

# INDO-SUDAN BILATERAL RELATIONS (1993-2003)

Dissertation submitted to Jawaharlal Nehru University  
in partial fulfillment of the requirements  
for the award of the Degree of

**Master of Philosophy**

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INDIA  
2004



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2<sup>nd</sup> January, 2004

**CERTIFICATE**

Certified that the dissertation entitled **Indo - Sudan Bilateral Relations (1993-2003)** submitted by **Aseem Chaudhary** in partial fulfillment of the degree of **Master of Philosophy** has not been previously submitted for any other degree of this or any other University. To the best of our knowledge, this is a bonafide work.

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

  
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## Preface

India and Sudan have many things in common. Starting with ancient civilization, struggle against colonialism, sharing similar experiences as developing economies and common participation in many global issues. The people of the two nations have mutual respect and admiration, for each other, and there exist considerable resources of goodwill in both countries, for each other. Both nations, share complementary economies and are important trading partners of each other. The historical relations between India and Sudan became very warm and cordial after Sudan's independence in 1956; and today, the two nations look eager, in their search, for avenues to enhance their cooperation in a number of new areas. However, this relationship in its long march, from ancient periods, has had its fair share of 'ups' and 'downs'. This dissertation makes an attempt to trace this historical Indo-Sudanese relationship, with its many 'ups' and 'downs'.

This dissertation gives special focus on the bilateral relations between India and Sudan during the 1990s. For this period shows some acceleration towards cementing, the historical and warm relations which the two have shared. The dissertation focuses on the reasons responsible for this change. Some of the reasons this dissertation will examine are – oil (Sudan is a major oil-exporting nation and India a major oil-importing nation); markets (Sudan is a gateway to Africa and Middle Eastern Markets); Sudan's quest for India's technical capability, especially in the fields of agriculture, industry, communication, health, information technology, biotechnology etc; India's policy shift towards Africa; the need for South-South Cooperation, to fight the ill-effects of globalisation; etc.

This dissertation also makes an attempt to examine the various constraints that might act as hindrances and obstacles, in the Indo-Sudanese relationship. Some of the constraints that this study will focus on are – the civil war in Sudan; the view that Sudan is inherently unstable; Sudan being labelled a

'rogue' state; the human-rights violation by the Sudanese government; and the allegations against Sudan that she exports terrorism. This study will also analyse as to how India reacts to these constraints; do these constraints influence the Indo-Sudanese relationship or are they ignored and overshadowed by the economic and political interests which are served by Indo-Sudanese relations. For example, as regards Sudan being a supporter of international terrorism the Indian view, as echoed during the first India – Sudan Joint Commission (1997), was that India supports USA in the area of fighting international terrorism, but in its relations with friendly countries (read Sudan), India takes its own decisions irrespective of the decisions to impose sanctions by third countries (read USA). As regard Sudan, being inherently unstable and it being a human-rights violator, the Indian view as expressed by Mr. Ram Naik, Petroleum Minister, has been that India's energy needs are more important than possible protests or rebel attacks and that the civil war in Sudan and protests from human-rights groups do not worry the Indo-Sudanese relationship.

Thus, the main objectives of this dissertation will be to find out the major strands of Indo-Sudanese relations; to focus on the emerging prospects of Indo-Sudanese relations especially in post-Cold War period; the dissertation has also attempted to examine the importance of oil in the bilateral relationship between India and Sudan. And in the end, the dissertation tries to focus on the various constraints and challenges in the, present day, Indo-Sudanese relations.

The dissertation aims to analyse the hypothesis that the Indo-Sudanese relations have received special attention, since 1990s, and the signing of various protocols, agreement and MoUs between the two nations is a clear testimony of such cementing. The dissertation also checks the hypothesis, that oil plays a vital role in the Indo-Sudanese relations, as Sudan has emerged as a major oil-exporting nation; while India has huge oil-deficits and is a major oil-importing nation. Finally, the dissertation also tries to test the hypothesis, that economic and political factors and interest, which are involved in the Indo-Sudanese relationship, are much



vital and important, for both nations, and that these interests overshadow the other various constraints and challenges, that hamper the present day Indo-Sudanese relationship.

The dissertation focuses on the above hypothesis and objectives in light of the fact that today's world is a 'globalized' 'unipolar' world that is 'economically' driven and that thrives on 'oil' and on the 'declared war against terrorism.'

The dissertation is divided into three chapters and is followed by the conclusion, at which this dissertation has arrived. The first chapter tries to trace the Indo-Sudanese relationship from ancient times to the present; much weight and focus is on the influence of India on the Sudanese national struggle and on the post-independence period, and especially, on the period from 1993 onwards. The second chapter is devoted on the economic and trade relations between the two nations; the chapter focuses on the 'ups' and 'downs' in the economic relations between the two and on the changes, therein, after the emergence of Sudan as one

of the leading oil-exporting nation in the world. The third chapter tries to examine the various constraints and challenges which hamper the present day (1993-2003) Indo-Sudanese relations, with special focus being on the civil war in the unstable Sudan; Sudan being labelled a 'rogue' state; Sudan being called a 'terrorist' state and a 'human rights' violator. The chapter also tries to find out the responses of India to the above. And as the last chapter comes the conclusion of the dissertation.

## ***Acknowledgements***

*I take this opportunity to express my gratitude and indebtedness to those, without whose invaluable help and co-operation, this dissertation would not have reached its final conclusion.*

*First and foremost, I express my sincere thanks to my Supervisor, Prof. S.N. Malakar, without whose guidance and 'ashirwad' it would have been practically impossible to complete this dissertation.*

*Through this dissertation I also make the modest gesture to repay, though very partially, my indebtedness to Prof. A. Dubey and my other JNU professors and teachers, who groomed me for this work.*

*I also thank my friends – Thakur, Prakash, Taussif, Tariq, Chander, Zia, Manishji, Shamim, Pankaj, Baggu, Vidhan, Wasim bhai, Imtiaz and Dahiya – for their constant support and much valued academic company.*

*Last, but never the least, my whole-hearted thanks to our beloved "Papu Sahab" for all the 'managerial' work which went in giving this dissertation its final 'physical' shape.*

***Aseem Chaudhary.***

**CHAPTER – I**  
**Introduction: A Historical Background**

Sudan and India are linked by strong bonds of common heritage and unique similarities. They are both countries of diversities and demographic wealth. Relations between the two countries have always been warm and cordial. These relations have a long history of contacts. In ancient times the Nile Valley Civilization and the Indus Valley Civilization mutually interacted. The Nile and the Red Sea also provided well-known routes to Indian traders and visitors. Many aspects of culture and traditions in India and the Sudan have had a common source of origin.<sup>1</sup> The large Indian community in the Sudan as well as the presence of many Sudanese of Indian origin is clear examples of such interaction between the peoples of the two countries since time immemorial.

The resident Indian community in Sudan has been approximately estimated at around one thousand, the majority of which comprises of Gujarati businessmen who have settled in Khartoum, Port Sudan, Kassala

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<sup>1</sup> Mookerji, R.K. *Indian Shipping: A History of the Sea-Borne Trade and Maritime Activity of the Indian From the Earliest Times* (New Delhi, 2<sup>nd</sup> ed., 1957, Har Anand Publications), pp.245-6

and Wad Medani. And most of them are descendents of Indians who settled there during the last 135 years. Many of them are Sudanese citizens now, and they live cordially with their Sudanese neighbours, who treat them like brothers and sisters.<sup>2</sup> Apart from them nearly thousand of Indian nationals find jobs in Sudan, mostly in the sugar factories, oil sector, infrastructure and the manufacturing sector. The number of such Indians finding jobs in Sudan is increasing steadily, due to the rapid growth in the economy of Sudan, thereby creating large number of new jobs for skilled workers.

Indian expatriates are working in the UN organizations, in the University of Khartoum, in the Kennana Sugar Factory and are also employed with Khartoum Central Foundry, Concorp International, Gandil Agricultural Company and other sugar factories in Sudan.<sup>3</sup>

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<sup>2</sup> P.M. Holt and M.W. Daly, *The History of the Sudan from the Coming of Islam to the Present Day*, 3<sup>rd</sup> ed. (Boulder, Colo: Westview Press, 1979),pp.189-90

<sup>3</sup> P.V. Mutalik Desia, "Bilateral trade agreements: Indo-Sudanese experience", *Economic and Political Weekly*, Vol.VIII, no.19, May 1973,pp.26-7

The Indian community in Sudan has been maintaining cordial relations with the Sudanese, and is keeping alive the Indian culture and traditions in Sudan. There are several Indian community associations in Sudan, who look after the interests of the non-resident Indians and persons of Indian origin, residing in various parts of Sudan. Some of these associations are the Omdurman Indian Community Association, Indian Community Associations in Port Sudan, Kassala and in Khartoum. In Khartoum, the India-Sudan Friendship Society and the Sudanese-Indian Friendship Association have been allotted a plot of land each for building clubs in Khartoum.<sup>4</sup>

Indian and Sudanese people were brought much closer to each other during the British colonial era, which dominated both of them.<sup>5</sup> The two peoples shared a common national struggle, and the teachings of Mahatma Gandhi inspired the Sudanese national

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<sup>4</sup> see The Special issue of Africa Today on the occasion of the twenty-fifth anniversary of Sudanese independence (vol.28, no.2, 2<sup>nd</sup> quarter, 1981).

<sup>5</sup> Abd al-Rahim, Muddathir, *Imperialism and Nationalism in the Sudan* (Oxford: Clarendon Press, 1969),pp.23

struggle. The Sudanese Graduate National Congress (GNC) led the struggle for the attainment of national independence that was finally achieved in 1956. Since the early 1930s the idea of building a national forum became attractive among the Sudanese nationalist; and that bore fruit in Feb. 1938, when they succeeded with their first national forum. It was called the Graduate National Congress (GNC). Its membership was, however, restricted to the graduates only, and this thus deprived it from direct mobilization of the masses, and it made the GNC an elite organizations. However, the formation of GNC certainly did open the door of confrontation between the British and the Sudanese nationalists. Indeed this confrontation by the GNG was inspired by the struggle of the Indian National Congress, against the British colonization of India.<sup>6</sup>

As regards the Indian National Congress and Mahatma Gandhi's influence, on the Sudanese national struggle for independence, a report of the Intelligence Department of Sudan in 1931 stated that: "*There is no*

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<sup>6</sup> Muddathir Abdel-Rahim, *Imperialism and Nationalism in the Sudan* (Oxford: Clarendon Press, 1969),p.126-9



*doubt that especially the younger elements of the intelligentsia have great admiration and sympathy for Gandhi.* In private assemblies they discussed the efficiency of the boycott as a weapon ... the influence of Gandhi, and the Indian politics can be unmistakably seen in the Gordon College strike of 1931.”<sup>7</sup>

Since early 1920s the British were quite vigilant to prevent Indian elements, and especially those who might be active nationalists, to interact with the Sudanese. This can be confirmed from the following incident: in 1924, a vessel which was anchored for four days at Port-Sudan (Sudan’s main port on the Red Sea), had among its passengers four Indians, who had fixed Mahatma Gandhi’s picture on their coat lapels, and their appearance revealed that they were strong supporters of Gandhi’s philosophy. When these Indians requested the port Commissioner to grant them entry visa, for the time till their vessel resailed. The Commissioner referred the matter to the Civil Secretary

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<sup>7</sup> *ibid* \* In that strike the students followed the Indian pattern of resistance, by boycotting the sugar in the hostel, as an expression of refusal to the British policy in the Sudan.

in Khartoum, who ordered, that the Commissioner can issue the Indians entry visa, only if they removed the pictures of Mahatma Gandhi from their coat lapels, and if given visas then the Commissioner should see to it that they do not talk to the local people.<sup>8</sup>

However, the British couldn't prevent the ideas of India's freedom movement from being diffused throughout Africa and Asia. India's success in gaining her independence in 1947 inspired the freedom fighters in Africa; in particular the Sudanese Graduate National Congress (GNC), which intensified its struggle and achieved independence for Sudan in 1956.

Shortly before independence, and in preparation for that historic event, Sukumar Sen, an Indian representing the Indian Election Commission, conducted the first election in the country. Prior to independence too, the very establishment of the Sudan's Forest Service in 1901, was based on a report by an Indian forester, Mr. Murell. Indians also played a

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<sup>8</sup> Omar Beshir, Mohamed, *Revolution and Nationalism in the Sudan* (London: Rex Collings, 1974),pp.156-8

major role in the establishment of the Sudanese Railways. Common sight trees like neem, labak, and cassia, which decorate the avenues of many Sudanese cities, towns and villages, are also of Indian origin.<sup>9</sup>

Likewise, the well-known Indian National Defence Academy, in Pune, was contributed by Sudan. The largest Indian School in Africa, located in Omdurman, Sudan, was also a gift from Sudan to India, on the occasion of the visit of the then Prime Minister, Late Pandit Jawaharlal Nehru, to Sudan in 1957. As founding members of the Non-aligned movement, whose seeds were sown at the Bandung Conference, leaders of the two countries have maintained regular contacts. Sudanese leader Ismail Al-Azhari had visited India in 1955, followed by the late President Ibrahim Abboud.

Exchange of high-level delegations between the two countries have been taking place since then, including the visit to Sudan by the late Indian President, Fakhuruddin Ali Ahmed in 1975, former

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<sup>9</sup> P.M. Holt and M.W. Daly, *The History of the Sudan from the Coming of Islam to the Present Day*, 3<sup>rd</sup> ed. (Boulder, Colo: Westview Press, 1979),pp.233-4

President Numeri's 1974 trip to India, and the visits of the then Sudanese Foreign Minister, Ali Osman Mohammad Taha, to New Delhi in 1996, and by Dr. Mustafa Osman Ismail, the Minister of External Relations, as the leader of the Sudanese side, to the meeting of the Indo-Sudanese Joint Ministerial Commission in 1997.

