

# India in Africa

## Creeping Tiger: India's Presence in Africa Grows, Even as China Steals the Spotlight

Jacey Fortin\*

In its quest for new energy resources to meet growing demands at home, India is increasingly looking to Africa. Two state-backed corporations joined forces to sign a deal for the acquisition of a 10 percent stake in a gas field in Mozambique. The US\$2.5bn transaction will involve the transfer of 10 percent participating interest in the Rovuma Area 1 Offshore Block in Mozambique, or Area 1, from Videocon Mauritius to a newly incorporated entity, of which India's Oil and Natural Gas Corporation, or ONGC, will have a 60 percent stake and Oil India Limited will have 40 percent. Area 1 has the potential to become one of the world's largest LNG producing hubs with first LNG expected by 2018.

But India is quietly assuming a bigger role on the African continent. The country is similar to China in that it faces many of the same resource- and energy-related problems. It is the world's fourth largest energy importer after the US, China and Russia.

To bolster the relationship between India and Africa, Delhi officials often try to paint the partnership as one of mutual gain and respect — sometimes with subtle digs at China, casting it as more exploitative and highlighting complaints that Chinese firms often employ their own nationals rather than hiring locals.

At a March forum in Durban, South Africa, Indian Prime Minister Manmohan Singh said that India is committed to African development, noting that thousands of Indians are serving UN peacekeeping missions in Africa, while tens of thousands of African students are pursuing studies in India.

Singh said that sustainable economic development requires an environment of social and political stability. India actively supports African initiatives for peace and security in the continent.

For India, Africa presents a wealth of opportunities. The continent and all of its resources are located just across the Indian Ocean, a straight shot of about 2,000 miles. Those African countries that border the Indian Ocean have historically attracted Indian investments and trade partnerships. Diplomatic ties between India and

Africa grew stronger when both were struggling to overthrow the yoke of European colonialism during the mid-20th century.

It does not hurt that East Africa is rich in minerals, including gold, tantalum, aluminium and diamonds. More importantly, the region is becoming a major supplier of natural gas, a resource that India needs desperately in order to keep up with energy demands. In 2012, 100 trillion cubic feet of natural gas were discovered in Mozambique

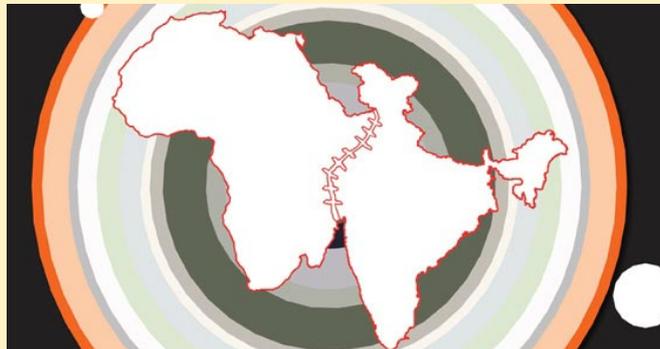
— stunning boon for a growing economy. In Tanzania, operators have discovered more than 40 trillion cubic feet of recoverable gas, and there is plenty left to explore.

In India, population growth will continue to fuel energy demands; the current count of 1.25 billion people is expected to swell to 1.45 billion by

2028, at which point India's population should exceed even China's. Already, at least one-fourth of India's citizens lack basic access to electricity according to the US Energy Association. Even those communities that are connected to the grid have learned to live with recurring blackouts.

No wonder that the current extent of Indian investments in Africa is already surprisingly large. A study from Ernst & Young found that in the period from 2007-2012, India invested in 237 new projects on the African continent, beating China's 152. In fact, three Western countries — the US, the UK and France — were the only ones to surpass India in this regard. The dollar values tell a different story; India's US\$27.3bn of foreign direct investment (FDI) into Africa in 2012 was no match for China's US\$119.7bn. But India's apparent eagerness to pursue new projects speaks to its quickly expanding role on the continent.

Trade is also ramping up at a breakneck pace. Bilateral exchange volume between India and African countries edged past US\$60bn in 2011, exceeding expectations. Officials expect it to reach US\$90bn by 2015. India is far from catching up to China's level engagement, but its role on the continent cannot be ignored, both as a resource consumer and a partner in Africa's development.



\* Abridged from an article that appeared in the [www.ibtimes.com](http://www.ibtimes.com) on June 27, 2013

### Jindal Group on the Anvil

Officials of Jindal Steel and power drilled a select team of the media through the heart of the company's business. It's certainly a multinational conglomerate with more than US\$30bn. The company is also multinational, multi-product conglomerate with a turnover of more than US\$18bn and business interests spanning in mining, energy, and industrial gas, among others.

