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BILATERAL RELATIONS
INDIA - PORTUGAL

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INTRODUCTION

Relations between India and Portugal began amicably in 1947 when the former achieved independence. Relations went into decline after 1950 over Portugal's refusal to surrender its exclaves of Goa, Daman and Diu and Dadra and Nagar Haveli on India's west coast. By 1955, the two nations had cut off diplomatic relations, triggering a crisis that led to a war between two countries which resulted in the Indian Liberation of Goa in 1961. Portugal refused to recognise Indian sovereignty over the annexed territories until 1974 when, following the Carnation Revolution, the new government in Lisbon recognised Indian sovereignty and restored diplomatic relations.



BACKGROUND

Prior to Indian independence Portugal's relations with the British Indian Empire were derived from those with the United Kingdom, set within the framework of the Anglo-Portuguese Treaty of 1373. This treaty, signed between King Edward III of England and Ferdinand I and Queen Eleanor of Portugal, established "perpetual friendships, unions [and] alliances" between the two seafaring nations and is the world's oldest active treaty. This led to amicable relations—especially with regard to trade and transport between British and Portuguese colonies in the India.

Commencement of relations: 1947-1950

Relations between Portugal and the Indian Union were quite cordial in 1947, particularly in light of Portuguese willingness to terminate the old Padroado treaty with the Holy See, which had traditionally given the Archbishop of Goa 'patriarchal' authority over other parts of India. On 12 August 1948, India and Portugal exchanged diplomatic missions.

