

**Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S,
Kolkata.**

India-Croatia Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Profile Report depicting the Embassy of Croatia.

2. The Republic of Croatia proclaimed independence on 25 June 1991 after breaking away from the former Socialist Federal Republic of Yugoslavia. India formally recognized Croatia in May 1992 and diplomatic relations were established on 9 July 1992. Croatia opened its Resident Mission in New Delhi in February 1995. The Indian Mission in Zagreb was opened on 28 April 1996, and upgraded to Ambassadorial level in January 1998.

3. During the days of former Yugoslavia, Croatia played an important role in the close links between India and Yugoslavia. Croatia accounted for more than two-thirds of trade between the two nations, including large scale purchases of Croatian ships by India in the 1970s and 1980s. Marshal Tito, who ruled Yugoslavia for more than three decades, was a Croat, and maintained close relations with the Indian leadership. Prime Minister Nehru and Marshal Tito were also pioneers of the Non-Aligned Movement.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

4. As a trading country partner of India and as per latest compiled and available statistics with DGCI&S, India's exports to Croatia during 2023-24 have been recorded at 233.55 million US Dollar and India's imports from Croatia during the same reference period stands at 58.06 million US Dollar with a resultant trade balance surplus of 175.49 million US Dollar.

Export-Import statistics as per India's Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows :

Export-Import statistics from 2019-20 to 2023-24

(US Dollar Million)

Year	Total trade	Import	Export
2019-20	204.93	57.18	147.75
2020-21	185.62	42.81	142.81
2021-22	552.61	59.43	493.18
2022-23	459.34	117.54	341.80
2023-24	291.61	58.06	233.55

(Source: Department of Commerce, India)

5. India's exports include aluminium ingots, chemicals and fertilizers, pharmaceuticals, machinery and equipment, metals, readymade garments and textiles, rubber and plastics, while we import plastic & rubber machinery, instruments and appliances for measuring and testing, food products and wood products. There is potential for increasing India's exports in segments such as textiles, leather, pharmaceuticals, basic chemical products, coffee, tea, industrial and electrical machinery. Opportunities also exist for India to use Croatia as a gateway to the South-East European markets using its major ports of Rijeka and Ploce.

6. According to latest available figures published by Croatian National Bank, Indian total direct investment into Croatia, during the period 2001- Q3 2022, amounted to Euro 40.05 million, while Croatia had Euro 5.55 million of direct investment into India in the same period. Although Croatian economy is relatively small with limited prospects for outward FDI, there is potential for collaboration in complementary sectors like infrastructure, defence, tourism, automotive, construction, ship-building, renewable energy, agro processing, IT and pharmaceuticals.

7. In pursuit of the Article III of the Agreement on Economic Cooperation between the Government of India and Government of Croatia signed on 14thFeb 2017. The Joint Commission on Economic Cooperation meeting is a good development of bringing our two line Ministries on the same page about the opportunities in the relevant sectors. We need to ensure that some of the areas highlighted there, especially in the digital transition, green technologies and in healthcare are pursued for bottom up opportunities that exist between our two countries. The cooperation that has begun in the area of digital technologies and startups should be given due attention by the institutions of two sides including financial support to ensure that our two startup ecosystems interact more frequently and create mutually beneficial opportunities contributing to global solutions. Similarly, Indian investments into Croatia are likely to increase as we move forward and Croatia establishes itself through the upgradation of Rijeka port as the hub for trade with the region and Europe in general.

8. As regards investments, despite being a small market, some Indian companies are now present in Croatia. ACG World Wide acquired Lukaps (Ludbreg) in 2007 and has since become a major supplier of gelatine capsules to EU. It plans to expand further by doubling its capacity in 2023 and with the establishment of an R&D Centre. It also acquired a Croatian IT company, IN2 Trace, specializing in pharmaceutical serialization solutions, in April 2017.

C. Other Major Areas of Co-operation

➤ Several Agreements/ Memorandum of Understanding (MOU) have been signed between India and Croatia for cooperation in the fields of defence, economic and commercial links, technical cooperation and culture.

