

# Report on the relationship between India and Argentina



Report N° 1 - August 2021

Historical overview and recent events

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## INTRODUCTION

India Foundation (India) and Fundación Nuevas Generaciones (Argentina) are pleased to present their first report on the relationship between the Republic of India and the Republic of Argentina.

This first edition paints a general picture of the bilateral relationship, which is analyzed from three points of view: diplomatic relations, trade exchange and cultural ties.

Furthermore, it sheds light on the two most relevant events that have occurred recently in the relationship between the two countries: the authorization for Argentine yerba mate to enter the Indian market and the celebration of the first forum organized by the brand-new India - Argentina Business Council (IABC).

## DIPLOMATIC RELATIONS

In 2019, India and Argentina officially defined their mutual relation as a strategic partnership. However, the diplomatic relations between the two countries hold more than seventy years of history. As a matter of fact, the Embassy of India in Argentina was established in 1949 and, a year later, the Argentine Embassy in India was created.



Up to this point, India and Argentina have signed thirty eight agreements and memorandums of understanding, which cover the areas of trade; tourism; culture; defense; communications; agribusiness; nuclear energy; medicine; science and technology; sports; taxation; and scientific cooperation in Antarctica and outer space. Against that backdrop of cooperation, the heads of government of India and Argentina have undertaken official visits to Buenos Aires and New Delhi. Indeed, Indian Prime Minister Narendra Modi visited Buenos Aires in late 2018, while his Argentine counterpart, then President Mauricio Macri, traveled to India in early 2019.



President Mauricio Macri and Prime Minister Narendra Modi during the former's visit to New Delhi in 2019.

At the multilateral level, Argentina and India are natural partners regarding "South-South Cooperation", and thus they are members of the G-77 and G-24. Moreover, both countries are part of the G-20, within which they are categorized as emerging economies.

In particular, Argentina was one of the first Latin American countries to join the International Solar Alliance (ISA) and the Coalition for Disaster Resilient Infrastructure (CDRI), two global initiatives proposed by Prime Minister Modi against climate change.

The fact that India and Argentina share a similar view on environmental issues was shown during the Climate Leaders Summit, held on April 22, 2021, at the request of U.S. President Joe Biden. Both Prime Minister Modi and Alberto Fernández, the current President of Argentina, called for no more time to be wasted in the struggle against climate change and, to this end, they stressed ways to channel resources so that all countries are able to undertake the needed ecological transition. Whereas President Fernández quoted Pope Francis, "No one is saved alone", Prime Minister Modi recalled the following words of the monk Swami Vivekananda: "Arise, awake and stop not until the goal is reached".



President Biden, Prime Minister Modi and President Fernandez at the Leaders' Summit on Climate 2021.

On the other hand, India has persistently supported Argentina's demand for the resumption of negotiations with the United Kingdom over the sovereignty dispute around the Malvinas Islands, as it has been stipulated by the UN General Assembly through the Resolution 2065 (XX).

Finally, the common fight against COVID-19 has enhanced the close ties between India and Argentina. By July 2021, Argentina has received 580 thousand doses of Covishield vaccine, which were manufactured by the Serum Institute of India, and at least 10 million doses of Covaxin vaccine (max. 15 million) are expected to be sent, under an agreement between the Government of the Buenos Aires Province and the Indian laboratory Bharat Biotech. Furthermore, the access to paracetamol and hydroxychloroquine was facilitated as well.