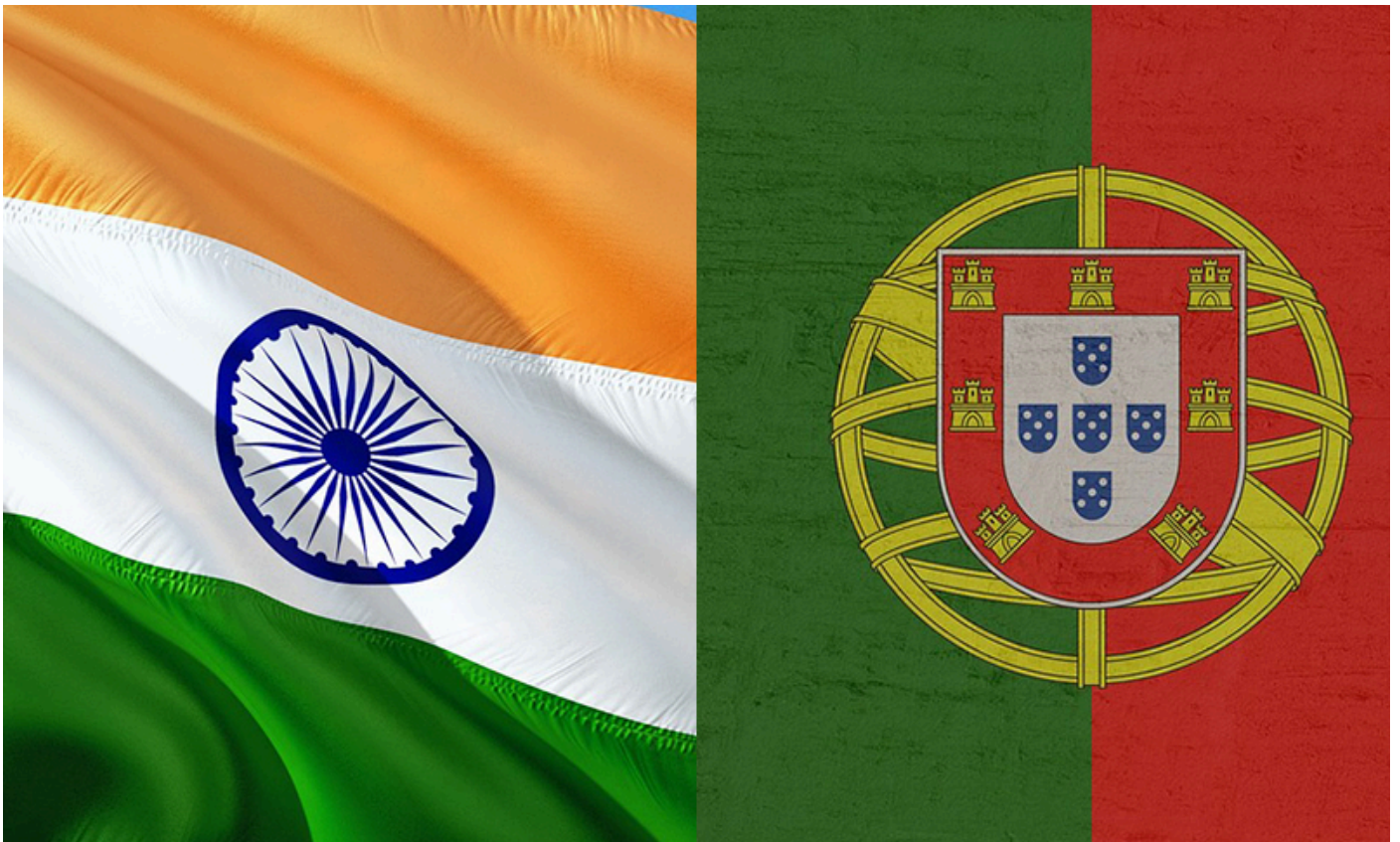
Goa dispute: 1950-61

As of the creation of the Republic of India in January 1950, Portugal held a handful of territories on the Indian subcontinent—the districts of Goa, Daman and Diu and Dadra and Nagar Haveli—collectively known as the Estado da India. Goa, Daman, and Diu covered an area of around 4,000 square kilometres (1,540 square miles) and had a population of 637,591. The Goan diaspora was estimated at 175,000 (about 100,000 within the Indian Union). Its religious distribution was 61% Hindu, 36.7% Christian (mostly Catholic), 2.2% Muslim. The economy was primarily based on agriculture, although the 1940s and 1950s saw a boom in mining—principally iron ore and some manganese. Portugal's steadfast refusal to cede these territories caused relations with India to decline. Armed conflict commenced in December 1961.



AFTERMATH

India's liberation of Goa was met with both international support and deploration. In the years following the liberation, Portugal refused to recognize India's sovereignty over Goa. Salazar died in 1970. In 1974 a democratic government took power in Portugal and recognized India's sovereignty in Goa. The two countries signed a treaty in New Delhi on 31 December 1974, re-establishing diplomatic relations. Embassies were reopened, the Indian Embassy in June 1975, and the Portuguese Embassy in July 1975. The Portuguese government remained vulnerable and unstable until in 1987 the Social Democratic Party (PSD) gained an absolute majority. This introduced an era of stability keeping bilateral interaction between India and Portugal at a low ebb. A bilateral Agreement on Trade, Economic, Industrial and Technical Cooperation was signed in 1977 and a Joint Committee established under this Agreement first met in November 1981.



INCREASING DIPLOMATIC CONTACTS

Signs of improved relations included two visits of Mario Soares: one as Prime Minister to attend the 1984 funeral of Indira Gandhi and again President/chief guest at the Republic Day event in New Delhi in 1992. President Venkataraman in 1990 and President KR Narayanan in 1998 made state visits in addition to Prime Minister Atal Bihari Vajpayee for the first India-Portugal Summit in June 2000. Aníbal Cavaco Silva paid a state visit in January 2007 followed by the visit of Prime Minister Jose Socrates in December 2007. Prime Minister António Costa paid yet another visit in January 2017.

Parliamentary exchanges commenced in 1999 with a visit of 9 ministers from Portugal led by Dr. Antonio de Almeida Santos, Speaker of the National Assembly of the Portuguese Republic from 15 to 22 December 1999. Dr. Joao Bosco Mota Amaral, Speaker of Parliament then led a 4-member delegation to the Golden Jubilee celebrations of India's Parliament on 21-25 January 2003. India dispatched a 12-member Parliamentary Delegation led by Manohar Joshi, Speaker of the Lok Sabha to Portugal from 25 to 28 May 2003 and a 16-member Parliamentary Goodwill Delegation led by Minister for Parliamentary Affairs & Information and Broadcasting, Priya Ranjan Dasmunshi visited on 6-7 November 2007.