The latest of these contacts was the important visit of Mr Ali Osman Mohammed Taha, the first Vice-President of the Sudan to visit India in July 2002, and he was accompanied by a high-level delegation that included Dr. Mustafa Osman Ismail, the Minister of Foreign Affairs, Dr. Majzoub AL Khalifa, Minister of Agriculture and Forestry and Professort Alzubair Bashir Taha, Minister of Science and Technology. Dr. Najma Heptullah, Deputy Chairperson of Rajya Sabha had also led a high-level Parliamentary delegation to Sudan.

And most recently, on the 20<sup>th</sup> October, 2003 the President of India went on a two days state visit to Sudan. This was the first visit to Sudan by President of

India in twenty eight years; before in 1975 the then President, Shri Fakhruddin Ali Ahmed, had visited Sudan. Apart from these several thousands of Indians and Sudanese visit each other's country every year. From India, visitors include businessmen, skilled workers, officials and artists. From Sudan, students at universities constitute a substantial portion of visits to India. Next in line are the businessmen and tourists, then there are those Sudanese, who come to India for advanced medical treatment, again at competitive prices.

India and Sudan have always shared common positions. They also hold identical views on various regional and international developments. Like in the past, when the two countries joined hands to fight colonial domination and the abhorrent apartheid system. Today also, Sudan and India are vigilant enough in defending the interests of developing countries, in the political and economic fields. They both believe in a multi-polar world, with a fair and equitable system of global trade and business. They hold firmly to the need for more and more solidarity

within the ranks of developing countries; and both are strong supporters of South-South cooperation to fight the ill effect of globalization.

Both recognize the need for stability, peace and development in the African continent, and have hailed the recent positive peace developments in the various African Regions. They have also emphasized the importance of the emergence of the African Union, and have praised the recent regional and international initiatives for the economic and social development of Africa, like New Partnership for Africa's Development (NEPAD).

On the developments in the international scene, both Sudan and India share the conviction that the emerging world order should be just, equitable, multi-polar and be built on the principles of democracy, sovereignty, equality, territorial integrity, non-interference in the internal affairs of states, and the peaceful settlement of disputes. Both share the same concern over the situation in the Middle East, Iraq and Afghanistan; and have called for negotiated and

peaceful settlements, in accordance, with the relevant UN resolutions on Iraq and the Middle East.

Both also share identical views on the need for democratization and justice in international relations; and have called for restructuring and reform of the Security Council and other UN organs. Sudan supports India's candidature to a permanent seat in the UN Security Council.<sup>10</sup> While India, on its parts, has strongly backed Sudan's efforts to seek membership of the WTO. Both also reiterate paramount importance to South- South cooperation.

The two sides have time and again reaffirmed their faith in the Non-aligned movement, and have stressed the importance of its revitalization, to address global issues such as poverty alleviation, sustainable development and food security as well as issues of international peace and security.

India is also among Sudan's one of the important trading partners; whereas Sudan is India's most

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<sup>10</sup> *Sudan Newsletter*, Sudan Embassy, New Delhi, Letter No.5 vol.5, No.2, Sudan Embassy, New Delhi, June 30, 1996, p.3.

important trading partner in the West African and North African (WANA) region. Both countries are now determined to achieve, once again, the highest possible performance in their bilateral dealings. Bilateral trade between the two countries has increased four fold, since 1998-99, to over \$200million. Several Indian majors, like Kirloskar and Aptech, have successful operations in Sudan. There is also a lot of Indian investment in the Sudanese sugar Industry.

The signing by both countries of eleven agreements on trade, economic, cultural and technological fields, as well as, the establishment of an Indo-Sudan Joint Business Council and the Indo-Sudanese Cultural Forum are clear testimonies to, and examples for, their shared commitment and determination, to consolidate their cooperation in all fields. New Delhi and Sudan very recently also signed two agreements, on promotion and protection of investments and avoidance of double taxation, to facilitate Indian investment.<sup>11</sup> Indo- Sudanese ties in

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<sup>11</sup> *Khartoum News Service* (KNS) bulletin, 17 October, 2003



other areas have also been growing, which can be evidenced from the visit of an eight member cultural group to this country and the inauguration of the Indo-Sudan Cultural Forum.

India and Sudan have also signed a Memorandum of Understanding for mutual cooperation in post and telecom sector. The Sudanese Information and Communication Minister, Ghazi Salahuddin Atabani, during his visit to India in May, 2001, had expressed interest in initiating cooperation between the two countries in the field of telecom and postal services. India, on its part, has offered her expertise in satellite communication technology for money transfer, and also offered help for the computerization of postal services in Sudan.

India and Sudan have also signed an inter-governmental agreement on Science and Technology, paving the way for enhancing mutual scientific cooperation. The agreement followed formal talks between the visiting Sudanese delegation headed by its Minister for Science and Technology Prof. Alzubair

Bashir Taha, and the Minister for Science and Technology, Dr. Murli Manohar Joshi. The agreement, among other things, provides for formulation and implementation of scientific and technical research programmes, and their application in industry and agriculture. Sudan has sought India's assistance in electronics, information technology, application of biotechnology in agriculture and health care, material sciences, remote sensing, disaster management and, in particular, building up institutions and infrastructure to enhance its science and tech capability. Some of the areas that have been identified for immediate cooperation, include setting up of a big electronic city, vaccines for malaria, leprosy and Hepatitis B, diagnostic kits for various diseases especially HIV, joint venture in leather and solar panels, renewable sources of energy, manufacture of SIMPUTER (Small Hand-held Computer) and food security.

The Sudanese Minister for Science and Technology, Prof. Alzubair Bashir Taha, during his visit to India told the India Minister for Science and Technology, Dr. Murli Manohar Joshi, that Sudan was

very impressed by the advancements made by India in various fields, and that his country could benefit a lot from mutual cooperation with India. On his part, the India Minister, Dr. Joshi, commented that India values South-South cooperation, and only through this can India and Sudan fight the ill-effects of globalization. He also said that India appreciated Sudan for supporting her, for a permanent seat in the Security Council and in the fight against terrorism. Both the leaders expressed the confidence that the agreement will go a long way in strengthening mutual ties between the two countries.

India and Sudan have also decided to constitute a Joint Working Group (JWG) to review their cooperation in the hydrocarbon sector between the two countries. While addressing the National Assembly of Sudan, the Indian President, A P J Abdul Kalam, said that: "*Exploitation of natural hydrocarbon and other natural resources by Sudan with the assistance of India could fuel economic growth of Sudan through many mission*

mode projects like the Vision 2020 of India.”<sup>12</sup> He identified oil exploration, refining, marketing and value-added oil based products as the specific areas where there could be bilateral cooperation. The JWG has been, thus, constituted to enhance and consolidate cooperation between the two countries in the hydrocarbon sector. With a large part of the country still unexplored, hydrocarbon contribution to the Sudanese national economy is likely to increase significantly, in the future. Oil companies of India, such as the ONGC Videsh Ltd., the overseas arm of state-run Oil and Natural Gas Corporation, as well as the oil companies of other countries are participating in the discoveries of oil and gas in Sudan.

Sudan, since 1999, has emerged as one of the leading oil-exporting nation of the world, and some estimates say, that she has the second largest oil reserves in the world, after Saudi Arabia. The 1990s also saw India emerging as the second largest oil-deficit

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<sup>12</sup> Keynote Address by Indian President to the National Assembly of Sudan on “Furthering Indian-Sudanese Cooperation”, October 22, 2003, at [www.highcommissionofindia.com/ihc/html](http://www.highcommissionofindia.com/ihc/html)

nation in the world, after China. Hence, both countries have much to offer to each other in the energy sector. If Sudan has the oil, then India has the capability and expertise to explore and produce, much of the potential oil reserves of Sudan. Oil and Natural Gas Corporation of India (ONGC Videsh), an Indian public sector company, has acquired twenty five per cent stake in the Greater Nile Oil Project of Sudan; and this Indian company went to Sudan when a crisis had developed, in the viability of the above project, because of the pulling out of a Canadian company, Talisman Energy Inc., from the project, under the pressure of human rights organizations, who accused Sudan of human rights violations. India, which depends on imports for over 70 percent of her domestic crude demand, has been actively scouting for equity stake, in potentially rich oil and gas fields overseas. It has so far (before this Sudanese oil venture) been successful in getting equity stake in a number of countries, including Vietnam and Russia.

Sudan wants India to bid for oil concessions among several blocks, which are being offered for

exploration and production, along the Red Sea coast and the northwest region. Sudan prefers the Indian public sector companies, for they would not buckle under the pressure of human rights organizations. “We are looking at Indian companies stepping up investment in all areas, particularly independent power production and setting up refineries,” the Sudanese Ambassador to India, had commented.<sup>13</sup> A strategic partnership between the two countries in the oil sector, has thus taken shape with the entry of ONGC Videsh in the Greater Nile Oil Project in Sudan. The Sudanese government has appreciated the contribution, being made by ONGC Videsh, in providing credible assistance in the fields of health care, information technology, education and self- reliant modern methods of farming, in Sudan.

According to oil experts, the Indian move to acquire a stake in the Sudanese venture is an important step forward to ensure long – term oil security for the country. The Sudanese venture is

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<sup>13</sup> *Sudan Newsletters*, Sudan Embassy, New Delhi, vol.2, Letter No.3, June-September, 2002, p.12

expected to provide India worth 5 percent of its crude imports, worth around \$ 400 million.<sup>14</sup>

India has offered for, the rapid economic and infrastructural development of Sudan, full help and consultancy, to the Sudanese projects in the field of telecom, railways, information technology, irrigation, power, petroleum and natural gas explorations, and construction. India has also offered training, in different fields particularly, for the development of small and medium sized industries in Sudan. Sudan, on its part, is trying to augment the exports of organic chemicals, cotton, metals and ores to India. Sudan also wants to start exporting fruits to India.

Thus, India and Sudan have a relationship, which can be traced back to ancient times. However, this relationship has swung from a period of great emotional and political solidarity, in the 1950s and 1960s, to selective engagement in the 1970s and 1980s.

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<sup>14</sup> Dadwal, Skebonti Ray., *Politics of Oil*, Strategic Analysis; Vol.XXII, no.5, August 2002, pp. 467

The Indo-Sudanese relationship, during the 1950s and the 1960s, was based on Jawaharlal Nehru's Africa policy whereby "... *though separated by the Indian Ocean ... Africa is our next door neighbour.*"<sup>15</sup> This period also witnessed, the two nations joining hands to fight colonial domination and the abhorrent apartheid system. The Sudanese acknowledged, both Nehru's and Mahatma Gandhi's support for the Sudanese national struggle. Gandhi's message of non-violence, boycott and passive resistance inspired many Sudanese nationalists, especially the GNC members.<sup>16</sup> The astonishing success of the anti-colonialist crusade, in India in 1947, became a major driving force and a great source of inspiration for the Sudanese nationalists. This inspiration did bring about the Sudanese independence in 1956.

With the advent of independence, euphoria and new hopes swept through Sudan. There were new dreams and expectations, as the colonial masters packed their bags and handed over the instruments of power to the Sudanese people. However, these dreams were soon shattered; for only two years after the

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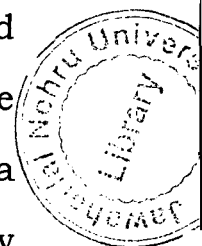
<sup>15</sup> Cited in T.G. Ramamurthi, "Foundations of India's Africa Policy", *Africa Quarterly*, 1997, 37 pp.30-32.

<sup>16</sup> *India and the African Liberation Struggle*, 1976, Indian National Congress; New Delhi. pp. 92-96.



Sudanese achieved independence as a parliamentary republic, there was a coup d'état against the civilian government, in 1958. General Ibrahim Abboud, led a military coup on the ground that the civilian government was responsible, for the rampant corruption, and incompetence and mismanagement of the national economy. In the meantime, the Black south, which was mostly Christian and traditional in religious belief, revolted against the Muslim government in Khartoum. When General Abbud failed to crush or solve the growing southern discontent, and the other education and economic problems, the October Revolution of 1964 forced him to re-establish a civilian government in 1964.<sup>17</sup> This was followed by another military coup in 1969, and this time a leftist government was established, which banned all political parties and nationalized industries and banks. Then in 1973 a "people's congress" was elected to draw up a new constitution. While this was going on, more groups and sub-groups were being formed in Sudan, some military, some religious, and many revolutionary political parties were also cropping up. This led to a fresh round of fighting for power, between the various groups, sub-groups and parties; this struggle for power

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<sup>17</sup> Wai, Dunstan, ed., *The Southern Sudan and the Problem of National Integration*, London, Frank Cass, 1973, pp.236-42.

continued for another ten years; until 1983 when an open war between the north and the south (between the Muslims and the black Christians) broke out in an uncontrollable way.<sup>18</sup> Since then, for the past 20 years, the longest civil war in modern African history has been going on.

India, during this period, still appealed to the Sudanese, because of Nehru's principle of non-alignment, to counter the Cold War. However, India's defeat in the Indo-China war of 1962 caused a setback to her image of a 'leader' of the non-aligned movement. Second, India's hesitation in fixing a date for the end of colonialism (on the logic that it was unrealistic) in Africa, at the Belgrade NAM summit in 1961, did not go well with Sudan and other African nations. Third, immediately after the 1962 war, India was busy countering China at every multilateral forum. While China was busy making strong contacts with Sudan and some other African nations. Today, China is the largest trading partner of Sudan (while India is the

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<sup>18</sup> *Ibid.*

sixth largest) and China also entered the Sudanese oil sector long before India.

