

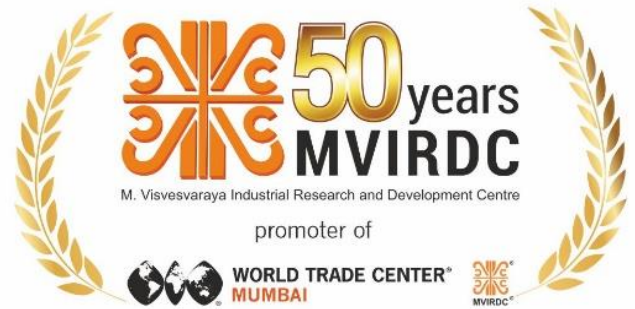
5th WORLD TRADE EXPO 2024

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17 **18** October, 2024 | Expo Center, WTC Mumbai

Strengthening India-Africa Economic Partnership





Bharat Ratna Sir M. Visvesvaraya
(15 September, 1860 - 14 April, 1962)



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MVIRDC became a member of the World Trade Centers Association, New York, in 1971 and established the World Trade Center Mumbai, which is the first World Trade Center in India. MVIRDC, having spearheaded the movement of World Trade Centers in India with the establishment of WTCs at Bhubaneswar, Goa and Jaipur, is assisting MSMEs in these regions through various Trade Research, Trade Promotion, Trade Infrastructure including Commercial Offices, Business Center, Trade Facilitation Services and Trade Education Programmes.

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Chairman's Message

Africa, the second largest continent, with abundance of natural resources, rich biodiversity is strategically located to serve as India's gateway to Europe and the Americas. India and Africa stand to benefit from mutual partnership as they have huge complementarities. Africa is already contributing to India's economic growth by being a reliable supplier of crude oil, coal and other essential minerals. Similarly, India through its financial and technological support for infrastructure and social projects has emerged as an important development partner for the region.



Africa is the future of the world economy and it has the potential to be a global manufacturing hub. Majority of the countries are Least Developed Economies, with significant potential for future growth. India has technology and skilled labour to partner with Africa in industrialisation, capacity building and export-led growth.

Africa is looking at India seriously as a strategic development partner in the emerging world order. The vast Indian diaspora in Africa can play a prominent role in strengthening ties through trade, investment, tourism, education, technology and cultural exchange. In countries like Uganda, South Africa, Kenya, and Ethiopia, the Indian community significantly contributes to industrial growth.

Similarly, the Continent holds tremendous importance in attaining India's vision of Viksit Bharat by 2047 and Aatmanirbhar Bharat. Similarly, India can be a reliable partner for Africa to attain its vision of inclusive social and economic development under the African Union's Agenda 2063.

Trade and investment have been the key drivers of our economic cooperation as India is Africa's 4th largest trade partner and also one of the leading investors in development projects such as irrigation, power, oil and gas, healthcare and education infrastructure. I suggest Indian industry to explore benefits of the African Continental Free Trade Area (AfCFTA), which is billed as the world's largest free trade agreement to integrate 54 African countries into a one, unified market for trade in goods and services.

To boost bilateral trade and investment, we need to increase Lines of Credit to African countries and Buyers' Credit facility for importers in Africa. Promoting trade missions, organizing trade fairs, and hosting buyer-seller meetings with key African countries will further enhance two-way trade. These initiatives will facilitate MSME exports, diversify trade beyond minerals & fuel and also increase export from Least Developed African Countries to India.

'Prosperity Through Trade and Investment' is the mission of World Trade Center Mumbai and we strongly believe in Africa's potential as a promising destination for India's trade and investment. WTC Mumbai and All India Association of Industries (AIAI) have taken various initiatives in the past to strengthen our two-way commercial relations. In the past two years, WTC Mumbai and AIAI have hosted several interactive meetings with inbound trade delegation from Mauritius, Kenya, Uganda, Ghana and other African countries as well as various knowledge programs to facilitate trade, investment, joint ventures, tourism and technology exchange.

Many African countries have showcased their trade and investment policies in the last four editions of our flagship event World Trade Expo. In our constant efforts to deepen economic partnership, WTC Mumbai and AIAI organised a special African Ambassadors' Roundtable at the fifth edition of World Trade Expo, which received encouraging response from Egypt, Zimbabwe, Ghana, Ethiopia, Uganda and South Africa. Many other African countries are also participating at the Expo to showcase their tourism, education and investment potential.

It gives me great pleasure to mention that we are releasing this White Paper at this fifth edition of World Trade Expo to create awareness on the emerging areas of bilateral cooperation, with special focus on untapped trade and investment opportunities, collaboration in space science, healthcare, education and socio-economic development projects. I thank all the distinguished experts for contributing their views to this White Paper and I hope this will stimulate further public dialogue to strengthen our alliance for mutual benefit.

I take this opportunity to reaffirm our commitment to support trade and investment exchange by working closely with 15 WTCs across the African continent and also partnering with the Indian diplomatic missions in Africa. I am happy to note that the number of Indian Missions in Africa has grown to 46 with the opening of 16 new diplomatic Missions in this continent in recent years.

With all these efforts, I am confident that both regions can support each other's growth aspiration and contribute to global peace and prosperity.

Dr. Vijay Kalantri

Chairman

MVIRDC WTC Mumbai

& President

All India Association of Industries

Preface

I am pleased to present this White Paper on ‘Strengthening India-Africa Economic Partnership,’ which explores key aspects of economic and social engagement with Africa and offers expert perspectives on deepening bilateral cooperation. Together, India and Africa account for 35% of the global population, and their development is crucial for global prosperity and stability. This underscores the need for collaboration to advance food security, education, healthcare, and other areas of human progress.



India and Africa share centuries-old ties in trade, commerce, and cultural exchange. Indian workers migrated to countries like Uganda, Mauritius, and South Africa in the 19th century to work on railways and plantations, while Indian businesses today contribute significantly to Tanzania, Ethiopia, and Rwanda’s economies. In the 20th century, the partnership evolved through lines of credit, development aid, education, and healthcare initiatives.

In this age of sustainable development and digitization, the partnership will focus on climate change mitigation, green energy, gender equality, digital payments, local currency trade and other emerging areas of mutual interest. In recent years, India has been leveraging digital technologies to extend development cooperation in the African region. Through the Pan African e-Network Project, India has been offering tele-medicine and tele-education facilities to many African countries. The International Solar Alliance (ISA) has also helped African nations access funding and technology for solar power. The inclusion of the African Union in the G20 under India’s presidency highlights our commitment to addressing shared developmental challenges. India also collaborates with African countries in amplifying the voices of the Global South in various global forums.

This White Paper, prepared at a time when Africa holds a key place in India’s foreign policy, combines academic research with insights from industry experts and former diplomats. We thank all contributors and hope this report serves as a valuable reference for policymakers and sparks further debate on the future of India-Africa relations.

Rupa Naik

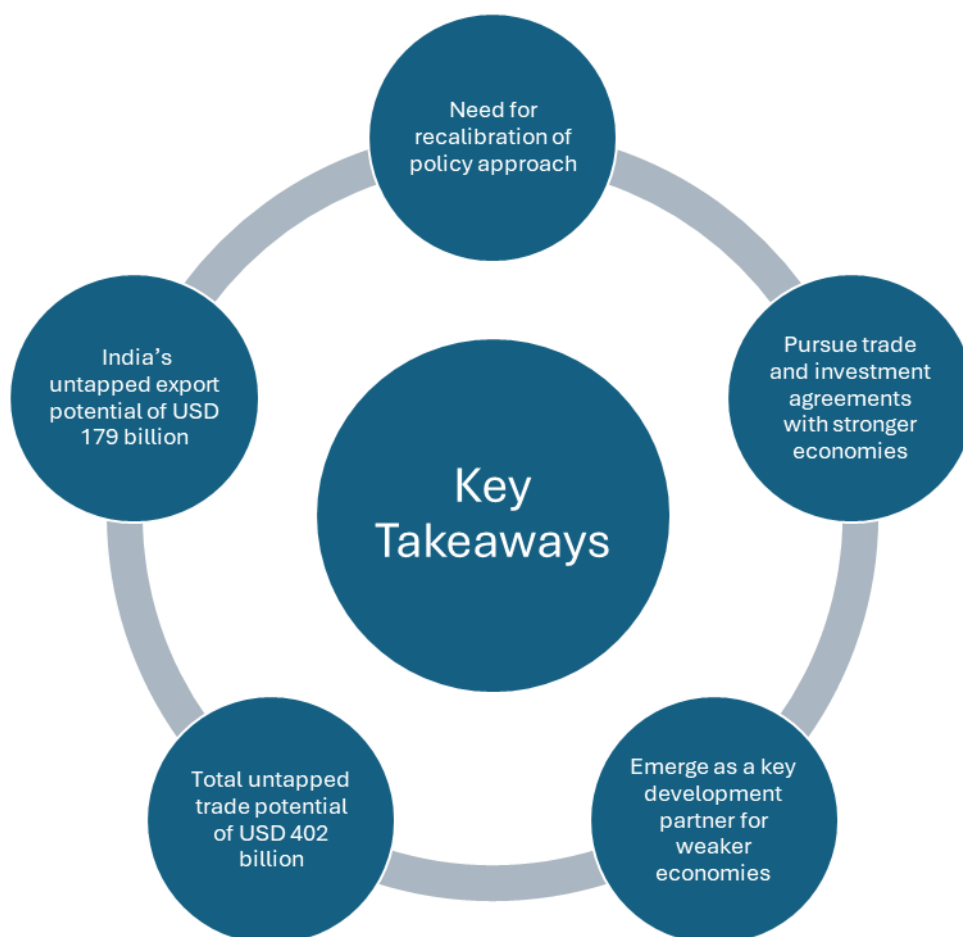
Executive Director

MVIRDC WTC Mumbai

Key Highlights

- Africa, a continent of 54 nations, holds immense potential to become a driver of global economic growth.
- However, of these 54 nations, only eight had a GDP exceeding USD 100 billion in 2023.
- The continent is economically diverse. While the Northern and Southern regions are more economically prosperous, within the Central, Western, and Eastern regions, nations like Nigeria, Ethiopia, Kenya, Angola, Côte d'Ivoire, and Ghana exhibit relatively robust economic frameworks.
- Given these disparities, instead of a pan-Africa policy, India should adopt region-specific policies based on the industrial and socio-economic structures of different regions and countries, with a focus on promoting trade and investment treaties with stronger economies and positioning itself as a key development partner for less developed areas.
- In FY 2023-24, Africa was India's third largest trading partner, with bilateral trade totaling USD 83.3 billion. India ranks as Africa's second-largest trading partner, its second-largest import source, and its fourth-largest export destination.
- According to the Revealed Comparative Advantage (RCA) framework, the untapped trade potential between the two regions is estimated at USD 402 billion.
- India's unrealized export potential, primarily in petroleum products, agriculture, and metals, stands at USD 179 billion, while Africa's untapped export potential to India, particularly in minerals, chemicals, and precious stones, amounts to USD 223 billion.
- Some strategic sectors identified for collaboration include agriculture, renewable energy, mining and mineral processing, the digital economy, and human resource development. These sectors align with India's goals and Africa's needs, offering mutually beneficial growth opportunities.
- Out of the 54 countries, 44 are net importers of food products. For countries with a smaller percentage of arable land, India could explore agricultural goods-focused trade agreements.
- In contrast, for nations with a larger share of agricultural land, India could pursue trade and investment agreements to provide the necessary technology, expertise, and resources to help boost agricultural productivity in those countries.
- India can collaborate with Africa in agriculture, especially in cultivation of Millets where India has considerable experience and expertise.
- A joint task force can be constituted between both nations to explore solutions for feasible direct shipping services.

- India's growing private space industry can provide affordable solutions for satellite services and infrastructure through Public- Private Partnership model.
- Despite holding 30% of the world's mineral reserves, Africa accounts for only 8% of the total minerals produced globally, according to World Mining Data, which reflects the gap between its potential and actual output.
- Africa, with its abundant reserves of rare earth minerals such as cobalt and lithium, could also play a crucial role in helping India achieve its carbon reduction targets.
- India's role can go beyond energy generation to assist African countries in building a more resilient electricity transmission and distribution infrastructure, reducing the grid losses that currently account for about 16% of generated power in Sub-Saharan Africa.



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Introduction

Africa, a continent comprising 54 countries, is one of the most diverse and mineral-rich regions in the world. It is home to over 3,000 ethnic groups and more than 2,000 distinct languages. Geographically, Africa features a wide range of landscapes, from the vast Sahara Desert and the lush rainforests of the Congo, to the savannas of East Africa and the mountainous regions of the Atlas and Rift Valley. This diversity also extends to its wildlife, with iconic species like elephants, lions, and gorillas inhabiting the continent.

The continent is rich in natural resources, including oil, gold, and rare earth minerals. According to the UN Environment Programme, Africa holds about 30% of the world's mineral reserves, 8% of its natural gas, and 12% of its oil reserves. It accounts for 40% of the world's gold, and up to 90% of its chromium and platinum. Africa also has the largest reserves of cobalt, diamonds, platinum, and uranium. Additionally, it possesses 65% of the world's arable land and 10% of the planet's internal renewable freshwater resources.

Despite this wealth of natural resources, many parts of Africa remain among the most economically deprived regions globally. In 2023, the average GDP per capita for African countries was USD 2810, while the per capita GDP for the continent as a whole was USD 1992. The massive difference between the country wise average GDP per capita and the GDP per capita of the region highlights the significant regional disparities in economic development. Historical oppression rooted in colonialism, along with ongoing political instability and conflict in various parts of Africa, have hindered the development of essential infrastructure needed to fully leverage its mineral wealth.

However, the continent has immense untapped economic potential. Despite political challenges, Africa is rapidly emerging as a key driver of global economic growth. With a population of 1.46 billion, projected to grow to 2.5 billion by 2050, Africa is also notably young. Around 55% of the population falls within the working-age group (14–64), which, when combined with its abundant natural resources, positions Africa as a strong contender to become a global manufacturing hub.

