

INDIA-AFRICA CONCLAVE – GROWING IMPORTANCE OF AFRICA FOR THE WORLD

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



Source: Observer Research Foundation, India

In pursuance of its engagement with Africa, India organised a two- day CII-EXIM bank conclave on India and Africa growth partnership on July 19-20, 2022 in New Delhi. The meet was attended by forty ministers from 17 African countries that included Eswatini, Gabon, Cameroon, Ghana, Burkina Faso, Ethiopia, Niger, Republic of the Congo, Mauritius, Sudan and many more.¹ This was the 17th edition of the conclave which has been taking place annually since 2005.² At the time of inception, the main aim of the conclave was to encourage and promote private investment from Indian companies in African countries. This year, the conclave focused on infrastructure development, trade finance, agriculture, food processing, education and training, healthcare among many other areas where Indian companies have already made their mark.³

Addressing the conclave, Indian foreign Minister highlighted that India's bilateral trade with Africa stands at US\$ 89.5 billion in 2021-22 as compared to \$56 billion the previous year.⁴ India's exports

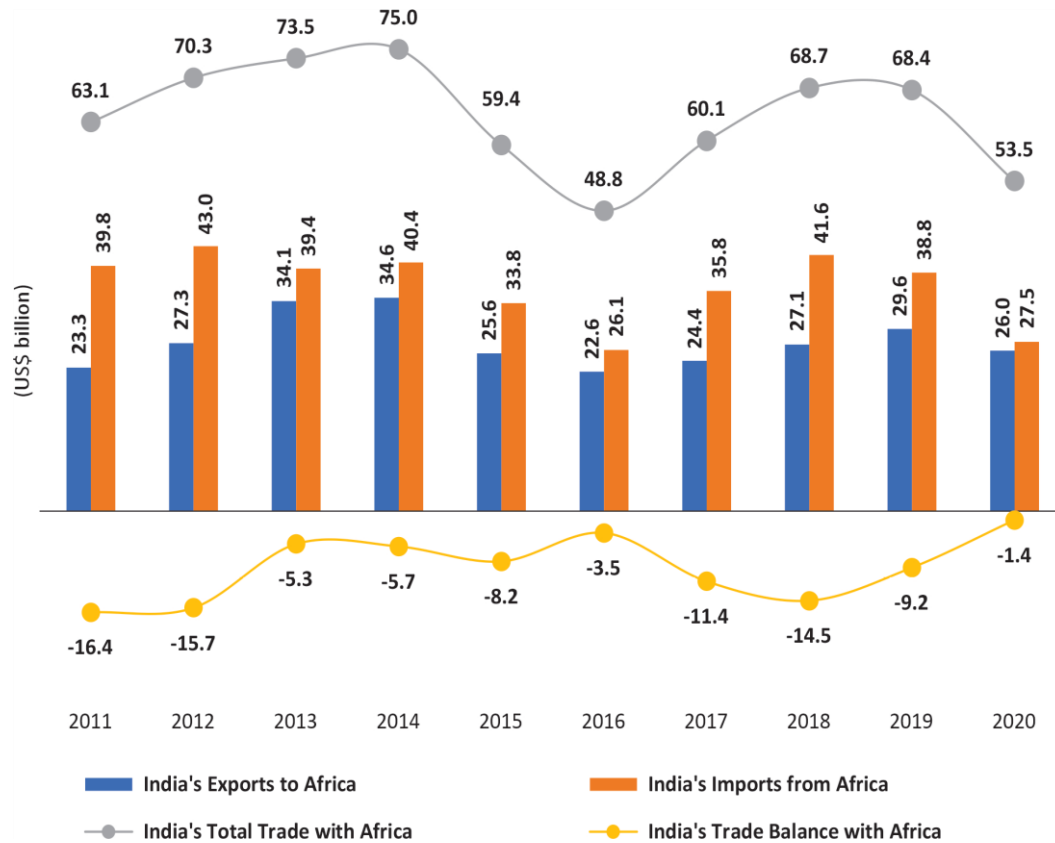
1 "Explained: A major India-Africa conclave is taking place in New Delhi- Why is it important?," *Indian Express*, July 19, 2022, <https://indianexpress.com/article/explained/explained-major-india-africa-conclave-new-delhi-why-is-it-important-8039132/>