However, by the mid-1960s, India undertook a serious reassessment of Indo-Sudanese relationship. India launched a policy of economic diplomacy. This was flagged off by the signing of the Indo-Sudan Bilateral Trade Agreement of 1965, whereby, India adorned Sudan with the MFN status; and to counter China's aid diplomacy, India extended technical assistance to Sudan under the Indian Technical and Economic Cooperation (ITEC) Programme of 1965. This programme involves preparation of feasibility status, project reports, setting up pilot projects and research centers in the agricultural and industrial sector. Under this programme, India has provided civil training to thousands of Sudanese nationals.

Hence, by the 1970s Indo-Sudanese relationship was on a positive note. India's stature had risen in Sudan's eyes, probably, because of the Indo-Soviet Treaty (1971), the Bangladesh War of 1971, the

successful Green Revolution and the peaceful nuclear explosion of 1974.

However, from the mid-1970s, the Indo-Sudanese relationship dipped to a low, mainly because of – the struggle for internal power in Sudan since 1973, the persistent unfavourable balance of trade of Sudan with India, the drastic reduction in Sudan's cotton exports to India since mid-1970s (for since then India reached self-sufficiency in cotton production), and the inability of the Sudanese economy to change composition of her trade (she remained an exporter of primary goods to India and importer of manufactured and capital goods from India). Mahatma Gandhi had once said that: “the commerce between India and Africa will be of ideas and services, not of manufactured goods against raw materials, after the fashion of western exploiters.”<sup>19</sup> But, Sudan failed to change the inflexibilities of her patterns of production. To quote a Sudanese economist: “The traditional scenario that existed in our trade with the developed world, whereby our country

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<sup>19</sup> Palmer, Norman, *Indian Attitude towards colonialism*, New York, Ernest Benn Publishers, 1988, p.329-32.

supplies the former with commodities and imports from them manufactured products, including capital goods, is also being reproduced in our intra-third world trade... a situation that is completely unacceptable to us.”<sup>20</sup> The reality is that the composition of trade can be changed only with greater level of economic development, which Sudan failed to achieve, may be because of the internal instabilities and compulsions.

The historical Indo-Sudanese relationship, thus had dipped to a low from the mid-1970s; and the onset of the civil war in Sudan, in 1983, did not allow much space and time for improvement during the entire 1980s. However, since the 1990s, we see new energy being infused into the historic Indo-Sudanese relationship. Since the 1990s, India’s policy towards Sudan has been based on the “creation and consolidation of strong economic bonds among countries of the South, and the use of India’s relative economic strength for the development of these

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<sup>20</sup> see The Special issue of Africa Today on the occasion of the twenty-fifth anniversary of Sudanese independence (vol.28, no.2, 2<sup>nd</sup> quarter, 1981).

countries on mutually beneficial basis.”<sup>21</sup> The end of the Cold War, the emergence of US as the sole superpower, and the imbalances being created by globalization, have given new importance and need for South-South cooperation. Today, both India and Sudan look very eager to have a very close and healthy relationship. Since the mid-1990s, both sides have signed various agreements, MOUs, and programmes to take the historical Indo-Sudanese co-operation to a higher and more beneficial level. The signing of eleven agreements on trade, economic, cultural and technological fields, as well as, the establishment of an Indo-Sudan Joint Business Council and the Indo-Sudanese Cultural Forum, are clear testimonies of the eagerness, between the two nations, to take their bilateral relations to a much higher and closer level.

The last decade also saw, the emergence of Sudan as one of the largest oil-exporting nation in the world; while India, in the last decade, has emerged as the

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<sup>21</sup> Asanste, S.K.B., ‘Activities of Non-Aligned countries’, *Review of International Affairs*, (Belgrade), No.488-89, August 1999, pp.5-20.

second largest oil-starved nation in the world. This complementarity has also helped, a great deal, in bringing the two nations closer during the last decade.

The last decade, also saw a number of initiatives been launched to promote trade with Sudan. The Indian government launched the “Focus Africa” programme in its Exim policy 2002-07, to boost Indian exports to the Sub-Saharan region. This programme is specially designed and launched, in order, to tap the tremendous potential of export growth in this region. The Focus Africa Programme launched under the Exim policy, would aim to reduce the uncertainty in the business environment, and make special effort to develop these markets, and sustain a long term export growth. Selected Indian missions will provide business promotion services to visiting Indian exporters/ businessmen, at a nominal fee, by setting up business centres. Also, the firms exporting to these markets will be given ‘Export House’ status, subject to a minimum export of Rs 5 crores.<sup>22</sup>

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<sup>22</sup> see *Economic Survey, 2002-03*, Ministry of Finance, Government of India, pp.17-18.

Apart from the government, the private sector has also pitched in to explore the African markets. From the mid-1990s, organizations like the Confederation of Indian Industries (CII), The Associated Chambers of Commerce and Industry (ASSOCHAM), the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Federation of Indian Exporters' Organization (FIEO) have also identified Sudan as a thrust area, and have launched programmes to promote economic and business cooperation. These include exchange of information, conducting one-to-one business meetings and organising activities like 'Made in India' shows, across Sudan. Recently, the Indian companies which participated in the Khartoum International Trade Fair, 2003, were very happy with the outcome of their participation and the business transactions which they made.<sup>23</sup> Indian financial institutions like State Bank of India, Small Industries Development Bank of India and EXIM Bank of India have also established fruitful contacts, with their counterparts in Sudan.

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<sup>23</sup> *Sudan Newsletter*, Sudan Embassy, New Delhi, Letter No.5, Vol.9, No.4, November 30: 2003, pp.3-4.



Also, the strengthening of the Indo-Sudanese relationship, in the last decade, can be gauged from the strong response of India to the US missile attack on the pharmaceutical factory in Khartoum after the terrorist attacks on the US embassies in Nairobi and Dar-es-salam in 1998. An editorial in the *Times of India* declared that the Security Council decision "underscores the unequal nature of the present world order. Sudan is a sovereign country and has been a member of the UN since its independence in 1956. It has a government that is no less representative of its people than dozens of other UN members. Sudan has not staged an armed attack on the US and Washington has not even accused it of any such crime." The US missile attack therefore "represents a breach of international peace and security, something the Security Council must take cognizance of apropos Chapter VII of the UN Charter," the newspaper said. It went on to point out that by the same logic used to justify the missile strike--the claim that the Khartoum factory was engaged in preparation of 'weapons of mass destruction' -- the US could bomb India's nuclear

testing facilities.<sup>24</sup> The Government of India was also the major force, behind the strong NAM resolution that strongly condemned the US missile attack on Sudan.

The recent warmth, in the Indo-Sudanese relationship, has also been fuelled by the prospects of peace, in the war-torn Sudan. The Sudanese President, Omar el-Bashir, has been quoted as saying that “*peace is coming on schedule*”.<sup>25</sup> The peace talks between the government of Sudan and the Sudan People’s Liberation Army/Movement (SPLA), facilitated by the regional Inter-Governmental Authority on Development (IGAD), and hosted by the Kenyan government are currently continuing in Nairobi, Kenya. Even the US, acting Assistant Secretary of State, Charles Synder, has been quoted as saying that: “it was likely that the peace agreement would be signed in Kenya, in recognition of Nairobi’s mediation work in trying to

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<sup>24</sup> “The Southern Sudan and Peace Attempts”, *Sudan News Agency*, Weekly Review, No.58, (27 November 2003), p.37-8.

<sup>25</sup> *ibid*

end the more than 20-year conflict, the world's longest running civil war".<sup>26</sup>

So far, the Sudan government and the southern rebels have resolved the delicate issue of security arrangement. The parties have agreed to merge their armies, and are now deliberating on the modalities of the implementation, such as, the location of the central command. Yet to be thrashed out are issues of wealth sharing, the status of Khartoum as the seat of government, and the three disputed areas of Abyei, the Nuba mountains and the southern Blue Nile.<sup>27</sup>

Thus, relations between Sudan and India have always been cordial and friendly and these relations have been based on some very historical, cultural and civilizational heritage. Both sides have repeatedly affirmed their vision for closer and stronger relations. However, since the mid-1990s, fresh blood has been injected in the Indo-Sudanese relations due to certain external and internal circumstances; be it the discovery

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<sup>26</sup> See *The Sudan News*, June, 9, 2003.

<sup>27</sup> *The Southern Sudan and Peace Attempts A Report made by Sudan New Agency SUMA*, (Khartoum, June, 1999), pp.1-2.

of oil in Sudan; or be it the emergence of India as a major oil-starved nation; or be it the shift in India's focus towards Africa after the collapse of her Soviet markets; or be it the imbalances and distances being created between the "haves" and "have-nots" by the negative effects of globalization, or be it the renewed interests of both in the South-South cooperation. Whatever the reason but one can easily feel new energy in the Indo-Sudanese relations.

**CHAPTER – II**  
**INDO-SUDANESE ECONOMIC RELATIONS**

India's historical economic and trade relations with Sudan can be unfolded from the famous '*spice route*'<sup>1</sup> of Berenike (an ancient trade center on the Egypt-Sudan border). This two thousand years old trade route (much older than the famous '*silk route*' from China to Rome) allowed the Indian goods and traders to interact with the African and Mediterranean merchants.<sup>2</sup>

The colonization of both India and the Sudan, by the British, also provided better opportunities for Indian goods and the Indian traders and merchants to interact with the Sudanese markets.<sup>3</sup> Most of the Indian traders that interacted with Sudan were from the Rajkot district, of Gujarat state. Some of these Gujarati traders even settled in Sudan, during the beginning of this century.<sup>4</sup> Their trade activities, however, were limited to traditional goods, such as textile, tea, perfumes etc.

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<sup>1</sup> Mookerji, R.K. *Indian Shipping: A History of the Sea-Borne Trade and Maritime Activity of the Indian From the Earliest Times* (New Delhi, 2<sup>nd</sup> ed., 1957, Har Anand Publications),pp.33-4.

<sup>2</sup> *ibid*

<sup>3</sup> P.M. Holt and M.W. Daly, *The History of the Sudan from the Coming of Islam to the Present Day*, 3<sup>rd</sup> ed. (Boulder, Colo: Westview Press, 1979),pp.245-7

<sup>4</sup> *ibid*

But, the scope and value of bilateral trade between Sudan and India witnessed a considerable increase, after both countries gained independence.

So, the modern day economic relations between India and Sudan can be accounted from 1956 onwards - when Sudan gained independence. From the early 1960s to the late 1970s India was one of the most important trading partners of Sudan. In 1965 both countries had signed a trade agreement to promote closer economic relations. India through this agreement gave Sudan the *Most Favoured Nation* status.<sup>5</sup>

But, after the 1970s there came a depression in the Indo-Sudanese trade. For, as shown below in Table 1, the balance of trade between the two nations was mostly in favour of India. This prolonged state of inequilibrium in the balance of trade finally brought about a depression in the Indo-Sudanese trade.<sup>6</sup> And the main reason for this imbalance, in the balance of trade, was

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<sup>5</sup> P.V. Mutalik Desia, "Bilateral trade agreements: Indo-Sudanese experience", *Economic and Political Weekly*, Vol.VIII, no.19, May 1973,pp.26-7

<sup>6</sup> R. H. Condie, 'Cotton Export and Economic Development in the Sudan', *Sudan Notes and Records*, vol.xxxvii, 1990, pp.70-78.

the inflexibility in the Sudanese pattern of production. Sudan, being basically an exporter of primary goods, failed to increase its exports to match her ever growing imports of capital goods from India. Hence, in its bilateral trade with India, Sudan experienced the *centre-periphery imbalance*. Whereby India became the 'centre', for she exported manufactured/capital goods to Sudan; while Sudan became the 'periphery', as she exported primary commodities to India. And according to Raul Prebisch's famous '*secular deterioration theory*'<sup>7</sup> in such a situation the 'periphery' experiences unfavourable balance of trade with respect to the 'centre'; for the export demand of primary commodities does not increase as much as the import demand for manufactured and capital goods.

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<sup>7</sup> Raul Prebisch, a renowned economist, gave the famous theory of international trade – *Secular deterioration theory*, which says that as the price elasticity of demand for exports of primary commodities is less than that of manufactured/capital goods. Hence, a country which exports primary goods and imports manufactured ones will experience deteriorating terms of trade and unfavourable balance of payments.



Table 1:Indo-Sudanese Trade ( 1959-1992 )

( in Pound Sterling million)

Year	Sudan's Exports to India	Sudan's Imports from India
1959	07. 1	08.8
1960	06.5	07.8
1961	06.0	07.7
1962	06.6	12.2
1963	06.5	06.0
1964	05.5	04.5
1965	04.8	04.1
1966	07.8	17.6
1967	06.5	11.7
1968	08.2	09.1
1969	-	-
1970	10.2	13.2
1971	11.9	22.6
1972	22.9	18.8
1973	08.8	11.3
1974	04.5	28.5
1975	02.2	26.3
1976	08.2	22.3
1977	20.5	17.0
1978	07.9	21.3

1979	00.7	10.9
1980	01.0	16.4
1981	01.4	19.3
1982	01.4	27.6
1983	02.8	46.6
1984	02.9	28.5
1985	03.9	21.4
1986	0.39	51.6
1987	02.3	22.5
1988	21.8	50.2
1989	30.6	60.5
1990	00.7	04.3
1991	00.1	16.8
1992	02.2	11.6

Source: Bank of Sudan, Annual Report, Khartoum.

