representative and Indian industrialists, businessmen as well as entrepreneurs. The Indian Minister of State for Commerce visited Uganda's Agriculture Exhibition in Uganda, on 17<sup>th</sup>–21<sup>st</sup> July 2002.

## TRADE

India trades with mainly fifteen countries including Uganda, in Sub-Saharan Africa, which together constitute about 91% of India's total trade with the Sub-Saharan Region and amount 3% of India's trade with the world. The first Trade Agreement between India and Uganda was signed on 18<sup>th</sup> November 1965. This agreement containing 12 articles, was signed by Sri Manubhai Shah, Minister of Commerce and Industry, Government of Indian and Ugandan Minister of Commerce Mr Lameck Lubowa. This 1965 Trade Agreement Continued in force till a fresh agreement was signed in 1981.

India's export to Uganda comprises mainly of transport equipments, drugs, pharmaceuticals and fine chemicals, machinery and instruments, rubber manufactured products etc. A detailed cost of India's export of principal commodities to Uganda during 2000-2001 (April to March) and 2001-2002 (April to March), quantity and value is given in Table No.1.

**Table No. 1**

**India's export of Principal Commodities to Uganda**

(Provisional Figures: value in Rs. Lakhs)

COMMODITIES	UNIT	APRRIL2000-MARCH2001		APRIL2001-MARCH2002	
		QUANTITY	VALUE	QUANTITY	VALUE
PROCESSED MINERALS			34.65		21.78
MICA	KG			6000	5.59



POULTRY PRODUCTS			5.14		4.13
SPORTS GOODS			74.48		27.09
COTTON RAW INCLD. WASTE	TON			3	0.95
MARINE PRODUCTS	KG			16185	4.18
MISC PROCESSED ITEMS			41.44		79.95
PROCESSED FRUITS & JUICES			35.35		2.53
FRESH FRUITS			0.84		1.00
FRUITS/ VEGETABLE SEEDS	KG			1436	4.59
SHELLACK	KG	490	0.22		
SPIRIT & BEVERAGES			11.28		5.84
GROUNDNUT	TON			18	3.64
SUGAR	TON			7	1.85
SPICES	KG	63	0.07	19500	12.71
RESIDUAL ENGINEERING ITEMS			102.57		14.38
TRANSPORT EQUIPMENTS			2783.52		3682.34
MACHINERY AND INSTRUMENTS			2643.59		3330.12
MACHINE TOOLS			114.50		214.70
MANUFACTURES OF METALS			1162.57		1461.19
NON-FERROUS METALS	KG	124235	92.02	2814	3.83
ALUMINIUM OTHER THAN PRDCTS	KG			9990	9.71
FERRO ALLOYS	TON	190	56.18	14	3.43
OTHER COMMODITIES			744.33		511.05
PROJECT GOODS			13.26		13.46
CARPET (EXCL. SILK)			19.16		68.51

MILLMADE					
HANDCRFS(EXCL. HANDMADE CRPTS)			45.38		57.90
COIR & COIR MANUFACTURES					0.76
RMG OF OTHR TEXTLE MATRL			20.83		48.50
RMG WOOL			9.94		3.72
RMG MANMADE FIBRES			211.10		170.10
RMG SILK			7.29		0.02
RMG OTTON INCL ACCESSORIES			581.55		465.06
WOLLEN YARN, FABRICS, MADEUPSETC			31.09		73.99
MANMADE YARN, FABRICS, MADEUPS			487.70		582.90
NATRL SILK YARN, FABRICS, MADEUP			0.07		34.13
COTTON YARN, FABRICS, MADEUPSETC			801.58		674.86
MANMADE STAPLE FIBRE	TON		18.73		23.66
COMP SOFTWARE IN PHYSICAL FORM	TON		17.76		5.22
ELECTRONIC GOODS	TON		274.32		669.63
PRMRY & SEMI-FNSHD IRON & STL	TON	1292	331.47	8783	1785.83
IRON & STL BAR/ROD ETC&FRRO ALOY		240	86.33	140	29.68
RICE (OTHER THAN BASMOTI)	KG	34	4.26	148	20.39
WHEAT				0	0.04
DAIRY PRODUCTS	TON		1.23		1.84

TOBACCO MANUFACTURED	TON	270	2.16		
FLORICLTR PRODUCTS			14.46		
RICE-BASMOTI		154	52.92	131	37.08
PULSES				99	26.54

Source: Foreign Trade Statistics of India, Principal Commodities and Countries, DGCIS, March 2002.

Table No. 2 presents the detailed list of India's export of principal commodities to Uganda during the year 1991-1992 (April to March) and 1992-1993 (April to March) and their quantity and value.

Table No. 2

## India's export to Uganda by principal commodities

(Provisional Figures; Value in Rs. Lakhs)

COMMODITIES	UNIT	APR.1991-MAR.1992		APR.1992-MAR.1993	
		QUANTITY	VALUE	QUANTITY	VALUE
RICE - BASMOTI	TON	43	9.22		0.00
TOBACCO MANUFACTURED	KG	300	4.69		0.00
SPICES	KG	1350	0.70		0.00
SPIRIT & BEVERAGES			3.88		0.00
FRUITS & VEGETABLES					0.03
PROCESSED FRUITS & JUICES					0.12
MISC PROCESSED ITEMS			28.04		9.75
PROCESSED MINERALS					5.06
OTHER ORES AND MINERALS					0.48
LEATHER AND MANUFACTURES			0.79		2.68
FOOTWEAR OF LEATHER			4.19		16.59
FOOTWEAR OF RUBBER/CANVAS ETC.			11.60		4.70
SPORTS GOODS					7.41
GEMS & JEWELLERY			2.21		0.00
DRUGS, PHARMACEUTICALS AND FINE CHEMICALS			115.48		552.32
DYES/PIGMENTS & COAL TAR CHEMICALS	KG			11900	20.76
INORGANIC/ORGANIC/AGRO CHEMICALS	KG	1200	0.68	53745	3.31

COSMETICS /TOILETRIES ETC.			13.63		20.03
RUBBER MFD. PRODUCTS			222.46		354.59
PAINTS/ ENAMELS/ VARNISHES ETC.	KG	1022872	4.46	897060	6.57
GLS/GLSWR/CERMCS/REFTRS/ CMT/			63.44		120.80
PAPER/ WOOD PRODUCTS			2.45		6.44
PLASTIC & LINOLEUM PRODUCTS			33.59		52.91
RESIDL CHEMICAL & ALLIED PROCTS			0.24		0.11
MANUFACTURES OF METALS			38.45		257.56
MACHINE TOOLS			37.50		23.92
MACHINERY AND INSTRUMENTS			618.72		1025.00
TRANSPORT EQUIPMENTS			1767.12		2693.89
RESIDUAL ENGINEERING ITEMS					8.45
PRMRY & SEMI-FNSHD IRON & STL	TON			75	7.43
ELECTRONIC GOODS			25.33		106.74
COTTON YARN, FABRICS, MADEUP SETC			24.73		87.64
NATRL SILK YARN, FABRICS, MADEUP					0.81
MANMADE YARN, FABRICS, MADEUPS			13.94		193.08
WOLLEN YARN, FABRICS, MADEUP SETC			3.79		26.43
RMG COTTON INCL ACCESSORIES			14.82		168.78

RMG SILK			6.29		11.32
RMG MANMADE FIBRES			11.85		34.23
RMG OF OTHER TEXTLE MATRL					18.84
JUTE MFS EXCLUDING FLOOR CVRNG	TON			117	25.85
CARPET HANDMADE			5.35		0.22
HANDCRFS HANDMADE CRPTS)	(EXCL.		0.43		13.09
PROJECT GOODS			2.39		10.91
OTHER COMMOTITIES			19.34		90.64

Source: Foreign Trade Statistics of India, Principal Commodities and Countries, DGCIS, March 1993

Table No.1 and Table No.2 enable us to look at the scenario of Indian export of principal commodities during the year 1991-92 and a decade later in 2001-2002. A comparative study of these two table hint at the fact that over the decade from 1991-92 till 2001-02 Indian export to Uganda in terms of both the number of commodities, their quantity and also their value have grown.

India's major items of import from Uganda include raw-hides, leather and wool. Table No.3 presents a detailed list of principal commodities from Uganda during the year 2000-2001 (April to March) and 2001-2002 (April to March).

Table No. 3

India's import from Uganda by principal commodities

(Provisional figures : value in Rs. Lakhs)

COMMODITIES	UNIT	APRIL2000- MARCH2001		APRIL2001- MARCH2002	
		QUANTITY	VALUE	QUANTITY	VALUE
MADE UP TEXTILE ARTICLES			1404.07		571.12
FRUITS & NUTS EXCL CASHEW NUTS			2583		2.11
SPICES	KG			1995	2.16
PULP AND WASTE PAPER	TON	6519	412.21	302	16.65
WOOL, RAW	TON	11	5.21		
RAW HIDES & SKINS	TON	71	71.72		
LEATHER			10.84		17.42
COTTON RAW:COMB. /UNCOMB./ WASTE	TON	1155	582.21	425	299.23
OTHER CRUDE MINERALS			2.85		
METALIFERS DRES & METAL SCRAP			9.06		
ORGANIC CHEMICALS					2.41
MEDICINAL & PHRMACUTICL PRODTS					6.30
ARTFCL RESNS, PLSTC MATRLS, ETC.			12.93		
CHEMICAL MATRL & PRODCTS			8.47		
PAPER BOARD & MANUFACTURES	TON			13	4.75
NON-FERROUS METALS			125.01		156.76

MANUFACTURES OF METALS			17.30		24.12
MACHRY EXCPT ELEC & ELECTRONIC					28.34
ELECTRONIC GOODS					0.29
OTHER COMMODITIES			120.38		10.68

Source : Foreign Trade statistics of India, Principal Commodities and Countries, DGCIS, March 2002.