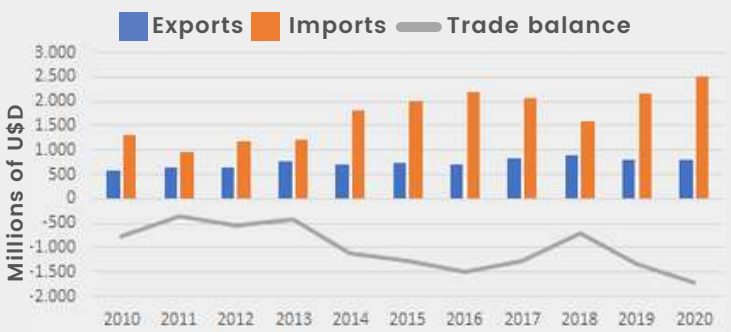
## TRADE EXCHANGE

The Republic of India is the largest economy in the world with which Mercosur (Argentina, Brazil, Paraguay and Uruguay) has a trade agreement in force, but it is a preferential agreement, so its commercial scope is limited. Nevertheless, the possibility of expanding the agreement is on the table, either by covering a higher number of tariff positions or even establishing a free trade zone.



In 2020 India became Argentina's sixth largest trading partner. Despite the difficulties which have arisen from the pandemic, in 2020 the trade between both countries reached a record figure of U\$D 3,308 million, of which U\$D 2,507 million were Argentine sales and U\$D 801 million Indian exports. On the other hand, according to the latest official data, Argentina ranks 42nd in the list of India's largest trading partners and in Latin America is only surpassed by Venezuela (33rd), Brazil (32nd) and Mexico (28th).

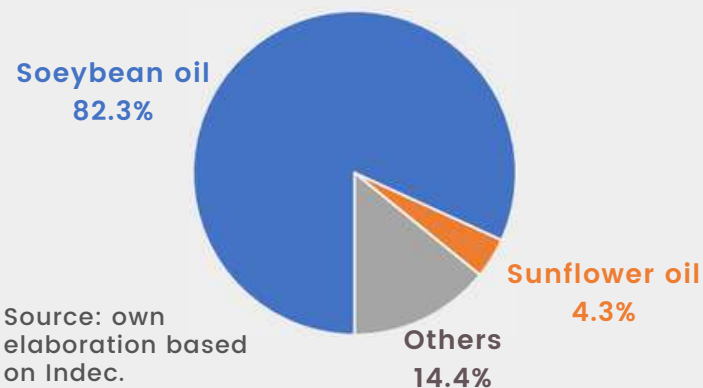
**Indian trade with Argentina, dating from 2010 to 2020**



Source: own elaboration based on Indec.

Of all Argentine exports to India during 2020, 81.3% corresponds to soybean oil and 4.3% to sunflower oil. These are value-added exports, but with room enough to diversify the list of exchanged products. On the Indian side, its largest exports to Argentina were organic chemicals (31%), gasoil (17.9%), land vehicles (6.5%, especially motorcycles) and pharmaceuticals (6%).

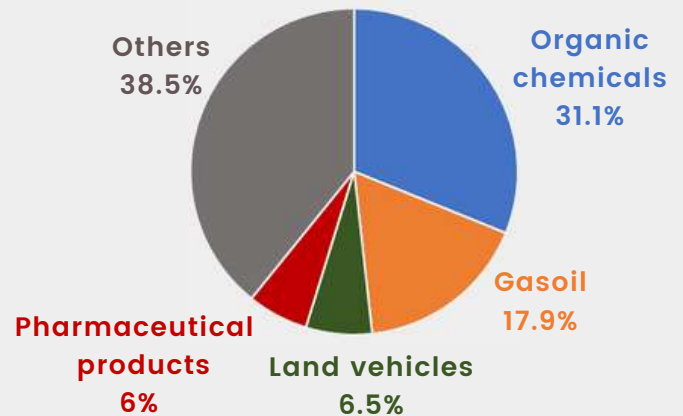
**Indian imports from Argentina in 2020**



Source: own elaboration based on Indec.

Although Indian exports are more diverse, they have grown at a slower rate than Argentine exports over the last ten years. Indeed, while the latter expanded by 48% between 2010 and 2020, the former increased by 29%.

**Indian exports to Argentina in 2020**



Source: own elaboration based on Indec.