The above mentioned data clearly shows that Sudan generally had an unfavourable balance of trade with respect to India. Another important reason for this imbalance, apart from the inflexibilities in the Sudanese pattern of production, was that after 1974 India's imports of Sudanese cotton declined sharply (before Sudan was a major supplier of cotton to India); because by 1974 India had achieved self-sufficiency in the

production of cotton. Henceforth, the imports of Sudanese cotton by India declined sharply from 140 million bales in 1959 to only 10 million bales in 1974.<sup>8</sup>

However, since the 1990s we see a very positive improvement in the Indo-Sudanese trade and economic relations and by the year 2002 the bilateral trade between the two nations had reached the staggering figure of \$200 million. The following, Table 2, shows India's export and import performance with Sudan during the period (1994-2000).

Table 2: India's export to Sudan (1994-2000)

Year	Value (US \$ Million)
1994-1995	11.53
1995-1996	2.56
1996-1997	43.57
1997-1998	63.36
1998-1999	63.81
1999-2000	77.54

Source: Based on the data compiled by DGCI & S, Calcutta.

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<sup>8</sup> *ibid*

The above data shows an increase in India's exports to Sudan, with a drastic reduction in 1995-1996. This drastic depression in India's exports to Sudan in the financial year 1995-1996 was because of the civil unrest, in Sudan, between Sudan's Islamic government and SPLA (Sudanese People's Liberation Army).<sup>9</sup> Sudan's civil war was at the climax during this (1995-1996) period and thus Sudan's export-import capacity was hampered. However, after the signing of peace treaty in 1997, Sudan geared up her infrastructure system and was able to resume the normalcy in her economic operations.

In Sudan, the Indian goods are very popular, and they command a high demand because of their quality and price competitiveness. The main items exported to Sudan by India includes, the following commodities - drugs and pharmaceuticals, agro-chemicals, machinery and instruments, transport equipments and vehicles, man-made yarn and fabrics, plastics and petroleum products, paints, enamels, varnishes, manufactured

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<sup>9</sup> R. A. Henin, 'Recent Developments in Sudan's Foreign Trade, 1949-

metal, food stuff and crude materials. A good number of TATA buses, Maruti cars, Mahindra jeeps, two-wheelers and three-wheelers, intravenous fluids, drugs and pharmaceuticals, machinery and instruments, continue to flow from India to Sudan on a regular basis. Other important items of export from India to Sudan are tea, coffee, spices, rice, wheat, plastic and linoleum products, manufactures of metal, man-made yarn and fabrics, petroleum products and textiles.

Table3: India's Exports to Sudan by Product Group  
(All Value in US \$ Million)

Sr.	Commodity Group	1997	1998	1999	2000
1.	Manufactured Goods	12.70	21.54	22.55	21.98
2.	Chemicals	7.54	9.47	9.81	12.28
3.	Machinery & Equipments	7.22	7.91	8.33	11.06
4.	Textiles	6.28	7.31	8.83	9.46
5.	Food Stuffs excluding Wheat	1.17	7.47	3.60	8.75
6.	Transport Equipment	7.33	5.14	7.02	8.68
7.	Coffee	0.47	0.69	1.32	3.79
8.	Crude Material	0.12	1.32	1.52	0.72

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99', *Sudan Notes and Records*, vol.xlv, 1999, pp.113-32.

9.	Tobacco	0.01	0.01	0.13	0.58
10.	Tea	0.73	2.48	0.70	0.23
11.	Petroleum Products		0.01		0.01
	Total	43.57	63.36	63.81	77.54

Source: Based on the data compiled by DGCI & S, Calcutta.

The above data shows that from the financial year 1997 onwards, Indian exports to Sudan show an increasing trend, and the above data also shows that there has been a substantial increase in the export of agro-products from India to Sudan during the period 1997-2000. Also the export of chemicals, textiles, engineering equipments, as well as the export of manufactured goods have shown a satisfactory increase, with a slight decrease in the year 2000.

Whereas, Sudan's exports to India include the following - gum Arabic, raw animal hides and skins, sugar, metal ores and scraps, raw and waste cotton, unrolled leathers and products.<sup>10</sup>

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<sup>10</sup> *Sudan Newsletters*, Sudan Embassy, New Delhi, vol.2, Letter No.3, June-September, 1999, p.12.

Table 4: Sudan's Exports to India (1994-1998)

Year	Value (US \$ Million)
1994-1995	24.72
1995-1996	56.83
1996-1997	43.56
1997-1998	52.36

Source: Based on the data compiled by DGCI & S, Calcutta.

During the period 1994-1998 we see a marginal increase in Sudan's exports to India. However, this marginal increase is due to the increase in India's demand for the traditional items of import from Sudan, such as, dates, sesame, sugar, peanuts, gold, iron, hides and skins.<sup>11</sup> Also India since the mid-1990s has shifted its focus towards Africa, to make up for her lost markets in the earlier Soviet Union. It now wants to once again forge stronger ties with her ancient allies in the African continent.

At present India is the sixth largest trading partner of Sudan, with China being the largest, followed by

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<sup>11</sup> *ibid.*

Saudi Arabia. The following tables (Table 5 and 6) show the importance of India in Sudan's import trade.

Table 5: Sudan's Imports Countrywise (Jan-September 2001) (US \$ Million)

	Commodity Group	Saudi Arabia	China	United Kingdom	United Arab Emirat	Germany	India
1.	Manufactured Goods	34.24	36.08	17.05	14.76	6.09	14
2.	Machinery & Equipment	17.52	53.97	44.80	22.94	45.07	9
3.	Transport Equipment	27.28	15.78	8.34	4.05	16.79	7
4.	Textiles	7.90	10.67	1.38	11.61	0.64	7
5.	Chemicals Inc Pharma	8.95	8.19	13.33	5.24	6.34	6
6.	Wheat & Wheat Flour	8.85	3.85	0.09	6.77	0.11	6
7.	Coffee	0.22	-	0.32	0.05	0.01	0
8.	Tea	0.07	-	0.33	-	-	0
	Total (US\$ million)	105.03	128.54	85.64	75.05	65.42	56

Source: Bank of Sudan 41<sup>st</sup> Annual Report, Khartoun, 2002, p.5.



Table 6: Performance of Indian Exports w.r.t. Sudan's imports (Jan-September 2001) (US\$ Million)

No	Product	Sudan's Import	Total	India's Share
1.	Machinery & Equipment	334.81		9.56
2.	Manufactured goods	225.51		14.03
3.	Transport Equipment	148.89		7.89
4.	Wheat and Wheat flour	105.80		6.98
5.	Chemical and Medicines	93.28		6.16
6.	Petroleum Products	77.59		0.15
7.	Textiles	56.50		7.38
8.	Other Food Stuffs	74.45		1.86
9.	Tea	27.59		0.65
10	Beverages & Tobacco	19.06		0.07
11.	Crude Materials	7.03		0.07
12.	Coffee	7.26		0.40
Total (US\$ Million)		1177.77		55.2

Source: Bank of Sudan 41<sup>st</sup> Annual Report, Khartoun, 2002, p.6

Thus, the above tables very clearly show that India is one of the key trading partner of Sudan, infact

she is the sixth most important trading partner of Sudan. Around five percent of Sudan's total imports come from India; while two percent of Sudan's total exports are absorbed by India.<sup>12</sup> However, in spite of such healthy trade relations there is still a vast scope for further improvement. This view has been articulated by officials of both the sides. To quote, Shri Omar Abdullah, a former Minister of State, for Commerce and Industry: "... the two countries should strive for expanding bilateral trade to a respectable level... and that our joint efforts for broadening economic cooperation would have better chances of success if we take steps to eliminate trade impediments and promote trade facilitation measures..." The signing of the various trade and economic agreements by the both the countries, since the mid- 1990s, clearly shows that India and Sudan are on the chosen path. Presently Sudan has become one of the largest trading partner of India in West Africa North Africa (WANA) region.<sup>13</sup> Bilateral trade between the two countries has increased

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<sup>12</sup> see Bank of Sudan 41<sup>st</sup> Annual Report, Khartoum, 2002, p.6

<sup>13</sup> Bank of Sudan 41<sup>st</sup> Annual Report, Khartoum, 2002, p.5.

four-fold, since 1998-99, to over \$200 million and is growing steadily. Infact, India has categorically identified Sudan as a potential market and an important investment destination.<sup>14</sup>

There are several factors that make the Sudan an ideal destination for investors and fruitful bilateral co-operation. They include the strategic position of Sudan and its location as a gateway to African, Middle Eastern markets and beyond; the wealth of its resources; free-trade zones; Sudan is the largest and a key member of COMESA in addition to membership in other international, regional and sub-regional economic and financial institutions.

Area wise, Sudan is the largest country in Africa with an area of 2.5 million square kilometers and lies within the African tropical zone, bordering nine countries Egypt, Libya, Chad, Central Africa, Democratic Republic of Congo, Uganda, Kenya, Ethiopia and Eritrea. Sudan also borders Saudi Arabia across the

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<sup>14</sup> *Sudan Newsletters*, Sudan Embassy, New Delhi, vol.2, Letter No.3, June-September, 1999, p.16

Red Sea.<sup>15</sup> Hence, from the economic point of view, Sudan with a huge population of 33 million is herself a big potential market and she is also a strategic gateway for other African and Middle Eastern markets. Hence, for India getting a strong foothold in Sudan will prove very beneficial for her economy and trade.

Agriculture is the dominant sector of the Sudanese economy, contributing to 40 percent of the Gross Domestic Product (GDP). The total land suitable for agriculture is 84 million hectares, of which only 14.7 million are currently utilized. Hence, there is still a huge unutilized agricultural sector in Sudan; according to economists Sudan has the potential to become the 'bread basket' of the African continent. The livestock population in Sudan is over 125 million heads of cattle (36%), sheep (37%), goats (45%) and camels (3%); in fact Sudan has the largest animal resources in Africa.<sup>16</sup> Cotton is the main cash crop of Sudan, and is characterized with its high quality. Sudan is the largest

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<sup>15</sup> Ali Mohamed El-Hassan, ed., *An Introduction to the Sudan Economy* (Khartoum: Khartoum University Press, 1976), pp.43-66.

<sup>16</sup> *ibid*

supplier of gum Arabic, producing 80 percent of world demand. Other agricultural products of importance are sesame seeds, groundnuts and sunflower seeds. Fishery resources are available along the 800-kilometre Red Sea coastline and the approximate 42 billion square meters of fresh water consisting of lakes and rivers. <sup>17</sup> Sudan is also blessed with huge and diversified mineral resources such as gold, copper, iron ore, chromium, silver and zinc.

Thus, Sudan is a country with great potential for investment. For instance, opportunities that have not been fully exploited exist in the agricultural, industrial, energy and mining, and fisheries sectors. Abundant investment opportunities also exist in the Sudanese services sector which includes various infrastructure and economic services. Opportunities exist in railroads, roads, inland waterways, civil aviation, river transport and shipping, warehousing and storage, housing and construction, communications, education, medical

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<sup>17</sup> *ibid*

services, housing and construction, and information technology.

Apart from the above there are several other sectors in Sudan which demand immediate investments. For example, in the oil sector where at present the production of oil is only 400,000 bpd but, it is expected to rise drastically with further explorations (it is estimated that Sudan has one of the largest oil reserves in the world after Saudi Arabia).<sup>18</sup> There are also huge quantities of natural gas in the Red Sea which need to be explored and tamed. Thus, huge opportunities exist in further oil and natural gas exploration, petrochemical production, transportation and distribution. Energy is, hence, another extremely important sector for investment opportunity in petroleum and refining, thermal power generation, and renewable energy. In addition mining is another important sector for future investments, and the Sudanese government has introduced strategies to intensify exploration, to utilize

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<sup>18</sup> Fryans, Jedzrej, *Oil and War in Sudan*, Review of African Political Economy, 28 (90), 2001, December, pp.43-66.

undiscovered minerals and to increase production of present mines. Thus, Sudan is a very promising country for investments and joint ventures, and India has very rightly identified it as a very promising investment destination.

In order to further strengthen and deepen the Indo-Sudanese relations the two nations have formed institutionalized arrangements and have signed several agreements since the mid-1990s.

In January 1995, during the visit of Mr. Salman Haider, Secretary, Ministry of External Affairs, to Sudan, an Agreement between the Government of India and the Government of Sudan was signed to set up a Joint Committee at the Secretary level on Economic, Technical, Commercial, Information, Political, Trade and Cultural Cooperation.<sup>19</sup> Thus, a Joint Committee for Economic Technical, Commercial, Information, Trade and Culture, Co-operation was set up in January, 1995. It was upgraded to the Ministerial level in June, 1995.

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<sup>19</sup> *Sudan Newsletter*, Sudan Embassy, New Delhi, Letter No.5 vol.5, No.2, Sudan Embassy, New Delhi, June 30, 2000, p.3.

The first session of the Joint Commission was held at New Delhi from 6-9 November 1997.

During the 1990s, the two countries signed various agreements, protocols and MoUs for regular interaction and deeper co-operation in various fields. For example, a MoU in the field of Health cooperation between India and Sudan was signed in October 1996 at New Delhi, during the visit of the Sudanese Minister, Mrs. I. El Gabshani. Another MOU was signed for mutual cooperation in post and telecom sector during the recent visit of the Sudanese Information and Communication Minister, Ghazi Salahuddin Atabani. Another inter-governmental agreement on Science & Technology, for enhancing mutual scientific cooperation in the field in the field of industry and agriculture, was signed when the Sudanese Minister for Science and Technology, Prof. Alzubair Bashir Taha visited India. A Cultural Exchange programme was signed in 1996 between India and Sudan, for cooperation in the fields of education, art and culture as well as mass media. A protocol for cooperation in the field of Radio and



Television between Prasar Bharti and the Sudanese Radio and Television has been signed.