➤ Hon'ble President of India H.E. Shri Ram Nath Kovind, visited Croatia in March 2019. A 35-member business delegation consisting of members from Associated Chambers of Commerce

and Industry of India (ASSOCHAM), Federation of Indian Chambers of Commerce and Industry (FICCI) and Confederation of Indian Industry(CII)also visited Croatia on the occasion. The India-Croatia Business Forum and B2B meetings were held in coordination with the Croatian Chamber of Economy (CCE). The occasion was also used for signing MOUs between the Croatian Chamber of Economy and FICCI, ASSOCHAM, CII.

- Croatian engineering major Končar signed several contracts with Indian industrial groups such as Jaypee and Virgo for mutual cooperation. Končar is actively involved in some small hydro power projects in India. It is also in touch with some Indian companies for cooperation in the field of non-conventional sources of energy, particular wind energy. Končaris currently cooperating with Tamil Nadu Generation and Distribution Corporation Limited(TANGEDCO)and most of its business activities are located in southern India.
- Telegra, Croatian artificial intelligence traffic management company installed Electronic Toll Collection System (ETCS) at one of the highways in India and exported some of Croatian Road Traffic Signalling Equipment to India. Telegra's current business activity in India is maintaining this ETC system.
- The Embassy has been encouraging Indian companies to position themselves in Croatia as it can serve as a gateway not only for entry into the little-known Balkan market estimated at more than 20 million people, but also Western Europe.
- In contemporary times, a Department of Indology has been functioning at the University of Zagreb for more than 50 years. There is also widespread interest in Yoga and Ayurveda in Croatia. There are several India-oriented cultural Societies in Croatia, comprising mostly of Croatian nationals, such as Yoga in Daily Life, Art of Living, ISKCON, Bhakti Marga, Vedic Centre. A number of Croatian students have learnt various forms of Indian classical dance in India under ICCR scholarships as well as on self-financing basis. In response to demand for Hindi, a Hindi Chair was set up by ICCR in 2009 at the Indology Department of the University of Zagreb, which was renewed in 2019 during visit of Rashtrapatiji to Croatia. Similarly, an MoU was signed during Rashtrapatiji's visit to Croatia in 2019 for establsihment of a Sanskrit Chair in the Indology Department of the University of Zagreb, which has started from the 2022 fall Semester. The Indology Department has been active in promoting Sanskrit and Hindi in Croatia. Croatian troupes also participate from time to time in cultural festivals in India.
- A Cultural Exchange programme for the period 2019-22 was signed during the October 2018 visit of former Croatian DPM and Minister of Foreign and European Affairs Ms. Marija Pejcinovic Buric to India. Numerous events are organized on a regular basis by the Embassy to showcase Indian culture in Croatia. Among recent activities, a regional seminar on Hindi teachings in Europe was held in March 2020 as part of World Hindi Day celebrations, with participation of scholars from across Croatia as well as from Poland, Portugal, Hungary and Bulgaria, etc. Multi-faceted 'India Day' events are organized in various provinces periodically, including Yoga workshops, screening of films, exposure to Indian cuisine, exhibitions on various themes, planting of peace trees etc. Since 2016 a tradition has commenced of taking out the annual 'Ratha Yatra' in downtown Zagreb, to replicate the age-old ancient tradition of Odisha. Mr. Veljko Kajtazi,

President of India-Croatia Friendship Group in the Croatian Parliament, visited India in March 2018 at ICCR's invitation.

➤ Annual International Day of Yoga (IDY) celebration attracts large participation. IDY celebrations have been taking place since its inception in 2015. In 2021, the 7th IDY was celebrated in 40 cities in Croatia. First International Yoga Science Conference was held in Zagreb on 16 June 2019 with participation of Yoga teachers, scientists and experts from Europe, USA and Russia. Mahatma Gandhi bust, donated by ICCR during Rashtrapatiji's visit in March 2019, was unveiled by Croatian PM and Mayor of Zagreb at the famous Bunde Park in Zagreb on 2nd October 2019 to mark Gandhi@150. Mission organized various seminars, exhibitions, events, publicity activities, etc. throughout 2019 to celebrate Gandhi@150 and 550th Birth Anniversary of Guru Nanak Devji.

