

India considering currency swap agreement with Nigeria



[Vincent Ikuomola Abuja](#)

July 2, 2023

India High Commissioner to Nigeria, Shri G. Balasubramanian speaks on India-Nigeria relations and the efforts towards improving economic and bilateral trade, including plans for currency swap amongst other issues. Except by VINCENT IKUOMOLA

INDIA-NIGERIA relationship is said to be historic, but where would you say we are at the moment as partners?

The bilateral relationship between India and Nigeria is very strong. It is historical, as you would perhaps know that we started our relationship two years before your independence in 1958 by opening a diplomatic office in Lagos. Subsequently, it was through political visits; the first prime minister had visited in 1962. When you were also having a prime minister, Alhaji Tafawa Balewa, he was also here.

So from that point onwards, capacity building training, sending of teachers to the schools and universities, setting up of the Naval War College in Port Harcourt and the National Defence Secretariat in Kaduna, were capacity building exercises which were carried out by both India and Nigeria together. Up till the mid 80s or late 80s, Indian teachers were also available in most of the schools and in universities. I have come across various senior functionaries of the government, both in politics and in the bureaucracy who have said that they have had Indian teachers who have taught them. So, we have had quite a close relationship. Subsequently, India has also on the economic front, set up various industries over here through Indian companies. More than 135 Indian companies that have made Nigeria their home for the past three, four decades have invested more

than \$19 billion in the manufacturing sector alone. And the manufacturing sector varies from oil industry to plastics, to pharmaceuticals, to textiles to almost everything in the service industry. Yet, there is another example currently in the service industry, Hospitality Management. There are also hospitals like Primus Hospital already set up here, and so on and so forth. So there are many Indians who have made Nigeria their home, thanks to the hospitality of Nigeria; and have contributed to the economy of Nigeria as well as the development of business relationship between India and Nigeria. On the political front, as I told you, we have had regular visits, and of course, the last visit of the President was in 2015, when he went to India to attend the India Africa Forum Summit.

We are expecting the current president to also visit India. I will come to the background in a while. When we took over the presidency of G20 in December 2022, we invited Nigeria as a guest country for the first time. That in itself reflects the strength of the relationship, political relationship and the close cooperation that we have been having. Based on that, we are expecting His Excellency Mr. Bola Tinubu, the president of Nigeria to visit India for the forthcoming G20 Summit in India on 9th and 10th of September this year. This is something we are working closely on with the Nigerian authorities.

We have had more than 140 meetings from December till now and we are very satisfied with the participation of Nigeria in the G20 meetings – at the ministerial level, working group level, engagement group level, and so on and so forth.

I would therefore like to say that the relationship is on a very strong footing. The future is wide open for us to cooperate closely for mutual benefits; and the basis on which we are doing so is quite strong.

The trade relations between India and Nigeria has been constant for a while now, can't this be improved on?

Certainly. There have been reports in this first quarter of some drops in the trade relationship between India and Nigeria; and that is basically because of the forces that are beyond the bilateral relationship, which include oil and natural gas and things like petroleum products of that sort. But otherwise, the relationship has been quite strong. We have grown. During COVID, we were doing it well; and post COVID, there has been a substantial improvement. In 2021/2022, we had a bilateral trade of about \$14.95 billion, majority of which was petroleum; but there has been some change in the recent past. However, with the strong manufacturing capacity that India has put in place within Nigeria and also the push that the government of India is giving in terms of making India an export to the world, there has been a large impetus on the part of the government also and on the part of the businesses. To further expand this thing, we, in August 2022, inaugurated a Nigeria-India Business Council. While there are 135 Indian companies here with \$19 billion dollars as I mentioned earlier, they are all in traditional areas of manufacturing. So the NIBC is looking forward towards opening up of new vistas in trade and economic cooperation between our two countries – whether it is FinTech, whether it has artificial intelligence, whether it is new areas, technological solutions for modern problems; these are something that we are working on, including Nollywood/Bollywood. So we are very hopeful that these things will happen. There are certain foundational agreements which are being negotiated like the double taxation avoidance agreement, bilateral investment treaty and so on and so forth. This will certainly also add impetus to the growing relationship in the trade sector between our two countries.

Is there any bilateral air agreement between both countries?

Yes. We have Bilateral Air Services Agreement. Under that agreement, Air Peace has already started flying directly from Lagos to Mumbai on twice a week basis. And I'm sure that with more than 60,000 Indians residing in Nigeria and an equal number, if not more, of Nigerians residing in India, this certainly would be a very profitable route. In the future, we are also looking forward to having Indian Airlines come to Nigeria – because this is a very important factor for businesses and people to people contact.

What are the reports you get about Nigerians in your country?

See, good, bad and ugly are out there in the whole world. But nobody can certainly say that country A is bad, Country B is bad. There are people who have different work ethics and ways in which they work. So I wouldn't certainly turn Nigeria in that category at all. We have excellent cooperation. More than 5000 students were studying last year alone. We had given 4,836 scholarships for only education to Nigerian students. Many medical visas are being given for treatment in India. Last year alone, we gave more than 10,000 visas for Nigerians to visit, and the business is growing.

So I would certainly characterise this as a growing relationship; and the movement of people, certainly, is being encouraged.

In the area of insecurity, both countries seem to have had their share; how do you think Nigeria can benefit from your experience?

