

India in Africa

25 years
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International

4/2010

2010: India's Undeclared Year of Africa

–Rajiv Bhatia*

Developments seem to have put the engagement with the continent on a fast track

An objective evaluation of changing contours of our engagement with Africa, especially in light of significant developments in 2010, might interest Africa watchers and others.

Conceptual richness and consistency appear to characterise recent interactions, although their impact may still take a while to be felt tangibly.

Backdrop

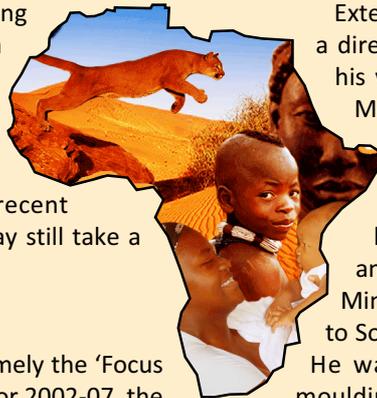
The government's three initiatives, namely the 'Focus Africa Programme' under Exim policy for 2002-07, the 'Techno-Economic Approach for Africa and India Movement' or TEAM-9 programme, launched in 2004 to upgrade economic relations with West Africa, and the Pan-African e-Network started in 2007, helped in sending the signal that India had not vacated space in Africa for others.

In this backdrop, the India-Africa Forum Summit (IAFS) in 2008 represented a veritable high point, showcasing a new, vibrant India as well as its reinvigorated Africa policy. Developments during 2010 seem to have put India's engagement with Africa on a fast track.

Highlights

India played host to at least eight high-level African dignitaries, one each from the Seychelles, Ghana, South Africa, Botswana, Mozambique, Kenya, Malawi and Ethiopia. Visits by presidents, prime ministers and other VIPs throughout the year demonstrated that Africa was keen to expand political and development cooperation with India. Armando Guebuza, President of Mozambique, endorsed India's approach towards Africa, expressing readiness "to raise the (bilateral relationship) to a strategic partnership."

Happily, Indian leaders found time to visit Africa in 2010. Vice-President Hamid Ansari's three-country tour covering Zambia, Malawi and Botswana was a notable success. Given his credentials, he was able to evoke old memories of deep political and emotional affinity as well as highlight mutuality of interests and the need for expansion of economic cooperation, thus lending a contemporary character to age-old ties.



External Affairs Minister S.M. Krishna got a direct feel of issues and personalities on his visit to the Seychelles, Mauritius and Mozambique. The minister, said that our relationship with Africa had "transformed", with the two sides becoming "development partners looking out for each other's interests and well-being." Commerce and Industry Minister Anand Sharma undertook visits to South Africa, Nigeria, Ghana and Kenya. He was instrumental in facilitating and moulding business-to-business dialogues in all the countries visited.

Bilateral trade

Bilateral India-Africa trade, which stood at about US\$1bn in 2001, has now reached the US\$40bn mark. Three other highlights need to be mentioned here. First, India hosted a meeting of top officials of Africa's Regional Economic Communities (RECs). It gave them the opportunity to interact with numerous ministries and business enterprises. The visitors expressed "gratitude" to India for the initiative "to recognise the regional dimension of Africa's development."

Second, top officials of the Ministry of External Affairs undertook visits to Kampala and Addis Ababa in order to carry forward India's dialogue with the African Union for nurturing ties at the continental level.

Third, a boost to our Africa diplomacy came with the announcement of the Hermes Prize for Innovation 2010 for India's Pan-African e-Network project. It called the project as "the most ambitious programme of distance education and tele-medicine in Africa ever undertaken."

A few tips

While moving determinedly to strengthen relations with Africa, the government needs to do more. Our President and Prime Minister should find time to visit Africa in 2011. The civil society's potential to strengthen people-to-people relations should be tapped optimally. Media could serve as a valuable bridge of mutual understanding. Finally, India should declare and celebrate 2011 as its Africa Year.

