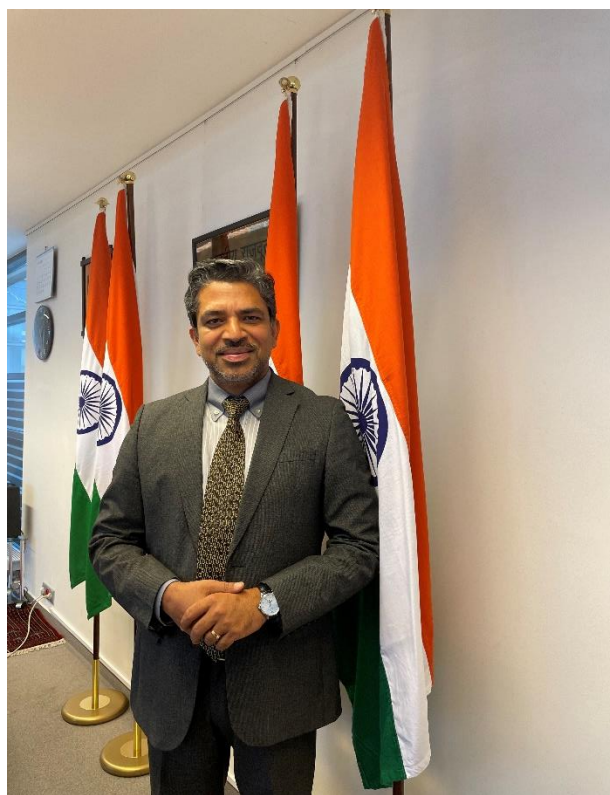


Ambassador Partha Satpathy shares his thoughts on India-Hungary bilateral relations as well as global perspective of International Relations with an Interview with business journalist



In this interview, we had the distinct privilege of engaging with His Excellency the Ambassador Partha Satpathy, [representing the Republic of India](#). Ambassador Satpathy shared his profound insights regarding the enduring economic and cultural ties between India and Hungary, emphasizing the substantial impact of this relationship on the economies, cultures, and the lives of their respective citizens.

Throughout the course of our discussion, we extended an invitation to the Indian Embassy to offer their esteemed perspectives on the shared objectives and future trajectories of the India-Hungary relationship.

We are profoundly honoured to have had the opportunity to engage with His Excellency, Partha Satpathy. We extend our heartfelt gratitude to H.E. for his valuable time and invaluable insights.

1. Could you briefly summarise India's role in the international environment?

India is a global player, not only because of its assets in terms of economy and population, the diversity and the specialisation of its economy, or the political structure. India is the mother of democracy, of all democracies, if we consider the history and the kind of democracy it has practised. Since the time it became independent and considered “modern India” it has been a

unique example of how a developing country with a lot of handicaps could steadfastly commit itself to the rule of the people.

And what about in the region of Central-Eastern Europe?

A global player should focus on the developed part of the world, which is Europe, in the case of India also particularly on the Eastern European flank.

You know, for instance, The Visegrád Group (also known as the Visegrád Four, the V4, or the European Quartet). Traditionally India has had good relations both politically and economically with these east-European countries both before and after the 90's when they embraced democracy. So consciously and increasingly we have realised that this is an area where we can have a lot of give and take and where there are companies in which we can invest. The profits from business here are substantially high so this area has become important. Globally also we see other competing countries focusing on this region. Therefore, we decided to sharpen our focus not only in terms of understanding what the country has to offer but also for making these countries realise how big the market of India is. Some of the plus points we highlight are, of course, democracy, the rule of law, the predictability, and the respect of international order. It's a perfect match and therefore each one realises which are advantages and facilities.

Could you briefly summarise India's relationship with Hungary?