Sudan and India also signed eight agreements, at the second India-Sudan Joint Commission on April 9, 2000, on trade and economic cooperation, development of small industries, and forming a joint council of businessmen.

To top all this, the Indo-Sudanese relations underwent a drastic change with the emergence of Sudan, as one of the leading oil-exporting nation in the world in the late 1990s. According to the Sudanese Energy Minister, Suddan's oil production at present is slightly less than 300,000 barrels a day (but Sudan hopes to raise its oil production to 500,000 barrels per day by 2005). While the local consumption in Sudan is only between 80,000 to 90,000 barrels a day. Hence oil exports have brought billions into the coffers of the debt-ridden Sudanese government (around \$2 million a day).<sup>20</sup> The Governor of Sudan's Central Bank, expects

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<sup>20</sup> Walker, Ezekiel Ayodele., *Structural Change: The Oil Boom in Africa*, Journal of Modern African Studies, 38 (1), 2000 (March),pp.37-9

the country's export revenues to climb to 2.43 billion US dollars (2 billion euros) by 2003, with oil bringing in the bulk of the earnings.<sup>21</sup> The Governor, Sabir Mohamed al-Hassan, was quoted by the official Al Anbaa daily, as telling the National Assembly that petroleum exports would bring in 1.958 billion dollars in 2003, nearly equal to Sudan's total export earnings last year, which amounted to 1.98 billion.<sup>22</sup>

For the oil-starved India (she imports seventy percent of her crude oil requirements), Sudan (which is estimated to have one of the largest oil reserves in the world) became a major source for her future oil security. Although India sits on abundant gas reserves, the country has no spectacular oilfields. And, despite 56 years of efforts - since the country gained independence from the British rule - as well as the much-hyped new oil strikes (in Rajasthan) in recent years, India does not

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<sup>21</sup> <http://www.bankofsudan.org/reports/statements/archives/motomura020129.html>

<sup>22</sup> "Sudan Oil Exports" at <http://www.alambaa.info/headlines.igc.org:8080/html>

produce more than 30 percent of its oil needs from the oilfields within its territorial boundaries.

*At present India is the seventh largest consumer of oil in the world today.* Last year, India spent \$18 billion to meet 69 percent of its needs and during the decade 1991-2001, India's oil consumption increased by 68 percent to touch 2.07 million barrels per day. This growth rate has been exceeded only by South Korea (78 percent) and China (109 percent). It is estimated that India's fuel consumption will rise to 3.2 million barrels per day by 2010. In the process, India will emerge as the fourth-largest consumer after the United States, China and Japan.<sup>23</sup>

However, more alarming is the fact that the country buys much of the oil it needs from the Middle East countries. In 2001-02 India with 18.8 million tons of purchases, was the largest importer of crude oil from Saudi Arabia while imports from United Arab Emirates and Iran were 9 and 7.4 million tons, respectively.

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<sup>23</sup> Government of India, Annual Report, 2001-2002, Petroleum Ministry; New Delhi. pp. 97-98

Cumulatively, India imported 55 million metric tons of crude from West Asia and 27 million metric tons from other regions during the year.<sup>24</sup> This makes India terribly vulnerable to any event that causes instability in the Middle East. To quote the Indian Petroleum Minister, Ram Naik: "*In many ways, the Iraq and Afghanistan War has shown the government that it needs to tie-up alternate sources soon.*" The Minister further added that: "India has to ensure that the people and industry do not suffer for want of oil and gas."<sup>25</sup>

According to oil experts, the Indian move to acquire a stake in the Sudanese oil sector is an important step forward to ensure long-term oil security for the country.<sup>26</sup> The ONGC Videsh Ltd (OVL), the overseas arm of Indian state-owned Oil and Natural Gas Corporation Ltd. (ONGC), has bought the 25 percent stake of Canadian Talisman Energy Inc., in the Greater Nile Petroleum Operating Company (GNOC) in Sudan for

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<sup>24</sup> *ibid*

<sup>25</sup> see BBC news at <http://news.bbc.co.uk/1/hi/business/2069632.stm>

<sup>26</sup> Singh, Jasjit, *Oil and Gas in India's Security*, Knowledge World Publishers, New Delhi, July 2001, pp.43-4.

US\$720 million. The other partners in the project are the Chinese National Petroleum Corporation which holds a 40 percent stake, Malaysia's Petronas which holds 30 percent of the company's shares and Sudan's state-owned Sudapet holds the remaining 5 percent in the project.

GNOG consists of four blocks in the Muglad Basin and a 1,500 kilometer pipeline from the producing fields to Port Sudan on the Red Sea. The Greater Nile Oil Project in Sudan is estimated to have reserves of 150 million tonnes per annum, which translates into production of 1,050 million barrels, almost equal to production of India's prime Mumbai High field.<sup>27</sup> Currently, the Sudan field is producing 12 million tonnes per annum from its Heglig and Unity fields. Since 1999 the GNOG's production has risen from a lullative 230,000 to 260,000 barrels a day. The company plans to increase this to 290,000 barrels per day. *This Sudanese venture is expected to provide India*

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<sup>27</sup> Ejobowah, Johanboge., *Who Owns the Oil in the Sudan*, World today, 54 (3), March 1999, pp.43-66.

*with 5 percent of its crude oil imports, worth \$400 million.*<sup>28</sup>

Question have been raised over the wisdom of this investment particularly in the context of the on-going civil war in Sudan. But given India's energy security requirements, there may be no other option but to take some risks in order to manage her ever growing dependence on oil imports. China, which is emerging as a major importer of oil, has similar considerations and is already present in Sudan through its National Petroleum Corporation.

According to the Talisman chief executive, Jim Buckee: *"It's very clear why a country like India is interested in an asset such as this. It's an extremely good asset, it's got long, long life... Indian and China are moving into massive energy-deficient position, and that they need to have assets like the Sudan asset. That's why they want it".*<sup>29</sup>

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<sup>28</sup> Harshe, Rajen., *Politics of Giant Oil Firms: Consequences for Human Rights in Africa*, Economic and Political Weekly, 38(2), 2003 (11-17 Jan), pp.45-7

<sup>29</sup> *ibid*

According to the Indian Petroleum Minister, Mr. Ram Naik : *“the civil war in Sudan and protests from human rights groups did not worry him ... The Chinese are there, the Malaysians are there, and we have good relations with Sudan ... ONGC would recover the entire investment of \$750m in the project in five to six years”*.<sup>30</sup>

Thus, this decision of India to invest in the development of Sudan's oil sector has opened an important opportunity for India in Africa. To set aside such an opportunity on account of human rights considerations or any alleged terrorist history might be a big mistake. Civil wars are no good anywhere and the one in Sudan will end, sooner than later.<sup>31</sup>

Even Sudan wants India to be her partner in the development of her oil sector. Infact, Sudan wants India to bid for oil concessions among the several blocks that are being offered for exploration and production

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<sup>30</sup> Fryans, Jedzrej, *Oil and War in Sudan*, Review of African Political Economy, 28 (90), 2001, December, pp27

<sup>31</sup> Quoted in Mohamed Omer Beshir, *The Southern Sudan: Background to Conflict* (London: C. Hurst, 1968), p.19.

along the Red Sea coast and the northwest region. To quote the Sudanese Ambassador to India: “A *strategic partnership between the two countries in the oil sector has taken shape with the entry of ONGC Videsh in the Greater Nile Oil Project in Sudan ...* We are looking at Indian companies stepping up investment in all areas, particularly independent power production and setting up refineries.”<sup>32</sup>

To conclude, India must regain its past glory in an around Sudan, which shares its borders with as many as nine countries; Libya, Egypt, Eritrea, Ethiopia, Kenya, Uganda, Zaire, the Central African Republic and Chad. The decision to invest in Sudan's oil project is hopefully the beginning of a more proactive Indian policy in a strategically crucial region.

While there will be inevitable difficulties in deepening economic relations with a war-torn nation, such as Sudan, but India must learn to make a

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<sup>32</sup> Republic of Sudan, Central Office of Information, *Sudan Almanac, 2002-2003*, p.83



distinction between *'smoke and a fire'*.<sup>33</sup> India should make an independent evolution of such countries and not just go by the 'labelling' indulged in by the sole superpower.

The strong foundation of relations between the two countries is increasingly relevant to the growing bilateral needs of today, and is also relevant to the challenges of current international trading and economic systems. It is unquestionable that the world is transiting to a new era of globalization in which many of the traditional boundaries have been erased. In an essentially unequal world, globalization and interdependence tend to perpetuate existing imbalances, between the *'haves'* and the *'have nots'*. The continuation of the imbalances is neither compatible with the universal values of equality and justice, nor conducive to international peace and security; because many of the root causes of conflicts and wars are attributed to imbalances and inequalities between and

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<sup>33</sup> Andrew Lycett, "New Hope for the Sudan", *Africa Report* (July-August 2002), pp.37-39.

among states. This is why South-South cooperation is central. As two of the biggest countries in Asia and Africa, both India and Sudan can give meaning and dynamism to the South-South cooperation, which has the potential of being a decisive factor in international economic relations. At present Sudan and India look determined enough to give their bilateral relations new substance. The various agreements on economic, trade, cultural and technical co-operation that have been signed between Sudan and India, are all clear testimonies to their shared commitment and determination to consolidate their cooperation in all fields. And India's decision to invest in Sudan's oil project, inspite of the many pressures and criticisms, is hopefully the beginning of a more proactive Indian policy in a strategically crucial region.

**CHAPTER – III**  
**CONSTRAINTS AND CHALLENGES IN**  
**INDO-SUDANESE BILATERAL RELATIONS**

This chapter tries to examine the various constraints that might act as hindrances and obstacles in the Indo-Sudanese relations. Some of the constraints that this chapter will focus on are – the civil war in Sudan; the allegations of human rights violations by the Sudanese government; the allegations that Sudan exports terrorism; and the view that Sudan is inherently unstable.

The chapter also analysis as to how India reacts to these challenges in her relationship with Sudan; do these constraints influence the Indo-Sudanese relationship or are they ignored and overshadowed by the economic and political interests which are served by the Indo-Sudanese relationship. As regards the civil war in Sudan, she has endured the longest civil war on the African continent, with 40 years of intermittent fighting. More than two million people have died in the last 19 years of the war and twice as many have been displaced, thus making it one of the greatest humanitarian

disasters of our lifetime and one of the less, if not the least, reported.<sup>1</sup>

Except on maps, the country's two halves, the north and the south, have never been really one. The Muslim Arabs of the arid north historically exploited the Africans who live in the wetter south and practise Christianity or traditional beliefs.<sup>2</sup> British colonialists had actually separated the two. Independence in 1956 was quickly followed by a sporadic war for southern secession.

The Addis Ababa agreement of 1972, negotiated mainly by the World Council of Churches, which granted autonomy to the south, brought peace for some time. Fighting started again in 1983 after talks failed over new arrangements for distribution of resources and power, both of which had considerably increased after the discovery of oil. Hence, since 1983, a civil war has pitted the SPLA, representing mainly animists and

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<sup>1</sup> Mohammed Omer Beshir, *The Southern Sudan: Background to Conflict* (London: C. Hurst, 1968), p.80.

<sup>2</sup> Mohamed Omar Beshir, *Revolution and Nationalism in the Sudan* (London: Rex Collings, 1974), p.234

Christians in southern Sudan, against successive Arab and Muslim governments in Khartoum.<sup>3</sup>

However, for the first time in 20 years, southern Sudan stands on the threshold of peace. The guns are silent. Humanitarian aid is flowing. Plans for reconstruction are on the drawing board.<sup>4</sup> The US Secretary of State, Colin Powell, expects a comprehensive peace agreement before the end of the year. There is a ray of hope in a long, dark night of despair; whereby more than two million have perished; more than 4 million have been displaced; and tens of thousands of women and children have been enslaved in Khartoum's declared jihad against the non-Muslims of Southern Sudan.<sup>5</sup>

The current prospect of peace arose out of the deft diplomacy of the Bush administration. Two years ago, President Bush responded to a growing multiracial, multi-religious, left-right coalition, urging American

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<sup>3</sup> Cecil Eprile, *War and Peace in the Sudan* (London: David E. Charles, 1999)

<sup>4</sup> *Ibid*

<sup>5</sup> Robert O. Collins, *The Southern Sudan in Historical Perspective* (Tel Aviv: Shiloah Center, 1975)

diplomatic involvement to stop the slaughter and enslavement in the war-torn Sudan. President Bush appointed former Senator, John Danforth, as his special envoy, and has not allowed his attention to be diverted by even the 11<sup>th</sup> September, 2001 terrorist attacks or the wars in Afghanistan and Iraq.<sup>6</sup>

Success seems within reach. The United States has already pressured and cajoled the belligerents -- the government of Sudan and the Sudan People's Liberation Army (SPLA)-- into accepting a settlement based on sound principles: autonomous, Shariah-free self-government for Southern Sudan; and a referendum on independence for Southern Sudan at the end of a six-year interim period.