With its large population and wealth of critical minerals—including oil, cobalt, lithium, Platinum Group Metals, and other rare earth elements—combined with vast, productive agricultural land, a politically and economically stable Africa could play a crucial role in ensuring global food security, meeting energy demands, and strengthening supply chain resilience worldwide.

India has taken the lead in providing economic and political support to African countries in their infrastructure development efforts. In 2008, India launched the India-Africa Forum Summit to strengthen diplomatic ties and promote bilateral trade and investment. So far, India has extended 96 Lines of Credit (LOCs) worth USD 12 billion to 42 African

nations for various development and infrastructure projects. Through the Pan-African e-Network Project, India has established a fiber-optic network to provide satellite connectivity, telemedicine, and tele-education services across Africa. Additionally, India has implemented numerous skill development and capacity-building programs while offering scholarships to African students to pursue higher education at prestigious Indian universities.

Table 1: India- Africa Policy Initiatives

Sr. no	Initiative	Year Launched	Brief
1	Indian Technical and Economic Cooperation (ITEC) Program	1964	The program offers training in diverse fields such as IT, agriculture, healthcare, and governance. Africans have been major beneficiaries of Indian scholarships and the ITEC programme.
2	Focus Africa	2002	The initiative was launched to enhance India-Africa trade and investment and increase interaction between the nations. It was first launched focusing on Sub-Saharan Africa but later expanded to cover the entire continent.
3	TEAM-9	2004	This initiative involves India and eight West African countries, aiming to support infrastructure, capacity building, and technical assistance.
4	India-Africa Forum Summit (IAFS)	2008	Held once in 3 years, it is the official platform for India-Africa relations focusing on structured dialogue between Indian and African leaders on trade, investment, development partnerships, and cultural exchange.
5	Duty-Free Tariff Preference Scheme (DFTP)	2008	The scheme grants tariff preferences to exports from LDCs. A large number of African countries benefit from this initiative, enhancing market access for African exports to India especially in agriculture, textiles, and manufacturing.

Sr. no	Initiative	Year Launched	Brief
6	Pan-African e-Network (PAeN) Project	2009	Under this project, India has set up a fibre-optic network which connects African nations with Indian educational institutions and hospitals for tele-education and telemedicine.
7	Africa-India Science and Technology Initiative (AISTI)	2010	The initiative aims to proactively develop S&T linkages with institutions in African nations. The primary focus is to enhance capacity building and development of human resources in R&D.
8	International Solar Alliance	2015	The initiative aims to mobilize investment for solar energy projects in Africa, helping African countries reduce their dependence on fossil fuels. Several African nations have joined the ISA, benefiting from access to finance, technology, and expertise in solar energy.
9	Lines of Credit		India has extended several Lines of Credit (concessional loans) to African nations for projects in sectors like power, agriculture, water supply, and transportation. As of today, the government has extended 196 LOCs worth USD 12 billion to 42 African countries.

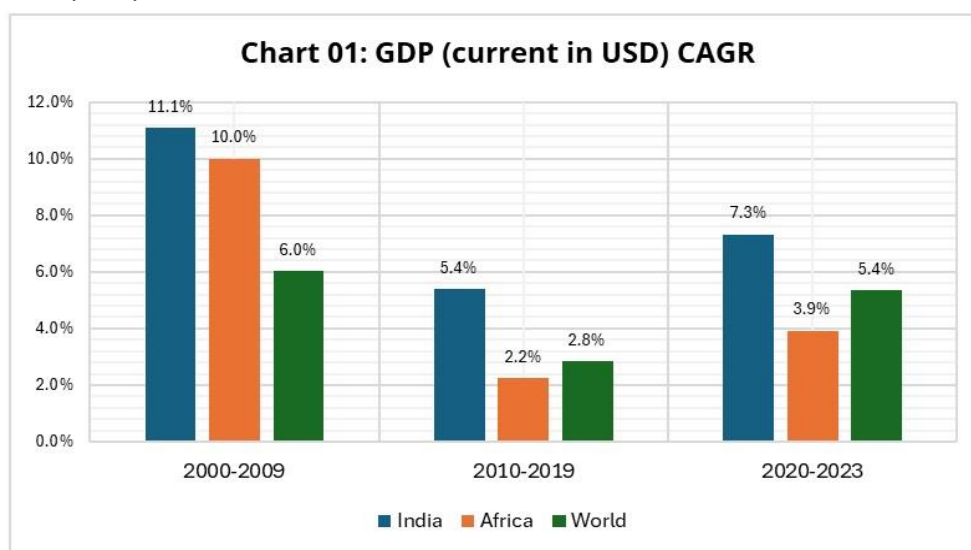
Although India has made significant strides in improving the socio-economic conditions of the continent, the potential for deeper economic ties between the two regions remains largely untapped. There is considerable scope for further investment and trade agreements to strengthen these ties. This white paper explores various areas of collaboration and offers policy suggestions to boost the economic relationship between India and Africa.

Africa's Economic Growth Story

The African continent experienced a robust economic growth over the past two decades. The region has scaled its output by more than 400 times in the last 24 years from USD 681.4 billion in 2000 to USD 2.9 trillion in 2023 growing at CAGR of 6.23% during these years. However, the pandemic, along with global uncertainties that followed, has slowed

down the pace of economic development in the region. Before the pandemic, during the 20 years period from 2000 to 2019, Africa's economy grew at an impressive CAGR rate of 6.9%, outpacing the global CAGR growth rate of 4.9%. Post-pandemic recovery, however, has been slower for the continent, with CAGR growth at 3.9% for four-year period of 2020 to 2023, compared to the global rate of CAGR 5.4%.

Africa's slower post-pandemic recovery is attributed to several challenges, including weak healthcare infrastructure, which delayed COVID-19 vaccine rollouts—by mid-2021, only 2% of Africans were vaccinated compared to 40% globally (WHO). The region also struggled with supply chain disruptions, as Africa imports about 85% of its food (UNCTAD), which drove inflation, exacerbated by rising global energy and food prices. Fiscal constraints were a major factor, with African countries' public debt rising to 70% of GDP in 2021 (IMF), limiting their ability to implement large-scale stimulus programs. Additionally, the collapse of key sectors like tourism, which contributed 8.5% to Africa's GDP pre-pandemic (World Travel & Tourism Council), and volatile commodity prices further hampered recovery efforts. External shocks, including the Russia-Ukraine war and climate-related disruptions, compounded these issues, with food prices rising 23% in 2022 alone (FAO).



Source: World Bank, Compiled by MVIRDC WTC Mumbai

Africa, despite these post-pandemic economic setbacks, remains poised for significant recovery and growth. The region's youthful demographic, burgeoning tech ecosystem, and increasing urbanization offer substantial opportunities for advancement. Investments in digital infrastructure and renewable energy could propel Africa into a new era of sustainable growth. Countries like Kenya, Nigeria, and South Africa are already emerging as hubs for innovation, particularly in the fintech sector, which is helping drive financial inclusion across the continent.

Moreover, Africa's vast renewable energy potential, especially in solar and wind power, provides an avenue for addressing both domestic energy needs and contributing to global efforts to combat climate change. The African Continental Free Trade Area (AfCFTA), launched in 2021, holds the promise of transforming intra-African trade, fostering regional cooperation, and reducing the continent's dependence on external markets.

As Africa looks to the future, partnerships with nations like India, which share a commitment to sustainable development and mutual growth, will be crucial. By fostering greater collaboration in sectors such as renewable energy, technology, and healthcare, Africa and India can together contribute to building a resilient and prosperous future, not just for their regions, but for the world at large. These strategic partnerships will play a key role in ensuring that Africa's abundant resources are utilized to their full potential, improving lives and driving global economic progress.

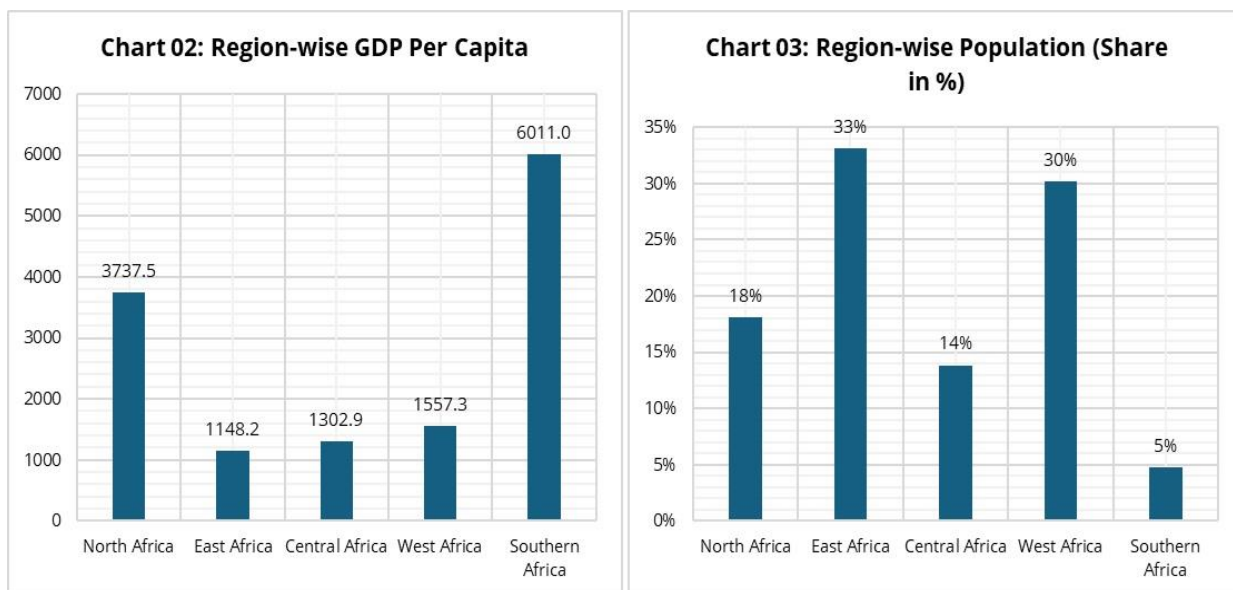


Strategic Framework for Deepening India-Africa Ties

Africa’s Economic Diversity

Africa, the second-largest continent, has a population of 1.458 billion as of 2023. The combined GDP of its 54 countries stands at USD 2.9 trillion, resulting in a per capita GDP of approximately USD 1,991.83, classifying the continent within the Lower-Middle-Income Economies category. However, there are significant disparities in economic development across its regions². The Northern and Southern regions of the continent are relatively more prosperous than the other regions.

The Southern African region, comprising only five countries, is the most prosperous, with a regional GDP per capita of USD 6,011. Despite accounting for just 5% of Africa’s population, it contributes 14% of the continent’s total output. In contrast, the Eastern African region is the most economically disadvantaged, with a per capita GDP of just USD 1,148. Although it is the most populated region, hosting 33% of Africa’s population, it accounts for only 19% of the continent’s GDP. The bar chart below provides a region-wise breakdown of GDP per capita, and population share across Africa.



Source: World Bank, Compiled by MVIRDC WTC Mumbai

² The analysis uses UN sub-region wise classification of the African continent. Detailed map is provided in the Annexure.

While the African continent holds immense untapped potential for socio-economic development, benefiting all stakeholders, it is important to acknowledge the disparities in economic development across regions and countries.

Out of the 54 nations in the region, only eight had a GDP exceeding USD 100 billion in 2023. Of these, four—Egypt, Algeria, Morocco, and Sudan—are from the northern region; two—Ethiopia and Kenya—are from the eastern region; and one each from the southern and western regions, South Africa and Nigeria, respectively.

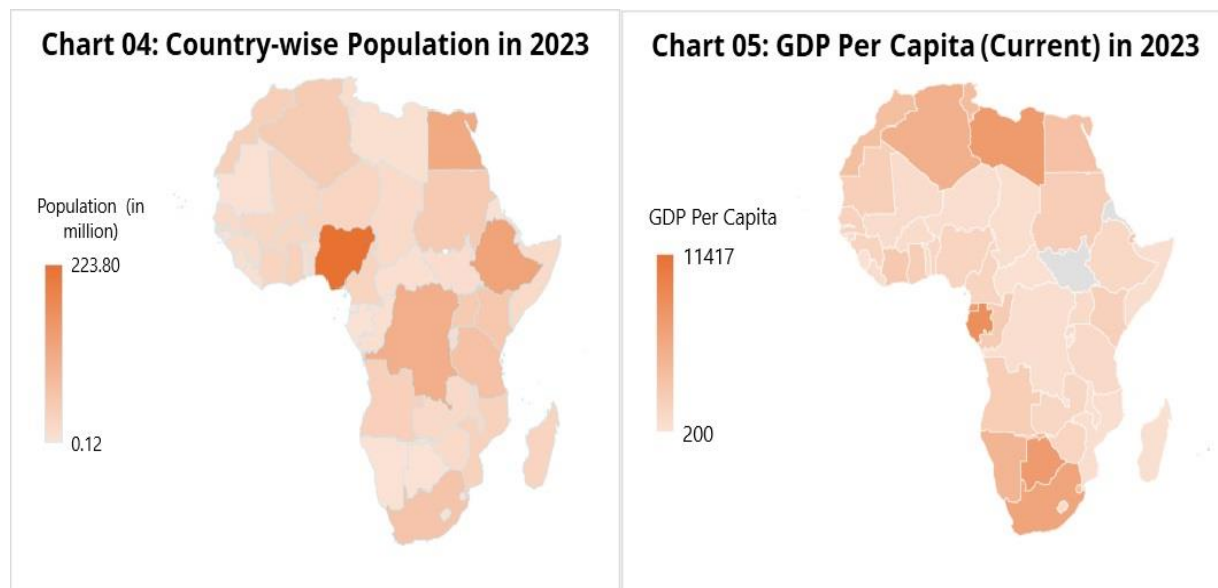
For India, a single pan-African policy may not yield optimal results. Instead, India could consider crafting region-specific strategies that take into account the industrial and socio-economic structures of different regions and countries. This approach would enable better economic and trade integration with the continent.