India's relations with Hungary have been close and friendly, multifaceted, substantive and after 1990, these have been strengthened and have even accelerated. They have survived the vicissitudes of political and economic changes, particularly in Hungary and reorientation of its foreign policy in the post-cold war period. Hungarians are extremely grateful for India's role in the 1956 uprising in Hungary. India's intervention with the Soviet Union saved the life of Dr. Arpad Goncz who subsequently served as President of Hungary from 1990 to 2000. India is seen as a country whose ancient culture and spiritual traditions and the academic and scientific excellence, especially in the "knowledge sector" is deeply attractive to ordinary Hungarians. Bilateral economic relationship has also been strengthened with investments of the order of nearly US\$ 3 billion from India to Hungary.

Politically, we recognize that Hungary has a certain independence of thought; we respect it even because we believe that an independent line of thinking gives balance to the world. We have found that Hungary also practise it, so there is a lot of political understanding between leaderships on this topic.

What could you say about Indian investments in Hungary?

India was the largest greenfield investor in Hungary in 2014 and third largest in 2015. The major Indian presence in Hungary includes Apollo Tyres, SMR Automotive, Sun Pharmaceuticals, Orion Electronics Ltd., Sona BLW, Cosmos and major IT companies like TCS, WIPRO, Cognizant and Tech Mahendra. Apollo Tyres set up a greenfield tyre production factory in Hungary with an investment of Euro 475 million. As of 2020, total investment value reached EUR 700 million, with the company employing over 800 workers. PM Viktor Orban and Apollo Chairman Onkar Kanwar laid the foundation stone of the factory on 10 April 2015. In May 2018, Samvardhana Motherson Group (SMG) inaugurated a HUF 5 billion (€ 15.3 million) expansion at its base in Túrkeve (SE Hungary). SMG's moulded plastics division,

Motherson Automotive Technologies & Engineering (MATE) will build a 12,000 square-metre plant creating 100 jobs. Gurgaon-based multinational group SRF limited announced in June 2018 setting up of a packaging plant in the city of Jaszfenyszaru (approx. 70 kms from Budapest). The company is investing Euro 60 million and will employ 100 workers. On 21st November 2018, a greenfield investment of Euro 71.50 million by Flex Films Europa, a subsidiary of Uflex India Ltd was announced. The company will set up a flexible packaging materials production plant in Rétság. Indian companies in Hungary provide employment to over 10,000 people. There are a small number of first-generation Indians who have also set up businesses. So, in these terms Hungary is one of the top, as well as other countries and big economies. Investments go where it has been assessed to be a suitable risk and adequate reward. This is the trade-off that companies use to decide where to invest or not to invest.

Hungary is not always the easiest country but is quite predictable and straight so I haven't seen problems in running a business

That's the feedback we often have from our investors and leaders, which is why we continue to invest in Hungary. Unpredictability in any case is the worst thing for a business environment. I think that the government here recognizes it and it is aware of it. Hungary is surely a healthy environment.

2. Could you elaborate on the diplomatic engagements between the two countries and the common foreign policy goals?

Foreign policy is something that each country zealously boasts, because it concerns independence of action. Like India, Hungary has had an independent line of thinking which is anchored in global trust. This is the kind of creditworthiness if you might call it and from this point of view India is perhaps one of the very few countries which can sit across with all the others and talk with confidence and trust about this aspect. We bring these kinds of values to the table when we interact with various partners. In the case of Hungary, international stability, peace, and order is something that both our countries acknowledge. Also, we both understand the importance of energy security or health security, and environmental security as part of national security. National security today is multidimensional, it doesn't regard only the defence or the guarding of borders but it is immersed into an era where economical and informational security are critical; so, when these areas become critical, the networks behind them become critical.

Could you give an example of the linkages between national security and health security?

Let's consider, for example, the case of Covid how critical health security is to national security. If your population is not protected, what will you do about the economy? It doesn't matter if only your population is protected: if the world is not protected everything falls down. It is such a globally integrated world that if even one element is affected there could be a domino effect, and this was very clear in our battle with Covid. India is perhaps the largest vaccine manufacturer in the world, and it does this at prices which all the people can afford. I won't say cheap because people tend to misunderstand when I say cheap but affordability is important and therefore I'd like to use two parameters to determine the efficiency of our health offering (pharmaceuticals, medical products, vaccines...): accessibility and precisely affordability. It doesn't matter if you have the best medicine when no one can buy it: you need a medicine which is efficacious, which can solve your problems but at the same time which you can buy. In the vaccine fight against covid we saw that very clearly. We not only

inoculated, vaccinated our population but we sent out a lot of vaccines to needy parts of the world including Africa, part of Europe and also in Asia. This is an understanding which I think both countries appreciate.