Table No.4 presents a detailed list of India's principal commodities of import from Uganda during the year 1991-92 (April to March) and 2001-2002 (April to March).



**Table No. 4**

**India's import from Uganda by Principal Commodities**

(Provisional Figures; Value in Rs. Lakh)

COMMODITIES	UNIT	APR-1991-MAR-1992		APR-1992-MAR-1993	
		QUANTITY	VALUE	QUANTITY	VALUE
RAW HIDES & SKINS	TON	197	89.77	169	80.24
LEATHER	SQD	81,000	4.97		0.00
METALIFERS ORES & METAL SCRAP			159.16		0.00
OTHER COMMODITIES					71.14

Source: Foreign Trade Statistics of India : Principal Commodities and Countries, GDCIS, March 1993.

A comparative study of Table No.3 and Table No.4 establish that over a decade from 1991-1992 till 2001-2002 Indian import from Uganda both in number of commodities, their quantity and their value, have increased. During the second meeting of the India-Uganda Joint Trade Committee(JTC), held in Kampala on 5<sup>th</sup> – 6<sup>th</sup> July 2002, major items of trade showing positive growth are identified as: Drugs and pharmaceuticals (16.93%), transport equipment (47.8%), machinery and instruments (27.6%), rubber manufacture products (except foot wear) (84.4%), primary and semi-finished iron and steel (505.36%), manufactures of metals

(20.21%), inorganic/organic/agro-chemicals (101.10%), plastic and Linoleum products (37.76%), electronic goods (117.37%), cosmetics and toiletries (90.87%), glass, glassware, ceramics, reflectors, cement (8.67%), Non-ferrous metals (19.01%).<sup>7</sup>

At the time of signing of the first Trade Agreement between both the countries, in November 1965, Indo-Uganda Trade was approximately RS. 80 million. But with time the volume of bilateral trade have grown. According to data from the Indian High Commission, Kampala, bilateral trade between Uganda and India increased from US \$ 5.6 million in 1984 to US \$ 29.09 million in 1994. And during the second meeting of the JTC, it was noted that bilateral trade increased from US \$ 48.1 million during the calender year 2000 to US \$ 56.8 million during 2001.<sup>8</sup> This data is presented in Table No.5.

**Table No.5**  
**Trend in Indo-Uganda Trade**

(Approximate value in US \$ Million)

Year	Value of Indo-Uganda Trade
1984	5.6
1994	29.09
2000	48.1
2001	56.8

Source: Various Sources

<sup>7</sup> "Agreed Minutes of the Second India-Uganda Joint Trade Committee Meeting", Uganda Investment Authority Release, Kampala, July, 2002, p.4.

<sup>8</sup> Ibid, p.3.

**Table No. 6**  
(Value in US \$ million)

Year	India's Export to Uganda	India's Import from Uganda	Total Trade
1991-92	12.62	1.03	13.65
1992-93	20.80	0.54	21.33
1993-94	30.26	0.32	30.58
1994-95	33.72	0.18	33.90
1995-96	37.09	0.67	37.76

Source : DGCIS, various issues

The total trade during the year 1991-92 was US \$ 13.65 million, and rose to USE \$ 37.76 million in 1995-96. The trade of US \$ 37.76 million is composed of, US \$ 37.09 million worth Indian export to Uganda and US \$ 0.67 million Indian import. This indicates that India is a major exporter to Uganda, and Indian import from Uganda is negligible. In the year 1994, Uganda's trade with India accounted for approximately 7% of her total global trade, excluding import of petroleum products.

As per to the information from the Uganda High Commission, India ranks among the top six source countries for, Uganda with Kenya, United Kingdom, Japan, United Arab Emirates (UAE). But, India's import from Uganda during the year 1985-86 (April-March) was of Rs. 16.08 lakhs, in 1986-87 (April March) Rs. 10.75 lakhs and in 1988-89 (April-March) Rs. 7.15 lakhs. India's export to Uganda during 1990-91 (April-March) was of Rs. 1857.80 lakhs.

Table No. 7 presents year-wise data regarding value of India's import and export of principal Commodities with Uganda from the year 1991-1992 (April to March) till 2001-2002 (April to March).

**Table No.7**

**India's import from and export of principal commodities to Uganda**

(Approximate value in Rs. Lakh)

<b>Period</b>	<b>Import</b>	<b>Export</b>
(April to March) 1991-92	253.90	3111.79
1992-93	151.38	5994.51
1993-94	99.97	9167.20
1994-95	55.76	10587.07
1995-96	222.64	12541.93
1996-97	565.49	11875.31
1997-98	174.24	16369.07
1998-99	118.26	19087.95
1999-2000	983	16925
2000-2001	1404.09	20188.27
2001-2002	571.11	26439.73

Source : DGCIS, various issues.

Data contained in Table No.7 show that throughout the decade from 1991-92 to 2001-2002 India's export to Uganda have been many times of its import from that country. Further while Indian export have increased, import from Uganda has not

shown corresponding growth. Consequently trade is massively imbalanced and is heavily in favour of India.

However, Joint Trade Committee (JTC) was set up in 1991 and since then bilateral trade was brought within the purview of the JTC. A Debt Rescheduling Agreement was signed between the two countries in December 1992. Bilateral trade has been expanding and the establishment of the Joint Business Council (JBC) in 1994 has been a major step in the direction of further expansion of bilateral trade. During the Ugandan Vice President Mr Wandira Kazibwe's India visit in January 1996 he was present at the CII centenary celebrations in Bombay and in the deliberations of the second session of the India-Uganda Joint Committee in New Delhi. This demonstrated the desire of both the countries to strengthen bilateral trade and economic relations. The revival of the East African Community (ECA) following an agreement concluded between Kenya, Uganda and Tanzania in April 1996, held out the prospects of increased trade and economic exchanges between India and Uganda as well as the other two East African countries. A trade delegation from the CII visited Uganda in June 1996. In July 1996, trade delegation from the Indian Merchants Chamber visited Uganda.

The second India-Uganda Joint Trade Committee meeting was held in Kampala on 5<sup>th</sup> – 6<sup>th</sup> July 2002, in accordance with the India-Uganda Trade Agreement of 1991. The Ugandan delegation was led by Minister for Tourism, Trade and Industry Professor Edward B. Rugumayo and the Indian delegation by Minister of State for

Commerce and Industry Sri Rajiv Pratap Rudy. Sri Rudy during his 3 day stay in Uganda, called on Ugandan Minister of Finance, Planning and Economic Development Mr Gerald Sendaula, had useful discussions with Minister of State for Industry and Technology Dr Riochard Nduhuura and Minister of State for Regional Cooperation Mr Kahinda Otafiire, in the ministry of Foreign Affairs.

In the second JTC meeting the two sides reviewed the progress of bilateral trade and explored new areas of cooperation between the two countries. Both sides noted that the volume of trade witnessed an increase over the past five years. Bilateral trade during the calendar year 2000 was US \$ 48.1 million and increased to US \$ 56.8 million during 2001. The share of Indian Exports to Uganda increased from 3.8% (of total imports of Uganda) in 1996 to 7.2% in 2001. But exports from Uganda to 2<sup>nd</sup> had not increased correspondingly.

Both sides felt that there is further scope for strengthening and diversifying trade in areas like machinery for agro-based industries, leather and leather products, pharmaceuticals and drugs, textiles and yarns, engineering goods, mining, food processing, medicinal and cosmetic herbs, edible oils, organic and inorganic chemicals, tourism, packaging, printing, publishing, plastic and paper products, automobiles and parts, information technology. Potential areas for joint ventures were identified, as garment and leather industry, mining, processing of oil seeds, production and packing of textiles, leather and tanning industry, phosphate mining and phosphoric acid, hydro power projects. It was agreed that the levels of

interaction between the two countries should be more frequent in order to step up the volume of material trade, particularly the possibility of increasing exports from Uganda to India. It was also agreed that both sides should explore and exchange views on specific activities aimed at enhancing trade and investment.