**Argentina's yerba mate gets approval to enter the Indian market**

In mid-March 2021, the entry of Argentine yerba mate to the Indian market was approved. During 2020, total exports of this Argentine product reached U\$D 93 million, of which 67% was concentrated in the Middle East. Hence, India represents a solid opportunity to continue expanding the sales of yerba mate in Asia.



Yerba mate provides a wide range of nutrients, especially vitamins B1 and B6.

Argentina is the world's largest producer and exporter of yerba mate, which is a crop grown mainly in the provinces of Misiones and Corrientes (both located in the Northeast of the country). Although India is not currently in the habit of importing yerba mate, its people have a long-standing tradition of consuming infusions, mostly tea. Consequently, the idea is that yerba mate reaches the Indian consumer in a similar format.

### **First forum of the India-Argentina Business Council (IABC)**

Under the initiative of India's Ambassador to Argentina, Mr. Dinesh Bhatia, in October 2020 was created the India-Argentina Business Council (IABC). IABC is a non-profit organization dedicated to fostering the economic relationship between India and Argentina, and is currently comprised by more than thirty companies and chambers from both countries.

The first business forum organized by the IABC was held on March 25, 2021, and was attended by Argentine officials, Indian diplomats and representatives of companies from both countries. The opening remarks were delivered by Argentina's Minister of Productive Development, Mr. Matías Kulfas, who stated that "strengthening the ties between our countries is a firm political decision". In this sense, Minister Kulfas highlighted the commercial opportunities in the fields of agro-industry, mining, oil, energy, technology, science and automotive industry. Minister Kulfas also underlined the desire to intensify bilateral cooperation regarding spatial and satellite systems and in the use of nuclear energy for peaceful purposes.

The following speaker was Ambassador Bhatia, who stressed that India has facilitated access to medical supplies to more than 150 countries during the pandemic, including Argentina. Furthermore, the Ambassador expressed his satisfaction about the deepening of the political and commercial ties between the two nations in spite of the pandemic. Nonetheless, Ambassador Bhatia stated that "the stagnation of Indian exports to Argentina in 2020 is certainly a cause for concern", and thus encouraged the Argentine government to take positive steps to address India's growing trade deficit with Argentina and ease the approval of imports coming from India.



Mr. Dinesh Bhatia, India's Ambassador to Argentina, during the first business forum organized by the IABC. Author: Embassy of India in Argentina.

In addition, the Ambassador said that it is time for Argentina to consider including India in the group of countries with fewer requirements for medical and pharmaceutical products imports. Finally, Ambassador Bhatia proposed the official recognition of Ayurveda (which is an ancestral Indian system of natural and holistic preventive medicine), and emphasized India's willingness to continue collaborating with Argentina in the current vaccination campaign against COVID-19.

Within that framework, representatives of the Indian and Argentine companies shared their experiences and views about the economic relationship between both countries. Firstly, some representatives emphasized on the convenience of expanding the trade agreement between Mercosur and India. Likewise, the representatives of Indian companies pointed out the need for Argentina to allow importing Indian products in a faster way and to review the restrictions that prevent the transfer of foreign currency between the two countries. Even so, all the speakers highlighted the growth of their activities in recent times and their certainty that there is a great potential for the development of the bilateral relationship.

Closing the forum, the Secretary of International Economic Relations of the Argentine Foreign Ministry, Jorge Neme, stressed that both countries should increase their economic relations: "a trade balance that is around U\$D 3,300 million does not represent the size of both economies. From this point of view, we will work intensively with Ambassador Dinesh Bhatia to see how to improve our bilateral trade".



From left to right: Mr. Jorge Neme, Secretary of International Economic Relations of the Argentine Foreign Ministry; Mr. Dinesh Bhatia, India's Ambassador to Argentina; and Mr. Gustavo Idigoras, Representative of the IABC. Author: Embassy of India in Argentina.