Ministerial visits included Dr. Joao Cravinho, Secretary of State for Foreign Affairs on 21-22 November 2006, Anand Sharma, Indian Minister of State (MOS) for External Affairs to Lisbon from 10 to 12 June 2007, Luis Amado Foreign, Minister of Portugal to India from 8-11 July 2008 and Shashi Tharoor as MOS to the COD Ministerial in July 2009.

Portuguese President Marcelo Rebelo de Sousa is to make a four-day visit to India in 2020 or 2021. The last visit by a Portugal President to India was in 2007.

TREATIES AND AGREEMENTS

In 1997 India and Portugal split the 1977 agreement into two separate segments— one providing economic and industrial cooperation (signed at Lisbon in April 2000) and the other providing cooperation in science and technology (signed in December 1998). Another Agreement providing for avoidance of double taxation was signed in September 1998. Both these agreements had since entered into force with the completion of ratification procedures.

A Cooperation Agreement was signed in January 1992, between the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Portuguese Institute for Foreign Trade and Investment (ICEP). A Joint Business Council established under this agreement met in 1993, 1995 and 1997. A Cooperation Agreement between Confederation of Indian Industry (CII) and the Portuguese Association of Industries (AIP) was signed in July 1995. A Bilateral Investment Promotion and Protection Agreement (BIPPA) and an Agreement setting up a Joint Working Group on Information Technology were signed in June 2000. The following agreements were signed in January 2007:

- Cultural Exchange Programme (2007-2010)
- Exchange Programme in the fields of Education, Language, Science, Technology and Higher Education (2007-2010)
- Overarching Agreement in the field of Education, Science, Culture, Sports, Youth and Mass Media (2007-2010)
- Extradition Treaty



TRADE AND ECONOMIC RELATIONS

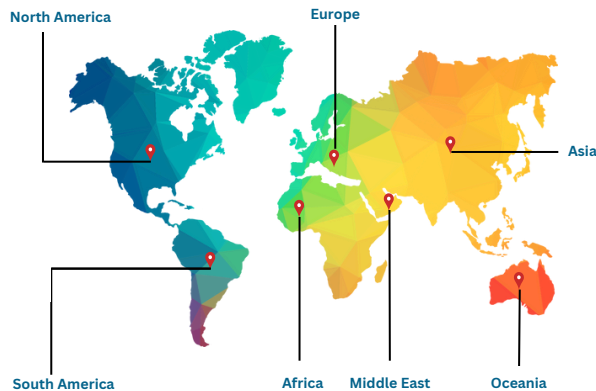
Indo-Portuguese bilateral trade grew from US\$69 million in 1991 to US\$289.52 million in 2005. India's exports constituted over 70% of the turnover.

Indian exports consisted principally of marine products, cotton and synthetic textiles, leather, footwear, hides and skins, staple fibres, coffee, tea & spices. In the twenty-first century exports diversified to include items such as carpets, gems and jewellery, silk and silk products, tobacco, electrical machinery & parts, iron & steel products, dyeing & tanning products, and organic chemicals. Automobile spares and components, computer software, bicycles, scooters and other two wheelers, and rice have also been exported. Portuguese exports to India were mostly machinery and heavy equipment (44% in 2006)[39] with the remainder consisting mainly of cork and cork products, pulp and paper products, organic chemicals and plastics.

Following President Venkataraman's 1990 visit, an agreement was reached about the gold ornaments taken away from Goa by the Banco Nacional Ultramarino in 1961. These ornaments, deposited by the people of Goa in the Banco Nacional Ultramarino during Portuguese rule, were returned to the Indian government during the visit of Indian Minister of State for External Affairs, Eduardo Faleiro in July 1991.



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