Besides, the meeting reviewed the action on the Decisions of the First JTC meeting such as the measures taken by the FICCI and UNCCI resulting in the establishment of the Joint Business Council (JBC) and its first meeting in Uganda in February 2001. The meeting also discussed the difficulties faced by Ugandan importers and also importers of other countries in the Preferential Trade Areas (PTA) in the (COMESA region), to access the line of credit extended by the in Bank of India to the PTA Bank, due to non-availability of government guarantees, were discussed. It was agreed that further consultations on the matter be held within respective countries, to find a workable solution. It was noted that the Export Credit Guarantee Corporation of India (ECGC) which had earlier suspended coverage to supply of credit, resumed the coverage and lowered premium from 10% to 6% Consequently, the effective rate borne by exporters was reduced from 13.2% to 7.96%.<sup>9</sup>

It was emphasized in the meeting that both sides should make special efforts to ensure that JTC meetings are held once in a year as agreed during the First JTC meeting. In this regard, both sides agreed that the next (3<sup>rd</sup>) JTC meeting would be

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<sup>9</sup> Ibid, p.5.

held in India on around 20<sup>th</sup> February 2003, coinciding with the International Plastics Exhibition Plast India and India-Soft 2003.

On 10<sup>th</sup> October 2002, 56 Indian businessmen visited Uganda Government's International Trade Fair. The India Trade Promotion Organisation (ITPO) organized "India International Trade Fair" in November 2002, in New Delhi having the theme "Service, Export and Trade". It showcased India's achievements covering tourism, health environment and service sector. The fair enlisted participation of more than 6000 companies including 300 enterprises from abroad. A trade delegation of entrepreneurs from Uganda visited the fair. The Indian Association in Uganda sponsored this trade delegation. As expected by the Chairman of the Association Murtuza Dalal, this visit helped in strengthening the social, economic and cultural ties between the two countries.

In December 2002 Indian Government waived about Shs 9.4 billion (US \$ 5.23 million) debt, which Uganda Government owed it, under the Heavily Indebted Poor Countries (HIPCS). Indian governmental statement, signed by Indian High Commissioner to Uganda Mr Deepak Ray, expressed the hope that this waiver of governmental debt will significantly facilitate the process of further consolidation of Indo-Ugandan Economic Cooperation. And reiterated India's commitment to the economic development of the developing countries designated as HIPCS.



## **JOINT VENTURE**

Another important aspect of India Uganda economic relations, which has brought both the countries together is the modest investment of Indian capital in the industrial enterprises in Uganda, in the form of joint ventures between Indian and Ugandan entrepreneurs. India with its vast industrial base, resources, considerable technical skills and technology suited to the needs of developing countries has the capability of establishing and operating industrial ventures in Uganda and any other developing country from its side Uganda has also welcomed Indian joint ventures as a means to halt its massive dependence on Western Multinational Corporations.

During his visit to the Gujarat state of India, in December 1992, the Ugandan Vice President Dr Samson Kisekka visited various industrial concerns in the state; including the Gujarat State Fertilizer Company (GSFC) at Baroda. Since the sites near Tororo in Eastern Uganda have large deposits of rock phosphates, which could last almost 200 years. The Vice President invited the GSFC to send a delegation to Uganda to explore the possibility of a joint venture for producing phosphatic fertilizer in Tororo. This ultimately resulted in the signing up of a MoU between the GSFC and the Government of Uganda in October 1994, for a joint venture project in Tororo. The venture had the potential of supplying phosphatic fertilizer to several countries in the region. In this joint venture project the GSFC was to have the managerial control and India was to get an assured supply of the product, if

transportation through Kenya up to its port of Mombasa could be organized. But unfortunately the implementation of the MoU has not proceeded as was expected.<sup>10</sup>

Some major Indian business groups like the Madhavanis, Mehtas, Alam Group, Britannia etc. have been established in Uganda for many years. These groups are engaged in the promotion of trade and economic relations between India and Uganda as well as with the rest of the world. The Madhavani Group's business is mainly concerning tourism, steel bars, confectionary, sugar, been cooking oil, tea, card boxes, soaps, textiles, crown corks. The Mehta Group is into the bussiness of sugar, banking, insurance, cables, paper. And the Alam Group of Industries are mainly into construction business. The subsidiaries of Britannia, Brintannia (U) and Brintannia Foods (U) Ltd. in Kampala are producing biscuits and bread. Britania is also into fruit juice and synthetic drinks business.

Many Indian business firms like Bajaj Auto Limited, Mahindra and Mahindra Ltd., Maruti Udyog, Vikrant Tyres Ltd., MRF etc. have subsidiaries in Uganda. They have tied up with local firms in Uganda for distribution of their products in the local market. The Road-master Industries of India has established a Bicycle factory in Kampala in 1995, with aim of manufacturing upto three lakhs bicycles annually. Tata Exports Ltd. has also established its fully owned subsidiary, Tata Exports (U) Ltd. The transport trucks of Tata Exports are the most popular on Ugandan roads.

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<sup>10</sup> K.H. Patel, op cit., n.1, p.25.

In August 2000, a fifteen member business delegation from Gujarat visited Uganda. A number of joint venture proposals for setting up units in Uganda were initiated during the visit. The Hindustan Machine Tools (HMT) is interested in setting up a tractor plant in Uganda, under a joint venture arrangement. This was discussed in the second meeting of India-Uganda Joint Trade Committee held in Kampala on 5<sup>th</sup> – 6<sup>th</sup> of July 2002. The Ugandan government expressed its interest for the proposal, in view of the current focus of the country's policy for modernisation of agriculture.

Further during this second meeting of the Joint Trade Committee (ITC) potential areas of joint ventures were identified as garment and leather industry, mining, processing of oil seeds, leather and tanning industry, production and packing of textiles, phosphate mining and phosphatic acid, hydro power projects.

## **INVESTMENT**

Indian investment in Uganda and vice versa is another facet of India Uganda economic relations. In June 1995, a Chief Executive Officers' delegation of the CII led by President CII Mr Raji Kaul, visited Uganda. During their three day stay the delegation met the Ugandan President Mr Y.K. Museveni and also the Prime Minister Mr M. Kintu Muscke and other key Ministers. Two MoUs, one between the CII and Uganda Investment Authority (UIA) and the other between the CII and Uganda Manufacturer's Association (UMA). As a follow up of the MoU signed with UMA, CII and UMA set up a Joint Task Force to study the ways and means of enhancing Indian investment into Uganda and improving the flow of the Ugandan

exports to India. The Task Force came up with a list of recommendations which emphasized that, Uganda offers tremendous opportunities for investment. Uganda is experiencing visible turnarounds in political and economic areas which has attracted international attention. Economically Uganda is certainly on the path of growth and recovery, while the process of democracy has gained momentum in recent years. Most economic activities are presently fully liberalized and the government has consistently implemented the programme of privatization of existing public enterprises.<sup>11</sup>

The Roadmaster Group of India has invested US \$ 6 million and established a bicycle manufacturing plant in Kampala. This represents the largest Indian investment in Uganda. This Roadmaster bicycle factory was officially inaugurated by President Museveni in 1995. Chairman of the Company Sri Harichand Goel plans to increase the manufacturing of cycles in his factory to 300,000 annually. The Birla Engineering Services has entered into a MoU with the Uganda Development Corporation for conducting a feasibility study for an iron ore project. Subsidiaries of many famous houses like the Tatas, Bajaj, Mahindra and Mahindra, Maruti Udyog, MRF and Vikrant Tyres have also been set up in Uganda. Many Indian entrepreneurs have already made substantial investment in Uganda and have strengthened Indo-Ugandan economic relations According to the Central

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<sup>11</sup> Preeti Virmani, "India-Uganda: Partners in Industry", *Africa Quarterly*, vol. 36, no.2, 1996, p.66.

Promotions and Services Division of the UIA data, India ranks among the top six source countries for Uganda.

## **TECHNICAL COOPERATION**

The signing of the Agreement on Friendship and Technical, Economic and Scientific Co-operation between Uganda and India in 1965 opened the way for both the countries to undertake joint ventures in the field of Industrialisation and under this agreement of 1965, the Indian Technical and Economic Co-operation (ITEC) programme has been administered since 1965, which constitutes the major plank of Indo-Ugandan Technical Relation.

In its effort to enlarge areas of economic co-operation with other developing countries, specially of Africa, India lunched the ITEC programme in 1964. The ITEC programme with the aim of extending bilateral assistance and cooperation to different countries, provided a new impetus to growing India Africa economic relations. It covered a) extension of technical cooperation, aid and credit b) establishment of mutually beneficial trade relations and c) granting of capital aid and technical expertise to help build medium and small-scale industries. Presently at least 40 countries of Africa including Uganda are the beneficiaries of ITEC programme.

The Technical Cooperation Division of the External Affairs Ministry operates the ITEC programme. Under this programme India provides

- a) training (both civil and military). Military training is provided to the nominees in some of the most prestigious defence institutions of India such as the Indian Military Academy (IMA), National Defence College (NDC), Defence Services Staff College.
- b) project and project related assistance.
- c) Deputation of experts.
- d) Study visits.

On the recommendations of Indian Heads of Missions, study visits by senior level officers and decision makers from various partner countries are organized every year by the "Technical Cooperation" division.

The assistance offered under ITEC is a fully self-contained package inclusive of International air passages, boarding, lodging and training costs etc. Currently India bears an average cost of Rs 1.25 lakhs on each foreign participant under ITEC programme. Every year ITEC day is celebrated by Indian Missions abroad on 15<sup>th</sup> September. The Technical Cooperation Division provides humanitarian aid for disaster relief to various countries, in form of medicines, clothing, food etc, under the Aid to disaster Relief Programme (ADR).