## CULTURAL TIES

The relationship between Argentina and India does not only involve their respective governments and bilateral trade, but also encompasses, in a broad sense, the people living in both countries. First of all, India must be one of the Asian countries whose culture is most familiar to the Argentines. A great gateway to Indian culture is yoga, which in Argentina has 3,117 authorized teachers. In fact, many times the interest in yoga leads to other traditional Indian practices, such as its dance and music, its gastronomy and, especially, Ayurveda.



As part of the celebrations of the 7th International Day of Yoga, there was an exhibition at "La Bombonera", Boca Juniors' stadium. Author: Embassy of India in Argentina.

In this vein, many countries across the world celebrated the 7th International Day of Yoga on June 21, whose motto was "Yoga for wellness". This initiative was proposed by India and got the approval of the United Nations General Assembly in 2014. In Argentina, the celebration encompassed 35 activities developed over eight days, which were organized by the Indian Embassy in Argentina and included the participation of Argentine celebrities such as Soledad Silveyra, Patricia Sosa, Nacha Guevara, Boy Olmi and Claudio María Domínguez, among others.

On the other hand, Argentina's main cultural attractions in India revolve around tango, the admiration for some sportspersons (such as Lionel Messi and Diego Maradona) and a growing cooperation in polo. In the same sense, the audiovisual industry of India and Argentina have great potential to keep increasing their popularity among Argentines and Indians, respectively.



Indian citizens in Kolkata, capital of West Bengal, celebrating after Argentina's national soccer team won the Copa America 2021. Author: Dibyangshu Sarkar / AFP.

Regarding tourism, which always works as a cultural bridge between the countries, close to 16 thousand Argentines visited India in 2018, while the movement in the opposite direction exceeded 9 thousand people.

Furthermore, the scholarships granted through the Indian Technical and Economic Cooperation Programme (ITEC) also contribute to form ties between the citizens of both countries. ITEC was created by the Indian government in 1964 and offers the following courses:

- Agriculture, Food and Fertilizers
- Cyber Technologies, Artificial Intelligence and Emergent Technologies
- Engineering and Technology; Environment and Climate Change
- Health and Yoga
- Irrigation and Water Resources
- Management and Leadership
- Oceanography
- Power, Renewable and Alternate Energy
- Quality Management
- SME and Entrepreneurship
- Sustainable Development and South-South Cooperation
- Trade and International Market
- Women Empowerment
- Banking, Insurance, Finance, Accounts and Audit
- Education
- English Language
- Government Function
- Human Resources Development and Planning
- Information Technology and Telecommunication
- Media and Journalism
- Petroleum and Hydrocarbon
- Project Management
- Rural Development and Poverty Alleviation
- Textile
- Urban Planning
- Other specialized courses

Finally, the relevant presence of the Indian community in Argentina should not go unmentioned. It is estimated that around 2,500 Indians and people of Indian origin live in Argentina, most of them in the metropolitan area of Buenos Aires. However, it should be noted that in the northern provinces of Jujuy and Salta there are descendants of Indian immigrants who arrived in Argentina four generations ago. They arrived attracted, in part, by the geographical similarities between the aforementioned provinces and the Indian State of Punjab, which is another connection between the two countries.

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## FUNDACIÓN NUEVAS GENERACIONES

Beruti 2480 (C1117AAD)  
Ciudad Autónoma de Buenos Aires  
(Argentina). Tel: (+54) (11) 4822-7721  
[contacto@nuevasgeneraciones.com.ar](mailto:contacto@nuevasgeneraciones.com.ar)  
[www.nuevasgeneraciones.com.ar](http://www.nuevasgeneraciones.com.ar)



## INDIA FOUNDATION

J-1 and H-1, Ground Floor.  
Upasana Building, 1 Hailey Road.  
New Delhi (India) - 110001.  
Tel: (+91) 11-41654836 / 43012351  
[mail@indiafoundation.in](mailto:mail@indiafoundation.in)  
[www.indiafoundation.in](http://www.indiafoundation.in)