India could focus on pursuing trade and investment agreements with more prosperous nations in Northern and Southern Africa, such as Egypt, Algeria, Morocco, Sudan, and South Africa. These five countries, with GDPs exceeding USD 100 billion and a relatively higher average per capita income of USD 4,205.5, collectively represent a population of 305 million. This provides Indian companies access to larger and more robust economies in the region.

Whereas, within the Central, Western, and Eastern regions, nations like Nigeria, Ethiopia, Kenya, Angola, Côte d'Ivoire, and Ghana exhibit relatively advanced economic frameworks. Establishing trade and investment treaties with these countries could foster mutual benefits, driving economic collaboration and growth.

For the rest of Africa, India should pursue deeper engagement, positioning itself as an active partner in fostering the socio-economic development of these countries. Leveraging its industry expertise in providing cost-effective engineering and technological solutions, India can assist in the development of infrastructure projects such as railways, hydropower plants, renewable energy initiatives, medical facilities, and educational institutions.

Moreover, given India's success in establishing a robust Digital Public Infrastructure, it can offer assistance in developing similar digital frameworks to promote digital inclusion across the continent. Such a digital ecosystem could be utilized to remotely deliver financial, educational, medical, and other services to remote areas, ensuring a holistic development approach for the region.

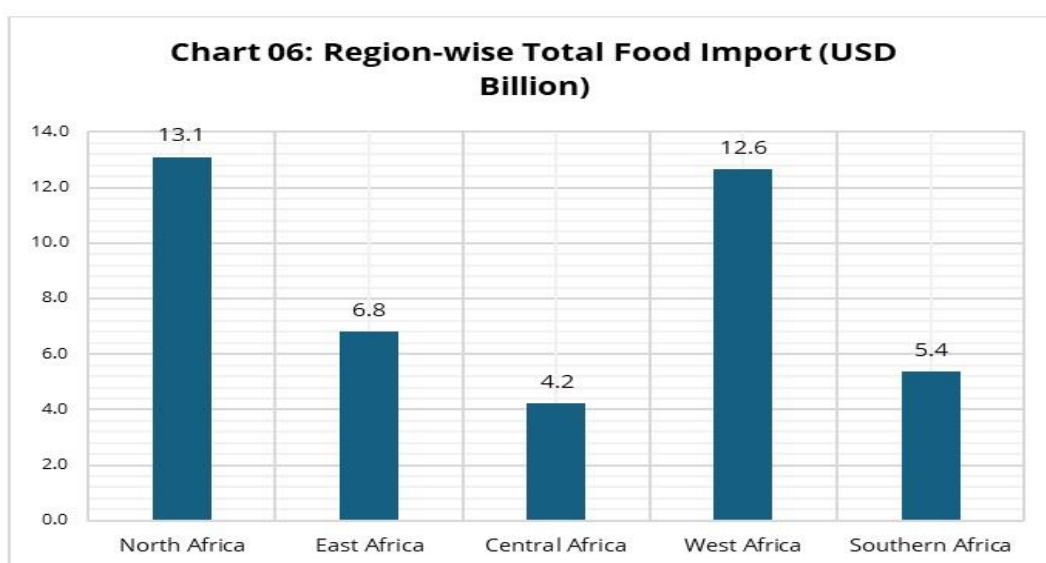


Source: World Bank, Compiled by MVIRDC WTC Mumbai

Suggested Areas of Collaboration

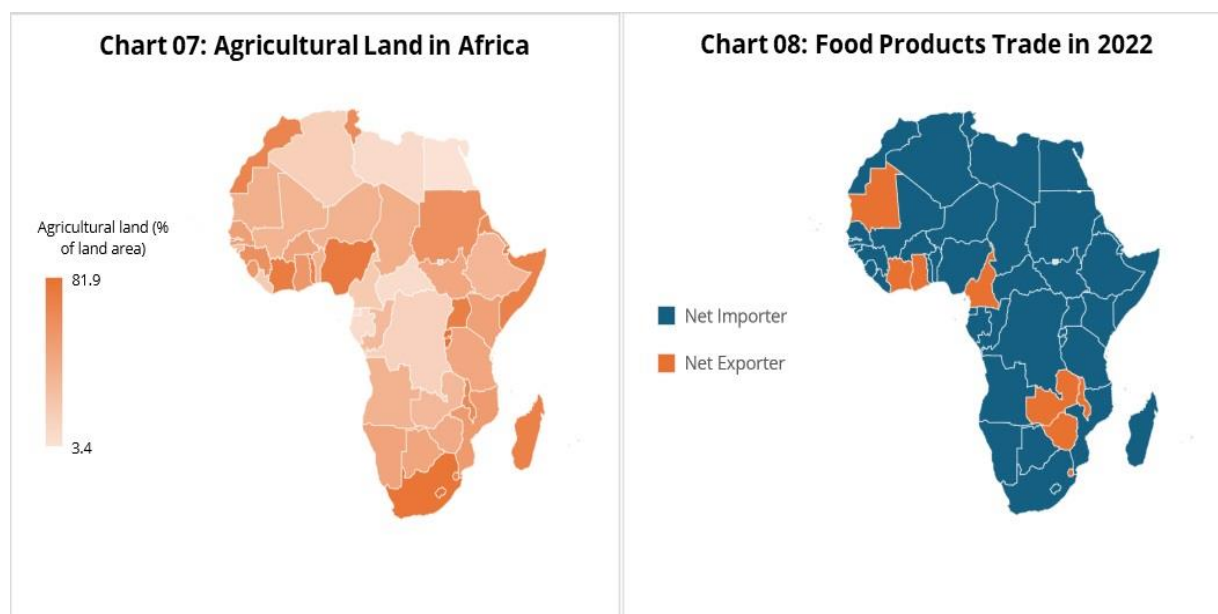
Agriculture

Africa, as a continent, is heavily dependent on imports to meet its food needs. Out of the 54 countries, 44 are net importers of food products. In 2022, the total food imports by African nations amounted to USD 42 billion, with the Northern region being the largest importer, followed by the Western region. In some African countries, this reliance on imports for food security is driven by natural factors, such as limited agricultural land or resources. However, in many other countries, despite an abundance of agricultural land and necessary resources, they are unable to fully utilize these resources due to a lack of knowledge or technological constraints.



Source: WITS and World Bank, Compiled by MVIRDC WTC Mumbai

It is recommended that India develop a region-specific agricultural policy for Africa, taking into account each country's geographic conditions and resource limitations. For countries with a smaller percentage of arable land, India could explore agricultural goods-focused trade agreements. In contrast, for nations with a larger share of agricultural land, India could pursue trade and investment agreements to promote collaboration in agriculture sector. These agreements should provide the necessary technology, expertise, and resources to help boost agricultural productivity in those countries.

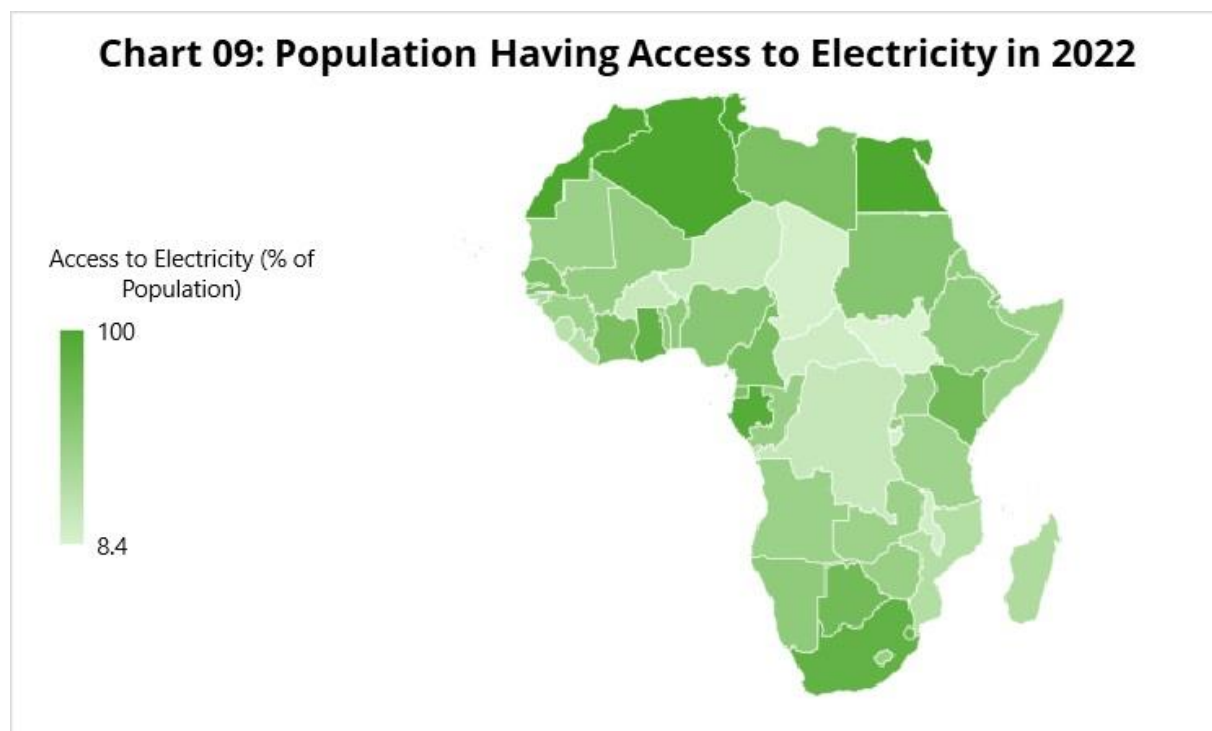


Source: World Bank, Compiled by MVIRDC WTC Mumbai

Renewable Energy

Renewable energy presents a critical opportunity for India and Africa to collaborate, especially as Africa faces a significant energy deficit, with over 600 million people lacking electricity access. India is an emerging leader in renewable energy, particularly in solar and wind, and has successfully expanded electricity access from 76.3% in 2010 to 99.2% in 2022. With India's goal of achieving 500 GW of renewable capacity by 2030, it has both the technical expertise and experience in electrification, which could greatly benefit Africa's efforts to tap into its vast renewable energy potential, especially in solar and hydropower.

India's role can go beyond energy generation. It can assist African countries in building a more resilient electricity transmission and distribution infrastructure, reducing the grid losses that currently account for about 16% of generated power in Sub-Saharan Africa. For both regions, collaboration in renewable energy aligns with broader goals of sustainable development, industrial growth, and poverty reduction. By sharing technology, expertise, and financing, India and Africa can tackle energy poverty while fostering economic growth and climate resilience.



Source: World Bank, Compiled by MVIRDC WTC Mumbai

Mining & Minerals

Africa's mines and minerals sector holds immense potential, with the continent accounting for about 30% of the world's mineral reserves. It is home to 60% of global cobalt supplies, essential for electric vehicles, and 90% of platinum group metals, which are critical for various industries.

Key countries like the Democratic Republic of Congo (DRC) dominate cobalt production, while South Africa leads in platinum and gold mining. Africa also possesses vast reserves of bauxite, copper, and iron ore, positioning it as a key player in the global supply chain for minerals vital to green technologies.

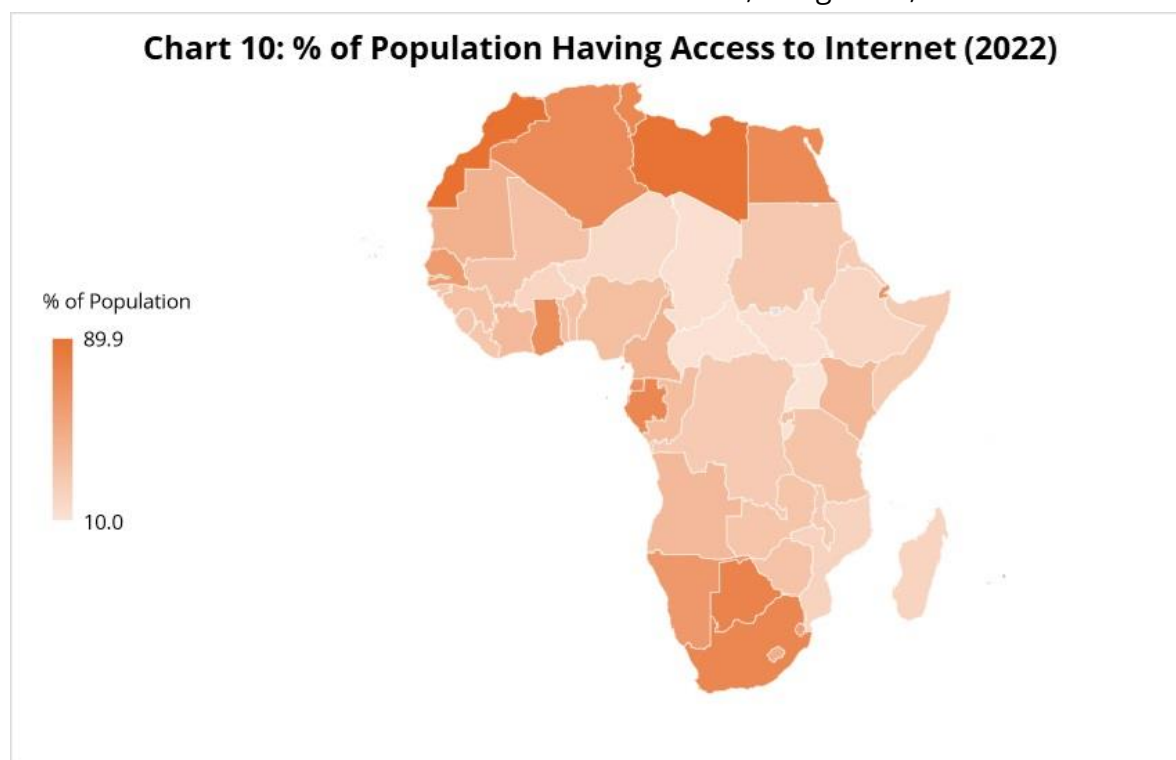
However, despite holding 30% of the world's mineral reserves, the region accounted for only 8% of the total value of minerals produced globally, according to World Mining Data. This highlights the gap between its potential and actual output. Political instability, which hampers exploration efforts, is one of the major factors contributing to this gap. Another significant challenge is the lack of mineral processing infrastructure in the region, which forces Africa to export raw minerals at lower values.