➤ As part of Festival of India (FOI) in Croatia in 2019, four Indian dance troupes, sponsored by Ministry of Culture, performed in 12 cities across Croatia. As part of FOI, Food Festival of India was organized in Zagreb and Split in February 2020 with the participation of 2 eminent Chefs from India. A 10-member Kalaripayattu martial dance troupe from Kerala performed in the famous Rijeka Carnival and in Zagreb in February 2020. A year long festival titled "India: Indus Valley and Beyond" showcasing Indian civilization in all its manifestations through lectures, workshop, travelogues and exhibitions started in Archaeological Museum of Zagreb, in partnership with the Mission, on 02 March 2020.

➤ On 2 October 2022 at Bunde Park in Zagreb, Mahatma Gandhi's 153rd birth anniversary was celebrated in Zagreb on with the presence of about 75 friends of India along with remembrance of Second PM Shri Lal Bahadur Shastri on his 118th birth anniversary. The event was marked as International Day of Non-Violence with the organisation of a seminar on the topic "Non-violence is a weapon of the strong" in the evening at FER, University of Zagreb. The Embassy of India, Zagreb, FER, University of Zagreb & Croatian Indian Society partnered the special evening celebrating Culture, Customs, Conversation, Creativity & Cuisine.

➤ Since the launch of Azadi Ka Amrit Mahotsav celebrations in India from 12th March 2021 till 15th August 2023, many events have been organized in Croatia with the partnership of different stakeholders and institutions who are working towards strengthening India-Croatia cultural relationship. The events included the painting competition, exhibitions, sports events, virtual as well as physical webinars and seminars. Multiple events related to celebration of Azadi Ka Amrit Mahotsav were organized during the year, including 75th Independence Day Reception in Zagreb with the presence of Foreign Minister, Deputy Speaker of Parliament and the former President of Croatia, among many other dignitaries and 73rd Republic Day Reception in Zagreb with the presence of State Secretary of Foreign Affairs.

➤ A special month-long Azadi ka Amrit Mahotsav celebrations was organized between 25th January-26th February 2022 with 16 events spread over 8 cities of Croatia in 32 days, in which

all 6 pillars of Amrit Mahotsav were given focus. The most successful three performances by the ICCR sponsored contemporary dance group “PARADOX” led by Terence Lewis brought the feel of India to the Croatian friends in three Croatian cities where people could appreciate the diversity and depth of Indian culture and heritage in 90 minutes’ special choreography created for this occasion by the name “Indradhanush”.

➤ The year 2022, as a symbol of the 75th Anniversary of India's Independence, the multiple stakeholders in Croatia decided, along with the Embassy of India in Zagreb, to celebrate the 8th IDY2022 during 1-21 June in 75 different locations. This was the first time that IDY this year was marked in such a large number of locations with the spike in the number of participants compared to previous years. Yoga workshops were also organized. Also, several sessions of yoga for kids, for the elderly and for pregnant women were organised.

➤ The MoU on Defence Cooperaton between two countries is ready for signing. The cooperation as such is taking place between the institutions and the companies and we should continue to explore further opportunities in this regard. There are some initiatives in the pipelines for cooperation in defence R&D. Similarly, Croatian defence companies should look at opened up Indian defence market for new opportunities without having the baggage of past experience as we are now in an era of new India. Invest India has expressed dedicated support to Crotian companies in this regard.

➤ Demography is an important area of complementarity between India and Croatia. India’s experience in skill development and skills focused New Education Policy provides great possibilities for Croatian companies to benefit from the predictable and desired skill set possessing human resources from India through the cooperation with Skill Development Ministry and National Skill Development Corporation of India.

➤ The Indian community in Croatia has changed over the last two years rapidly due to demographic situation in Croatia where a lot of foreign workers are being employed for carrying out work in different sectors of economy. On 31 December, 2022, the number of Indians residing in Croatian territory jumped to over 7500 from a figure of roughly 2500 in December, 2021. Many of the Indian workers are working on short to medium term contracts and therefore at least, 90% of the people among currently residing are those who form a part of the mobile population staying in Croatia for a specific contractual period. Of the Indians residing in Croatia, around 32 are PIOs and 25 Indian students. Indian tourists to Croatia have been increasing sharply over the last few years, but with Croatia in the queue to join the Schengen Zone, visa issuance process is cumbersome (however, dual / multiple entry Schengen visa holders can enter Croatia without a Croatian visa).

Source: www.mea.gov.in