The Jindal Group comprises Jindal Saw, JSW Steel, Jindal Stainless and Jindal Steel & power are some of India's largest steel makers with an annual cumulative capacity of over 19 million tonnes and the highest market capital of US\$12bn.

([www.allafrica.com](http://www.allafrica.com), 26.06.13)

### Credit Cooperation in Pipeline

India's Ambassador to Zimbabwe Jeitendra Tripathi said India is considering offering Zimbabwe three lines of credit in 2013. He said this in an interview on India-Zimbabwe bilateral trade.

Tripathi did not disclose the value of the lines of credit, but said he would announce as soon as the lines of credit are finalised. He said India and Zimbabwe have identified new areas of cooperation expected to boost bilateral trade between the nations.

He noted that trade between the two nations has not been good, but was expected to grow following the setup of the joint trade committee. He said the trade has been heavily in favour of India, but once the diamond sector stabilises Zimbabwe would start benefiting as well.

([www.nigeriasun.com](http://www.nigeriasun.com), 07.06.13)

### Empowering Women

Rwandan and Indian businesswomen have committed themselves to jointly strive to empower women and fight against cultural and religious bias. The Indian women are part of a group of Indian entrepreneurs currently visiting the country to explore business and investment opportunities.

In both countries, there are still gender barriers mainly based on culture and religions. According to the Indian entrepreneurs, for example, religion and culture, women are still expected to stay at home, do domestic chores and take care of the children. Women in India also still suffer sexual and physical violence.

(<http://focus.rw>; 27.05.13)

### Hassle-free Visa Regime

The India High Commissioner, Mahesh Sachdev, disclosed that the Indian High Commission is neck deep in its efforts to ensure that it maintains a hassle-free visa regime for Nigerians who intend to migrate to the Republic of India for study purposes.

Having noted that higher studies courses in India are becoming increasingly popular with Nigerian students due to many factors, such as credible well-organised and relevant degrees, competitive costs, similar social and climate conditions, the Sachdev, therefore, encouraged inter-educational relationship between the two countries.

([www.vanguardngr.com](http://www.vanguardngr.com), 27.05.13)

### Investing in Sugar Project

Experts from India have approved an investment in the Turkwel Sugar Project. The Government of India will finance the project which is the last phase comprising an irrigation scheme near the Turkwel Hydroelectric project.

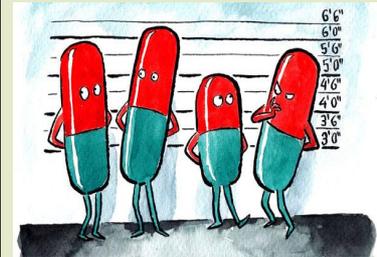
Both Indian and Kenyan governments will jointly implement the project once the financiers approve it. The scheme is for the production of sugarcane on 25,000 hectares on the Turkana-Pokot border.

The project will help eliminate poverty, supply water to residents in the region and provide alternative means of livelihood for the communities thus ending the cattle rustling menace in Pokot and Turkana. The sugarcane project will be implemented in four years.

([www.tangwang.net](http://www.tangwang.net), 21.05.13)

## Drug Prices Cut for Africa

The cost of immunising millions of the world's most vulnerable children against five deadly and debilitating diseases is set to fall, thanks to a major price reduction of one third for pentavalent vaccine.



This new, more cost-effective price provides the opportunity for the GAVI Alliance to pay up to US\$150mn less over the next four years compared with using lowest cost alternative suppliers.

A supply agreement with Biological E Ltd of India makes the five-in-one shot available to GAVI for just US\$1.19 per dose, compared to the 2012 weighted average price of US\$2.17.

([www.allafrica.com](http://www.allafrica.com), 18.04.13)

### Developing Jewellery Industry

The Angolan Ambassador to India, Manuel Bravo, appealed for Indian help in the development of the jewel industry and training of the country's human capital. He met with the Indian Mining Minister, Dinsha Patel, with whom he discussed the state of cooperation between Angola and India in geology and mining domain.

Both officials urged on the need of expanding and reinforcing mutual cooperation. Bravo also appealed India to help Angola in diversifying the mining production and exploration, as well as turning the country into a mining powerhouse in Africa. India produces 87 minerals and Bravo also called for the public and private entities of India to invest in Angola.

([www.portalangop.co.ao](http://www.portalangop.co.ao), 22.04.13)