

# India in Africa

## India Makes a comeback in Africa

China's interest in Africa has long been documented but India, Asia's second biggest economy, is also increasing its footprint on the continent. India's trade with Africa is flourishing like never before, so much so that in 2016, it became Africa's second most important trading partner after China.

Although China's trading volume with African countries is still three times higher, India is catching up. According to United Nations figures, India-Africa trade has grown at an average annual rate of 17.2 percent since 2001.

### Historical bonds

Indian and Africa had forged ties because of their colonial history but in the last decades, their relationship had languished. It was not until the 1990s, after India liberalised its economy, that it started reviving trade with African countries. Initially, India concentrated primarily on the nations of southern and eastern Africa, where it has the strongest historical ties.

Some 3 million people of Indian origin live on the continent. More than 1 million of these call South Africa home while Kenya, Tanzania and Uganda also have large numbers of diaspora Indians. Many Indians were brought by the

*India is playing catch-up in Africa compared to China. At the moment, the trade mainly revolves around oil. But with much in common, India is looking to deepen the relationship with African countries.*

British to Africa as indentured labourers to work on sugar cane plantations, mining or railroad construction.

Now, though, Indian companies are increasingly active in other regions of Africa, notably in resource-rich, English-speaking countries such as Ghana and Nigeria.

### Hunger for natural resources

The driving force behind the rapid growth of Indian-African trade: the subcontinent's hunger for primary commodities and natural resources – especially oil for India's growing energy needs.

Africa's main exports to India are crude oil, gold, coal and other minerals whereas India primarily exports refined petroleum and pharmaceuticals. These two products make up 40 percent of total exports to African markets, according to a 2018 analysis of African and Indian trade by the two countries export banks. India also exports smaller percentages of road vehicles, textiles and yarns, and cereals to African markets.



### Ties reinvigorated under Modi

The importance of the African continent for India is demonstrated by the '10 Guiding Principles for India-Africa Engagement', which were announced by India's Prime Minister Narendra Modi in July 2018 during a speech before the Ugandan Parliament. "Africa will be at the top of our priorities," Modi said at the time.

Although India is making inroads on the continent, China will still be Africa's leading trading partner for a long time to come. As a nation, China is more industrialised and has lower levels poverty at home, as well as having a ten-year lead in developing ties in Africa.

### Business first

There are certain parallels between both India and China with their business first attitudes.

"India says it doesn't interfere in the affairs of sovereign states. Its motto is: 'ask us what you need and we see if we can deliver'," said Gareth Price, South Asia Expert at Chatham House, the UK-based think tank. But there are also differences.

If India is doing something, it does it with local labor rather than importing workers from home like the Chinese do, said Price, which is a "selling point".

### India wants more of a global role

India's commitment to Africa also underscores its political aspiration to speak for the countries of the Global South. "We were the first country to embark on South-South cooperation," emphasizes Africa Expert, Ajay Kumar Dubey.

He says it is no coincidence that Indian Prime Minister Modi emphasises the common historical struggle of Indians and Africans against the colonial powers in the Guiding Principles. Together, India and Africa, where one third of humanity live, want to work for a just and democratic world order where they both have a voice and a role," Dubey said.

## India to invest in Zambia

Zambian President Edgar Lungu says his recent visit to India has borne fruits with fast track interest in Zambia from the Indian business community.



During the opening of the Regional Conclave on India Southern Africa Project Partnership, Lungu said Zambia and India enjoyed a rich historical relation that had been fostered over the years.

He said that collaboration between Zambia and India had translated into about US\$5bn direct investment. Among the notable fliers of Indian businesses in Zambia are Taj Pamodzi Hotel, Bharti Airtel and Indo-Zambia Bank. (ZR, 15.10.19)

## Gold is smuggled out of Africa

Over the years, Indians have routinely sought gold from the mines of Congo, Somalia, Sudan and Uganda which travels through routes that lie close to Lake Victoria. It is through the routes of this lake that scores of smugglers are picking up consignments of gold for the big Indian market that is among the world's largest.

Detailed investigation by Impact, a Canadian think tank, shows India, which imports one-third of the world's gold supply, is picking up the metal from Congo, Tanzania and Uganda. Once the gold is in India, Indian goldsmiths turn the gold bars for jewellery, and other use.

(SG, 14.12.19)

## India won Ghana's sugar factory

The Government of Ghana has announced a strategic investor for the Komenda Sugar Factory. Park Agrotech Company Limited, a subsidiary of the Skylark Group of companies from India won the bid to manage the sugar factory.

The Paramount Chief of Komenda Traditional Area, Nana Kojo Kru II said, "it is a dream come true" that this is happening during his tenure. Three years since its commissioning, the US\$35mn factory remains defunct. This has not gone down well with many Ghanaians, especially, residents of Komenda who were promised jobs and other opportunities when the factory was commissioned. (B&FT, 28.11.19)

## India-Ghana going digital

Ghana and India appear to be following a similar development path in the way in which both economies are run by their current leaderships.

Speaking at the ongoing Future Investment Initiative (FII) summit in Riyadh, Saudi Arabia, the Prime Minister of India, Narendra Modi, underscored the need for countries to speedily embrace the Fourth Industrial Revolution, as the surest bet to leapfrogging the ever-changing global dynamics of development.

Modi stated that the world is fast-changing and technological innovations should define what a modern-day economy should be.

(DG, 30.10.19)

## Livestock university in Zambia

India's Gujarat State Government has announced plans to build a livestock university in Zambia. Gujarat State Water Supply, Animal Husbandry and Rural Housing Minister, Kunvarjibhai Mohanbhai Bavaliya, announced this during a meeting at Zambia High Commission in New Delhi, India.

The University in Zambia would be a replica of government-run Kamdhenu University in Gujarat State to produce livestock research and

disease control experts especially in animal husbandry.

Gujarat Government also wanted to build a cattle breeding centre in Zambia and a dairy value addition firm. (IO, 08.12.19)

## Air India Returns

Air India's flight from Mumbai to Nairobi landed with 100 passengers on board marking the return of the airline to Kenya after 10 years. The airline will offer four direct flights a week and plans to offer additional flights in the pipeline.

It will be instrumental in increasing uptake from both Tiers I and II city markets in Delhi, Mumbai, Chennai and Bengaluru and others utilising its existing domestic infrastructure network, market knowledge and presence.

During the reception, Kenya Tourism Board (KTB) CEO Betty Radier said that Air India would promote tourism, trade, improve relationships and create opportunities between the two countries. (KBC, 27.11.19)

## India-Southern Africa Conclave

Zambia hosted the India-Southern Africa Regional Conclave with the view of identifying and harnessing strong economic business partnerships with India and Southern African countries.

Minister of Commerce, Trade and Industry Christopher Yaluma is optimistic that Conclave will result in more increased business linkages, partnerships and ultimately improve the Zambia and India trade and investments volume.

Yaluma said that the conclave will not only provide an opportunity to interact, but also a platform for Indian and African private sectors and key financial institutions to identify priority areas. (ZDM, 14.10.19)

Source: B&FT: Business & Financial Times; DG: Daily Graphic; IO: Independent Observer; KBC: Kenya Broadcasting Corporation; SG: Societe Generale; ZDM: Zambia Daily Mail; ZR: Zambia Reports

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