US Secretary of State, Collin Powell, has time and again expressed confidence that a peace agreement between the Sudanese government and opposition rebels could be reached. At the US- Sub Saharan Africa Trade and Economic Cooperation Forum in Washington, Collin Powell commented that: "the United States would do

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<sup>6</sup> See *Jerusalem Post Weekly*, March 30 and April 6, 2002,p.3.

everything it could to make sure an accord was reached. It is a moment that must not be lost.”<sup>7</sup>

Even, Charles Snyder, the acting assistant secretary of state for African affairs, has said that the Kenyan-hosted negotiations between Khartoum and the Sudan Peoples Liberation Army/Movement (SPLM) had progressed to the point where a "*global agreement*" might be struck before December 25, 2003.<sup>8</sup> And Charles Snyder appeared quite confident when he said that it was likely that the deal would be signed in Kenya, in recognition of Nairobi's mediation work in trying to end the more than 20-year conflict, the world's longest running civil war. Even the Sudanese President has been quoted as saying that "*peace is coming on schedule.*"<sup>9</sup>

So far, the Sudan government and the southern rebels have resolved the delicate issue of security arrangement. The parties have agreed to merge their armies and are now deliberating on the modalities of the

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<sup>7</sup> "The Southern Sudan and Peace Attempts", *Sudan News Agency*, Weekly Review, No.58, (27 November 2003), p.37-8.

<sup>8</sup> *ibid*

<sup>9</sup> see *The Sudan News*, June, 9, 2003.



implementation such as the location of the central command. Yet to be thrashed out are issues of wealth sharing, the status of Khartoum as the seat of government and the three disputed areas of Abyei, the Nuba mountains and the southern Blue Nile.<sup>10</sup>

Before, the biggest obstacle to peace in Sudan had been the American policy which wanted to overthrow the government in Khartoum. This policy of the U.S. played a very decisive role in promoting the war in Sudan. For the many privileged enough to comprehend the trends in global politics, one of the major stumbling blocks to the attainment of peace in Sudan, has been the lukewarm interest from the United States.<sup>11</sup>

None other than former US President Jimmy Carter, now a renowned humanitarian worker, once acknowledged that the US policy was an obstacle to peace in Sudan. He once said, in the year 2000, that: *"For the past eight years, the US has had a policy which I strongly disagree with on Sudan; supporting the*

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<sup>10</sup> "The Southern Sudan and Peace Attempts", *Sudan News Agency*, Weekly Review, No.58, (27 November 2003), p.37-9.

<sup>11</sup> *Ibid*

*revolutionary movement and not working for an overall peace settlement.*"<sup>12</sup> Earlier in the year 1999, Mr. Carter had said that: "*The people in Sudan want to resolve the conflict. The biggest obstacle is the US government policy. The US is committed to overthrowing the government in Khartoum. Any sort of peace effort is aborted, basically by policies of the United States. Instead of working for peace in Sudan, the US government has basically promoted a continuation of the war.*"<sup>13</sup>

But, after months of speculation, the United States Secretary of State, Colin Powell finally attended the Sudan peace talks in Naivasha, in October, 2003; hence, confirming the increasingly held view that America was finally giving the push for peace in Sudan. The talks have been proceeding fairly well so far under Kenyan mediator, Lt-Gen. Lazarus Sumbeiywo. At the advanced stage which they had reached, perhaps, it was the presence of a man of Powell's stature that the

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<sup>12</sup> *Sudan Newsletters*, Sudan Embassy, New Delhi, vol.2, Letter No.3, June-September, 1999, p.12.

<sup>13</sup> *ibid*

Sudanese protagonists required to help push the negotiations to their logical conclusion.<sup>14</sup> And this position is not totally unfounded. Few can doubt that in the current unipolar world order, the global political and development agenda is determined not by the United Nations or other such international organizations, but by the US and her allies. With their awesome resources and their influence that permeates every corner of the globe, the latter can have virtually anything their way.

During the Indian President, A.P.J. Kalam's recent visit to Sudan, the Sudanese side had briefed him on the positive and far-reaching developments in the peace process in the Sudan, including the recently signed Agreement on Security Arrangements, which represented its commitment to lasting peace and stability. The Indian side on its part reiterated its position in support of Sudan's unity and territorial integrity. The two sides affirmed that both India and Sudan were multi-religious and multi-ethnic societies

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<sup>14</sup> see the reports from the Sudan in the Foreign Broadcast Information Service (FBIS) for early November, in particular FBIS-MEA-83-174 (7 November, 2003).

committed to pluralism, harmonious co-existence and the concept of unity in diversity.

As regards Sudan being a *sponsorer and exporter of terrorism*; the Government of the Republic of the Sudan has finalized the ratification procedures of international and regional instruments on combating international terrorism. Signed by the President of the Republic of the Sudan and handed over through Sudan's respective Embassies in New York, Addis Ababa and Riyadh to the respective organizations. Sudan is now party to the International Convention Against Financing of Terrorism, 1999, the Treaty of the Organization of Islamic Conference (OIC) on Combating Terrorism, 1999, and the OAU/African Union Convention on Prevention and Combating of Terrorism.

With the ratification of the aforesaid treaties, for which the Secretary-General of the United Nations has repeatedly appealed, Sudan has once more demonstrated its full commitment to the principles on which these bodies were founded, namely, the maintenance of international peace and security,

consolidation of international co-operation to combat international terrorism or any evil that disturbs global security and peace.

With the accomplishment of the above, the Government of the Sudan has fulfilled the international obligations requested, by the *Security Council Resolution no. 1373*, as well as, the other previous and subsequent resolutions of the Security Council and General Assembly, prior to that, as well as the successive resolutions of both Organization of Islamic Conference and the African Union, on adherence to the imperative of eradicating international terrorism.

If we add to the above, the various other legislative acts which have been enacted by the Sudanese government since the year 2000-- such as the *Sudan National Law on Combating Terrorism* and the *Money Laundering Act* -- to combat international terrorism; then we can safely put to rest the allegations that Sudan sponsors and exports international terrorism. On the contrary, Sudan has time and again shown her eagerness to help other countries of the world, with her

expertise, in relation to enacting national legislations for combating international terrorism, in accordance with the recognized international standards and requisites.<sup>15</sup>

Since the US declared war on terrorism, renewed efforts for peace-making have been boosted in Sudan; because, according to the US officials, an unstable Sudan can prove to be a potential haven for terrorists.<sup>16</sup> The Sudanese government says that Washington has adopted a more measured approach to the region since the September 11<sup>th</sup> terrorist attacks; a change that could help efforts to end the country's 18-year civil war.<sup>17</sup> On its part Khartoum has stepped up its security cooperation with the United States, and looks eager to prove its anti-terror credentials.

In response to the question of Sudan being an exporter and sponsorer of international terrorism, the official view of India has been that: "*It is true that India*

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<sup>15</sup> see Republic of Sudan, Central Office of Information, *Sudan Almanac, 2002-03*, p.83.

<sup>16</sup> see *Washington Post*, June 6, 2002 (Khartoum dateline).

<sup>17</sup> see the reports from the Sudan in the Foreign Broadcast Information Service (FBIS) for early November, in particular FBIS-MEA-83-174 (7 November, 2002).

*and the U.S.A. had agreed to cooperate in the area of fighting international terrorism, but in its relations with friendly countries (read Sudan), India takes its own decisions irrespective of the decisions to impose sanctions by third countries (read U.S.A.) ... India does not have a legislation categorizing countries as terrorist states unlike the United States.”<sup>18</sup>*

According to the Indian officials though Sudanese terrorists have been inducted into the fold of militants operating in Kashmir, and several militants of Sudanese origin have been arrested by the Indian security forces in Kashmir. However, to blame the Sudan government for such acts, of omission and commission by some Sudanese, cannot be taken as a valid ground or a justification for breaking of relations, with a big and potentially rich country like Sudan.

And, during the *Third Session of Sudan - India Foreign Office Consultations (2003)* the two sides had exchanged views on various international and regional issues, especially the threat of terrorism in all its forms

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<sup>18</sup> *Sudan Newsletters*, Sudan Embassy, New Delhi, vol.2, Letter No.3, June-September, 2002, p.12.

and manifestations and called for strict adherence by all countries to UN Security Council Resolution no. 1373, reiterating their common resolve to combat this global menace.<sup>19</sup>

*As regards Sudan being inherently unstable;* the facts on the ground speak otherwise. Until the 11<sup>th</sup> September, 2001 terrorists attack, the U.S. used in its dealings with Sudan the same yardstick as it applied in the case of Iraq. Until the late-1990s, Sudan was virtually surrounded by hostile forces. The Clinton administration had pledged more than \$2 billion for the overthrow of the government in Khartoum. It was under President Bill Clinton's watch that the pharmaceutical factory in Khartoum, the only major one in the country, was turned to rubble in an American missile attack, following the terrorist attacks on the U.S. embassies in Nairobi and Dar-es-Salam.<sup>20</sup>

However, relations between Khartoum and the West improved considerably, after the events of the 11<sup>th</sup>

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<sup>19</sup> *ibid*

<sup>20</sup> Ministry of Foreign Affairs, *Peace and Unity in the Sudan* (Khartoum: Khartoum University Press, 2002)p.23-4.



September, terrorist attacks. Sudanese intelligence officials cooperated closely with their American counterparts to help track down suspected terrorists.

The political situation within Sudan and the surrounding region has also changed for the better in the last couple of years. The civil war continues, but it is mainly confined to a few areas along the border with Uganda. Peace talks between Khartoum and the rebel factions are on in Nairobi. The only significant rebel holdout is John Garang of the Sudan Peoples Liberation Army (SPLA, Garang group). The veteran guerilla leader is getting more and more isolated. All the other SPLA factions have signed ceasefire agreements but Garang, encouraged by a few western governments and some Church groups, wants to keep fighting. There are predictions that very soon he could end up like Jonas Savimbi if he continues to be inflexible. As in the case of the late Savimbi, he is running out of friends and allies in the region.<sup>21</sup>

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<sup>21</sup> The Southern Sudan and Peace Attempts *A Report made by Sudan New Agency SUMA*, (Khartoum, June, 2002), pp.1-2.

Today, the regional scenario has also radically changed. Relations between Khartoum and Kampala have improved dramatically. Until last year, each side was trying to subvert the other militarily and politically. Today, Sudan cooperates with Uganda to eliminate the fanatical rebel group called the *Lords Resistance Army*, which is fighting against the government in Kampala. Sudan's relations with Ethiopia and Eritrea are cordial once again. Cairo, which is dependent on Khartoum's cooperation for the smooth flow of the Nile to Egypt,<sup>22</sup> viewed Khartoum with suspicion through most of the last decade, but now it supports the present government in Sudan.

Thus, since the mid-1990s and especially after the 11<sup>th</sup> September terrorist attacks, much has changed in Sudan and she does not seem to look as unstable as has been projected by some. On the contrary, the U.N. Security Council has lifted the five-and-a-half-year-old economic sanctions on the country, which was imposed in 1996; and the Bush administration is presently

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<sup>22</sup> Oluwadare Aguda, "Arabism and Pan-Arabism in Sudanese Politics", (London: Barnes & Noble, 1999), pp.29-30.

seriously trying to play a positive role in settling the civil war in Sudan.

*As regards Sudan being an abuser of human rights*, the facts collected speak otherwise. The Amnesty International in its pursuit to investigate the human rights record in Sudan, had failed to single out even one incident where there has been violation of basic human rights, by the Sudanese government, in accordance with the Universal Declaration of Human Rights. In its report *"Playing politics with peoples lives"*, Amnesty International piled the appalling human rights catastrophes which shocked the world in 1992. However, in the report Sudan was shown as one of the very few countries in the world where there is no record on human rights violations, on a terrifying scale. The United Nations reports on the human rights situation in individual countries, shows only minor incidents of human rights abuse in Sudan, such as political entities been detained and questioned for brief periods.

The Sudanese government has time and again stated that it adheres to principal of human rights as

stipulated in the *Quran*, and not on some man-made human rights declaration; and that Sudan supports and promotes the activities of all those international human rights agencies and organizations which do not contradict with Islamic laws and values; and that her policies towards human rights issues are based on the following principals:

- 1) To contribute to the observance of human rights as set out in the Holy Quran and the values enshrined in the public declaration of the prophet.
- 2) To allow every person the right to hold and to express his conviction and to be free from discrimination by reason of ethnic origin, sex, colour or language.
- 3) To give every person the right to physical and mental integrity.
- 4) To give every political prisoner the right to fair trial within reasonable time and in accordance with internationally recognized norms.
- 5) Sudan adopts all conventions and treaties which guarantee the observance of human rights.

Even when the Amnesty International in 1992 had alerted the world media, about the so-called mass detention and killings in the southern Sudanese town of Juba in 1992; they failed to produce any video footage of atrocities or any reputable eyewitnesses, nor any photographs or documents. Nevertheless, the Sudanese government announced that a committee chaired by a High Court judge would investigate the allegations of human rights abuse in Juba.

Inspite, of the negative findings of the committee and the declaration by the Sudanese government that any foreign delegation is welcome to Juba to conduct its own investigation (none went, not even the Amnesty International); yet the UN General Assembly, with a very small majority, adopted a resolution expressing deep concern over the human rights violations in southern Sudan. According to the Sudanese government, Sudan has been accused by the UN General Assembly because of her adoption of the Islamic laws and because of her independent approach to world affairs.

To make the Sudanese view clear, the Sudanese government made an interesting comparison between the situation of human rights in the United States of America, United Kingdom, and Israel with the Sudan. The following report was reproduced from statistics and data collected by Amnesty International in 1993, and by 10 other organizations, with regards to human rights violations in the above mentioned four countries (the original report of the Amnesty International, 1993 covers 161 countries). Israel and Britain were chosen for both share the same problems as Sudan. Like the southern Sudan which is plagued by civil war; Britain at that time was engaged in a civil war in Northern Ireland; and Israel at the West Bank, Gaza Strip and in southern Lebanon.