2 17th CII-EXIM BANK CONCLAVE ON INDIA-AFRICA GROWTH PARTNERSHIP, <https://www.cieximafriacaconclave.com/Home.aspx>

3 "Explained : A major India-Africa conclave is taking place in New Delhi- Why is it important?," *Indian Express*, July 19, 2022, op.cit

4 "Address by External Affairs Minister, Dr. S. Jaishankar at the 17th CII-EXIM Bank Conclave on India-Africa growth partnership," July 19, 2022, *Ministry of External Affairs, India*, <https://mea.gov.in/Speeches->

stood at \$40.3 billion in 2021-22 with a growth rate of 45% which was recorded at \$27.8 billion in 2020-21.⁵



Source: Abhishek Mishra, "Elevating the India-Africa partnership to new horizons," Observer Research Foundation, July 22, 2022, <https://www.orfonline.org/expert-speak/elevating-the-india-africa-partnership-to-new-horizons/>

India is also among top five investors in Africa with cumulative investments at US\$ 73.9 billion from 1996-2021.⁶ Additionally, India has also extended Lines of Credit worth \$12.26 billion to African countries which makes Africa second largest recipient of Indian concessional loans.⁷

Statements.htm?dtl/35499/Address+by+External+Affairs+Minister+Dr+S+Jaishankar+at+the+17th+CIIEXI
M+Bank+Conclave+on+IndiaAfrica+Growth+Partnership

⁵ "India-Africa: Leveraging new dimensions in economic engagement," Centre for International Research (CCIR), Confederation of Indian Industry (CII), July 2022, <https://ciiximafricaconclave.com/Document/Reports/India%20Africa%20Report%20for%20web.pdf>

⁶ "Address by External Affairs Minister, Dr. S. Jaishankar at the 17th CII-EXIM Bank Conclave on India-Africa growth partnership," July 19, 2022, op.cit

⁷ "Explained: : A major India-Africa conclave is taking place in New Delhi- Why is it important?," Indian Express, July 19, 2022, op.cit

Africa holds a special place in India's foreign policy calculus. During the initial years of its independence, India primarily focused on supporting anti-colonial and anti-racial movements in Africa. But with changing times, India also changed its outlook on Africa and concentrated more on trade and economics. During his visit to Uganda in July 2018, Indian Prime Minister Narendra Modi had put forth 10 guiding principles for India's engagement with Africa. These included, a pledge to keep Africa a top priority and intensify engagement; built local (African) capacity and create local opportunities; India will keep its markets open and support its industry to invest in Africa; support Africa's development, extend education and health, spread digital literacy; help Africa's agriculture which has 60% arable land but produces 10% of global output; jointly work to deal with challenges posed by climate change; cooperation to counter terrorism, keeping cyberspace safe and supporting UN in its peacekeeping missions; India to ensure sea lanes, particularly Indian ocean is open for African countries; to ensure that Africa does not fall back into chaos; and lastly, India and Africa to fight together for representative and democratic global order.⁸

Apart from trade and commerce, one other reason for India's interest to deepen its engagement with Africa is the fear of growing Chinese foot print in the continent. Africa is deemed important by both India and China. In 2018, China was Africa's biggest trading partner with a total volume of \$185 billion. Similarly, in 2020, Chinese overseas investment in Africa was \$147.66 billion.⁹ It was perhaps this reason that Modi after assuming power decided to further enhance its relations with the continent. It was time when India established 18 new diplomatic missions throughout the continent. During the 52nd Annual meeting of the African Development Bank (AfDB) summit, India and Japan presented the idea of Asia-Africa Growth Corridor (AAGC) which intended to promote development and connectivity between Africa and Asia as part of "liberal and value-based order".¹⁰ During the Covid pandemic, India had provided 25 million doses of domestically made vaccines to 41 African countries.¹¹