And what could we say regarding energy security?

Energy security today is linked to renewable sources. India leads the international solar lines along with France and wants to see more solar energy, and all kinds of renewable sources of energy where the biocarbon footprint is progressively reduced.

In order to achieve some kind of climate justice, it is important not only renewable sources of energy but also the technologies and resources behind it. If you don't have the resources to fund the process, how are you gonna green the world? If the funding of that green technology becomes prohibitively expensive then again there will be an uneven situation. Then again comes the concept of justice because you can have one part of the world green but if the rest of the world is not so this green part can't sustain it. That's the approach we have adopted and I'm very happy to see that here in Hungary too there is a very important focus on this aspect. We're talking about security, climate, environment, water, health and other stuff, so we are aware that these important areas of global order are important and that each country should play its role, and that's what we are doing.

3. Talking about bilateral relations, what are the main sectors of cooperation between the two countries?

In all sectors of our bilateral cooperation, our trade is improving and we have a number of companies which are looking at the European market through Hungary. We know that Hungary has specific sectors which are very highly evolved: the automotive sector, the batteries sector, the water management sector... so this is where we are taking advantage of what is available and trying to see how this fits into the supply chain in Europe.

What about the bilateral Commercial & Economic Cooperation?

Economic cooperation between India and Hungary has a long history. Cooperation in this field was institutionalised in 1949 with the signing of a rupee trade agreement, which operated through the negotiation of annual protocols which fixed the products to be traded and the amounts thereof, with the trade being canalised through government agencies. The major items of export from India before 1990 were tea, tobacco, pepper and other spices, de-oiled cakes, finished leather and shoe uppers, iron ore and pellets, cotton and jute goods, engineering goods, Maruti vehicles, chemicals, and chemical products. Imports from Hungary included steel and steel products, chemicals, machine tools, pulses, peas, newsprint, and engineering goods, especially for railways and power projects. Over 25 collaborations had also been established in India by Hungarian companies. Trade has surpassed the levels of 1980s and now stands at around USD 750 mn, with balance of trade in India's favour.

What about the major Hungarian Exports to India?

They are machinery and mechanical appliances and parts, electrical machinery and equipment, television image and sound recorders and parts, organic chemicals, optical photographic, cinematographic measuring, checking, precision, medical or surgical instruments and

accessories, vehicles and parts, pharmaceutical products, plastics, articles of paper, iron and steel, plastics.

And the major Indian Exports to Hungary?

They are machinery and mechanical appliances and parts, organic chemicals, pharmaceutical products, electrical machinery and equipment, television image and sound recorders and parts, vehicles and parts, footwear, rubber articles, iron and steel, plastics.

Is there any investment that is coming in the pipeline from India

Lots of companies have been talking to me about this, the present climate of economics is so uncertain that I won't be able to convincingly tell you. But all the players are already looking for further investments and as I said supply chain is something that we are aware of, it has been effective in today's world and in the present political scenario.

4. Could you elaborate on how India and Hungary cooperate in other fields?

We tend to emphasise the economic fields but cultural relations are equally strong. We run a cultural centre here, and the Hungarians run a cultural centre in India. Our wellness-to-life concept is important for having a respectful lifestyle for the environment and because everyone must be individually sustainable. Sustainability doesn't mean just consumption; it also means knowing what techniques or tools you're using to live comfortably. Also, mental health is a big issue today, therefore in these areas, India has so much to offer in terms of Yoga, Ayurveda, and wellness of life. This is all under what we call the secular rubric of life. These are solutions that the Indian civilization has turned up in thousands of years and has offered the world.