The pace of cooperation with Uganda under the ITEC programme, had slowed down during the later part of Idi Amin's dictatorship (1972-79). But, the programme

acquired fresh momentum after the NRM Government under the leadership of President Museveni assumed power in 1986.

Besides ITEC, India through the Special Commonwealth African Assistance Programme (SCAAP), shares its expertise and experience with the African countries including Uganda. The SCAAP like the ITEC is operated by the Technical Cooperation Division of the External Affairs Ministry. The SCAAP concentrates on 15 commonwealth African countries, under which India extends technical and economic cooperation by way of imparting training to their nationals in the fields of constitutional and parliamentary studies, legislative drafting, police training, criminology, rural development or any other field on request. Indian experts are also deputed to help the recipient countries in the modernization and re-orientation of their training institutions.

Uganda is one of the largest beneficiaries of ITEC and SCAAP training programmes in India. ITEC trained alumni in Africa comprise 391 from Uganda.<sup>12</sup> As a follow up of President Museveni's first state visit to India in October 1992, two technical Indian delegations visited Uganda in 1993. These delegations submitted feasibility reports to the Ugandan Government, for the development of mini-hydro-electricity power projects in the country and a phosphatic fertilizer project near Tororo town in Eastern Uganda. Since Uganda is gifted with abundant river water,

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<sup>12</sup> Nav Rekha Sharma, "ITEC: A Profile", *Indian Africanist*, vol.1, no.2, April-June 1998, pp.47-49.

the implementation of Indian delegations' report on mini hydro-electric power project proves helpful in providing electricity to far flung areas of that country.

An important fall out of President Museveni's India Visit in 1992, was the stepping up of India's technical and educational assistance to Uganda. As a follow up of the President Museveni's visit, a secretary-level meeting was held in Kampala in January 1994, specifically to consider Ugandan requests for assistance in technical, scientific and educational fields. In the meeting Indian Foreign Secretary Salman Hyder led the Indian delegation and the Ugandan delegation was led by its Foreign Secretary. In the meeting most of the Ugandan requests were agreed to by the Indian side. The number of free training slots for Ugandans in various fields under the SCAAP were raised to 55 per annum and also the University education scholarships awarded to Ugandans were raised to 16 per year. Under the ITEC programme, the service of four Indian experts two in the field of medicine and two on small-scale irrigation, were provided to Uganda. Previously, there was only one medical personnel provided under ITEC.

Technical cooperation between India and Uganda under the ITEC programme received a fresh impetus under the Agreement signed on 27<sup>th</sup> August 1993 for the creation of a Joint Committee for Economic, Technical, Scientific and Cultural Cooperation. To quote T.G. Ramamurthi "on an average, since 1990-91, India has been providing 50 training slots to Ugandan nominees for various short term courses in India. Under ITEC Indian experts have also been departed to Uganda. During



1991-95, two experts in the field of irrigation were sent to the Ugandan Ministry of Agriculture and two experts the field of medicine were attached to the newly established Mbarara University of Science and Technology".<sup>13</sup> In 1998-99 ITEC provided irrigation pumps Uganda. In 1995-96 alone, more than 70 Ugandan nominees received training in India under SCAAP slots.

Further, the Federation of Engineering Industry in India offered to train up 10 young Ugandan engineers or entrepreneurs in India. The aim is for them to acquire technical and business skills to start small scale industry. With the support of the United Nations Industrial Development Organisation (UNIDO) and International Centre for Advancement of Manufacturing Technology, the CII, an apex industry association, with more than 3800 membership of Indian companies, has accepted to undertake a pilot project to train up African entrepreneurs in India, in different Indian micro/small units based on actual requirements of each entrepreneur.

In November 2000, a delegation from Uganda Investment Promotion visited India. The delegation held discussions with the Entrepreneurship Development Institute (EDI) and signed MoU for the promotion of indigenous entrepreneurs through education, training, research and institution building. In February 2001, Indian Minister of State for Commerce Sri Omar Abdullah visited Uganda at the head of a business mission of Indian entrepreneurs. The mission held meeting with

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<sup>13</sup> T. G. Ramamurthi, " A Multi Faceted Cooperation: Five Decades of India-Uganda Relations", *Africa Quarterly*, Vol. XXXVI, No.2, 1996, p. 15.

government officials as well as Ugandan Businessmen to explore possibilities of establishment of joint ventures and other business activities in Uganda.

In the second meeting of the JTC in Kampala on 5<sup>th</sup>–6<sup>th</sup> July 2002, it was noted that the Rail India Technical and Economic services (RITES) has won the Kampala Urban Traffic Improvement Plan (KUTIP), through international competitive bidding. The RITES has also submitted bids for many forthcoming projects in the future. The Ugandan government convinced of the relevance of RITES's expertise to Ugandan needs. It emphasizes that for future needs, the expertise of RITES can be taken advantage of, in the field of high-way programmes, rehabilitation of roads network, feeder roads upgrading and trunk road pavements, setting up of railways, track fittings and setting up of industrial parts.

Further, the representative of Entrepreneurship Development Institution of India (EDI), present in the delegation expressed interest in providing technical support for the establishment of EDI Uganda, which would complement the activities of the enterprise Uganda in reaching a wide range of entrepreneurs. The ultimate objective was to set up EDI-Uganda as a self sustaining institutions. In this regard, it was also proposed that the possibilities of availing the assistance under ITEC/SCAAP would be considered.

## **EDUCATIONAL RELATIONS**

India – Uganda Educational Cooperation began as already has been mentioned, even before Ugandan independence in 1962. Though the British administrators in Uganda were not enthusiastic about encouraging Ugandans to venture to India for education and training, the limited opportunities for tertiary education in Uganda made it imperative for Ugandans to seek higher education and training beyond the boundaries of Uganda and the United Kingdom. India, in a move to prepare the English speaking territories for eventual self-rule, launched a General Cultural Scholarship Scheme in 1949, especially for African students for higher education. This institution of scholarship scheme by India, for students from several parts of the Commonwealth and else where, served as a relief for the Ugandan students who could not secure places in the famous Makerere University. Securing a place in the Makerere University was also not easy because in the 1950's it was the only one of its kind in East Africa and thus was catering to the higher education needs of Uganda, Kenya, Tanganyika (Tanzania), Zanzibar, Northern Rhodesia (Zambia), Nyasaland (Malawi) and Sudan. Consequently the scholarship scheme, since then have become progressively popular, constituting the major plank Indo-Ugandan educational cooperation. Since then admissions of Ugandan students in various educational institutions in India, have increased.

As is already noted, many of Ugandan political leaders and civil service personnel have received higher education in India. Ugandan Prime Minister Mr Kintu Musoke,

Minister Mr Kirunda Kivejinja are alumni of University of Delhi. Senior diplomat Peter Nkurunziza is an aluminous of Jawaharlal Nehru University, New Delhi. John Muzeyi Ntimba, Minister of State for Education in the NRM Government till 1991 had studied BSc Ganhati University, Assam through the India Cultural Scholarship awarded to him in 1957. Mr Joseph Mubiru, who contributed brilliantly to the establishment of a Central Banking System in Uganda, received him first degree in Economics in India.

On an average about 1000 Ugandan students are receiving education in India annually, both on self-financing and under various scholarship and assistance schemes. Scholarships to Ugandan students are also provided under the Indian Council for Cultural Relations (ICCR) arrangements. 13 scholarships are provided to the Ugandan students through the ICCR in the year 1995-96. After China, India is one of the largest provider of scholarships to Uganda. The list of Ugandan students in various Indian institutions is given in Table No. 1.

Year	1986-87	1987-88	1988-89	1989-90	1990-91	1992-93	1993-94	1994-95
No. of Ugandan Students	54	46	31	48	60	57	98	297

Source: International students in Indian Universities, o.cit. n.1

The Cultural Exchange Programme (CEP) signed between the two countries, in 1981, provides for gifts of books, sports and scientific equipments, besides exchange

of experts and trainees. In 1994, 1300 books and a variety of sport equipments were presented to various educational institutions in Uganda.

Since Uganda has the Westminster model of Parliamentary system of government, the course on parliamentary procedures and practices offered at the Institute of Constitutional and Parliamentary Studies, New Delhi proves to be very useful for Ugandan participants. In the year 1992-93 and the year 1995-96, one each parliamentary fellow from Uganda came to New Delhi to learn parliamentary procedures and practices.

The Indian Institute of Mass Communication (IIMC), New Delhi, with active collaboration and support of the Ministry of External Affairs, conducts two five-month courses every year. Wherein the participants get financial support under SCAAP, ITEC and the Colombo Plan. Besides learning general principles of reporting, editing and issues related to politics of news, the participants interact with top professionals in the country. The IIMC has turned out 13 Ugandan students during 1992-1997.