* Former High Commissioner to South Africa, Lesotho and Kenya. Abridged from an article that appeared in *The Hindu*, on December 28, 2010

India-Angola to Cooperate on Oil

India's requirement for energy is expected to increase in the coming years. In a move to insure its energy requirements, India has signed an MoU with Angola to commence supply of liquefied natural gas (LNG) from the African nation. The MoU makes Angola India's second partner country after Qatar for gas imports.

In another development, Iranian Oil firm Petropars has indicated that it wants the ONGC-Hinduja consortium to decide on a gas block for exploration in the field by year end. The company has offered ONGC and the Hinduja Group a 40 percent stake in the development of Phase-12 of the giant South Pars gas field.



(BS, 01.1.10)

Developing Transport Infrastructure

India now appears to be relatively more focussed to increase its presence and contribution in development of infrastructure sector in Africa. India has proposed to render technical advisory services for privatisation and concessioning of airports in tourist areas of Masai Mara and south coast of Mombasa through Rail India Technical and Economic Services (RITES).

RITES has also expressed its interest in offering its services in the development of airports, roads, ports, railways, and mass rapid transit programmes, and development of cruise ship facilities in Kenya. The company would render its consultancy services for all types of mass rapid transit systems.

(TH, 20.10.10)

Indo-Malawi Ties

The engagement between India and Malawi has significantly been enhanced in recent years. The vision of partnership based on friendship and mutual understanding and cooperation between India and Malawi got further strengthened with the State Visit of the President of Malawi, Prof. Bingu Wa Mutharika.

The relationship between the countries was given a big push with the historic visit of the Hon'ble Vice-President of India early 2010. The

high profile visit was first of its kind from India to Malawi. The visit resulted in a new line of credit of US\$50mn for developmental projects in Malawi and a grant of US\$5mn for social sector projects.

(ET, 03.11.10)

Power Projects Set up in Nigeria

In a significant move to make its presence felt in Africa, Bharat Heavy Electricals Ltd (BHEL), a public sector organisation, has decided to set up three coal-based power projects in Nigeria.

The plants, involving an investment of US\$2bn, would have a combined capacity of 3,500MW. The plan is part of India's efforts to secure access to oil and gas resources in Africa.

Nigeria requires an investment of about US\$10bn per annum for the next 10 years for enhancing its power generation capacity to meet its development needs.

(Livemint, 02.11.10)

CIL to Drill in Mozambique

Coal India Ltd (CIL), a public sector company, is looking forward to raise engagements in Africa. The company has plans to start drilling for coal in its mining blocks in Mozambique in the next two months and start production by 2013. It is known that CIL had won the twin blocks during August 2009 through a global tender floated by the government of Mozambique. The

company has also got the licence for further exploration and development of these coal blocks over five years.

The company also plans to offload 15 percent stake in its wholly-owned subsidiary in the region, Coal India Africana Limitada (CIAL), once the actual quantum of reserves is ascertained.

(ET, 20.11.10)

Consumers Rush for Gold

A new push into Africa is under way. Inspired by improved political and currency stability, economic growth and a burgeoning middle class, consumer products groups are busily drawing up plans for a continent once regarded as impenetrable.

The International Monetary Fund (IMF) projects growth of 4.75 percent in 2010 in sub-Saharan Africa and demographically, the continent is on a roll; in Nigeria, the most populous country in Africa, half the population is under 20.

The continent has the dual advantages of being under-penetrated and underserved. According to a survey global consumer companies in the region are realising faster revenue growth than in their home countries.

(FT, 29.11.10)

Abu Dhabi Investors Eye Africa

The world focus on Africa continues, and will remain so during the coming years. In a new development, Abu Dhabi based Commodities Company has teamed up with Hutchison Port Holdings in a consortium that has plans to undertake multi billion investments in infrastructure sector of Africa.

The consortium, called Baobab Investments, has started bidding for port and railway concessions in Africa. The company is already close to three substantial deals which are expected over the next few weeks. The company plans to make investment primarily in supply chains.

(FT, 02.12.10)

Source: BS: Business Standard; ET: Economic Times; TH: The Hindu; FT: Financial Times