India could consider taking a more proactive approach in Africa's mineral processing sector. This would not only secure a stable supply of critical minerals for India but also create wealth and employment opportunities in local African economies.

Digital Economy

India can assist Africa in developing its digital economy by leveraging its expertise in IT services, digital infrastructure, and affordable technology solutions. Africa's internet penetration, while steadily increasing, remains at just 43.6% in 2022, significantly below the global average of 67%. India's experience in expanding internet access and digital inclusion through initiatives like Digital India can be valuable in bridging this gap. Collaborations can focus on enhancing broadband connectivity, building robust digital infrastructure, and supporting local innovation ecosystems.

Furthermore, India can facilitate capacity-building programs in digital literacy and entrepreneurship, helping Africa's youth and MSMEs to tap into e-commerce and fintech opportunities. By fostering technology transfer and investment in local startups, India can play a pivotal role in accelerating Africa's digital transformation while strengthening economic ties across sectors like fintech, agritech, and healthcare.



Source: World Bank, Compiled by MVIRDC WTC Mumbai

Human Resource Development

India can significantly collaborate with African countries in human resource development, particularly considering that Africa's population is projected to reach 2.5 billion by 2050, with a large proportion of young people. This demographic dividend presents an opportunity for India to share its expertise in vocational training and skill development. By implementing initiatives similar to its Skill India program, India can assist African

nations in creating tailored training programs that align with local job markets and industries. Collaborations can focus on enhancing technical skills in sectors like information technology, agriculture, and healthcare, which are crucial for economic growth and sustainability across the continent.

Moreover, partnerships in higher education can facilitate knowledge exchange and capacity building. India can expand scholarship programs for African students in various fields, enabling them to benefit from India's robust educational infrastructure. Programs like the Pan-African e-Network can further enhance access to quality education through digital platforms, connecting students and professionals from both regions. By investing in human resource development, India and Africa can strengthen their economic ties while addressing pressing challenges related to youth unemployment and skills shortages.

India and Africa can collaborate effectively in the healthcare sector by leveraging India's strengths in pharmaceuticals and telemedicine. By sharing expertise in affordable drug production and innovative healthcare technologies, India can help improve access to essential medicines and services in Africa. Additionally, training programs for African healthcare professionals can enhance local capacities. Initiatives like telemedicine platforms can bridge gaps in healthcare delivery, especially in remote areas, ultimately contributing to improved health outcomes across the continent.

Conclusion

India and Africa share many socio-economic similarities. Both regions are among the fastest growing in the world, with aspirations of becoming global economic superpowers. They also face common challenges, such as infrastructure deficiencies, economic inequalities, and pressures from global uncertainties. However, there are several areas where the two regions can complement each other, including rare earth mineral supply chains, healthcare, education, digitalization, Web 3.0, and space technology.

While India has been engaging with Africa as a whole in various international forums—most notably with the inclusion of the African Union into the G20 under India's presidency—there is a need to strengthen and deepen country-specific economic and trade relations across the continent. India may consider adopting a bottom-up approach by crafting niche, region-wise and country-specific bilateral policies to foster stronger economic, political, and cultural ties with Africa.

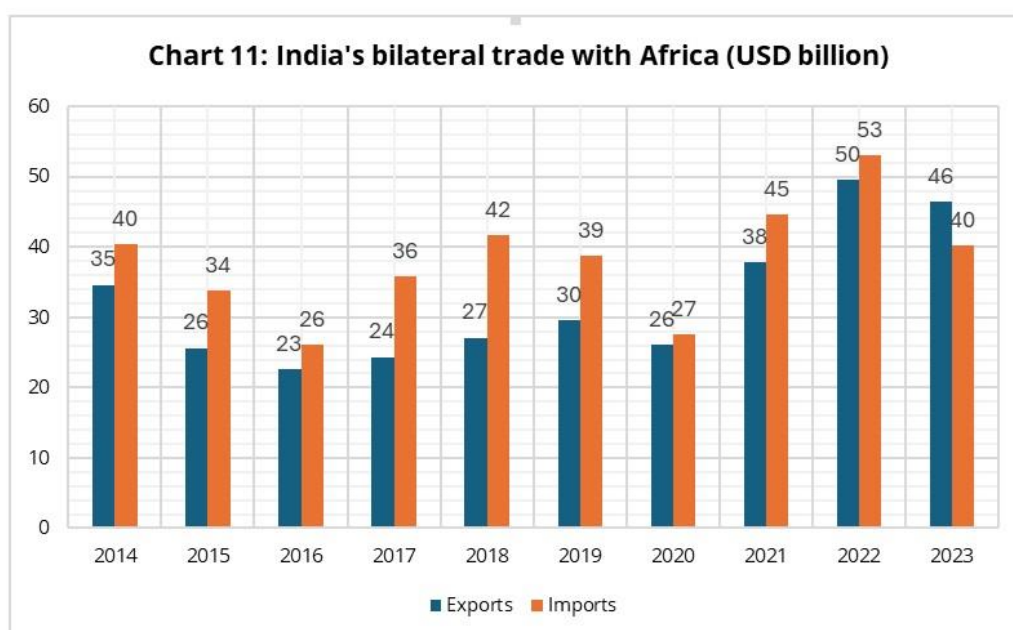
India-Africa Trade Potential

Introduction:

India's bilateral relations with Africa date back to ancient times with trade relations centered on maritime trade in spices, gold, ivory, and textiles. Over time, these ties have evolved into a strategic partnership driven by mutual political and economic interests. Under the Prime Minister's leadership, India has sought to deepen engagement with Africa, notably advocating for the African Union's full membership in the G20 during its presidency. This section examines bilateral trade trends between India and Africa. Using Lall's classification, it categorizes the export-import composition of both economies and identifies commodities with untapped trade potential using the Revealed Comparative Advantage model.

Bilateral trade:

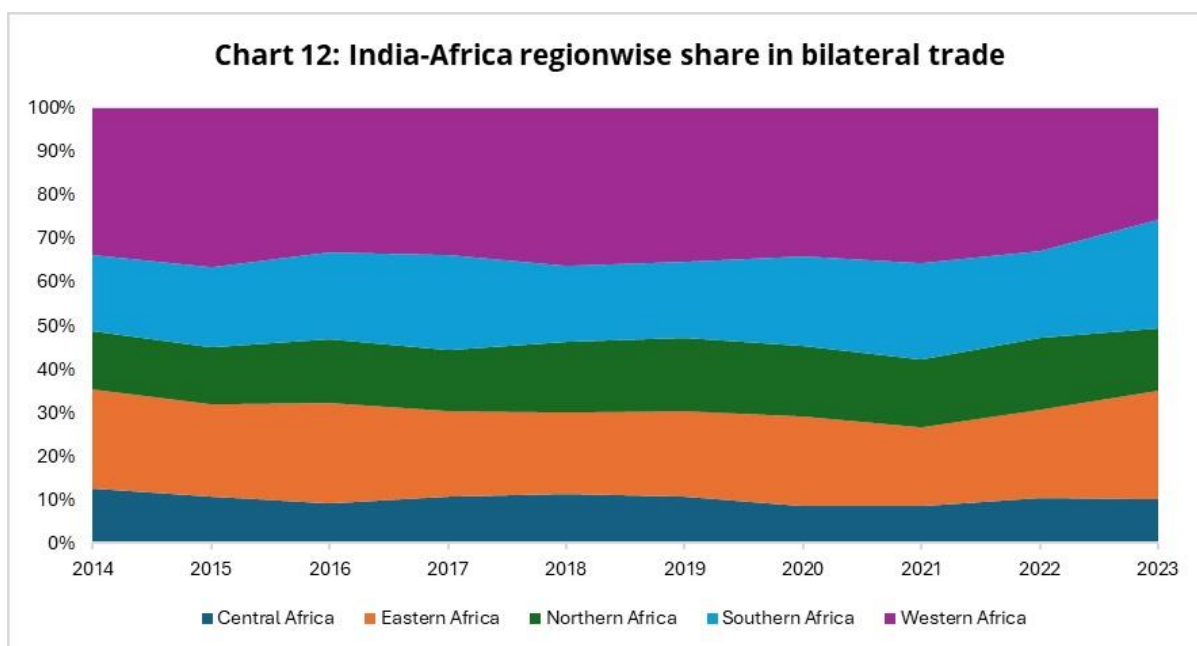
Africa is India's third largest trade partner just behind USA and China. In 2023, bilateral merchandise trade between India and Africa reached USD 86 billion, accounting for 8% of India's total merchandise trade. Although Africa remains a significant trading partner for India, bilateral trade has largely stagnated over the past decade. While India's overall trade expanded by 42%, rising from USD 777 billion in 2014 to USD 1.1 trillion in 2023, trade with Africa saw a more modest increase of just 15% over the same period from USD 75 billion to USD 86.6 billion. India's exports to Africa have surged by 34%, but imports have been more volatile during this period.



Source: ITC TradeMap, Compiled by MVIRDC WTC Mumbai

In 2023, bilateral trade between India and Africa was evenly distributed across the Western, Eastern, and Southern regions, with each contributing approximately 25% to total trade. This marks a shift from 2014, when Western Africa held a dominant position with a 34% share, primarily driven by imports of oil and precious metals.

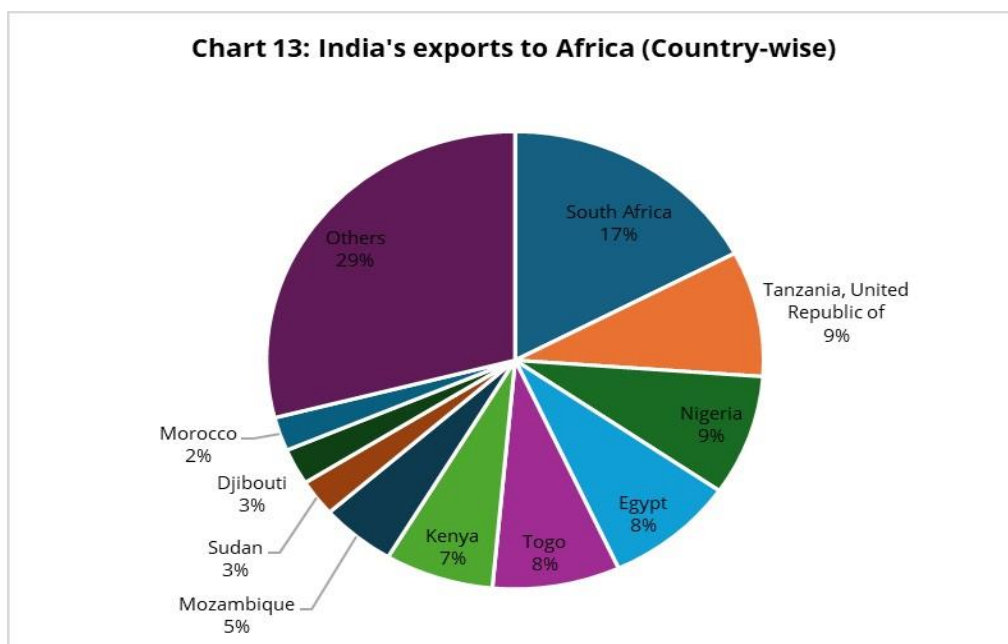
However, over the past decade, Western Africa's share has declined to 25%, reflecting a more balanced trade relationship across the continent. Meanwhile, Southern Africa has experienced a notable rise in its trade share, increasing from 17% in 2014 to 25% in 2023, indicating its growing significance in bilateral trade dynamics. This rise is driven by rise in imports of gold and coal from the region.



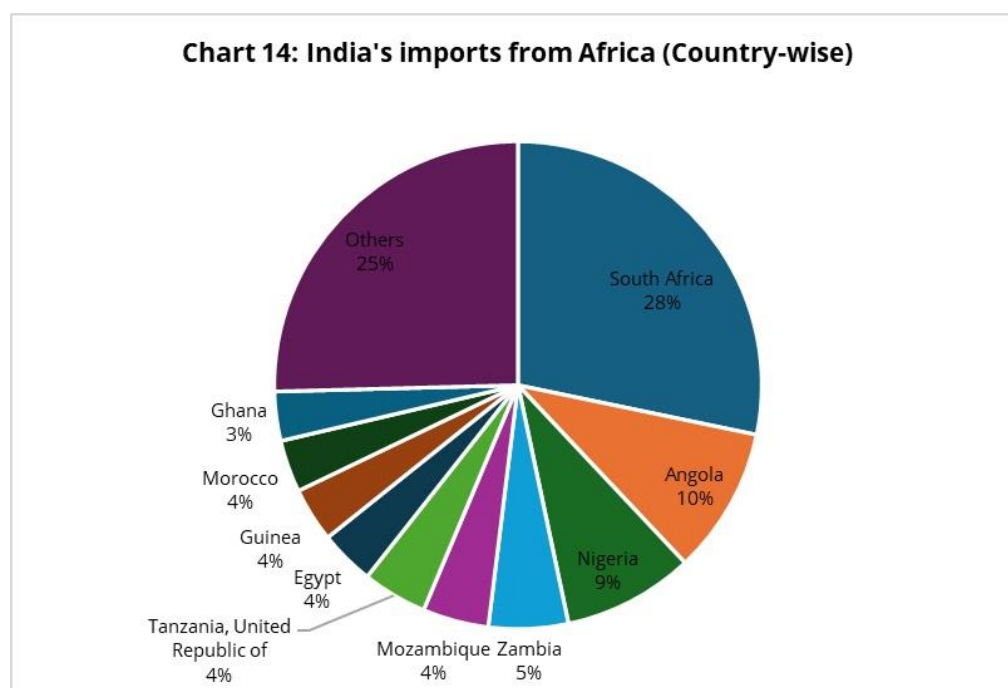
Source: ITC TradeMap, Compiled by MVIRDC WTC Mumbai

Among the African countries, South Africa is a key trading partner, accounting for 17% of India's total exports to Africa and 28% of India's imports. Together with Tanzania, Nigeria, Egypt, and Togo, these nations represent 51% of India's total exports to Africa. The charts show the share of top 10 African countries in India's exports and imports.