Certainly security is an internal issue for any country, and India as a friend and a partner of Nigeria would certainly be happy to extend whatever possible assistance in terms of training and capacity building that Nigeria wishes to have. Up till last December, we had a group of Indian Army specialists who trained many people. They stayed in Nigeria for about six months; the trainees were inducted in December 2022 in Jaji training school. They trained people on counter-terrorism and counter-insurgency. India has a long experience in these matters, especially internal security matters and we will be happy to share.

Very recently, I think in January, we sent 30 law enforcement officers from various departments of Nigerian government structure, law enforcement officers for specialised training in India under the National Defence University in Gujarat, which was very well appreciated by all those who participated; with regard to the curriculum and the manner in which it was taught. So capacity building is certainly something we are looking forward to further extending. We are giving more than 150 scholarships under the military site for training -short term courses and even one year courses for military officers in India. These are the ways in which we can certainly cooperate.

India well known as one country that has greatly harnessed its Diaspora citizens, what lesson could Nigeria possibly learn from this?

You should be very happy to note that there has been a budding relationship between Nigerians in Diaspora Commission and the Indian Overseas Affairs Division, which is now called the Diaspora Engagement Division. So actually, there is a budding relationship that has gone on; a team from NIDCOM recently visited India in January. Again, we do once in two years the NRA Diaspora Day in India, where we get people from all around the world; as you rightly pointed out, we have nearly 35 million Indians who are staying abroad; you are not far behind; you are about 17 to 19 million and very strong in most of the western countries too. So there, we have more than 27 different schemes, which we have adapted for the Diaspora. And in my meeting with NiDCOM, I came to

know that, except for four or five, almost every other skill is being implemented by Nigeria. So there's a lot to learn from each other- how to manage our Diaspora; what are the schemes that we can think of in terms of extending to the Diaspora.... And this visit by NiDCOM to India, which the high commission organised in January 2023, is certainly a new beginning and will only further consolidate as we go along.

What is your analysis of Nigeria, given the report you had before coming down?

This is my first time in Africa. I have served in other parts of the world but this is the first time I will be serving in Africa. It is a lovely experience. The People are really friendly and very hospitable. My wife recently said we have never settled this fast in any other place that we have been.

You are a very friendly group of people who actually have made our life very easy. Before coming over here, and in fact, anytime you're going to a new place, there would always be apprehensions. But there is no such apprehension out there. Certainly I can say so. And my experience in the past 11 months has been wonderful. That, also, is because of the strength of the relationship between India and Nigeria.

And what is your assessment of Nigeria since arriving, given the report you were hearing before coming?

Certainly we did hear something about security problems, but I have found Abuja to be quite safe. There has been no problem. I have travelled around the country as well. I have been to Lagos thirteen times. In eleven months, I have been to Lagos; I've been to Port Harcourt... Wherever you are, in any part of the world, security can be an issue. One has to be a little more careful; in how one handles himself and where one goes and how one goes and so on and so forth. So with basic precautions, I haven't faced any issue.

Which city in India can you compare to Lagos?

Bombay, Bombay, Bombay. The hustle and bustle in Lagos is exactly like Bombay, and it is the financial capital of India. So is Lagos, the financial capital of Nigeria. So without doubt, the first city that comes to my mind is Bombay only.

So you were never out of place in Lagos?

Oh no! Nigeria and India, we have so much in common. Both of us are multi linguistic and multicultural. Both are multi-religious countries with large populations. And the traffic problems in Lagos reminded me of traffic problems in Mumbai also. The life in Lagos is exactly the same kind of vibrancy that you can sense in Bombay. So it is something very similar. Both are coastal towns as well.

At the end of your service in Nigeria, what do you want to be remembered for?

That's a question which I'm also looking for an answer to. But I would certainly like to strengthen the relationship particularly in new areas like FinTech. We are shortly going to propose, formally, a currency swap agreement between our two countries. Hopefully, we are in the process of working into a currency swap agreement. We are also trying to see the Nigerian Interbank Settlements System and its equivalent in India which is the NPCI; we are trying to see whether the universal payment interface which has been developed in India, which has taken off in a very big way in India, can also be on boarded over here and whether we can share those software the whole stack to

Nigeria. So talks are on between NISS and NPCI. So, if these are some of the things which come out of the foundational agreements I talked about; the double taxation avoidance agreement, the bilateral investment treaty; and on the humanitarian side, the extradition treaty, the transfer of sentence to prisoners, mutual legal assistance treaty... If we are able to get any of these things cleared through negotiations during my tenure, and the other agreements which I spoke about on the FinTech areas, I would consider it to be a very, very satisfactory assignment.

On the issue of prison swap, how many Nigerians are in prisons in India?

I don't have an exact number, but we do have the Vienna Convention and Geneva Convention; we have been intimating based on that. We also allow offenders to have consular access.

India is a large country and we have people everywhere. In Nigeria, we have about 50,000 to 60,000 Indians mainly concentrated in Lagos, Abuja, Kano and Port Harcourt and areas like that, but they are everywhere. So similarly, even in India, Nigerian friends are everywhere. They are studying in different universities, different colleges, people are working in different places. So, I wouldn't have an exact number, but the much I can certainly assure is that whenever any order takes place, the government of India through the Ministry of External Affairs intimidates the Nigerian High Commission to have consular access immediately.

Link : <https://thenationonlineng.net/india-considering-currency-swap-agreement-with-nigeria/>