

# India in Africa

## Africa: The New Flavour of Indian Diplomacy

Five months after the third India-Africa Forum Summit ended in Delhi (India) a valid question to examine is: where does this relationship stand at present and where is it heading?

Last week of October 2015 Africa clamoured attention of India's leadership, public, media, business and strategic community. The historic Summit saw participation of 54 African countries, 41 out of them at the head of state or government-level. Aptly hailed as the largest gathering of African leaders on Indian soil, the Summit produced tangible outcomes besides a few memorable speeches. Thereafter, allege critics Africa began to slip again from India's radar.

New Delhi's decision to move beyond the 'Banjul formula' (under which, only a representative section of about 15 African leaders had attended the first two Summits in 2008 and 2011) and to invite all African leaders was a bold one.

African leaders came to explore what India could do for them as also to recognise and applaud the nation's rising profile in global affairs. The outcome documents – 'Delhi Declaration' and 'Framework for Strategic Partnership' reflected the common positions of India and Africa on a wide array of political and economic issues. Objective analysts declared the Summit a success while pointing out that sustained implementation and follow up by both sides would determine the degree of success in the long-term.

Two major conferences have taken place in New Delhi in the first quarter of 2016 and advanced the common agenda. The 4<sup>th</sup> India Africa Hydrocarbons Conference, held in January, brought together all relevant stakeholders in the



petroleum and gas sector from 27 African countries and India. According to official sources, they broke 'new ground' in mapping contours of collaboration among interested countries.

On March 14-15, 2016 the 11<sup>th</sup> CII-EXIM Bank Conclave on India-Africa Project Partnership was hosted by the Confederation of Indian Industry (CII) and Exim (Export-Import) Bank. Over 1,000 delegates, including 400 from Africa, attended the inaugural session. The conclave's role as a bridge-builder has matured well since 2005, when the first conference was organised.

This justified the need of Indian companies to diversify their customer and investment bases, and pointed to the attractiveness of Africa in this context. African participants spoke about the win-win nature of expanded economic links between the African continent and India. Innumerable Business-to-business meetings were held, which will hopefully result in new business deals and arrangements.

At the Raisina Dialogue, Observer Research Foundation's (ORF's) new 'flagship' international conference involving ministers, officials, and thought leaders, the focus was on connectivity in Asia. However, a

session on 'Asia@Africa' saw experts from Kenya, South Africa, Senegal, and Mauritius expound their shared belief in heightened cooperation with India.

On the downside, incidents of ill treatment of Africans in India have been a cause of concern. They demonstrate the need for better understanding at the civil society-level, and for closer engagement between Indian and African media organisations. African countries have a strong diplomatic presence in India, but Africa's public diplomacy in India should be effective. African diplomats should consider tapping existing reservoir of goodwill and activating the large community of Africa's friends in various Indian cities.

It is expected that India's top three dignitaries – the President, Vice President and Prime Minister – might visit Africa in 2016; a senior official predicted that Africa would be 'the diplomatic flavour in 2016'. By focussing on a thorough implementation of agreements concluded and commitments made, the governments and other stakeholders on both sides would add substance and momentum to the strategic partnership between India and Africa.

## IAHC-IV to Boost Bilateral Relations

The 4<sup>th</sup> India-Africa Hydrocarbons Conference (IAHC-IV) was held in New Delhi from January 21-22, 2016. About 21 African countries participated in it with representation from Africa at various levels including Ministers of Petroleum, Petroleum regulators, Chief Executive Officers (CEOs) of National Oil Companies and associated experts.

The conference aimed to give a renewed thrust to India's engagement with African nations in the hydrocarbon space, and carried forward the vision of a multidimensional, comprehensive India-Africa partnership spelt out by Indian Prime Minister Narendra Modi.

The Minister of State for Petroleum and Natural Gas (P&NG), Dharmendra Pradhan reported that in 2016, the P&NG Ministry plans to mount composite delegations comprising upstream, downstream and Engineering, Procurement and Construction (EPC) service providers from both public and private sector to countries where potential for future cooperation is assessed.