India's main exports to Africa include petroleum products, pharmaceuticals, automobiles, two-wheelers, and agricultural products such as rice, sugar, and bovine meat. On the import side, India sources critical natural resources from Africa, including crude oil, coal, liquefied natural gas, minerals such as copper and manganese, and precious commodities like gold, diamonds, chemicals, and cashew nuts.



Source: ITC TradeMap, Compiled by MVIRDC WTC Mumbai



Source: ITC TradeMap, Compiled by MVIRDC WTC Mumbai

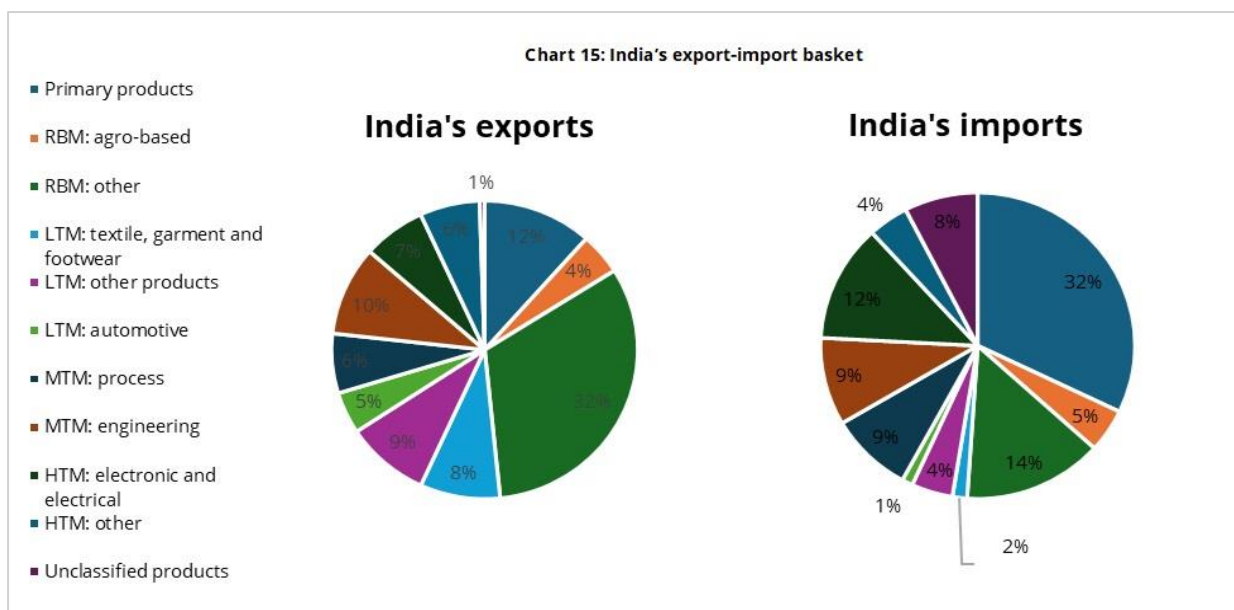
Understanding import-export basket composition:

Bilateral trade between two economies is influenced by their respective industrial structures. A capital-intensive economy tends to export more capital-intensive goods while importing labor-intensive products. When assessing untapped trade potential, analyzing the composition of each country's import and export baskets can help determine the compatibility of their trade relations.

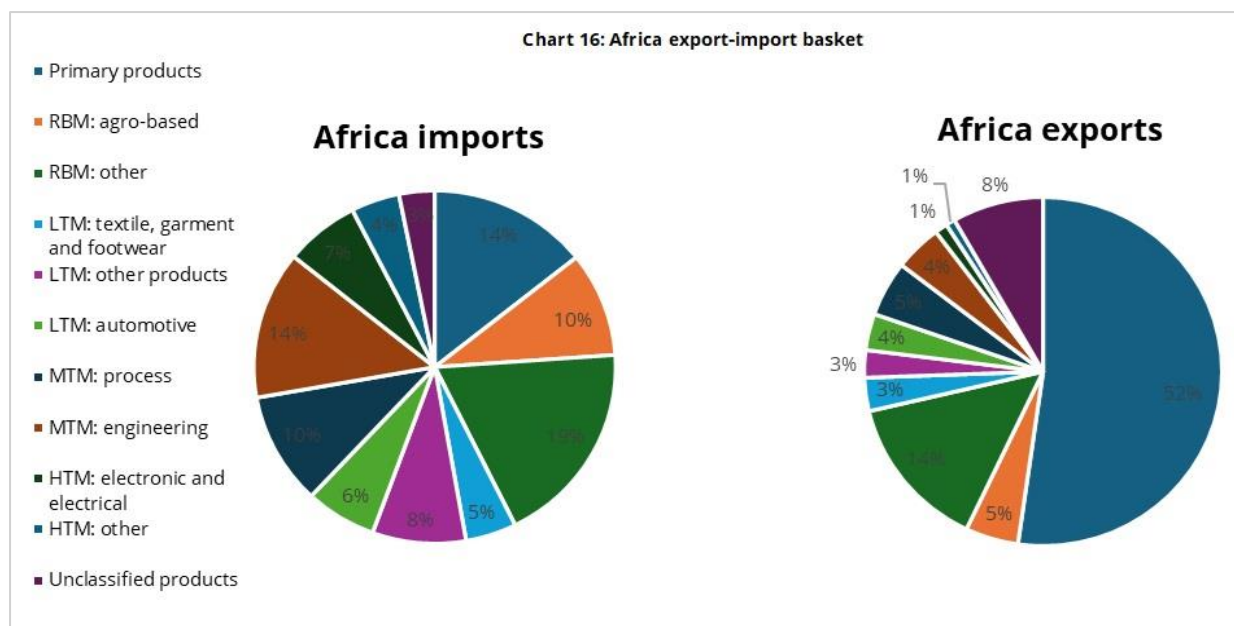
This part uses Lall’s classification to analyse the composition of the export-import basket of both the economies. This classification groups commodities based on the complexity of technology used to produce the commodity. The products are classified into various technological categories and sub-categories. Lall’s classification deals with six broad categories viz. “Primary Products”, “Resource-based manufactures (RBM)”, “Low technology manufactures (LTM)”, “Medium Technology Manufactures (MTM)”, “High technology manufactures (HTM)” and “Unclassified”.

India’s exports are predominantly concentrated in RBM which constitute 37% of its export basket, with the sub-category "RBM: Others" contributing 32%. Other significant export categories include LTM and MTM accounting for 22% and 16% share respectively. Together, these three categories account for 75% of India’s total exports. On the import side, India’s trade is largely driven by Primary Products, which make up 32% of its imports, followed by RBM products.

In contrast, Africa's export basket is heavily weighted toward Primary Products and RBM, together making up 71% of its total exports. Over half of Africa's exports consist of Primary Products, while RBM contributes 19%. Unlike India's export concentration, Africa's imports are more evenly distributed across the six categories identified by Lall.



Source: UNCTAD Stats, compiled by MVIRDC WTC Mumbai



Source: UNCTAD Stats, compiled by MVIRDC WTC Mumbai

The composition of both economies' export-import baskets reveals significant opportunities for expanding bilateral trade. India, with its high demand for Primary Products and resource-based manufactures, can view Africa as a critical supplier of these commodities. At the same time, Africa could leverage India's competitive edge in low technology manufactures, particularly textiles, to diversify its imports. This complementary relationship creates substantial potential for enhanced trade partnerships, capitalizing on both regions' strengths.

Export Potential:

The analysis uses the Revealed Comparative Advantage (RCA) model to bilateral trade opportunities between India and Africa. Export potential is highlighted through India's untapped export and import potential for India is highlighted through Africa's export potential. The RCA model highlights comparative advantage of a country in exporting a particular commodity based on the share of that commodity in global exports relative to the country's overall share in world exports. The values of the same range from zero to infinity with any value above one indicating a revealed comparative advantage.

To determine export competitiveness, RCA threshold of 2 has been set. This implies that a country is competitive in exporting commodities where the RCA is more than 2 indicating that the country's share in world exports of that commodity is more than double its overall global export share.

India:

Commodity-wise

The RCA model identifies 1120 tariff lines³ at 6-digit level where India has a competitive advantage. These products represent 73% of India's export basket, amounting to USD 314 billion. However, while these goods constitute 31% of Africa's imports, only 13% are currently sourced from India, indicating substantial potential for growth in bilateral trade.

The total untapped export potential in these commodities is USD 179 billion. Of this, the highest export potential is in HS Code 271012 (Light oils and preparations, of petroleum or bituminous minerals which \geq 90% by volume) followed by 271019 (Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...) and Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes (HS code 300490). Together these commodities have an export potential of USD 99 billion.

The table below showcases untapped export potential of the top 10 tariff lines at 6-digit level. These commodities represent 66% of India's untapped export potential to Africa totalling USD 117.8 billion.

Table 2: India's untapped export potential in USD billion (Top 10 tariff lines)

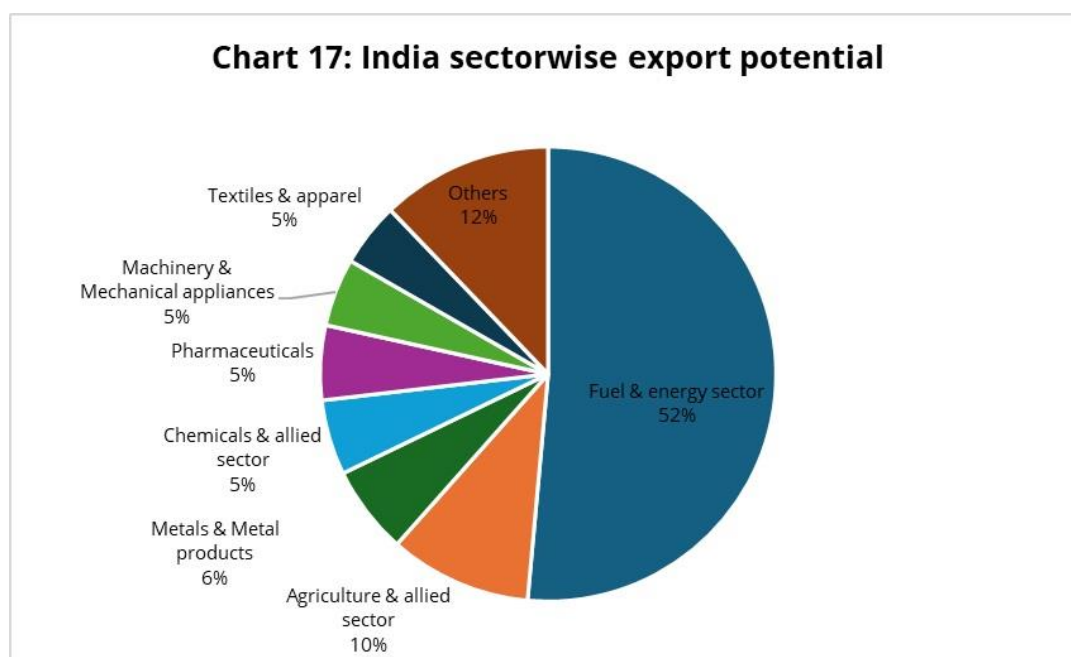
Sr. no	Code	Product label	Export potential
1	271012	Light oils and preparations, of petroleum or bituminous minerals which \geq 90% by volume "incl. ...	56.1
2	271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	35.6
3	300490	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	7.5
4	170114	Raw cane sugar, in solid form, not containing added flavouring or colouring matter (excl. cane ...	3.9
5	851713	Smartphones for wireless networks	3.2
6	100630	Semi-milled or wholly milled rice, whether or not polished or glazed	2.7
7	740811	Wire of refined copper, with a maximum cross-sectional dimension of $>$ 6 mm	2.4

³ For the complete list of tariff lines at 6-digit HS Code, please mail us at research@wtcmumbai.org

Sr. no	Code	Product label	Export potential
8	260112	Agglomerated iron ores and concentrates (excl. roasted iron pyrites)	2.3
9	170199	Cane or beet sugar and chemically pure sucrose, in solid form (excl. cane and beet sugar containing ...)	2.3
10	870410	Dumpers for off-highway use	1.9
Total			117.8

Sector-wise

From a sectoral perspective, over half of India's export potential to Africa is concentrated in the fuel and energy sector, which constitutes 52% of the total, followed by the agricultural and allied sectors. The top five sectors account for 78% of India's total untapped potential in Africa. Notably, within agriculture, commodities like sugar (HS Code 170114) and rice (HS Code 100630) present promising export potential. The chart below shows top sectors with export potential.



Source: ITC TradeMap, Compiled by MVIRDC WTC Mumbai

Africa:

On the African side, RCA analysis reveals 776 tariff lines⁴ at 6-digit level where the continent holds untapped export potential. These products constitute 73% of Africa's

⁴ For the complete list of tariff lines at 6-digit HS Code, please mail us at research@wtcmumbai.org

export basket, valued at USD 449 billion. Notably, while these commodities constitute 38% of India's import basket, only 11% are currently sourced from Africa, underscoring the significant scope for improving trade linkages.