The National Institute of Educational Planning and Administration (NIEPA) New Delhi, in cooperation with United Nations Educational Scientific and Cultural Organization (UNESCO) has been conducting a six-month International Diploma in Educational Planning and Administration, since 1995 on a regular basis. During the period of 1992-97, 9 Ugandans have attended the course. The Comptroller and Auditor General of India, since 1979 has been organising International Training

Programmes in different areas of auditing and accounting like audit of public enterprises, audit of public work and projects etc. More than 20 Ugandans have participated in these training programmes so far. The National Archives of India, New Delhi conducts two courses, a diploma course in Archival studies and a course in Archival Administration for International students. Among these two, the diploma course on Archival studies was attended by 1 Ugandan participant in 1990-91 and by 2 during the year 1991-92.

During the year 1998-99, Indian Council of Agricultural Research and National Agricultural Research Organisation of Uganda signed an Agreement of Cooperation in the field of Agricultural Research. Dr Abil Rwendeire the Ugandan Minister for Higher Education, led a delegation to India on 1<sup>st</sup> 7<sup>th</sup> November, 1998. During the year 2000-2001 Ugandan Minister of State for Industry, Mr Nyanzi, who himself is a farmer, attended a course "Small Enterprises Policy and Promotion" at the National Institute of Small Industry Extension Training (NISIET), Hyderabad. The Ugandan side is interested in the continuance of such training opportunities annually at an affordable or concessional cost, as Indian scholarship to Uganda.

A 10 member delegation of parliamentarians from Uganda led by the Ugandan speaker Mr Edward Ssekandi, visited India on 23<sup>rd</sup> October 2002. This delegation was on a three day study visit to the Indian parliament. This visit was organised by the Bureau of Parliamentary Studies and Training (BPST) of the Lok Sabha Secretariat. Welcoming this visiting team of Parliamentarians, the Lok Sabha

Speaker Sri Manohar Joshi observed that there remained ample scope for enhancing the socio-cultural, economic and commercial relations between Uganda and India. He also emphasised that people to people contact between the two countries will take place only if the parliamentarians from both sides meet often. This visiting delegation met many prominent Indian personalities like former Prime Minister Sri I.K. Gujral, former Lok Sabha Speaker Sri Shivraj Patil, Member of Parliament Sri G.C. Malhotra and held discussions on Indian parliamentary and political system, Indian economy and parliamentary practices and procedures. This study visit further strengthened India Uganda educational cooperation.

The ICCR hosted the visit of Prof Oswald K Ndoleriire, Dean Faculty of Arts, Makerere University, Kampala from 18<sup>th</sup>-28<sup>th</sup> February 2003, under its Distinguished Visitors Programme (incoming). He was in New Delhi from 18<sup>th</sup> to 21<sup>st</sup> February. The Ugandan Professor, who was stinet in Uganda Embassy in Paris, and currently a member of the (Sub) cabinet of the Tooro Principality with in Uganda, visited India to interact with comparable institutes of higher education, cultural and business organisations.

## **CULTURAL RELATIONS**

Cultural exchanges between Uganda and India began with intermingling of people from both the countries, due to Indian trade, commerce across the Indian Ocean, subsequent Indian settlement in Uganda and the venturing of Ugandans to India, with the institution of General Cultural Scholarship Scheme by India in 1949 and

scholarships provided under the ICCR arrangement. Ugandans in India particularly the Ugandan students studying in various Indian institutions and the large number of Ugandans of Indian Origin have been the most effective ambassadors of the culture, ideals, thoughts of both the countries.

However, in the post-independence period, Indo-Ugandan cultural relations have been institutionalized by the signing up of a Cultural Exchange Programme (CEP) between the two countries in 1981. The CEP incorporates specific provisions for exchanges relating to a number of activities concerning culture, education, mass media, sports. The CEP also provides for gifts of books, sports and scientific equipments, besides exchange of trainees and experts. The CEP signed in 1981 expired in 1995 and a fresh CEP was signed during the Indian Prime Minister Sri I K Gujral's visit to Uganda in October 1997. A Joint Permanent Commission (JPC) also exists between both the governments which has the responsibility of strengthening all round cooperation between the two countries. The JPC deals particularly with cultural and technical cooperation.

The Madhvani Group, a leading industrialist family of Indian origin, has set up their private television station in Uganda. Indian films are screened at the National Theatre and on Uganda Television. Jit Jewellers (Grand Imperial Hotel), Zewar Jewellers (Hotel Equatoria) and Radha Jewellers (Sheraton Hotel) etc in Uganda are doing business of ornaments and are serving as a channel, spreading the rich Indian culture.



The Indian Prime Minister I K Gujral visited Uganda in 1997, the fiftieth anniversary year of India's independence. This occasion was commemorated in Uganda and throughout Africa through a series of events including dance and music performances, photograph exhibitions, seminars, fashion shows, sports events, food festivals etc. These events strengthened Indo-Ugandan cultural relations and helped to recall the historic solidarity between India and Africa in general and between India and Uganda in particular.

After a gap of five years ITEC Day was celebrated in New Delhi on 15<sup>th</sup> September 1998. The celebration was attended by more than 350 guests consisting of heads of Diplomatic Missions and diplomats from more than 60 ITEC assistance recipient countries, government officials, media personnels. The gathering was addressed by the Indian Foreign Secretary. This was followed by cultural programme presented by candidates from Uganda, Zimbabwe, Mauritius, Uzbekistan. This occasion helped in strengthening Indo-Uganda cultural ties.

There has been many exchanges in the cultural sphere, between Uganda and India during the period 1990 to 2002. On 1<sup>st</sup> August 1999, Sri Amla Shankar performed modern dance in Uganda. Indian Bhajan singer Sri Agnihotri Bandhu performed in Uganda in October 2000. In January 2001, India's Gulam Naris and Gulam Sabir performed Kawali in Uganda. A percussion group called the "Panchavadyam Group" of Delhi Pachavadya Sangham, performed in Uganda from 1<sup>st</sup> to 18<sup>th</sup> August 2002. Yugantar Sindoor performed ghazals in Uganda in 2003. An eight member dance and music group from Uganda, the Ndere Troupe, reached New Delhi on 20<sup>th</sup>

January 2003. The troupe performed at various places in India including in New Delhi on 21<sup>st</sup> January and in Lucknow and Bhopal on 25<sup>th</sup> and 28<sup>th</sup> January respectively. This famous Ugandan dance troupe as an ambassador of Uganda's rich cultural heritage, helped in strengthening Indo-Ugandan cultural relations. Famous Odissi dancer Sonal Mansingh performed Odissi dance in Kampala in April 2003. These cultural exchanges have strengthened the bond between the two rich cultures of Uganda and India.

## **OTHERS**

Other areas of Indo-Ugandan cooperation include tourism, consultancy services, agriculture etc. As mark of the increasing Indo-Ugandan Cooperation, Air India after a gap of more than two decades recommenced service to Entebbe, in January 1996. During Indian prime Minister Sri I K Gujral's Uganda visit in October 1997, an Air Services Agreement was concluded between the two countries. On 22<sup>nd</sup> May 2001, a MoU was signed between the Hotel Association of India and Uganda Investment Authority (UIA) for cooperation in the fields of hotel, hospitality and tourism.

The years between 1990-2002 were witness to the emergence of India Uganda Relations out of the low phase during Idi Amin's dictatorship. The NRM Government's initiatives to step up relations with India have been crucial in this regard. During the period 1990-2002, relations have growth in all it's dimensions and have thus given a firm basis on which future India-Udanda relations would grow.

Chapter-III  
Prospects and Constraints in Uganda-India Relations

Improvement Plan (KUTIP) and also has submitted bids for many forthcoming projects, in the field of highway programmes, rehabilitation of roads network, trunk road pavements and feeder road upgrading, setting up of industrial parts and railway track fittings etc. In the field of trade and commerce, India is already among the top six source countries for Uganda. Consequently technology transfer from India in all these relevant areas, exchange of experience in policy formulation among the governmental as well as the private sectors of both the countries would enhance cooperation.

Uganda has witnessed economic recovery in 1990s. While by 1986, Gross Domestic Product (GDP) was declining at a rate of 5.5 percent, the 1994-95 fiscal year witnessed a GDP growth of 10 percent and is currently growing at a rate of 5.1 percent. The country has also brought down the inflation rate from an average of 258 percent in 1986-87 to below 10 percent in recent years.

The Ugandan Budget 2002/03 forecasted a deficit equivalent to 10.8 percent of GDP. Though it was an improvement over the previous year's deficit of 11.4 percent, it is much higher than the usual ceiling of 5 percent approved by the International Monetary Fund (IMF) and the World Bank. Nevertheless the BrettonWoods institutions have credited the NRM Government of President Museveni with a number of significant achievements.<sup>1</sup> The IMF in May 2002 observed, "while Uganda remains one of the poorest countries in the world, the

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<sup>1</sup> Linda Van Buren, "Economy", *Africa South of the Sahara 2003*, 32<sup>ND</sup> edition, Europa Publications, London and New York, p.1086.

share of the population living in poverty declined to 44 percent in 1996-97, from 56 percent in 1992-93.”<sup>2</sup> However the later figures indicated that the share fell to 35 percent during 1994-2000. The IMF also noted that the percentage of Ugandan children of primary school age who attended school increased to 94 percent in 1998-99 from 56 percent in 1995-96. Further the 2002/03 budget noted that the ratio of pupils to teachers had improved to 54:1 in 2002 from 57:1 in 2001. Moreover by 2002 Uganda had achieved some muchneeded diversification in its exports.

