

ISSUE BRIEF

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'ENGAGE AFRICA' POLICY: MAXIMIZING OPPORTUNITIES

By

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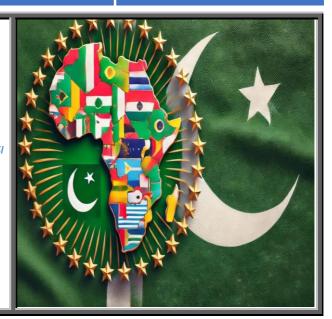
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Africa continues to garner global attention due to its tremendous economic opportunities and vast natural resources. Pakistan launched its 'Engage Africa' policy in 2019 with a clear vision and firm resolve to strengthen its partnership with the African Continent. The primary objective was to expand Pakistan's diplomatic footprint in Africa and deepen economic partnership with the Continent. This policy was also necessary as the economic and trade collaboration had remained below potential and many African countries imported Pakistani products through a third country.

Progress and achievements of 'Engage Africa' policy

After initiating the policy, Pakistan strengthened its diplomatic ties with many African countries. In 2019, the Pakistan Ministry of Commerce relocated six commercial sections from Europe to Africa, bringing the total number to nine. Pakistan also opened five diplomatic missions in Africa: Rwanda (March 2021), Ivory Coast (February 2022), Uganda (April 2022), Djibouti (May 2022), and Ghana (June 2022), increasing the number of Pakistan diplomatic missions in Africa to 20.1 In response to these

¹ Ministry of Foreign Affairs,

https://mofa.gov.pk/africa#: ``:text=Under%20 the%20 Engage%20 Africa%20 Policy, 20%20 diplomatic%20 missions%20 in%20 Africa.

developments, Ethiopia established its first-ever resident diplomatic mission in Pakistan in 2022. Meanwhile, Rwanda and Zimbabwe have established their missions in Pakistan in 2024.

In addition, Pakistan has enhanced its interaction with many regional organizations in Africa, particularly the African Union (AU) and the African Development Bank (AfDB) which play a vital role in establishing a channel of dialogue and cooperation on economic cooperation and sustainable development. Pakistan has also actively offered educational opportunities to many African countries; which include Rwanda, Sudan, Somalia, Niger, and Mali. Pakistan has trained 775 diplomats from 52 countries at the Foreign Services Academy, Islamabad; and provided thousands of scholarships to African students under the Pakistan Technical Assistance Program over a period of time and trained a large number of armed forces personnel from different African countries.

Besides deepening diplomatic ties, Pakistan also launched a series of Trade and Development conferences which aimed to facilitate B2B interface and dialogue between Pakistan and African leaders on economic opportunities, trade, and development projects. The most recent Trade and Development conference was held in Cairo in 2024, following previous conferences in Johannesburg in 2022, Lagos in 2021, and Nairobi in 2020, organised by TDAP (Trade Development Authority of Pakistan). ² Estimates suggest that trade figures showed of about 7% with the total reaching approximately \$6 billion in 2023-2024. However, the overall volume of trade between Pakistan and Africa remains relatively low while substantial potential still exists to achieve further progress.³

Challenges and hurdles

One of the key factors contributing to low trade figures is that Pakistan lacks direct trade agreements with several African countries and they are importing Pakistani products through a third country. For instance, South Africa was importing many Pakistani sports and surgical products from Germany. Such an arrangement was adverse for both sides resulting in lower selling prices for Pakistan and higher buying prices for African consumers. 4 Such issues constrain the potential for economic growth and the advancement of bilateral relations.

Haya Karima, 4th Pakistan-Africa Trade Development Conference, Single Country Exhibition inaugurated in Cairo, Egypt Today, Jan 10, 2024, https://www.egypttoday.com/Article/1/129711/4th-Pakistan-Africa-Trade-Development-Conference-Single-Country-Exhibition-inaugurated

[&]quot;Pakistan Decides to Enhance Relationship with African Countries." Pakistan Today, May 4, 2024.https://profit.pakistantoday.com.pk/2023/05/04/pakistan-decides-to-enhance-relationship-with-africancountries/

By Shakeel Ahmad Ramay, Engage Africa policy: Can China help Pakistan? *The News,* September 23, 2024, https://www.thenews.com.pk/print/1232991-engage-africa-policy-can-china-help-pakistan

Other significant obstacles include inconsistent bilateral trade practices, reliance on a limited range of export products, and underutilization of healthcare opportunities. African countries, like Kenya, impose high tariffs on key Pakistani exports, such as non-basmati rice, while enjoying lower tariffs on their exports to Pakistan, creating trade imbalances. Additionally, Pakistan's focus on a narrow set of products, such as rice and cement, limits its ability to penetrate broader African markets. Moreover, despite Africa's pressing healthcare challenges, Pakistan has not fully leveraged its pharmaceutical industry to meet these needs, missing opportunities to expand exports and strengthen ties.