Africa's untapped export potential in these commodities to India amounts to USD 223 billion, with 60% concentrated in HS Code 270900 (Petroleum oils and oils obtained from bituminous minerals, crude) followed by HS Code 270119 (Coal, whether or not pulverised, non-agglomerated (excl. anthracite and bituminous coal)) and HS Code 271111 (Natural gas, liquefied). The top 10 tariff lines account for 90% of Africa's untapped export potential to India, with a combined value of USD 203 billion. These are given in the table below.

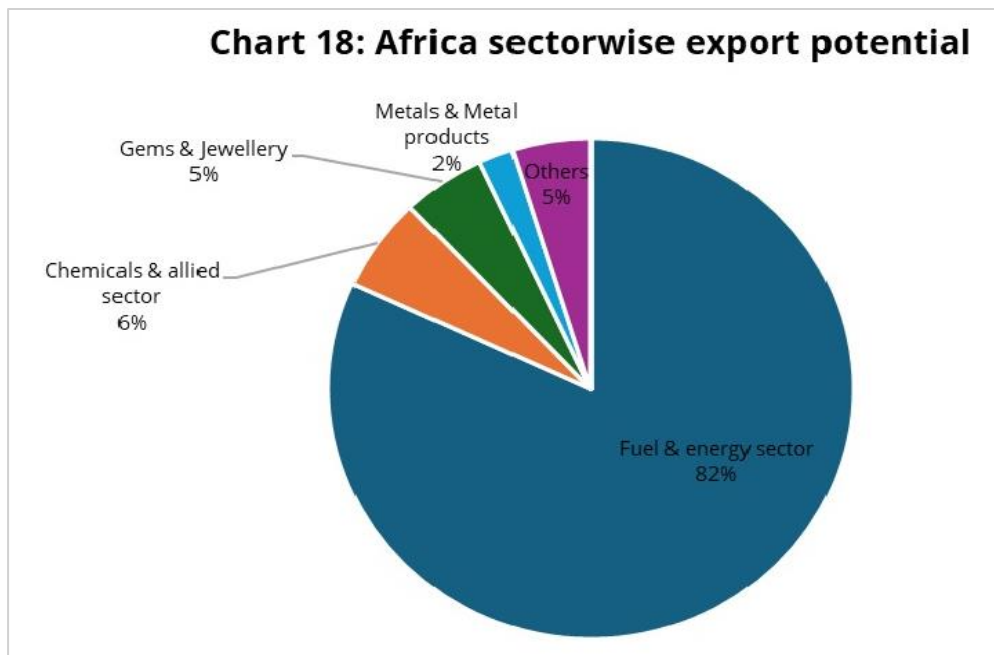
Table 3: Africa's untapped export potential in USD billion (Top 10 tariff lines)

Sr. no	Code	Product label	Export potential
1	270900	Petroleum oils and oils obtained from bituminous minerals, crude	133.0
2	270119	Coal, whether or not pulverised, non-agglomerated (excl. anthracite and bituminous coal)	31.2
3	271111	Natural gas, liquefied	11.4
4	710231	Non-industrial diamonds unworked or simply sawn, cleaved or bruted (excl. industrial diamonds)	10.7
5	271112	Propane, liquefied	5.6
6	310530	Diammonium hydrogenorthophosphate "diammonium phosphate" (excl. that in tablets or similar ...	3.2
7	310210	Urea, whether or not in aqueous solution (excl. that in tablets or similar forms, or in packages ...	3.2
8	740311	Copper, refined, in the form of cathodes and sections of cathodes	2.1
9	270400	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon	1.4
10	281410	Anhydrous ammonia	1.2
Total			203.0

Sector-wise

Sectorally, Africa's export potential to India is overwhelmingly driven by the fuel and energy sector, which accounts for 82% of the total. The chemicals and allied sectors also

offer substantial potential, particularly in phosphate (HS Code 310530) and urea (HS Code 310210), both of which are crucial inputs for fertilizers.



Source: ITC TradeMap, Compiled by MVIRDC WTC Mumbai

Conclusion

The total untapped trade potential between India and Africa is estimated at approximately USD 402 billion, with the energy sector accounting for a significant portion of this potential. However, there are considerable opportunities in other sectors, particularly agriculture and agro-chemicals, which will be crucial for ensuring food security across both regions.

Additionally, as India advances towards its goal of achieving net-zero emissions, Africa's comparative advantage in rare earth minerals, such as cobalt and lithium, positions it as a reliable supplier to support India's clean energy transition. A strategic trade agreement between the two regions would be instrumental in unlocking these opportunities, strengthening trade and investment ties, and fostering mutual economic growth.

Primary Survey

Perspectives on India-Africa partnership in Economic Relations

Mr. Rambang Tot Deng, First Secretary, Ministry of Foreign Affairs and International Cooperation, Republic of South Sudan.

Background

The India-Africa has a strong historical, cultural, political, and economic relationship that has evolved significantly over the past few decades. Both India-Africa have a strong share common objective for partnership which is characterized by mutual growth, strategic investments, and a shared vision for sustainable development.

Therefore, this article shall explore the historical context, current trends, and future prospects of India-Africa economic relations.

Historical Context

India-Africa share a long history of trade and cultural exchanges dating back to ancient times. To a large extent, India-Africa economic developments in the last few decades could be incorporated within the broader concept of South-South Cooperation (SSC).

The colonial period saw a disruption in these relations, but post-independence, both regions sought to re-establish and strengthen their economic ties. The Bandung Conference of 1955 marked a significant milestone, fostering solidarity among Asian and African nations against colonialism and promoting economic cooperation.

Current Trends on India-Africa Partnership in Economic Relations

1. Trade Relations

As a result, the economic trade relations between India and Africa have grown exponentially, reaching nearly USD 100 billion annually compared to the past years. The Key sectors that have contributed to this economic gross over the years include agriculture, pharmaceuticals, textiles, and machinery. India imports critical minerals and oil from Africa while exporting manufactured goods and services. India also export amount of pharmaceuticals to Africa, addressing healthcare needs across the continent.

2. Investment

Indian companies have investments highly in Africa with estimates ranging from USD 70 to USD 80 billion in 2024. Those Indian companies are involved in various sectors, including telecommunications, energy, and infrastructure. Notable projects include the

construction of railways, power plants, and IT hubs. These investments not only boost local economies but also create jobs, enhance skills, and improve infrastructure, contributing to the overall development of African countries.

3. Development Cooperation:

The India and Africa development cooperation has extended lines of credit, grants, and capacity-building initiatives to African nations. Some African countries have emerged as major trading partners of India, mainly because of petroleum imports from Nigeria and gold from other countries. Those areas of development include the improvement of infrastructure, healthcare, education, and technology transfer over the years making India a strong development partner to the African countries.

The development partnership aims to further enhance trade through initiatives like the Africa Growth Fund (AGF), which improves access to finance for African businesses. Additionally, there is a focus on trilateral cooperation and deepening science and technology collaboration. This multifaceted cooperation not only boosts economic growth but also fosters sustainable development and strengthens the strategic partnership between India and Africa.

4. Diaspora:

Indian diaspora in Africa, numbering over 33 million, plays a crucial role in strengthening economic and cultural ties. The Indian diaspora has contributed in the improvement of the local economy in Africa. The diaspora has played a crucial role in facilitating public-private partnerships, which are essential for sustainable development. These partnerships have led to significant projects in infrastructure and

other critical sectors. The Indian diaspora's contributions have been pivotal in enhancing the development partnership between India and Africa, making it a model of South-South cooperation.

Strategic Initiatives

1. India-Africa Forum Summit (IAFS):

Since its inception in 2008, the IAFS has been a pivotal platform for dialogue and cooperation. The summits have resulted in numerous agreements and initiatives aimed at boosting trade, investment, and development cooperation.

Continued emphasis on sustainable development and addressing emerging global challenges together. Strengthening political and diplomatic cooperation through periodic leaders' summits. The IAFS serves as a crucial platform for fostering a robust partnership between India and Africa, addressing shared challenges, and promoting sustainable development.

2. African Continental Free Trade Area (AfCFTA)

The AfCFTA presents significant opportunities for Indian businesses. The single market of the African countries is to facilitate the market for goods and services across Africa, if facilitates easier access for Indian companies and promotes region integration.

The AfCFTA includes several protocols such as the Protocol on the Trade in Goods, the Protocol on Trade in Services, and the Protocol on Rules and Procedures on the Settlement of Disputes. These protocols aim to facilitate trade and investment across the continent.

3. Digital Transformation

India is actively involved in Africa's digital revolution. Initiatives like the pan-African e-Network project telecommunication, tele-education, and telemedicine services enhance access to quality education and healthcare among African countries. Companies like Bharti Airtel have significantly expanded their operation in Africa, providing mobile and internet services across many countries in Africa.

Challenges

1. Infrastructure Gaps:

Despite progress, infrastructure deficits in transportation, energy, and communication remain a barrier to seamless trade and investment. Indian companies are actively investing in Africa to help bridge these gaps. For example, Indian infrastructure firms are considering investments ranging from USD 130 billion to USD 176 billion annually in Africa for infrastructure development. These investments aim to improve connectivity, enhance trade, and support sustainable development across the continent.

2. Regulatory Hurdles:

Diverse regulatory environments across African countries can complicate business operations for Indian companies. Regulatory environments in many African countries can be unpredictable, with frequent changes in laws and regulations. Despite these challenges, Indian companies continue to invest in Africa, driven by the continent's growth potential and the opportunities it presents. Addressing these regulatory hurdles through better understanding and strategic planning can help Indian businesses succeed in the African market.

3. Political Instability:

Political and economic instability in certain regions poses risks to investments and trade. Political instability often leads to frequent changes in government, which can result in shifts in policies and regulations. Despite these challenges, Chinese companies continue

to invest in Africa, often adopting strategies such as forming joint ventures with local firms to mitigate risks. The Chinese government also provides foreign aid and diplomatic support to help stabilize the regions where their companies operate.

Conclusion

India-Africa economic relations are poised for a new era of growth and cooperation. By addressing challenges and leveraging opportunities, both regions can achieve mutual prosperity and contribute to global development. The partnership between India and Africa is not just about economic gains but also about building a shared future based on trust, respect, and common aspirations.

Prospects for India-Africa Economic collaboration

Amb. Manju Seth (IFS), Distinguished Fellow (Honorary), Forum for Global Studies, New Delhi, former Consul General and Ambassador of India to Madagascar and Comoros.

India and Africa have a historical, economic and cultural connect for millennia. A common colonial past has facilitated the interaction and India- Africa relations have benefited from the concept of a shared past and also a shared future. India's development journey has resonated with most African countries who would like to learn and benefit from India's economic and political models, widely perceived as fairly successful and worth emulating and learning from.

The approximately three million Indian diaspora and India's espousal of the cause of the Global South, including of Africa, have led to strong ties overall and a fairly rapid increase in trade and economic cooperation over the years. India's development partnership initiatives in Africa, through both the public private mode under Exim Bank Lines of Credit and direct investments by private companies in sectors such as infrastructure, agriculture, education, etc., with India having become the second biggest creditor and an important source of foreign investments in Africa, have cemented the partnership further.

Currently the economic relationship between India and Africa is underpinned by close collaboration in areas such as food security, energy security, and maritime security especially in the Indian Ocean. While the Blue economy along with cyber security have emerged as crucial elements of the evolving economic ties there are challenges that need to be addressed including regulatory frameworks.

In addition to the above broad areas some of the pressing needs in Africa that require India to extend support and implement with priority, either in conjunction with local governments or with private entities in Africa, include:

1. In Agriculture, a number of African countries have expressed the desire to collaborate with India for cultivation of Millets and diversify away from wheat; Indian expertise and experience in this field would be welcomed. In addition, the drip irrigation projects implemented by Indian companies in some African countries could be replicated in other water-deficit countries based on specific requirements.
2. Hospital and Lab testing facilities in different countries are an important area for enhancing healthcare facilities in Africa. Medical Tourism to India, from Africa, has benefitted many critically ill patients from Africa but this cannot be availed of by the majority of the people. It would be a win-win to set up hospitals by the top Indian Hospital/Healthcare corporates with state of the art facilities, including Lab testing centres in different African countries with the support of local governments and smart dynamic pricing in order to create Brand value and ensure a degree of profitability. Medical tourism would continue though it may be impacted slightly.
3. Setting up centres of Skill development in the areas of computing, Information Technology, BPO, dealing with challenges arising from AI, Cybersecurity issues are specific areas for active involvement by the private sector in India as there are many well educated young people looking for opportunities in this fields; the governments would also be happy to facilitate. Overall Indian companies would be welcomed in Africa as India enjoys a degree of goodwill and these initiatives to enhance economic collaboration would be mutually beneficial.

India-Africa Economic Synergy for Sustainable Growth and Global Leadership

Dr. Joshua Ebenezer, Principal Consultant, NuCov Facili-Trade

Summary:

India and Africa have forged a strong, multi-faceted relationship centred around shared economic growth, sustainable development, and cooperation. As of 2021, India's trade with Africa reached USD 89.5 billion, positioning India as Africa's third-largest trading partner. This white paper explores the guiding principles of India's engagement with Africa, including the Kampala Principles and the Focus Africa Initiative. It highlights areas for policy interventions, specifically in infrastructure, trade facilitation, and logistics to deepen economic ties and unlock future growth opportunities.

Introduction: Historical Context of India-Africa Relations

India's relationship with Africa extends beyond trade, rooted in shared historical, cultural, and political experiences. India's post-colonial ties with Africa have evolved into a robust economic partnership with both regions working towards South-South cooperation. India's strategic focus on Africa was amplified with the Focus Africa Initiative in 2002-03, which initially concentrated on Sub-Saharan Africa and later expanded to include North Africa. India's long-term vision for Africa was solidified in 2018 with Prime Minister Narendra Modi's Kampala Principles, which outlined a framework for enhancing India-Africa economic and political cooperation.