Could you tell us more about the cultural field?

The Indian Cultural Centre in Budapest as I mentioned before was formally opened in November 2010 and was renamed Amrita Sher-Gil Cultural Centre on 15 August, 2014. The Centre has been organising regular cultural activities since 2010. In addition, Yoga, Dance, Music and Hindi classes and screening of Indian films are also being held regularly. A bi-monthly 'Amrit' magazine is brought out by the Centre. The Embassy has also organised Indian cultural festivals in several major cities in Hungary. Bhartiya Samaj was constituted in 2010 to cater to the cultural needs of the community. The International Day of Yoga was first celebrated in Budapest on 21st June 2015 showcasing yoga, Indian cultural performances, henna painting, and Indian cuisines, handicrafts. The Ganges-Danube Cultural Festival was launched in June 2016, featuring cultural troupes of a diverse variety of dance performers and artists from India. The 5th International Day of Yoga was organised in June 2019 in 17 cities of Hungary. The Embassy celebrated the 150th birth anniversary of Mahatma Gandhi on October 2, 2018 in the Hungarian Parliament's prestigious Szell Kalman Hall. The Speaker of Hungarian National Assembly, and Members of the Hungarian Parliament participated in the event. On 21 February, 2019, in collaboration with the Embassy, the Magyar Posta issued a commemorative miniature sheet of four stamps on the occasion of the celebration of the 150th birth anniversary of Mahatma Gandhi in forty thousand copies. The 4th Indian Film Festival was organised from 4-10 October, 2018 in Puskin cinema, Budapest and the 5th Indian Film Festival was organised in October 7-13, 2019 with participation of noted film personalities. For instance, read here the celebration for the [2022 Ayurveda Day](#) at the Embassy of India Budapest.

And in terms of education?

In terms of education, we have several students coming in here. We know that Hungary has advanced areas of study, automotive engineering, and medicine. Similarly, we offer a lot of scholarships for the Hungarians to go. Today, there are, I think, two benchmarks which specifically highlight where India is showing its potential. The first is health: we are the global pharmacy of the world today so countries have a lot to learn from our supply chain from manufacturing which can produce quality products at affordable and accessible prices. The other idea is of course Informatics: we have huge capacities in terms of training, students in areas of informatics, artificial intelligence and robotics. This availability is getting well-known in India and abroad.

Finally, could you please illustrate how India and Hungary are cooperating in the science and technology fields?

Cooperation in S&T is a key focus area in India-Hungary relations. Currently, the bilateral cooperation is being executed through two agreements – between Indian National Science Academy (INSA) and the HAS and between Department of S&T and NIH, Ministry for National Economy. The 11th India-Hungary Joint S&T Committee Meeting [Online] was held on 29 July 2020, hosted by NRDI Office, Hungary. Seven joint projects were identified in the fields of Energy, Environment, Water, Biotech, Agriculture Food, with other four potential projects having been also discussed.

There will be a growing flow of workers from Asia, how do you see this issue?

Migration and mobility are something that are indispensable in a globalised world. It is also a given fact that in India, we have a lot of labour both in the skilled and unskilled area. Again there is a perfect match since Hungary recognises that one of the problems that it will face in its growth path is lack of labour both skilled and unskilled.

It's difficult to organise ethical immigration where there is complete freedom and an easy and clean flow of people, a clean line of communication is needed, but practically this is difficult, what do you think about that?

I think that countries whose population is not big have to look out for the right balance, but of course we distinguish between legal and illegal migration. Illegal migration is a problem, we don't encourage it nor facilitate it and try to cut down on it very hard as it affects poor people and it profits unscrupulous traffickers; we are completely against it and Hungary is also on the same line on that. We are discussing mobility and migration both at the European level in terms of regional focus and also bilaterally with Hungary. In skilled areas, we have a lot to offer, health, ICT, engineering: these are skills which you cannot acquire overnight. India has consciously invested in universities, training institutes, in establishments that can sharpen the skills so therefore they are available. It's not for no reason that you find so many doctors and engineers and computer scientists for example in the United States. They are all highly skilled people and of course, Hungary recognises it. Therefore, I haven't heard about any problem in terms of the movement of skilled labour. In terms of unskilled labour, Hungary is an agricultural country that produces a lot of fruits, food, and wine, all requiring labour activities. There are very nice examples where Indian labour in this area is being utilised then I think that in general where there is a demand we have a supply so we find a good match.