To address these challenges, Pakistan should not only more rigorously analyze the African market in terms of opportunities, challenges, and existing bilateral relations but also prioritize signing Financial Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) with African nations. Establishing PTAs and other economic agreements will help reduce reliance on intermediaries, streamline direct trade, and create mutually-beneficial trade relationships. Diversifying beyond traditional exports like rice and cement by expanding into sectors such as machinery, electronics, and processed foods will broaden market access. Furthermore, a thorough market analysis, including competitor strengths and weaknesses, will further aid in formulating a productive policy and framework.

CPEC as a tool of Economic Engagement:

Being a close partner of China, which enjoy formidable influence in Africa, Pakistan can leverage this relationship to bolster its position in the region. China's rapid expansion in Africa is evident through its extensive diplomatic network, which includes 53 embassies and provisions of \$134.1 billion in loans and development assistance to African countries to improve infrastructure and reduce poverty. China's trade with the Continent reached \$282.1 billion in 2023.6 The Belt and Road Initiative (BRI) further strengthened the Chinese footprints in Africa by signing cooperation agreement with 52 African countries and the African Union. This offers Pakistan a potential framework to enhance its trade routes and investment opportunities by aligning with China's established networks. Furthermore, President Xi Jinping during the Forum on China-Africa Cooperation (FOCAC) Summit held in September 2024 proposed 10 partnership actions to improve bilateral ties, trade,

Shakeel Ahmad Ramay, President Xi speech at FOCAC: A ray of hope in desperate times, The News, September 09, 2024, https://www.thenews.com.pk/print/1228463-president-xi-speech-at-focac-a-ray-of-hope-in-desperate-times

⁶ Charles Wachira, China continues to dominate trade with the continent. But overlending—and US initiatives to extend its security and investment footprint—are challenging its position, Global Finance, October 8, 2024, https://gfmag.com/economics-policy-regulation/africa-china-trade-debt-loans/

Forum on China-Africa Cooperation Beijing Action Plan (2025-2027), Ministry of foreign Affairs The People republic of China, September 05, 2024, https://www.mfa.gov.cn/eng/xw/zyxw/202409/t20240905_11485719.html

industrial cooperation, healthcare, agriculture, cultural and educational exchanges.⁸ The Chinese committed 360 billion yuan to implement these initiatives, further strengthening China's position in Africa to support the African countries and realise the full potential of this steadily growing partnership.

By tapping into China's influence and economic reach, Pakistan has the potential to advance its diplomatic, economic, and developmental interests across Africa. Islamabad can use the China-Pakistan Economic Corridor (CPEC) to strengthen beneficial collaboration with African countries. Consideration could be given to trilateral collaboration for establishing economic zone in Gwadar and some selected regions of Africa such as the East African coast, which could promote mutual trade and economic cooperation. Moreover, Pakistan, Africa, and China can initiate "Sister city" relationship promoting culture, tourism, and people-to-people exchanges.

Under the Global Development Initiative, Pakistan can work with China and Africa to form trilateral forums on key areas such as agriculture, climate change, poverty alleviation, and so on. Focusing on technological advancement and developing a digital economy platform could further accrue possible benefits to all sides.

Lastly, Pakistan could greatly benefit from China's healthcare initiatives in Africa, where China has established numerous hospitals and medical facilities. By partnering with China, Pakistan can enhance its offerings through its pharmaceutical industry and medical expertise. Additionally, Pakistan exports various products, including textiles, rice, sugar, cement, and surgical goods, to further enhance its profile on the African Continent.

In conclusion, the 'Engage Africa' policy has laid the foundation for enhancing ties with African countries; nevertheless, significant challenges remain in achieving tangible economic benefits. Pakistan must adopt a proactive approach by signing trade agreements, fostering economic cooperation, and further expanding its diplomatic footprints, particularly in collaboration with China, which has a strong presence in the Continent. By deepening its diplomatic interface, strengthening economic ties, and countering competing narratives, Pakistan can solidify its position and develop framework for mutually-beneficial cooperation.

Shola Lawal, "China-Africa summit 2024: What's in it for Beijing, Xi Jinping and Africa?,"Al-Jazeera, September 04, 2024

https://www.aljazeera.com/news/2024/9/4/china-africa-summit-2024-whats-in-it-for-beijing-and-for-africa