This was no small accomplishment for a country like Uganda, whose real GDP per head had declined by a full 40 percent between 1971 and 1986, the year NRM government under President Museveni came to power. Despite Uganda’s economic rejuvenation, modernization still eludes the country. Hence the country has about 24 million people, some of the poorest in the world, with per capita income of less than US\$ 400. Further the weakening currency, a worrying budgetary deficit, and lower coffee revenues indicate that many challenges are still ahead for Uganda.

However Liberalization and Privatization are fully underway in Uganda. Strict fiscal measures have restricted public expenditure and have ensured sustained privatization. The Private Sector Development Strategy adopted in the 1990’s was geared towards divesting the government out of the majority of about 107 existing Public Enterprises. Privatization is nearly 95 percent complete in all sections. Uganda’s relative economic growth, stability, low inflation and stable exchange

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<sup>2</sup> Linda Van Buren, “Economy”, *Africa South of the Sahara 2002*, 31<sup>st</sup> edition, Europa Publications, London and New York, p.1120.

rates etc. make Uganda rank among the fast growing countries in Sub-Saharan Africa.

These measures have earned Uganda strong approval and support from international financial institutions as well as bilateral development partners. These achievements and Uganda's relative political and economic stability in the region have also restored investor and donor confidence in the country. Consequently Uganda was the first country to access the Heavily Indebted Poor Countries (HIPC) initiative in 1997. By 1997, accumulated Foreign Direct Investment (FDI) stock had peaked at US \$ 643 million from a mere US \$ 4 million in 1990.

In order to bring about fast track economic development and modernization, the NRM government has instituted a comprehensive 'Big Push Strategy 2000-2005'. This Big Push Strategy (BPS) is Government facilitated and is aimed at developing strategic specific sector intervention programmes by government. The first phase of the BPS emphasises on rapid transformation of Uganda in to a strong producer of high quality traditional and agro-products and services, which will have a direct impact of jump starting the modernization of the country's economy. The BPS focuses on active and deliberate promotion by government on those sectors like agricultural, industrial and service sector, where Uganda has a competitive comparative advantage.<sup>3</sup>

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<sup>3</sup> Juliet Betty Kulubya Kajumba, "Uganda", *The Diplomatist*, vol.7, no.3, May-June 2003, p.89.

The Uganda Development Corporation (UDC) presently is concentrating on the development of core industries like mining and fertilizers. These have great investment potential for self-reliance of down stream industries like engineering, iron and steel, construction, infrastructure and agriculture implements.

Previously the size of the Ugandan domestic market was small. While only 3.4 percent of a population of 17.5 million had purchasing power, consequently there was a virtual absence of middle class in the country. The situation at present is improving and Uganda is emerging as an important hub of economic activities in East Africa, particularly in the neighbouring countries like Rwanda, Burundi, Kenya and Tanzania. Further Uganda is strategically positioned within east and central Africa, a region that includes some of Africa's most economically important countries. Thus the location at the heart of sub-Saharan Africa gives Uganda, commanding importance as a base for regional trade and investment. And since 1991, around 2,000 enterprises of various sizes have committed over US\$ 2 billion in actual investment.

Uganda has an efficient investment centre the 'Uganda Investment Authority' (UIA) which won the 1995 investment promotion agency of the year award for Africa and Middle East. This government undertaking is mandated by the investment code 1991 and has the sole aim of promoting investment in Uganda to the world at large. The UIA co-ordinates the national investment marketing programme, serves as the

point of contact for investors and also advises the government on appropriate investment policies.

The UIA acts as a supporter and assistant for investors and provides opportunity information. It issues licences and secure secondary approvals; helps investors to locate relevant project support services; Provides assistance in the acquisition of industrial land; Obtains work permits and special passes for foreigners; Arranges contacts and organizes itineraries for visiting foreign missions; Assists in seeking joint venture partners and funding; Makes policy recommendations; and advises potential investors on financing options.<sup>4</sup> Thus this internationally reputable investment centre serves as a one-stop centre for the investors.

## **UGANDA'S INVESTMENT INCENTIVES**

Uganda offers many investment incentives that include

- Uniform Corporation tax rate of 30 percent;
- Import duty Exemptions/concessions for plant and machinery;
- Duty Draw-back facility for export;
- Freely convertible currency;
- Value Added Tax (VAT) Deferral facilities; and

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<sup>4</sup> India Uganda Trade: Outstanding Issues, Uganda High Commission Release, New Delhi, February 2002, p. 7.



- Double taxation agreements with UK, South Africa, Tanzania and Kenya.

## **INVESTMENT GUARANTEES**

Offered by Uganda include

- MIGA Coverage : Uganda became a member of the Multilateral Investment Guarantee Agency (MIGA) in 1992. Under this agency, foreign investors can insure their investments in Uganda against a wide range of non-commercial risks including expropriation, currency transfer, and breach of contract and civil strife. Foreign investors apply for MIGA coverage through UIA.
- Uganda has also signed bilateral investment protection agreements with a number of other countries.

## **ACCESS TO INTERNATIONAL MARKETS**

Uganda offers access to a number of International markets. These include the market of the European Union, where Ugandan products are admitted duty free and quota free. Under the USA-African Growth and Opportunity Act, selected agricultural exports from Uganda have quota free access to the US market.

Besides its domestic market of about 20 million people, Uganda provides access to the East African market of about 74 million people, market of the Great Lakes Region with 157 million people. And most importantly Uganda provides access to the Common Market for Eastern and Southern Africa (COMESA), which has 23

member countries, 300 million people and annual imports of over US\$ 170 billion. In COMESA, Uganda enjoyed preferential treatment for their intra-COMESA exports by the way of reduced tariffs by over 70 percent and tariffs were subsequently reduced to zero, in 2000. The Clearing House system allows business to invoice exports in national currencies.

Besides, the conducive environment prevailing in Uganda, the cordial relations which India shares with that country, the goodwill that India enjoys with the Ugandan political leaders and the people, hint at the enormous scope for Indian investment in Uganda and for Indian industrialists to enter the Ugandan business scene in a big way.

#### **SCOPE FOR INDIAN INVESTMENT IN UGANDA**

include areas like

- Commercial farming, organic farming, processing of fruits, oil seeds, vegetables, local manufacturing of attractive packaging for fruits and vegetables, floriculture, fish and fish farming, live stock.
- Establishment of small-scale industry particularly in the sectors such as food processing, agro processing and other forest products.

- Software development, software exports and training, software for banking sector and E-governance, IT education and training, multi media, content development, data management, ware house and retrieval, Telecom equipment.
- Production and packaging of textiles, processing of yarns, garments, leather and tanning industry
- Financial and technical investment in phosphatic mining , phosphoric acid and hydro power projects , development of solar energy systems
- Setting up alcohol-based industries including alcohol processing and breweries, sugar and molasses based industry.
- setting up industrial park in Uganda.
- Infrastructure development like construction of roads, highways, rehabilitation of roads network, trunk road pavements and feeder roads upgrading, construction of railways etc.
- Setting up drugs and pharmaceuticals units.
- Setting up industrial training centers to train up the Ugandan manpower.
- Tourism development, setting up hotels etc.

## POTENTIAL AREAS OF INVESTMENT AND COOPERATION BETWEEN INDIA AND UGANDA

### *Manufacturing Sector*

Manufacturing Sector is the fastest growing, especially in agro-based processing, drugs and pharmaceuticals, light manufacturing, assembly of electronics, plastic and polyvinyl products, metal fabrication/manufactures, cement, fertilizers, cotton ginning, textiles, leather and footwear, manufacture and assembly of bicycles, paper, packaging, plywood, furniture and food processing .

### *Minerals And Mining*

Uganda has an abundance of natural resources, so the comparative advantage is heavily concentrated towards natural resources based opportunities. Uganda has significant deposits of clay, oil, high grade tin, tungsten, wolfram, iron ore, limestone, kaolin, glass, gypsum, phosphate and gold, there by provides significant opportunities in the field of mining. Besides, manufactures of ceramic ware, sheet container of glass, and processing of tin, wolfram, beryl and gold, salt and soda ash production are notable.

### *Agriculture*

Agricultural sector also provides an abundance of opportunities. These include admission of Ugandan students to the State Agricultural Universities in India, Indian expertise for the development of private sector farming by Indian entrepreneurs in

the cultivation of rice and cotton, development of agricultural machinery and post harvest technology, training in irrigation and watershed management in vegetable and food seed production in soil surveying, production of sunflower oil, mechanization of maize, sugarcane and rice cultivation.

### ***Financial Sector***

Opportunities for cooperation and investment in the financial sector between India and Ugandan firms include joint ventures in banking and other financial institutions.

### ***Service Sector***

Opportunities include health care, hotel and catering, telecommunication and information processing, information technology.

### ***Transport Sector***

Opportunities include road construction, rehabilitation of roads network, trunk road pavements and feeder roads up-grading, construction of railways, setting up Industrial part, providing consultancy services to the Ugandan railways in the field of railway safety, engineering, signaling and track fitting.

