

India in Africa

India and Africa – Sharing History and Future

– Rupashree Mitra*

One country – almost a continent, with diverse cultures, languages, races, climate – and one continent, both with turbulent pasts and promising futures, the fusion of India and Africa is inevitable. A rising India and a resurgent Africa will script a new chapter in world history



history of cultural and trade exchange.

Source of inspiration

India's arduous and relentless struggle for independence became a source of inspiration and infused a spirit of defiance and radicalism amongst the Africans. It brought Indians and Africans together in what Nelson Mandela called the 'Defiance Campaign'.

However, India's relationship with Africa declined at the end of Nehru's era. India was amongst the first countries to impose sanctions on apartheid South Africa which transformed into a legitimate, diplomatic way of protest. Even when policies were reassessed and new reforms adopted, India continued to support the liberation struggles of Africa and supported the newly independent countries in the international fora.

Indeed both India and Africa have come a long way – prompting world leaders to look at them with more interest and seriousness and there is still time to overcome the daunting tasks of tackling poverty, corruption and unemployment. The realisation of the enormous potential of this coalition would be incomplete without the engagement of the people involved. People across the two shores are connecting through cultural and entertainment programmes to create a perfect ensemble.

Some targets have been met, some dreams are yet to be realised. In short, this marks the beginning of new period of renaissance and renewal.

The India-Africa Forum Summit, held in New Delhi in April 2008, brought them together for the first time to constitute a framework to bolster their bilateral relationship. Three years since the first summit, both the progressive partners have embarked on ambitious plans to achieve sustainable development across sectors and industries. From agriculture, environment, energy, mining, health, security and education to transport and tourism, the spectrum of their joint venture opens a myriad of possibilities.

The present target to achieve bilateral trade of US\$70bn by 2015 will give the much needed impetus to India and Africa in the current currency regime.

Trade and Training

Following the coalition's plans, Africa will soon be host to many training academies in disciplines as diverse as diamond polishing, information technology, vocational education and Pan-African Stock Exchange. Furthermore, the Indian government is offering 25 PhD and 50 Masters scholarships exclusively to African students to enhance their academic skills in agriculture, science and technology in the best Indian universities. The Pan-African e-project for telemedicine and distance education is now reaching 29 countries of Africa.

Discussions are under way to create a Silicon Valley in Africa that will be the hub of knowledge zone of Indian IT experts and African research scientists to produce patented products to be marketed worldwide.

India's engagement with Africa will also jointly deal with threats of piracy and terrorism, climate change and also voice their common concern for policy reforms on international platforms like the United Nations and the WTO. India is forming alliances with the regional economic communities of Africa and the African Union.

Upon closer examination, one discovers a clear shift from government-to-government dialogue to a wider exchange between the peoples and societies of both India and Africa. Africa has opened its doors wider to allow Indian business developers easy access to the resource-rich assets of the continent.

Interestingly, the Indian Ocean, which forms the geographical separation between India and Africa also binds the two coasts together, in a shared

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Ethiopia Seeks Indian Investment

Ethiopia is becoming a major centre for Indian investment in Africa as companies seek new ventures in mining, textiles, leather, education and the hospitality industry in one of the world's oldest countries. The Ethiopian government has introduced new policies aimed at getting more investments in mining and increasing the sector's contribution to the country's funds.

Senior officials said that the African country has identified development of the mining sector as one of its leading economic aims, with a target of ensuring that the sector accounts for 10 percent of gross domestic product (GDP) in the next five years. The Ethiopian government is aiming to grant about 50 mineral exploration licences yearly.

Seeking more investments from India especially in the mining and tourism sector a high level delegation from that country will discuss the opportunities available during the Ethio-India Trade and Investment Forum.



(FE, 29.01.11)

India-SACU to Sign PTA

"India and Southern African nations are expected to sign a trade agreement by mid 2011, which aims at reducing tariffs on certain items traded between the nations", said Anand Sharma, Commerce and Industry Minister of India.

The India-Southern African Customs Union (SACU) Preferential Trade Agreement (PTA) will help the countries who sign the pact by reducing tariffs for certain products. SACU consists of Botswana, Lesotho, Namibia, South Africa and Swaziland.

In a PTA, tariffs are not necessarily eliminated, but are lowered for countries party to the agreement. Sharma said the agreement would provide an enormous boost to ongoing levels of bilateral trade, especially in products such as pharmaceuticals, machinery and automobiles where India enjoys a competitive advantage. (PTI, 13.01.11)

'Airtel' Investment in Africa

Millions of mobile phone subscribers in Africa saw the icon on their phone screens change from Bahrain company Zain to Indian company Airtel recently. The change means little to the average customer, but for the continent, it is another sign that India is moving in.

The expansion by Bharti Airtel into 16 African countries underscores the rise of India in Africa, at a time when much of the

focus on foreign investment has been on China. And Indian companies are striving to keep up with China's business profile in Africa, taking advantage of historical ties with the continent. India and China are vying for Africa because of the bottom line: Africa represents new growth.

The Bharti Airtel investment in Africa is so far one of the biggest from corporate India. In 2010, Bharti Airtel, India's largest mobile phone company, tried and failed to acquire South Africa's MTN, one of the continent's largest communication companies.

In 2011, Bharti Airtel bought the Africa operations of Kuwait operator Zain for US\$10.7bn, and immediately began slashing prices. (BD, 11.01.11)

ICECD Signs MoU with Nigeria

The Small & Medium Enterprises Development Agency of Nigeria (SMEDAN) and the Ahmedabad-based International Centre for Entrepreneurship & Career Development (ICECD) recently signed a five-year Memorandum of Understanding (MoU). The MoU provides for collaboration in the field of education, research and extension services for micro, small and medium enterprises (MSMEs), along with promotion of entrepreneurship in the rural areas of Nigeria.

ICECD will conduct research in the areas of cluster development, technology transfers, incubation and

projects relating to industrial parks in order to enhance MSME growth and competitiveness. Over the years, ICECD has trained 300 trainers in Nigeria, and with SMEDAN, the target is to train 1,000 more trainers across 19 districts. (BS, 11.01.11)

India to Invest in Tanzania

Indian companies have shown interest in investing some US\$250mn in Tanzania in the manufacturing sector. Dr Cyril Chami, Minister for Industries and Trade, Dar es Salaam said many deals were sealed during the trade mission that promise to create some 6,000 new jobs. The projected investments are expected to start in the first half of 2011 and others within a year.

Kamal Industries Company of India was the first to show interest saying it intended to invest US\$20mn in building a steel factory in the country. Makers of the popular Bajaj tricycle, are interested in building a US\$20mn assembly plant in Tanzania which will initially assemble the Bajaj tricycles and motorcycles. The assembly plant is projected to create 500 new jobs.

Tanzania's 'Kilimo Kwanza' initiatives aimed at boosting farm produce by modernising agriculture. Some Indian firms such as the Science and Corp Ltd. are also interested to invest US\$3.0mn in production of high quality and yielding seeds. The seed plant will create another 500 more jobs. (www.busiweek.com, 17.01.11)

FE: The Financial Express; BD: Business Daily; PTI: Press Trust of India; BS: Business Standard