The following table (Table A) has been derived by the Sudanese Government from the statistics and data which has been produced by Amnesty International (though Amnesty International does not grade countries according to their record on human rights violations) and other 10 reputed international human rights

organizations and bodies regarding the human rights violations in four countries: the USA, the UK, Israel and Sudan.<sup>23</sup> The Sudanese government compared the human rights violations in the above mentioned countries and, thereafter, came to the conclusion that the Sudanese government can't and shouldn't be accused of human rights violations.

TABLE A: Human Rights Violations in USA, UK, Israel and Sudan

Description of violation & reported incidents	USA	U.K.	ISRAEL	SUDAN
Violation of asylum seekers treaties	4321	89	520	-
Prisoners of conscience	33	41	4221	3
Use of Excessive force	630	1132	10987	14
Physical brutality	310	981	20110	7
Unjustified shooting by armed forces	43	685	8211	1
Interrogation by use excessive force	733	418	9342	31
Prisoners killed under detention	19	6	10	-
Deportation from homeland	13	5	416	-
Ill-treatment of inmates	222	46	2100	-

<sup>23</sup> [www.sudan.net/government/embassy.html](http://www.sudan.net/government/embassy.html)

Torture of prisoners using electric shocks	82	-	816	-
Torture of prisoners by beating	21	92	654	-
Cruel, inhumane and degrading punishment	94	32	3211	14
Unwanted use of police dogs	47	16	1827	-
Violations against indigenous people	3121	49	14222	69
Cases of miscarriage of justice	49	132	603	-
Cases of sectarian killing	22	1	29	1
Cases of charges of preventing the courses of justice	14	89	96	-
Cases of brutality against children	161	339	1719	-
Cases of shooting without warning	49	92	212	-
Cases of violation of religious rights	6	29	42	-
Deportation of political refugees	9	32	191	-
Extra judicial executions and disappearances	-	-	91	2
Confiscation of properties	-	-	3114	29
Executions	31	-	-	1

Source: Based on the annual report of Amnesty International, 1993 and reports of 10 other human right organizations, prepared by the Sudanese government.



The above data very clearly shows that the allegations against Sudan that she is a human rights violator do not carry much weight.

*Another major constraint in the Indo-Sudanese relations has been the issue of India's entry in the Sudanese oil sector. Reports of official bodies such as the U.N. Human Rights Commission and Canada's Harker Commission, as well as, those of non-governmental bodies including Amnesty International, Human Rights Watch and Christian Aid, have documented evidence on how the presence and activities of oil companies are fuelling the war. According to the reports of these organizations: "the oil companies from the West and Asia have not only helped build the Sudanese oil industry ... but in the name of oil, the government forces and government-supported militias are emptying the land of civilians, killing and displacing hundreds of thousands of southern Sudanese .... the oil industry's infrastructure — the same roads and*

*airstrips which serve the companies — is used by the army in the war.*"<sup>24</sup>

According to the reports, of the above organizations, the money from the exports of Sudan's oil is being used for the build-up of a fast growing Sudanese arms industry, as well as, for increasing imports of weapons. According to these reports: "*The war, being fought between the Government and the main opposition force, the Sudan People's Liberation Army (SPLA), at a stalemate without oil, has escalated with oil.*"<sup>25</sup> The Sudanese Government, according to them, has claimed that it is capable of carrying on the war indefinitely with the revenue from the oil.<sup>26</sup>

According to a report by Brussels-based think-tank International Crisis Group (ICG), "*Organizing for Peace as the War Escalates*", Sudan's oil exports have given fresh impetus to Sudan's 19-year-old civil war. The report says, that oil revenues have allowed the

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<sup>24</sup> Fryans, Jedzrej, *Oil and War in Sudan*, Review of African Political Economy, 28 (90), 2001, December.

<sup>25</sup> Harshe, Rajen., *Politics of Giant Oil Firms: Consequences for Human Rights in Africa*, Economic and Political Weekly, 38(2), 2003 (11-17 Jan),p.26-8

<sup>26</sup> *Ibid*

government to purchase increasingly lethal weapons and expand use of air power.

Human Rights Watch (HRW) has charged, that Sudan's ample oil reserves were the main cause of the displacement, death and destruction brought by the country's civil war. In a report entitled "*Sudan, Oil and Human Rights*," released in Kampala, the New York-based human rights watchdog accused the Sudanese government of displacing hundreds of thousands of civilians, and that the oil companies, seeking to control the oilfields, are helping the government in this venture.

In a report to the U.N. General Assembly, Gerhart Baum, special reporter of the U.N. Commission on Human Rights, had mentioned that: "*exploration of Sudan's oil reserves has led to a worsening of the conflict, which has also turned into a war for oil ... no matter what oil companies do in terms of providing such social services as hospitals, schools and roads in the area where they operate, their doing business in a war-torn country... will continue to face international criticism until military warfare ends*".

The problem of extracting and exporting oil in a country in the midst of a devastating civil war cannot be over-stated. In Sudan, geography compounds the problem. Although oil is being exploited by a Government controlled by northerners, most oil reserves lie in the south — in areas where the SPLA and other southern groups are fighting against the Government for a more equitable share of economic and political power. The Muglad basin is classic geography for oil, a sedimentary plain exposed by two plates being pulled apart. Critically, the same area roughly defines the boundary between Sudan's north and south.<sup>27</sup>

The Sudan People's Liberation Army (SPLA) has even gone to the extent of warning India by saying that India is making a "*fateful mistake*" by investing in oil in Sudan. According to SPLA spokesperson, Samson Kwaje: "*No company should get involved in exploration or exploitation of oil in Sudan during this time of war, whether it is Indian, Canadian or Chinese. The benefits of this oil do not go to all the Sudanese people. Only the*

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<sup>27</sup> Ejobowah, Johanboge., *Who Owns the Oil in the Sudan*, World Today, 54 (3), March 1998, pp.32-4

*National Islamic Front is using the oil revenues to buy more arms and kill the people."*<sup>28</sup>

The SPLA spokesperson, Samson Kwaje further added that: "This is a government that is abusing human rights, that is killing its own people. It's a government that is bombing its people. So for the Indian government to deal with them, they are being not only insensitive but also this is a disrespect of humanitarian law. We appeal to the international community, India being a member of the United Nations that has signed bills of rights and covenants, to get India to respect international law." <sup>29</sup>

The SPLA has even predicted that despite the financial incentives, India will live to regret the investment. According to the SPLA spokesperson, Samson Kwaje: "*Morally it is wrong and the only solution that we can employ -- as the Sudanese people - - is to shut it down. To us, all oil installations in the country remain a legitimate military target ... let them*

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<sup>28</sup> See Jerusalem *Post Weekly*, March 30 and April 6, 2002,p.26-7

<sup>29</sup> *ibid*

*do what they can with Khartoum, whatever deal they can make, but they stand to lose at the end."*<sup>30</sup>

However, the government in Khartoum has, time and again, strongly denied the view that oil revenue is being used to step up its military campaign and says it is willing to share oil revenues equally among the people of Sudan. But, the SPLA wants the concessions to be shut down until there is peace.

Whether oil has fuelled Sudan's civil war or not, but there certainly seems to be a definite outrage, especially in the West, over the Sudanese Government's human rights violations and the complicity of the oil firms. While no American companies are involved — U.S. law prohibits them from doing business in Sudan — the involvement of Canadian and European firms in extracting Sudanese oil has prompted "*disinvestment campaigns*", such as those directed against firms that did business with the apartheid-era South Africa.

The criticism has fallen hardest on Talisman Energy Inc., a firm little known outside Canada till it

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<sup>30</sup> *ibid*

began its controversial Sudanese exploration. The company has been accused of being directly involved in forceful displacement of people. In a complaint against Talisman before a U.S. Federal Court, a secret Sudanese police communiqué about the plan for an attack on African villages near Talisman's oil fields at the behest of the company was filed. The memo issued on May 7, 1999, said "... *fulfilling the request of the Canadian Company (Talisman)... the armed forces will conduct cleaning up in all villages from Heglig to Pariang*".<sup>31</sup> Two days later, a major offensive was launched and villages in the area mentioned destroyed. The attacks reduced the overall population in the area by fifty per cent, thereby, securing it for the oil company.<sup>32</sup> Due to these pressures Talisman had to withdraw from Sudan, and her place has been taken over by the Indian oil company, Oil and Natural Gas Corporation (ONGC).

India has bought Canadian company Talisman Energy's twenty-five percent stake in the Greater Nile Petroleum Operating Company (GNOC). Talisman was

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<sup>31</sup> see *Khartoum News Service* (KNS) bulletin, 17 October 2002

<sup>32</sup> *ibid*

bought into the project in 1998. Ever since, it has struggled to defend itself from a barrage of criticism from shareholders, the Canadian public, and human rights and church groups who, like the SPLA, say the oil is fuelling the war. Non-governmental organizations like Christian Aid charge that the government is using a "*scorched earth*" policy to clear the area of civilians, making it safe for investors.<sup>33</sup> These accusations had a very negative effect on the Talisman's share price. Thus, ONGC got a toehold in the venture, after Talisman exited the project under pressure from its US investors citing Sudan's poor human rights record.

The Government of India has, however, remained unconcerned about any such criticism. For, India is desperate to buy equity in foreign oilfields to compensate for declining output at home. India imports more than two-thirds of its crude needs for its 17 refineries that process 2.3 million barrels per day. ONGC aim to recover their entire investment in five to six years assuming a crude price of about \$19 a barrel.

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<sup>33</sup> Harshe, Rajen., *Politics of Giant Oil Firms: Consequences for Human Rights in Africa*, Economic and Political Weekly, 38(2), 2003 (11-17 Jan),p.26-8



The project has a current production of 12 million tonnes annually, equal to that of India's biggest offshore oilfield in Bombay High. India's share in the production would be three million tonnes per annum.<sup>34</sup>

According to the Indian oil minister, Mr. Ram Naik:  
“ *...his country's energy needs are more important than possible protests or rebel attacks ... the Chinese are there, the Malaysians are there, and we have good relations with Sudan.*”<sup>35</sup> Unlike Talisman, which went to great lengths to mount a moral defense of its investment, the Chinese and the Malaysians have shown no such qualms. The other partners in the venture are China's National Petroleum Corp, with forty percent share, Malaysian state oil firm, Petronas, with thirty percent share, and the Sudanese state-owned Sudapet, with the remaining five percent share.

Concerns had been expressed in some quarters about the feasibility of the investment because of the security situation in the North African nation, which

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<sup>34</sup> *Sudan Newsletter*, Sudan Embassy, New Delhi, Letter No.5 vol.5, No.2, Sudan Embassy, New Delhi, November 30, 2003, p.3.

<sup>35</sup> *ibid*

has been wrecked by a bitter insurgency. But the decision by Khartoum and rebels of the Sudan People's Liberation Army to hold talks has improved the prospects of peace. And, oil industry sources predict that New Delhi's attempt to secure oil equity in Sudan could prove to be a good deal despite security concerns.

Even the Sudanese Ambassador to India, Abdalmahmood Abdalhaleem Mohammad, has assured that these concerns were unwarranted as Khartoum was party to all major investment guarantees. India's biggest international investment in a Sudanese oil consortium is "*very safe*" and will be mutually beneficial, according to the Sudanese Ambassador to India. To quote the Sudanese Ambassador: "*The Indian investment is very safe not only because the country (Sudan) is safe but also because it has institutional guarantees, bilateral and multilateral.*" <sup>36</sup>

Moreover, to protect its program to secure oil equity in Sudan India and the Sudanese government have signed an Agreement on Promotion and Protection

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<sup>36</sup> *ibid*

of Investments, in October 2003; whereby Sudanese government has been made a party for major investment guarantees and for getting a risk cover. The agreement between the Indian and Sudanese government states that : "Each Contracting Party shall accord to investments of the investor of the other Contracting Party, treatment which shall not be less favourable than that accorded either to investments of its own or investment of investors of any third state."<sup>37</sup> Another clause gives a commitment that the investments of foreign companies will not be nationalized or expropriated. Khartoum has even assured India of adequate compensation in the unlikely event of civil disturbances or a war that would adversely impact the joint venture.<sup>38</sup>

As a further protective measure towards securing its investment, India has also taken a risk cover from the World Bank-affiliated Multilateral Investment Guarantee Agency (MIGA).

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<sup>37</sup> see Foreign Broadcast Information Service, November, 12 and African Diary 14 (2003): 7310.

<sup>38</sup> *Ibid*

The Sudanese Ambassador to India, who has also been the driving force in convincing the Indian authorities about the viability of the investment, said both India and Sudan stood to gain from the venture. According to him: "It is again another step forward in the historical relations between Sudan and India. The decision gives economic content to the warm and friendly relations between our countries ... I think it gives substance to our historical ties."<sup>39</sup> He described the Indian investment in Sudan as a "*typical example of South-South cooperation.*" About security concerns expressed in some quarters, about the investment in view of the dragging civil war in the North African nation, the Sudanese Ambassador asked: "But tell me which country in the world is conflict-free. Every country is having its share of troubles..." He also commented that if the problem had been so serious then Sudan would not have achieved "*the miracle of producing oil*".<sup>40</sup>

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<sup>39</sup> *Sudan Newsletter*, Sudan Embassy, New Delhi, Letter No.5 vol.5, No.2, Sudan Embassy, New Delhi, November 30, 2003, p.3.