### ***Education, Technological Assistance And Training***

Cooperation and investment in this sector include deputation of experts like auditors, accountants, experts in the field of mining and of glass technology in Uganda, deputation of technical advisor to UIA, increasing the slots for Uganda in

the under-graduate level and the inclusion of post-graduate level for Ugandan students undertaking professional courses in Indian institutions, setting up of vocational training centre in Uganda for development in manpower skills.

### *Culture And Sports*

Culture and sports related cooperation within the framework of Cultural Exchange Programme (CEP).

### *Tourism And Civil Aviation*

Uganda, the pearl of Africa has a wealth of natural and manmade attractions. Opportunities in the tourism sector range from the construction of high quality accommodation facilities, development of specialized Eco-tourism, tourism development, providing consultancy services for maintenance and up gradation of major tourist destination, to air services etc.

## **CONSTRAINTS IN ~~UGANDA-INDIA~~ RELATIONS**

While there are many areas of mutually beneficial cooperation and investment, there is a set up constraints, as well, which hinder the smooth functioning and growth of Indo-Ugandan relations. The major constraints are

### *Trade Imbalance Currently In Favour Of India*

India Uganda trade is heavily in favour of India. For instance India is the fifth largest source of Uganda imports worldwide.<sup>5</sup> But the United Kingdom, France and the United States are the major destinations of Uganda's export. In 1998, exports of India to Uganda was about US\$ 67 million but imports from Uganda was only approximately US\$ 4 million. And during 2001-2002 (April-March) while India exported commodities worth approximately RS 26439.73 Lakhs, it imported commodities worth only RS 571.11 Lakhs. Trade imbalance between the two countries touched around US\$ 55 million in the mid 1990's.

This massive trade imbalance is a cause of concern for both sides. The need to bring in greater balance in bilateral trade is acknowledged. To redress this imbalance

Firstly, Indian investors have to be encouraged to exploit the investment opportunities existing in Uganda and produce commodities catering to the needs to the Indian market, such as spices, pulses like beans, peas and groundnuts, semi processed hides and skins, timber products etc. The investment opportunities in Uganda, wherein commodities tailored for Indian market can be produced include agriculture, livestock, fisheries especially fish processing, forestry especially timber processing, development of hotels, mining, textiles and garments.

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<sup>5</sup> Ibid, p.1.

Secondly, there is an urgent need that Uganda steps up its efforts to exploit the huge market in India for products like semi processed pulses, edible oil etc. Further, market development, intensified interaction and exchange of information would be of great help in realizing this goal. In this regard, Joint Business Council (JBC) meetings have to be conducted with commitment to promote trade, investment industry, tourism and other sectors of cooperation in accordance with the MoU signed between the two countries. Besides, exchange of delegation at all levels would enhance the situation.

### ***Long Outstanding Debt Owed By Uganda To India***

is one of the major stumbling blocks in Indo-Ugandan relations.

In respect of this debt owed by Uganda to India, a Debt Rescheduling Agreement was concluded between the two countries in December 1992. Development in the situation had not been convincing. The Indian Minister of State for Commerce and Industry, in February 2001 raised the issue of non payment of this debt by Uganda and expressed that this debt was discouraging potential investors in India from coming to Uganda. Ugandan first deputy Prime Minister and Minister of Foreign Affairs Mr Eriya Kategaya requested the Indian minister to find out a renewable plan to settle the issue and attract Indian investors.

India in its effort to improve the debt scene, has extended debt relief to Uganda under the Heavily Indebted Poor Countries (HIPC) initiative. In December 2002,



India waived about US\$ 5.23 million debt that Ugandan government owed it. With this debt waiver, the Indian side has reiterated its emphasis on the economic development of Uganda. This cancellation of government debt, as expected, will significantly facilitate the process of further consolidation of India Uganda economic cooperation. However, the Ugandan side also needs to make vigorous efforts to improve the debt situation.

#### ***Irregularities In The Meetings Of The 'Mechanism For Cooperation'***

There are many existing 'Mechanisms of Cooperation' between India and Uganda such as the Indo-Uganda Joint Trade Committee established in 1991. The Indo-Uganda Joint Committee for Economic, Technical, Scientific and Cultural Cooperation established in 1993, the Indo-Uganda Joint Business Council (established in 1994) etc. The Trade Agreement between India and Uganda signed in 1981, established the Trade Commission. Since the signing of this treaty in 1981, the Trade Commission has not been active and it has met only once in 1993. Further, the Joint Business Council has also met once in February 2001. There has therefore been lack of activeness in affecting these arrangements. There is need for activating these meetings as regularly as agreed by both sides.

#### ***Information Gap***

There remains a gap in information regarding the potential, opportunities existing in both the countries and regarding the dates of various fairs, exhibitions etc. hindering

the growth of bilateral relations. This continues as another constraint in bilateral relations. This issue was discussed in the second meeting of the India Uganda Joint Trade Committee held in New Delhi on 5<sup>th</sup>-6<sup>th</sup> July 2002. The Indian side highlighted steps being undertaken to bridge the information gap, such as publicizing various trade fairs and exhibitions to be held in India. Hence, both sides have to make sincere efforts towards intensified interaction and exchange information, to bridge the information gap that exists and slows down the pace of cooperation.

Besides these major hurdles on the way of growth of India Uganda cooperation, the absence of the desired development of some proposals also cause concern. For instance, the MoU signed between the Gujarat State Fertilizers Corporation (GSFC) and the Government of Uganda in October 1994 for setting up a phosphoric acid plant, a joint venture project in Tororo could not proceed as was expected. This point was raised by Sri. V.K. Grover, Secretary (west) Ministry of External Affairs, Government of India in his opening speech at the second session of India-Uganda Joint Committee meeting on 8<sup>th</sup> January 1996. Hence, these aspects which cause concern, deserve the immediate and effective attention of both the countries.

## Conclusion

## CONCLUSION

The origin of India Uganda contacts goes back to the historical linkages between India and Africa, particularly the eastern part of the continent. Indians had trade relations with eastern African territories. These trade relations subsequently resulted in social-cultural exchanges, intermingling, inter migration, with prominent Indian settlement in eastern Africa. This trade relation and the Indian settlement in Eastern Africa had lingering effects on subsequent India Uganda relations.

While origin of Indo-Uganda contacts was the outcome of deliberate trading endeavor across the Indian Ocean, origin of modern formal contacts was the result of the imperatives of the colonial system. Indian migration to the countries of east Africa was necessitated in the nineteenth century, by the British Colonial Empire's extension to Africa. During the British colonial period Kenya-Uganda Railway was constructed mainly to facilitate the exploitation of the vast resources of the interior. Indian labourers were brought by the British for this construction of Kenya-Uganda railway in 1895. This marked the beginning of modern formal contacts between India and Uganda. Many of those labourers, subsequently settled down in Uganda.

British India's policy towards the welfare of these indentured labours in British East Africa [comprising Uganda, Kenya, Tanganyika (presently Tanzania) and Zanzibar] marked the beginning of Indian political endeavor towards the colonial Uganda. This policy, with time was shaped into the emergent Indian leadership's

commitment to decolonization and anti-racism. This commitment formed the cornerstone of independent India's policy towards the colonial and subsequent independent Uganda. The Indian endeavor along with equal enthusiastic response from Uganda, formed the very basis on which India Uganda relations in the post-colonial period grew.

Ugandans traveled to India mainly from the mid twentieth century, as students seeking higher education. The institution of General Cultural Scholarship Scheme by India in 1949 facilitated the process. Consequently many Ugandan political leaders, civil servants received higher education in India. And during their stay, they were highly motivated and influenced by the Indian freedom struggle.

Independent India's crusade against colonialism had its beginning in British East Africa and India cooperated with Uganda in its effort to achieve independence. The appointment of an Assistant Commissioner in Kampala in 1955, visit of prominent Indian leaders to Uganda etc. were the gestures of friendship and cooperation towards the colonial Uganda, which was swiftly translated to diplomatic relations with independent Uganda in 1962, in the form of appointment of Indian High Commissioner to Uganda on the very same day.

India Uganda relations was given an economic edge, with the signing up of the first Memorandum of Agreement on sugar industry in September 1964. Prime Minister Milton Obote's India visit in August 1964 provided the political underpinning. This was followed by signing up of the first Trade Agreement and an Agreement of

Friendship and Technical, Economic and Scientific Cooperation on 18<sup>th</sup> November 1965. These agreements and subsequent exchange of a number of delegations from both sides gave a firm beginning to India Uganda relations. Then India was the largest single buyer of Ugandan cotton and Uganda imported cotton textiles, light engineering items, iron, steel, pharmaceuticals, other consumer goods etc. During that period bilateral volume of trade was about RS 80 Lakhs. India provided technical and educational assistance to Uganda under the ITEC, since 1965 and SCAAP programmes.

This firm beginning of relations suffered a major setback due to Idi Amin Dada's expulsion of Asians from Uganda in 1972. Firstly the typical living style, conservative background and every day's hard work routine etc. which spared very little room for the Indians to intermingle with native Ugandans and their aggressive nature in the commercial sector resulted in a kind of mistrust for them in the Ugandan society. Secondly due to their dominant position, a major portion of the Ugandan economy was then controlled by the Asians, which Idi Amin viewed as 'exploitation' of the country and resources. The mass expulsion of Asians can be seen as the result of both these factors.