Challenges in India-Africa Economic Relations

Despite significant growth in bilateral trade, India-Africa economic relations face several challenges:

1. **Trade Imbalance:** India exports finished goods, while Africa primarily exports raw materials, resulting in a trade imbalance.
2. **Infrastructure Gaps:** Limited infrastructure—roads, ports, and power—hinders efficient trade and investment.
3. **Customs Barriers and Delays:** Complex customs procedures and non-tariff barriers increase trade costs.
4. **Lack of Free Trade Agreements (FTAs):** The absence of comprehensive trade agreements reduces potential market access.

Strategic Initiatives for Growth

1. Kampala Principles for Engagement:

Prime Minister Modi's Kampala Principles offer a strategic framework for long-term India-Africa cooperation, focusing on areas such as local capacity building, market access, agricultural productivity, and youth empowerment. Notable among the principles are:

- a. Expanding across sectors for greater collaboration.
- b. Utilizing India's expertise in IT to drive Africa's digital transformation.
- c. Boosting African agricultural productivity through technology transfer and training.

2. Focus Africa Initiative:

The Focus Africa Initiative promotes trade and investment through Export-Import (EXIM) Bank credit lines and sector-specific agreements. India's expertise in agriculture, IT, and renewable energy aligns with Africa's growth needs, particularly in addressing food security and renewable energy development.

Strategic Sectors for Collaboration

1. Agriculture and Food Security:

Africa's untapped agricultural potential presents an opportunity for collaboration. India can provide advanced agricultural techniques, irrigation solutions, and training to help Africa achieve food security and boost exports.

2. Renewable Energy: International Solar Alliance (ISA):

The ISA, led by India, plays a crucial role in driving Africa's renewable energy projects. African nations have actively participated in ISA training, and the collaboration extends to Green Hydrogen under India's G20 Presidency. Projects like solar roadmaps for countries such as Uganda and Madagascar are vital for promoting sustainable energy.

3. Information Technology:

India's expertise in e-governance, digital payments, and telemedicine is being shared with African countries, helping them leapfrog into the digital age. Indian IT firms are already leading several projects aimed at financial inclusion and government digitalization.

Proposed Policy Recommendations

1. Logistics and Infrastructure Development

- a. Establish a fund focused on improving port and rail infrastructure across Africa, particularly in landlocked nations. Public-private partnerships (PPP) can be instrumental in funding and executing these projects.
- b. India's expertise in port development can be leveraged to modernize African ports like Mombasa, Lagos, and Durban, reducing bottlenecks and promoting smoother trade.
- c. Establish dedicated corridors for efficient goods movement between Indian and African ports, enhancing connectivity.

2. Enhancing Shipping Line Services

- a. India and Africa can collaborate to establish a dedicated shipping line, reducing the high costs and delays associated with indirect shipping routes.
- b. A joint task force to identify gaps in maritime routes and explore feasible solutions for direct shipping services.

3. Customs Cooperation and Modernization

- a. Digitize customs processes through a Single Window clearance system, reducing delays and increasing transparency by implementing WTO-TFA efficiently.
- b. Develop mechanisms to mutually recognize standards and certifications, eliminating redundant checks and reducing compliance costs.
- c. As of now, India does not have a formal AEO-Mutual Recognition Agreement (MRA) with the East African Community (EAC) or other African regional groupings. However, India has been expanding its AEO (Authorized Economic Operator) program and working on AEO-MRAs with several trading partners globally including EAC. As per Directorate International Customs, the joint visit has been completed to EAC till date. MRAs are typically established between customs administrations to mutually recognize each other's AEO programs, facilitating smoother and secure trade across borders.

4. Free Trade Agreement (FTA)

- a. India should explore the possibility of a Free Trade Agreement with the African Continental Free Trade Area (AfCFTA), enhancing market access and reducing tariffs.
- b. Interim FTAs targeting high-growth sectors like pharmaceuticals, agriculture, and IT should be pursued to boost bilateral trade.

5. Digital Infrastructure and E-Governance

- a. Establish a partnership to focus on expanding broadband access, developing e-governance platforms, and promoting digital financial inclusion in Africa.

Economic Impact and Future Projections

1. Improved logistics and infrastructure are projected to increase India-Africa trade to over USD 150 billion by 2030.
2. Implementing a single window clearance system could reduce clearance times by 30%, promoting faster trade and reducing costs.
3. As per OECD, implementing WTO-TFA efficiently would reduce the Global Trade Cost by 13-17% (1% = USD 40 billion)
4. A comprehensive India-Africa FTA could boost trade by 40% within five years and expand market access for both regions.

A Vision for India-Africa Economic Cooperation

India and Africa's partnership holds immense potential for driving global economic growth. Both regions can create a more sustainable, balanced, and equitable future by addressing challenges such as infrastructure gaps, logistics, and trade barriers. The Kampala Principles, Focus Africa Initiative, and ISA offer a solid foundation for future collaboration. India's investments in Africa's digital and physical infrastructure will be key to realizing the partnership's full potential, fostering a resilient, mutually beneficial relationship for years to come.

References:

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INDIA-AFRICA PARTNERSHIP IN SPACE SCIENCE

Dr. Joseph Bremang Tandoh (PhD), Director, Ghana Space Science and Technology Institute

As the global landscape shifts towards advanced technologies, the space science sector emerges as a vital arena for socio-economic development. India, with its robust and innovative space program, and Ghana, alongside other African nations eager to harness the potential of space science and technology, are positioned for transformative collaboration. Such partnerships can yield innovative solutions to pressing challenges in agriculture, education, healthcare, and environmental management, ultimately driving growth and development.

Some of the possible areas of India-Africa cooperation in the Space Sector include the following:

1. Earth Observation for Agriculture and Environmental Management

One of India and Africa's most promising avenues for collaboration lies in leveraging Earth Observation (EO) satellites. Ghana, as a case study, faces significant challenges in managing its agricultural resources, which are essential for economic growth and food security. India's space sector has developed high-resolution satellite systems and application tools to support precision agriculture, monitor deforestation, and track

climate-related changes. Using EO data, Ghana can enhance agricultural productivity, address food security, and improve water management, thereby boosting its resilience against climate change. This will transform into the growth of the continent.

2. Space-Based Disaster Management Systems

With the increasing frequency of natural disasters, such as floods and droughts, African countries require robust disaster management strategies. India has successfully utilized its satellite systems to coordinate early warning and disaster relief. By sharing expertise and technology, India can assist African countries prone to these disasters in developing space-based infrastructure to monitor and mitigate the impact of natural disasters. This cooperation would enhance the continent's disaster preparedness and response capabilities, ultimately saving lives and minimizing economic losses in vulnerable regions.

3. Capacity Building through Knowledge Sharing and Technology Transfer

Capacity building is crucial for African countries to establish a thriving space science and technology sector. India can play a pivotal role by promoting knowledge exchange through scholarships, internships, and joint research initiatives. Most space-related Institutions in Africa are eager to collaborate with Indian universities and research centers in areas such as satellite design and data analysis. Transferring technology and expertise from India to Africa will empower local talent, create jobs, and foster innovation in the space sector. Developing dedicated facilities for research and training within key African regions can facilitate capacity building. These centers should include state-of-the-art laboratories and classrooms for hands-on training in space science.

4. Small Satellites and CubeSat Collaboration

The miniaturization of space technologies, such as small satellites and CubeSats, presents an affordable opportunity for African countries to engage in the space race. India has extensive experience in launching small satellites, which could benefit Africa as a continent through partnerships to develop and launch CubeSats for scientific research and environmental monitoring. This collaboration not only aligns with Africa's budgetary constraints but also has the potential to advance the Africa's space capabilities rapidly.

5. Promoting Public-Private Partnerships (PPP)

Public-private partnerships (PPP) can serve as a vital mechanism for enhancing cooperation between India and Africa in the space sector. By encouraging private sector participation in space-related initiatives, African countries can attract investment and drive innovation. India's growing private space industry can provide affordable solutions for satellite services and infrastructure, contributing to the overall development of Africa's space capabilities.

6. Joint Research and Development Projects

With support from India, joint collaborative research and development projects addressing specific regional issues that require urgent attention, should be initiated involving all African countries. These projects could focus on shared challenges such as water scarcity, food security, climate change impacts, and health crises. By pooling resources, expertise, and technology, African nations can develop targeted solutions that leverage satellite data and space technology to tackle these pressing issues collectively.

Opportunities and Challenges for Indian Businesses in Africa

Mr. Ambuj Chaturvedi, Executive Director, Overseas Infrastructure Alliance (India) Pvt. Ltd.

Africa is the continent of unexplored and innumerable opportunities, and this is the reason why so many countries including India are focusing to improve its penetration in terms of trade and investment in African countries.

These opportunities come with its own set of challenges. Almost 60% of the African population is youth, and this number is growing rapidly. Every known natural resource - from oil, uranium, coal, copper, bauxite and phosphorous to diamonds and platinum - is available in abundance in Africa. Most African countries now have fairly stable political regime, educated workforce and necessary focus for garnering investments. Opportunities increase manifold with the fact that infrastructure development is limited to capital cities and urban centers with 90% of the consumption imported. And almost all of 54 countries are connected with Indian subcontinent through airlines.

On the other side, Indian businessmen are equipped fully in terms of capital and technology to partner with Africa. India is a well understood, trusted and respected brand in Africa with strong goodwill in medical, telecommunication, agriculture and agro-processing, manufacturing and education holding aspirational values. The flourishing Indian restaurants and love for Indian movies and music reflect India's soft power. The factor which is very important is the timing for Indian businesses to enter as there is no country in Africa which is not seeking investments instead of aid for growth.

For the risks which cannot be ignored, Indian government is working overtime to cover Indian businessmen with an umbrella of stable political relations. Our government has proactively conducted three high-level summits, has an extensive network of Indian diplomats covering the whole continent and has the databank of relevant business information. Similarly, every country of Africa is adequately represented in India by an

Embassy (with senior diplomats) or Honorary Consuls or economic representatives, providing valuable inputs about their countries for interested business ventures.

On the challenges front, the cost of capital is too high and fiscal discipline is low. The era of subsidies has affected the economic situation of the countries badly and most of the growth is based on aid rather than investment. The Indian diaspora who have been in these countries for three to four generations have partnered with local leadership effectively. Indigenous African businessmen are well-travelled and well-informed and rightly believe that the only way of their country moving up the development charts will be through investment-led growth and real job creation. As aptly said by President Kagame, "Africa will be built by Africans". Thus, the Africans are pushing their governments to move the "ease of doing business" index. Indians should not underestimate African businessmen and should look forward to partner with them.

Africa has a latent demand and not a potent one, thereby slowing the immediate results. One needs to think patiently on the worth of trade-off between the time spent and result yielded. The transport cost of almost 40% of the manufacturing cost due to majority of the countries being landlocked makes African products non-competitive in the market. Other reasons are repatriation of profits to the base country due to non-convertibility of their currency with hard currencies, connectivity issues and lack of education.

Although India has soft and cultural ties with countries of Africa, they are not so intense in economic terms, as compared with some of the Western countries, viz. France, UK, Germany, USA and Japan, as they had these political and economic ties dating back till early 19th century, namely for programmes such as DFID, EU Africa programme, French Africa programme, USAID, AGOA, TICAD etc., providing multifold investments.

Following avenues of collaboration and out-of-the-box suggestions can transform challenges into opportunities -

- Create models of collaborations for win-win situations for competing with China, and other international and local players
- Plan integration of Indian diaspora as allies and not as competitors by reaching out to them through effective official channels of communications.
- Share best practices and learn from mistakes done by China and India.
- Plan investment considering high returns but fragile political environment, at times.

About OIA

Overseas Infrastructure Alliance (India) Private Limited (OIA), is a leading Indian EPC infrastructure company with over a decade of experience in Africa, specializing in large-scale, transformative nation-building projects. Our expertise spans the energy,

agriculture, and water sectors, where we deliver turnkey infrastructure solutions for governments across the continent. www.oialliance.com

Africa-India Partnerships in Strengthening Healthcare Systems

Dr. Amit N. Thakker, Executive Chairman, Africa Health Business

India's healthcare market has experienced remarkable growth and transformation, establishing itself as a global leader in delivering high quality, affordable healthcare to patients. With leading advancements in its healthcare system, this progress has enabled India to extend its expertise to other nations including those in Africa, supporting efforts to improve healthcare access and outcomes across the continent.

The India-Africa partnership in healthcare is a dynamic and growing collaboration aimed at addressing critical health challenges across the African continent. Leveraging India's expertise in affordable healthcare solutions, advanced medical technologies, and pharmaceutical production, this partnership is transforming health systems in Africa. Through knowledge sharing, capacity building, and joint initiatives, India and Africa are working together to improve healthcare access, enhance medical infrastructure, and promote long-term, sustainable health outcomes for millions of people across the region.

Below highlights some of the key areas where collaboration and partnerships have been effective:

1. Increased Access to Affordable Medicines and Vaccines:

Indian pharmaceutical companies are exporting affordable generic medicines and vaccines to African countries, supporting immunization programs to control and prevent vaccine-preventable diseases. This has made essential drugs more accessible, reducing healthcare costs for both patients and governments. Over the years, it has increased the affordability, availability, and accessibility of quality healthcare treatments. Examples of companies in Africa include Cipla, Dr. Reddys, Lupin Pharmaceuticals, Goodstrain Pharma, Africure Pharmaceuticals and many more. Additionally, during the COVID-19 pandemic, India significantly contributed to the fight against the virus by providing over 24 million vaccines to the continent.

2. Provision of Medical Equipment:

With advancements in India's medical technology and equipment, the country supplies and donates medical equipment to various healthcare facilities on the African continent.

This has led to facilities improving their diagnostic and treatment capacities as well improving health outcomes for many. An example is the gifting of telecobalt cancer therapy machines and donations of essential/ARV medical equipment to the Kenyan government by the Indian government.