6. What are the institutions supporting business development between the two countries (business clubs, trade agencies, governmental offices)?

At the government level, institutionally we have a joint economic chamber. They have the meeting just in October where again a lot of ideas of identifying for the cooperation of course are trade and commerce as one. There were areas that we identified for us to see how we progressed. So we have this governmental mechanism that meets every year or two years and carries forward these ideas. But also at the business level, we have cooperation agreements between chambers of commerce here and the Indian CII (Confederation of Indian Industries) the association of Indian industries based in India, so they are just bilateral agreements (participation in each other trade fairs, business events, sectoral programs) in fact, we have an Indian club which is very important but we don't have a specific local Indian Chamber of commerce simply because the need for it as a lobbying element, knowledge acquisition element has not been felt. Indian companies desire to know where to invest, of course they must do the due diligence and they have to rely on service providers. So they find out and the embassy assesses them in those areas.

Could you tell us about the institutional structure of economic cooperation?

Apart from trade and other agreements which provide the institutional framework for economic cooperation with Hungary, there is the Indo-Hungary Joint Committee on Economic Cooperation which provides the institutional framework for intergovernmental discussions on economic cooperation. The Department of Industrial Policy & Promotion is our nodal agency. The Fifth Session of the JCEC was held on March 6-7, 2018 in New Delhi. Both Sides agreed that the full potential of co-operation in several areas has remained untapped and shared the view that both the government and private sectors in their respective countries should take further steps in order to promote trade and investment as well as to strengthen business relations. Efforts are underway to hold the next round of JCEC.

Furthermore, there is the Joint Business Council of Indian and Hungarian companies which was set up in 1979 under an agreement between FICCI and Hungarian Chamber of Commerce to promote direct contacts between business delegations. A meeting of the Joint Business Council was held on the sidelines of JCEC meeting in Budapest, Hungary, on June 2, 2016. FICCI brought an 18-member Indian business delegation for the Joint Business Forum. Over 100 B-2-B meetings were held between the Indian companies and the Hungarian companies which participated in Joint Business Forum.

How big is the Indian community in Hungary?

Not that big. There are about 8500 Indians living in Hungary. Most of them are ICT professionals, while some are working in the manufacturing sector of Indo-Hungarian joint ventures and some are working in the farm sector. Also there are about 1000 Indian students studying in various universities mostly in Budapest, Pecs, Szeged, Miskolc and Debrecen. We're hoping and planning to move students here but it depends on the capacity of the universities. The cost of education is also a very important factor, so all these things will play a role. I would say we are here, but not in big numbers.

7. What are the key plans of India for the future?

The future needs stability and the world today is facing a lot of challenges, and these challenges have to be faced under diplomacy. The only outcome we want is peace, because without peace no business can prosper, no business can grow. Finally, the objective especially in India is to improve the standard of living and we have a big task because we are a big country with a lot of population and at the same time, we need a lot of infrastructural and institutional growth. In the country we sustain the population with health, education and we help deal with water scarcity and environmental pollution. There are so many challenges. Just to give you an example, there are areas in our cities which have the population equal to some of the European countries, that's the size of our challenge. Our focus is really wide, you talk about the welfare of 5 million people in a country when the GDP is greater than let's say 25,000 euros, whereas we have to look at maybe 10 times that size in a particular city with a GDP that is maybe. This is a challenge because you have to operate under a system of democracy. But this is a challenge we have met. As you can see I often joke about it that we have more than 1.3 billion people living peacefully in the country and this peace is very very important for the stability of the world. India is a country that is not only democratic but also a very powerful member of the global international community. We intend to play this role well and I'm sure we will.