However, India adopted a restrained approach to the whole expulsion episode. Because an aggressive response from India to an issue with a racial angle would have given a jolt to India's support for Afro-Asian solidarity. And further, it would have been interpreted as Indian imperial ambition in Africa and interference in

Africa's internal affairs, in contrast to its commitment to the Panchasheel Agreement.

After Amin's fall in 1979, India Uganda relations began to pick up slowly. And a Cultural Exchange Programme (CEP) was signed in 1981. The Trade Agreement of 1965 was also renewed in 1981. During that period Uganda was plunged into several years of chaos, misrule and civil strife and witnessed a number of shortlived regimes. The emergence of the NRM Government under the leadership of President Y.K. Museveni brought back civilian rule and provided a relatively stable and progressive government to the country. Since then India Uganda relations have witnessed a steady growth.

President Museveni's apology for Amin's expulsion of Indians, his invitation of Asians to return and his assurance of return of confiscated assets and most importantly the return of confiscated assets to the returnees amidst opposition from domestic quarters, were commendable steps and positive gestures. The invitation of Asians to Uganda can be seen both as a move to attract the muchneeded international approval of the NRM regime, and as a move to attract foreign investment in the devastated economy. However these gestures underlined Uganda's sincerity to heal the wound and strengthen its ties with India.

During the period 1990-2002, many efforts from both sides were made to strengthen relations in its various dimensions. India Uganda political relations were strengthened by two state visits of Ugandan President Museveni to India in 1992 and 1994 and Ugandan Vice President's visit in December 1994. Indian Prime Minister Sri I.K. Gujral visited Uganda in 1997. This first ever visit by Indian Prime Minister to Uganda underlined India's commitment to sustain and rejuvenate its close and privileged relations with that country. Besides, many ministerial and secretary level delegations were also exchanged between both the countries. And both countries has convergence of opinion on issues like the December 13<sup>th</sup> 2001 terrorist attack on Indian Parliament, Uganda government's development programmes and its efforts to combat drought to name a few.

During the period 1990-2002, both countries have worked out several mechanisms for undertaking bilateral cooperation. These mechanisms include the Indo-Uganda Joint Trade Committee (established in 1991), Indo-Uganda Joint Committee for Economic, Technical, Scientific and Cultural Cooperation (established in August 1993), Indo-Uganda Joint Business Council (established in 1994) etc.

Over the years, bilateral trade has increased in terms of volume, numbers of commodities and their quantities. While raw hides, leather, wool constitute major Ugandan export items to India. Transport equipment's, drugs, pharmaceuticals, machinery, rubber manufactured products constitute major Indian export to Uganda. Bilateral trade has increased from US\$ 5.6 million in 1984 to US\$ 29.09 million in



1994 and US\$ 56.8 million in 2001. Further while India ranks among the top six source countries for Uganda, Ugandan export to India had remained insignificant.

In the economic front MoUs have been signed between the CII, ASSOCHAM and the UNCCI, UMA, UIA and Uganda National Farmers Association etc. Many joint ventures and investments have also been undertaken and they are strengthening Indo-Uganda economic cooperation. Many business groups, prominently the Madhvanis, Mehtas, Alam Group, Britannia has been established in Uganda for several years. Many Indian business firms like the Mahindra and Mahindra Ltd., Maruti Udyog, Bajaj Auto Ltd., Vikrat Tyres Ltd, MRF have established their subsidiaries in Uganda. A cycle manufacturing factory worth US\$ 6 million is established in Kampala since 1995, which has been the largest Indian investment in Uganda.

In the technical front Uganda is among the largest beneficiaries of the ITEC and SCAAP programmes. ITEC trained alumni in Uganda is about 391. Many Ugandan students are receiving higher education in various Indian institutions. The Air India has recommenced air services to Entebbe in 1996, after a gap of more than two decades. In the cultural front many cultural groups and artists from each side have been performing in the other country.. During the period 1990-2002, the new CEP was also signed in 1997, during the Indian Prime Minister's Uganda visit.

In the contemporary global system, India, the largest democracy in the world with its stable government, steady economic growth, defence capabilities, huge skilled manpower and market is positioned to play a leadership role especially within the frame work of South-South Cooperation. This will definitely be of great support to the Ugandan side. Apart from this Uganda can immensely benefit from India's vast agricultural experiences in various agro-climatic zones, technical expertise relevant to Ugandan requirements. Further India has been especially successful in the development of small and medium scale enterprises, in which Uganda lags behind. India's expertise in Information Technology sector, its vast software industry etc open opportunities for Uganda. Hence technology transfer from India in all these relevant spheres, exchange of experience in policy formulation among the government and private sectors of both countries, would enhance bilateral cooperation.

Uganda offers opportunities for Indian investment in manufacturing, health, service, transport, infrastructure, technical-educational, tourism especially Eco tourism, and cultural sectors. Uganda provides many investment incentives along with access to its domestic market, the EU market, market of the Great Lakes Region and the COMESA market. This can serve as India's entry point to the virgin African market at large. Further Uganda's integration into the revived ECA promises greater economic cooperation.

While during the period 1990-2002 India Uganda relations have witnessed steady improvement in its various dimensions there are many aspects which has to be strengthened in order to realize the fullest scope of this 'mutually beneficial cooperation'. Firstly, bilateral trade is imbalance and is heavily in favour of India. While India is among the six top source countries for Uganda, Ugandan export to India is insignificant. To redress this trade imbalance Indian investors have to be encouraged to exploit investment opportunities in Uganda and produce commodities tailored for Indian market, also Uganda has to step up its efforts to exploit the huge Indian market. Because a greater balance of trade is always an essential part of prosperous bilateral cooperation.

Secondly, the long outstanding debt owed by Uganda to India has been another stumbling block. The non payment of this debt has been discouraging potential Indian investors from going to Uganda. However, India in December 2002 waived about US\$ 5.28 million of debt owed by Uganda, in order to further facilitate the strengthening of economic and commercial relations with Uganda. Similarly, steps also are need to be taken by the Uganda side to debt scenario. Thirdly, there is an urgent need of activeness in the functioning of the various mechanisms for fastening cooperation between the two countries and the information gap existing between the two countries has to be bridged through efforts from both sides.

India in its 'Focus Africa' initiative has identified six African countries, South Africa, Nigeria, Kenya, Tanzania, Mauritius and Ghana to step up cooperation. The absence of Uganda in the list of potential African countries is discouraging. Further, given the present conditions, Uganda can not be enthusiastically termed as an emerging economy. No doubt Uganda enlisted encouraging economic achievements till mid 1990s. In spite of the significant steps taken to put the country on the path of development, growth momentum is still fragile at present and aid dependency is high. But the country is on the right track and visible support from donors to Uganda constitutes a powerful signal to the investors.

However, the similar historical experiences of colonial rule and anti colonial struggles of both the countries, partnership in the NAM, in the Commonwealth and most importantly belonging to the 'South' and facing similar post cold war challenges of under development, nation building, environmental and other health hazards, cross border threats to their pluralistic societies etc. call for better India Uganda relations. In the era of globalization of economies as well as of terror, pluralistic societies of India and Uganda need to stand united.

In the contemporary world economic, cultural and military interests of the 'North' especially of the sole surviving super power, often come to clash with interests of the countries of 'South'. The wanton Anglo-American invasion of Iraq in March-April 2003, is the latest manifestation. This more than before has added a sense of urgency to the concept of South-South Cooperation, which will be a means for the

countries of the South to work together towards the democratization of international institutions and the establishment of a world order having greater respect for the UN and international law.

Further, increasing cooperation among the countries of South, within the frame work of South-South of Cooperation will be an effective means to reduce their dependence on the first world, increase their bargaining leverage with the North, promote collective self reliance of South and a strategy to support their development efforts. In this context, the instrumentalities of NAM and Group of 77 remain crucial. South-South Cooperation in this context, will not be a substitute rather a compliment to North South Cooperation. Ensuring the effective participation of the countries of the South in a more interdependent international economic order. These add further significance to India Uganda relations.

Considering India Uganda relations, it can be said that India Uganda relations were given a firm beginning in the post-independence era, in the spirit of South-South Cooperation. After the set back of Idi Amin era, bilateral relations received a new juvenate beginning during the period 1990-2002. Cooperation in various spheres have increased. But still there remains a long distance to be traveled. The full potential of Indo-Ugandan economic cooperation still remains largely untapped. Though bilateral trade has grown manifolds, it still remains low. The flow of investment is also much below the potential. Sincere efforts from both sides are essential to further enhance this mutually benifical cooperation. Since critical

challenges for the third world countries is part of the ongoing Globalisation process, India Uganda relations need to be given a reorientation, wherein both countries can take maximum advantage of the process and can substantially contribute to each others development. It can be concluded that time tested India Uganda relations have the potential to go a long way in attaining self reliance among developing countries, within the frame work of South-South Cooperation. Because, as a famous African saying goes, if a little tree grows in the shade of larger tree it will die small. But if a little tree stands side by side with a larger tree, that is the start of a forest.

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