3. Telemedicine Initiatives:

India's telemedicine initiatives, which provide remote medical consultations and education, have enabled African patients to connect with Indian specialists. This has improved access to quality healthcare and enhanced health outcomes in Africa. Examples include partnerships with hospitals and clinics in India such as Apollo Hospitals, Global Hospitals, Primex scans and lab and more. In addition, the Pan African e-network Project was also set up to provide telemedicine and tele-education to 53 African countries with the project already commissioned in 48 countries.

4. Training and Capacity Building:

Through partnerships with leading institutions, scholarships, and exchange programs, African professionals are receiving comprehensive training and education from Indian specialists. This support enhances their skills and knowledge, leading to improved healthcare delivery across the continent. Many African countries have signed Memorandum of Understanding (MOUs) with the Indian government to train and strengthen capacity building programmes in areas of health which are relevant to the national priorities of each government.

5. Infrastructure Development:

Indian companies are partnering with African countries to develop and modernize healthcare infrastructure, including the construction and upgrading of hospitals, clinics, and diagnostic centres. Examples include Apollo, Fortis, and others who have the skills, knowledge and systems to support healthcare infrastructure design and implementation.

6. Research Collaborations:

Leading Indian healthcare institutions are collaborating with African counterparts on research projects addressing common health challenges, enhancing capabilities and knowledge.

7. Health Missions and Camps:

Indian medical professionals and specialists organize specialized health camps and missions across various African countries. These camps offer free medical consultations, treatments, and surgeries to address immediate healthcare needs, particularly for underserved populations and those lacking access to quality and affordable healthcare.

Through these initiatives and more, the India-Africa partnership is significantly contributing to the development and strengthening of healthcare systems across African countries. The continent actively welcomes further South-South collaboration and Public-Private Partnerships (PPPs) to expand access to quality, affordable healthcare services and treatments, ultimately helping nations achieve their Universal Health Coverage (UHC) goals. These partnerships will not only improve health outcomes but also stimulate economic growth within Africa, while fostering stronger diplomatic ties and mutual respect between India and African nations.

India-Africa Services Trade Partnership Potential

Ms. Sangeeta Godbole, Former IRS and Director General, Services Exports Promotion Council (SEPC)

With the inclusion of Africa in the G20 grouping, a new India-Africa relationship has dawned. Indian initiative to onboard Africa indicates respect towards the continent and an acknowledgement of its increasing salience in the world order. Africa is a highly resource rich geography which has been the victim of extractive industries and extractive relationships. The recently implemented AfCFTA is a signal of strengthening unity, discipline and certainty in trade interactions between the African states.

Air and road connectivity, financial infrastructure, diversity in regulation and languages offer a challenge to Indian businesses wanting to invest in Africa's diverse geographies. However, the opportunity and cultural sync far outstrips these challenges.

Though India Africa trade is a historical fact for several centuries, Services trade is a relatively more recent interaction. In the arena of healthcare, telecommunications and IT services the two partners have moved ahead rapidly. Services trade and investment in education, national identification, infrastructure creation have seen a forward movement, albeit on the back of institutions such as EXIM Bank and lines of credit offered by Government of India.

However, given the changing role of Africa in climate change action, environmental services trade indicates a large potential. India and African countries have similar concerns relating to upcoming environmental challenges, with adaptation taking an equally if not more urgent space than mitigation.

Many African member states have high vulnerability to extreme weather events which is reflected in their Nationally Determined Contributions (NDC) under the Paris Agreement. Mitigation priorities include renewable energy generation; energy efficiency

improvement and shift to zero-carbon fuels in buildings, transport, and industry sector; grid improvement in the energy supply sector; improvement of manure and herd in agriculture sector; afforestation, reforestation and re-vegetation, sustainable forest management, reduce deforestation and forest degradation; waste recycling and reduction. While many of these sectors are common to India's mitigation priorities, there are certain areas such as renewables where Indian Services exports to African countries can create climate win-wins for both sides.

On the adaptation side, environmental services such as early warning systems for disaster risk management, coordinated responses to natural hazards, infrastructure that will be climate -resilient, including for extreme events, including dams, sewages, drains, water supply, and renewable energy infrastructure to reduce dependence on other forms of electric supply are Services areas that both sides could cooperate.

The principle of Common but Differentiated Responsibility (CBDR) undergirds the national climate action outlooks of both India and African countries. Both populations are suffering excesses of climate change although they have little contribution in creating the current crisis. India has proven time and again to be an enabling affiliate, with vision of an equal partnership and agency rather than an extractive relationship.

In the climate action matrix 'developed' countries, particularly the EU, has launched a 'Tsunami' of environmental regulations that will negatively affect both India and African countries trade and economic well-being.

Collaboration in environmental services at the very practical level and at global fora to present a strong united developing country perspective are the need of the hour. A strong India-Africa Services trade partnership can create cushioning for each other to bear such regulatory shocks, as well as support for effective steps in combatting climate change.

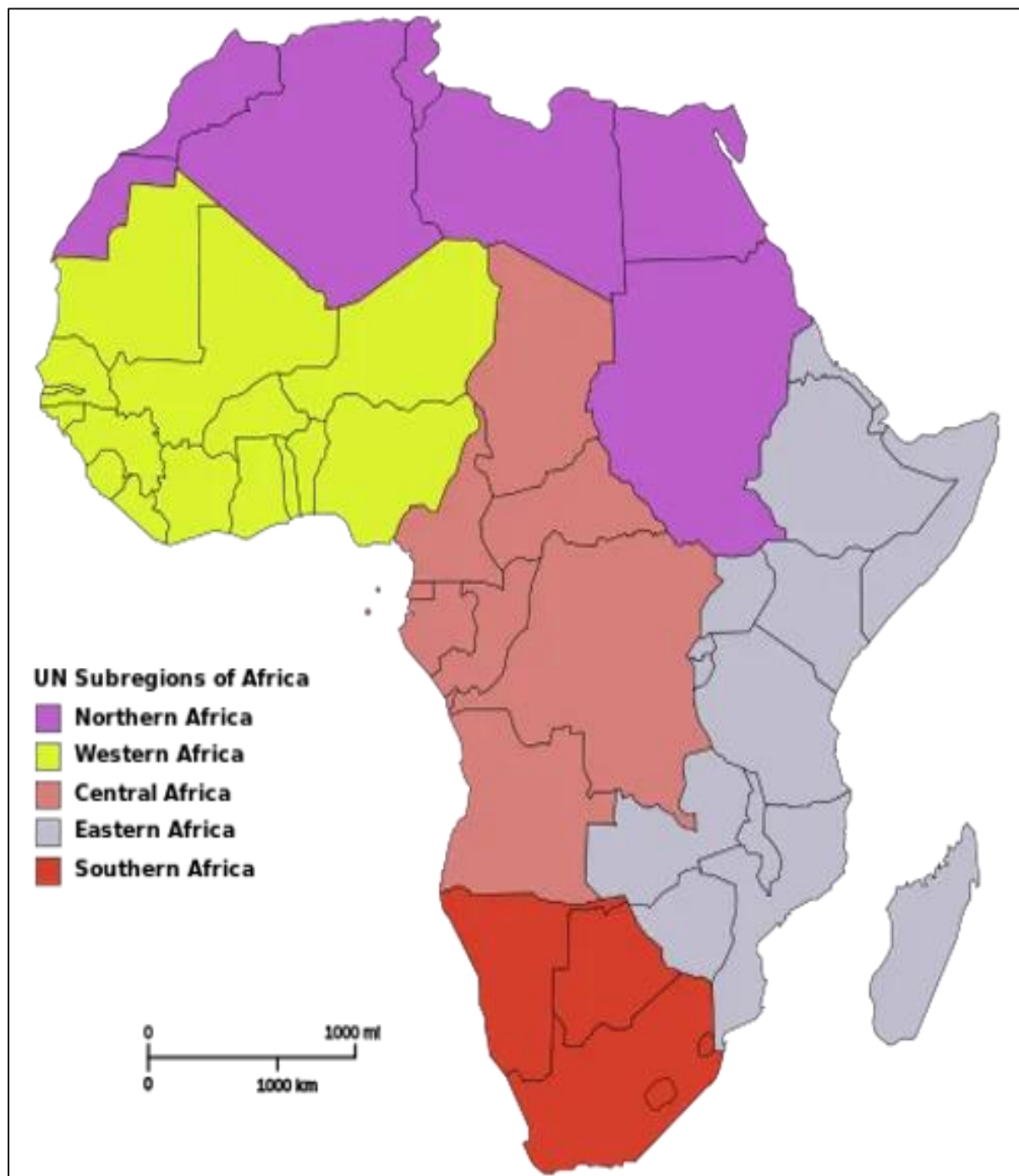


Annexure

Political map of Africa



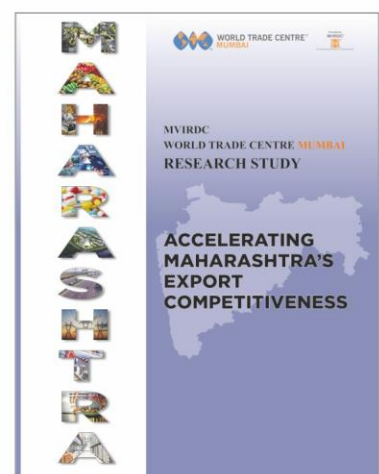
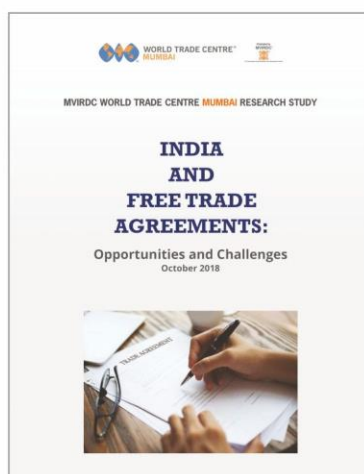
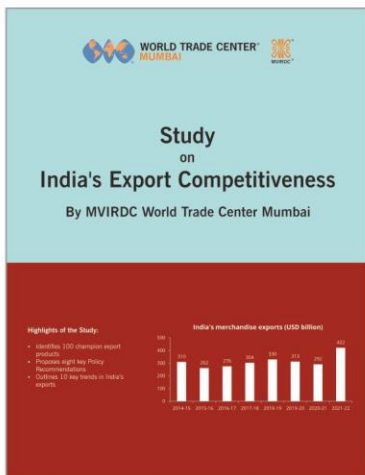
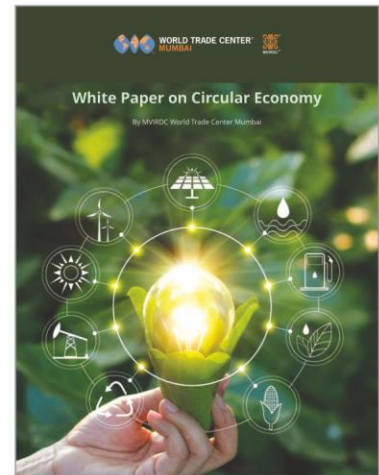
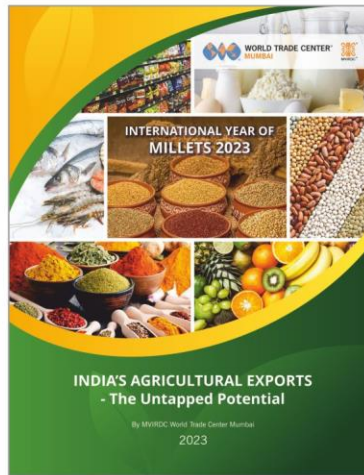
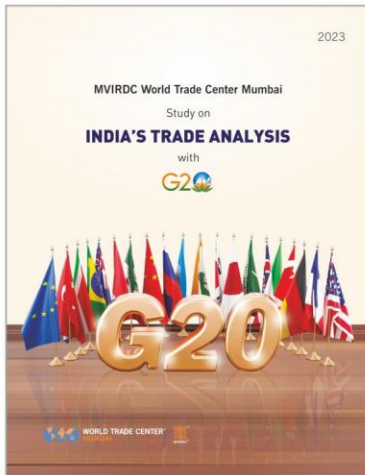
UN Sub-regional classification of Africa



UN Subregion Classification		
Sr.no	Countries	Subregions
1	Algeria	North Africa
2	Angola	Central Africa
3	Benin	West Africa
4	Botswana	Southern Africa
5	Burkina Faso	West Africa
6	Burundi	East Africa
7	Cameroon	Central Africa
8	Cape Verde	West Africa
9	Central African Republic	Central Africa
10	Chad	Central Africa
11	Comoros	East Africa
12	Côte d'Ivoire	West Africa
13	Democratic Republic of the Congo	Central Africa
14	Djibouti	East Africa
15	Egypt	North Africa
16	Equatorial Guinea	Central Africa
17	Eritrea	East Africa
18	Eswatini (formerly Swaziland)	Southern Africa
19	Ethiopia	East Africa
20	Gabon	Central Africa
21	Gambia	West Africa
22	Ghana	West Africa
23	Guinea	West Africa
24	Guinea-Bissau	West Africa
25	Kenya	East Africa
26	Lesotho	Southern Africa
27	Liberia	West Africa
28	Libya	North Africa
29	Madagascar	East Africa
30	Malawi	East Africa
31	Mali	West Africa
32	Mauritania	West Africa
33	Mauritius	East Africa
34	Morocco	North Africa
35	Mozambique	East Africa
36	Namibia	Southern Africa
37	Niger	West Africa
38	Nigeria	West Africa
39	Republic of the Congo	Central Africa
40	Rwanda	East Africa
41	São Tomé and Príncipe	Central Africa
42	Senegal	West Africa

UN Subregion Classification		
Sr.no	Countries	Subregions
43	Seychelles	East Africa
44	Sierra Leone	West Africa
45	Somalia	East Africa
46	South Africa	Southern Africa
47	South Sudan	East Africa
48	Sudan	North Africa
49	Tanzania	East Africa
50	Togo	West Africa
51	Tunisia	North Africa
52	Uganda	East Africa
53	Zambia	East Africa
54	Zimbabwe	East Africa

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