<sup>40</sup> *ibid*

The Sudanese Ambassador to India said that Sudan even wants India to bid for oil concessions, in the several blocks being offered for exploration and production along the Red Sea coast and northwest region, which is one of the most secure areas. The Ambassador further added that Sudan wants the Indian companies to invest in all areas of the Sudanese economy, particularly in independent power production and in the setting up of refineries. The Sudanese envoy also mentioned that reputed international oil companies were queuing up to invest in the growing Sudanese oil sector; whose reserve levels were second only to those of Saudi Arabia.

Moreover, those who doubt and question the Indian governments' decision to invest in Sudan are faced with the tough question as to why there is a renewed interest of U.S. in Sudan's peace negotiations. The reasons are many and varied and they certainly go beyond the US's self-proclaimed roles of defending democracy and human rights. Like the Sudanese protagonists, the US must also have realized that

neither Khartoum nor the John Garang-led Sudan Peoples' Liberation Movement (SPLM) is capable of winning the 20-year-old war comprehensively.<sup>41</sup>

No doubt, the US, like other world economic giants, has a keen interest in the Sudan's oil. However, the effective exploitation of the same, it has become abundantly clear, lies in first reconciling the Sudanese. For the SPLM has warned that in the absence of an acceptable formula for sharing the oil wealth, the oil installations and all personalities involved in their operations are a legitimate military target. Nothing short of that would invite unnecessary censure from the conscientious world community. The Sudan oil has in many circles been referred to as '*blood oil*'<sup>42</sup> and any beneficiaries of the same are branded as accomplices in the genocide of the southern Sudanese communities.

The US's latest overtures to Sudan must also be seen in the perspective of the American's anti- terrorism war. Securing peace in Sudan fits in pretty well with

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<sup>41</sup> Walker, Ezekiel Ayodele., *Structural Change: The Oil Boom in Africa*, Journal of Modern African Studies, 38 (1), 2003 (March),p.29-31see London *Times*, May 17, 1944.

<sup>42</sup> see London *Times*, May 17, 2001,p.5

this grand design. Having for years been blacklisted by the US as a supporter of international terrorism, the Americans could now be trying to extend an olive branch to Khartoum to avoid further radicalizing them. Sudan once played host to Osama bin Laden. When suspected terrorists attacked Kenya and Tanzania in August 1998, the US was quick to target Sudan as a possible accomplice in the acts that claimed more than 200 lives in Kenya alone. Much to the embarrassment of the US, it later turned out that the Khartoum pharmaceutical firm the US targeted in its revenge attack, had absolutely nothing to do with the manufacture of biological weapons.<sup>43</sup>

With Kenya having warmed up to the US's anti-terrorism war, President Bush is keen to exploit the role Kenya plays in regional politics, to bring the Sudanese to the fold. And in this, he can count on President Mwai Kibaki who himself seems keen not to squander any opportunity to play the role of a regional peacemaker like his predecessor, Daniel arap Moi. For Kibaki,

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<sup>43</sup> Republic of Sudan, Central Office of Information, *Sudan Almanac, 1999*, p.83

helping bring peace to Sudan would also be a stature booster especially at this time that his ruling Narc coalition is almost being torn apart by internal wrangles.<sup>44</sup>

Hence, to conclude in recent years Sudan has entered the ranks of oil-exporting countries in a big way. It would have done as much earlier but for the civil war and the machinations of the West. It is no secret that the big Western oil companies are waiting in the wings to exploit the natural resources of countries like Iraq, Iran, Libya and Sudan, which have been characterized unilaterally by the U.S. State Department as "rogue" states. The Western oil companies hope that once a "regime change" is forcibly effected in these countries, they can just walk in. As for India, which imports 70 percent of its crude oil requirement, Sudan could be a good source, if security concerns are addressed and which at this juncture are on the right and positive direction. The consortium project currently produces 12 million tonnes annually -- equal to what

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<sup>44</sup> see *Washington Post*, June 6, 2003.



India's biggest oilfield at Bombay High yields. India's share in the production would be three million tones and all of this would be India's own oil and will not be seen as imported oil. The Sudanese Ambassador to India, Abdal Mahmood Abadalhaleen Mohammad, has said that the oil deal *"is within the old framework of bilateral relationship and south-south partnership"*. According to the envoy, such deals would enthuse the entire African continent. Lately, the Indian government has also been saying that its foreign policy focus is being shifted towards Africa.

CHAPTER – IV  
CONCLUSION

The relations that so happily exist between Sudan and India are deeply rooted in history and have always been warm and cordial. The common ties of friendship and brotherhood as well as strong bonds of common heritage are further augmented by shared objectives and unique similarities of social and cultural diversities. It is only natural that the two countries and peoples come closer to each other as they did during the struggle against colonialism and apartheid, and as has been witnessed in their pioneering roles as founders of the Non-Aligned Movement. Firm basis for sound co-operative relations between the two countries have thus been created.

The strong foundation of relations between the two countries is increasingly relevant to the growing bilateral needs of today, as is also relevant to the challenges of current international developments. It is unquestionable that the world is transiting to a new era of globalization in which many of the traditional boundaries have been erased. However, current waves of globalization have brought with them negative effects

with far-reaching consequences. In an essentially unequal world, globalization and inter-dependence tend to deepen existing imbalances between the “haves” and the “have-nots”.

The continuation of the imbalances is neither compatible with the universal values of equality and justice, nor conducive to international peace and security, since many of the root causes of conflicts and wars are attributed to imbalances and inequalities between and among states. This is why South-South Cooperation is central. As two of the biggest countries in Asia and Africa, both India and Sudan can give meaning and dynamism to the South-South Cooperation, which has the potential of being a decisive factor in international economic relations. Then, there are also global issues of common interest to both India and Sudan, such as the ongoing debates in the WTO on agriculture and TRIPS where both will benefit by coordinating their positions.

In the post-colonial period, both India and Sudan had nurtured a symbiotic relationship in the economic

development sector in the true spirit of South-South cooperation. It is indeed a reflection of India's confidence in the economic potential of the Sudan region, that a Bilateral Trade Agreement with Sudan was signed in 1965 and then again in the 1990s various agreements and MOUs on economic cooperation have been signed between India and Sudan. These agreements envisage cooperation in diverse sectors such as agriculture, water resources management, human resource development, promotion of small and medium scale industries, communications, commerce, banking, trade and investment.

Today, some of India's biggest foreign investment is in Sudan --- a \$750 million investment in an oil project in the Sudan. Seems as if India is beginning to rediscover Sudan and Africa. In the past the focus was on the anti-apartheid movement and Third World solidarity. Today economics is taking over India's agenda in Sudan. India today presents itself not as a Third World leader but as someone interested in the security and development of Africa and as a potential

partner with much to offer. The present foreign policy of India seems to be based on: “creation and consolidation of strong economic bonds among countries of the South and the use of India’s relative economic strength for development of these countries on mutually beneficial basis.”

There is great deal of complementarity between the two economies; Sudan is abundant in mineral wealth and raw materials, whereas India has the necessary pool of technology, experience and entrepreneurs. Sudan should take the lead in providing appropriate institutional mechanisms to exploit the full potential of this complementarity. Sudan can also take India’s help to achieve her potential to become the “bread basket of Africa”. India with a population of more than a billion and a geographical area of 3.29 million square kilometers, has been able to not only feed its growing population but has also managed to have surplus of food grains for export purposes. Sudan can definitely achieve such a ‘*green revolution*’ with India’s help and expertise; for Sudan has 84 million hectares of land

suitable for agriculture, out of which only 14.7 million is being currently utilized. Hence, there is still a huge unutilized agricultural sector in Sudan which if judiciously utilized can make Sudan the “bread basket of Africa”.

Apart from traditional areas, India has also achieved excellence in the field of information technology. India has made a name in Information Technology and there is good scope for IT exports to Sudan. Only a few Sudanese have access to the Internet, and therefore there is a pressing need in Sudan to narrow the ‘digital divide’. Thus, there exists for Sudan tremendous scope for joint ventures with India in this field.

India and Sudan also have tremendous scope to work together in building capabilities in various areas in the oil sector and exploitation of other natural resources that could fuel economic growth of the North African country. Oil exploration, refining, marketing and value-added oil based products have been identified as the specific areas where there could be bilateral

cooperation. To quote from the Indian President, A P J Kalam's address, to the National Assembly of Sudan: "Exploitation of natural hydrocarbon and other natural resources by Sudan with the assistance of India could fuel economic growth of Sudan through many mission mode projects like the Vision 2020 of India." With a large part of the country still unexplored, hydrocarbon contribution to the Sudanese national economy was likely to increase significantly in the future.

Also for Indian business and joint ventures to Sudan, there are several factors that make the country an ideal destination for investors and fruitful bilateral co-operation. They include the strategic position of Sudan and its location as a gateway to African, Middle Eastern markets and beyond; the wealth of its resources; the most favourable investment regime and free-trade zones; Sudan's key position in regional cooperation institutions like COMESA. Hence, the various agreements on economic, trade, cultural and technical co-operation that have been signed between Sudan and India, since the mid-1990s, have embodied



the renewed determination of the two countries to foster cooperation in all fields. Thus, with the dawn of a new century, giving new dynamism to Indo-Sudanese relations is an imperative. The challenge before India and Sudan is to make the exchanges and interaction beneficial to their peoples and the wealth of their relations as well as commensurate with the potentialities of the two countries.

Also, the Indian decision to invest in the development of Sudan's oil sector has opened an important opportunity for India in Africa. Questions have been raised over the wisdom of this investment particularly in the context of the ongoing civil war in Sudan. But given India's energy security requirements, there may be no other option but to take some risks in managing our growing dependence on oil imports.

China, which is emerging as a major importer of oil, has similar considerations and is already present in Sudan, through its National Petroleum Company in both exploration and the development areas along with Petronas of Malaysia. It will be quite relevant to see how

China has been playing a proactive role in Sudan's development efforts. During about 50 years of Sudan's post-independence era, China has expanded its political and economic presence, irrespective of the nature of the regime in Khartoum — autocratic or democratic.

However, India which has had a high-profile relationship with Sudan in the past, must regain its past glory in and around Sudan, which shares its borders with as many as nine countries: Libya, Egypt, Eritrea, Ethiopia, Kenya, Uganda, Zaire, the Central African Republic and Chad. The decision to invest in Sudan's oil project is hopefully the beginning of a more proactive Indian policy in a strategically crucial region. In taking a long-term approach to developing relations with Africa, India needs to look not just at South Africa but also at geo-politically crucial Sudan.

While there will be inevitable difficulties in deepening economic relations with a nation such as Sudan, India must learn to make a distinction between 'smoke and a fire'. It has to make an independent

evaluation of such countries and not just go by the labeling indulged in by the sole superpower.

Most certainly, the decision to invest in the development of Sudan's oil sector has opened an important opportunity for India in Africa. To set aside such an opportunity on account of human rights considerations or any alleged terrorist history might be a big mistake. Civil wars are no good anywhere and the one in Sudan will end sooner than later. So it is time for India to go ahead full steam with its Sudanese venture.

As regards the civil war in Sudan, after decades of stuttering negotiations, punctuated by renewed fighting, Sudanese President Omar el-Bashir appears to have made a meaningful concession that could signal peace for his war-ravaged country. There are reports that indicate that his regime plans to share oil revenue on a 50-50 per cent basis with the rebels fighting for the secession of the mineral-rich south.<sup>1</sup> Although the Khartoum regime has often been accused of renegeing on

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<sup>1</sup> For details see "Press release on situation in Sudan" at <http://www.un.int/japan/3-statements / archives / motomura 020129. html>

ceasefires and other promises in the past, President el-Bashir's move should be seen as crucial for peace in the Sudan.

Indeed, given that the issue of revenue-sharing has stalled peace negotiations in Naivasha, the announcement may go a long way in inspiring the warring parties to make more concessions. Chance for peace in the Sudan cannot be squandered now, for the entire world is watching the country, which has never known peace for 25 years. Sudan's war has been about God, oil and power. The Khartoum government and the Sudan People's Liberation Movement/Army have always disagreed on these three. For obvious reasons, the mainly Christian south feels that it has been left out of the power sharing equation and seeks to control the vast amount of oil reserves in the area. On the other hand, the north has been opposed to power-sharing, and was always uncomfortable with the idea of a federal system as espoused by the south. As a result, the south remains underdeveloped and uninhabitable. President El-Bashir's concession therefore offers a very hopeful

window of opportunity for peace and it seems as if “peace is coming on schedule”.

Thus, to conclude it would be appropriate to quote the Indian President: " The time has thus arrived for our two nations to consolidate these developments since Independence, and forge stronger bonds between the planning and implementation institutions, public and private, of both nations for prosperity, happiness and freedom from insecurity. Using existing mechanisms, or creating new ones if necessary, the two nations must emerge with well-defined joint missions, programmes and projects between which could have the following broad objectives:

1. To work together for creative, balanced and sustainable democratic socio-economic growth in both nations.
2. To create new programme management organizations and joint-venture institutions and forge strong linkages between existing institutions for specific developmental missions.

3. To enable each other to attain and sustain self-sufficiency in energy, food, water, health care and critical new technologies (especially analysis and use remote sensing data) and to develop surplus capacities to assist other nations.

This partnership in the development of our nations will be a model for other developing and developed nations.”<sup>2</sup>

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<sup>2</sup> Keynote Address by Indian President to the National Assembly of Sudan on “ Furthering India-Sudan Cooperation”, October 22, 2003 at [www.highcommissionofindia.com/lhc/Html/nepad.htm](http://www.highcommissionofindia.com/lhc/Html/nepad.htm).

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