While India is making huge strides in the African continent, Pakistan's engagement with Africa remained far below the desired level. Pakistan trade with the continent remained at meagre \$3

⁸ "Prime Minister's address at Parliament of Uganda during his state visit to Uganda," *Ministry of External Affairs*, India, July 25, 2018, <https://mea.gov.in/Speeches-Statements.htm?dtl/30152/Prime+Ministers+address+at+Parliament+of+Uganda+during+his+State+Visit+to+Uganda>

⁹ Christian Kurzydowski, "What can India offer Africa," *Diplomat*, 27 June, 2020, <https://thediplomat.com/2020/06/what-can-india-offer-africa/>

¹⁰ Jagannth P. Panda, "Asia-Africa Growth Corridor (AAGC) : An India-Japan Arch in the making?," *Institute for Security & Development Policy*, August 2017, <https://isdpeu/publication/asia-africa-growth-corridor-aagc-india-japan/>

¹¹ "India promises more covid-19 shots to Omicron hit Africa after Chinese move," *Reuters*, 30 November, 2021, <https://www.reuters.com/world/india/india-promises-more-covid-19-shots-omicron-hit-africa-after-chinese-move-2021-11-30/>

billion per annum till 2017. Nonetheless, Africa possesses a huge portion of the world's natural resources as it is home to 30 percent of the world's mineral resource reserves and eight percent of the world's natural gas and 12 percent of world's oil reserves.¹² This clearly shows that Africa is too important for Pakistan to ignore. It therefore is important that Pakistan ensures that its engagement with Africa is deep, consistent and mutually beneficial.

In recent years, there has been a realisation that Africa is the “continent of future”.¹³ Pakistan's Ministry of Commerce launched its “Look Africa Policy Initiative” in August 2017 following which the trade volume between Pakistan and Africa has crossed the \$4 billion mark.¹⁴ Pakistan's Look Africa policy reflects four broader aspects of Pakistan's policy towards Africa. Besides boosting trade relations, the policy also seeks to enhance connectivity between Pakistan and Africa. Pakistan is also interested to negotiate preferential trade with three African trading blocs i.e. Southern African Customs Union (SACU), East African Community (EAC) and Economic Community of West African States (ECOWAS). Countries like Nigeria, Kenya, South Africa, Egypt, Sudan, Tanzania, Morocco, Senegal, Algeria, Ethiopia have been prioritised by Pakistan for trade as these are the top ten economies of Africa and account for 78 percent of total GDP of Africa as per 2017-18 IMF estimates.¹⁵

Following its Look Africa Initiative, Pakistan has so far opened six new commercial sections in Africa that includes Algeria, Egypt, Sudan, Tanzania, Ethiopia and Senegal. Pakistan has also established an Africa cell in its Trade Development Authority of Pakistan (TDAP). Look Africa trade forums have also been organised to create awareness among the private sector. Besides negotiations on bilateral and multilateral trade negotiations, joint working groups on trade have also been formed.¹⁶ With such efforts, the trade between Pakistan and Africa is likely to increase in future.

¹² “Our work in Africa”, *UN Environment Programme*, <https://www.unep.org/regions/africa/our-work-africa#:~:text=The%20continent%20holds%20a%20huge,of%20the%20world's%20oil%20reserves>.

¹³ Sarah Salahuddin, “Reinvigorating Pakistan and Africa relations through enhancing cross-continental trade”, *Centre for Global & Strategic Studies*, Islamabad, April 26, 2021, <https://cgss.com.pk/paper/pdf/Reinvigorating-Pakistan-and-Africa-Relations-through-Enhancing-Cross-Continental-Trade.pdf>

¹⁴ “Look Africa Policy Initiative”, Ministry of Commerce, <https://www.commerce.gov.pk/look-africa-policy/>

¹⁵ Ibid.

¹⁶ Ibid.