(www.prepsure.com, 25.01.16)



### Rethinking Operations Bharti

Bharti Airtel, the leading mobile operator in India and the third-largest globally by subscriber base, has announced top-level leadership changes in its Africa arm and has also rejigged the organisation design there to boost operational efficiencies.

Christian Defaria, who is Chief Executive Officer, Airtel Africa, has been made the Executive Chairman of Airtel's Africa unit, while Raghunath Mandava, who was Bharti Airtel's Director (customer experience) for India and South Asia, has been named COO, Airtel Africa.

Airtel Africa also unveiled a new organisational design of its African operation, wherein, its 15 operating companies have been divided into eight clusters. The eight clusters will now comprise Nigeria-Ghana, Democratic Republic of Congo/Congo Brazzaville, Gabon-Madagascar, Uganda-Seychelles, Tanzania-Rwanda, Zambia-Malawi, Chad-Niger and Kenya.

(www.economicstimes.indiatimes.com, 17.02.16)

### India to Extend LoCs to Africa

India is keen to extend Line of Credit (LoC) to least developed African countries for joint venture business initiatives in agriculture sector, said Commerce Secretary Rita Teatia at India-Africa Agri-Business Forum organised by Federation of

Indian Chambers of Commerce and Industries (FICCI) in February 2016.

Further, Teatia said that the Department of Commerce runs a Cotton Technical Assistance Programme for cotton growing African nations. Initially started in four countries-Benin, Burkina Faso, Chad and Mali, it had been extended to Malawi, Nigeria and Uganada. It would now be further expanded to Ghana, Togo, Tanzania and Zambia over the following five-year period.

Several areas for collaboration in agri-business were identified: food processing, organic farming, plant tissue culture, entrepreneurship development, capacity building for which India will be extending lines of credit to African nations.

(www.business-standard.com, 10.02.16)

### Egypt Mulls Tax Pact with India

Egypt is hoping to sign a double taxation avoidance agreement (DTAA) with India. "We are looking to sign a few agreements with India – one is the double taxation avoidance agreement. In March, we are going to meet in Egypt as a part of the joint trade committee. The last meet was held in New Delhi", stated Hatem Tageldin, Ambassador of Egypt to India at the Merchant Chamber of Commerce in February 2016.

He said that 51 Indian business entities have set up shop in Egypt, investing about US\$3bn. Three Egyptian companies have also set

foot in India. The modification of DTAA would facilitate greater two-way investments. Further, on two-way trade, the current volume was US\$5bn, Tageldin added.

(www.telegraphindia.com, 17.02.16)

### Indian Strategy to Boost Exports

Worried over declining exports, the Indian Commerce Ministry has prepared a strategy to boost shipments to Africa and has identified engineering as a major sector for export to African countries.

The Department of Commerce, (India) will hold consultations with Ambassadors and High Commissioners of major African nations and industry stakeholders to implement that strategy, an official stated.

"The Ministry has identified several sectors as part of the strategy and engineering including agriculture and farm equipment have emerged as a major one. The Ministry is also engaged with the Engineering Export Promotion Council for the implementation of the strategy", the official added. Exporters body Federation of Indian Export organisations (FIEO) also said that Africa is ideally suited for engineering exports.

(www.business-standard.com, 01.02.16)

### Coal India to Acquire SA Mines

As it gears up to meet 1bn output target, state-owned Coal India Ltd. (CIL) is planning to acquire coal mines in South Africa in partnership with local government amid falling prices of assets globally.

The world's biggest coal miner had earlier decided to relinquish about three-fourths of the two blocks it was allotted in Mozambique for exploration and development due to poor coal reserves. The decision was based on the interim geological report prepared by Central Mine Planning and Design Institute (CMPDIL) – a planning subsidiary of CIL.

CIL, which accounts for over 80 percent of the domestic coal production, has targeted 1bn tonne of dry fuel output by 2020. It is set for a record production of 550mn tonne this fiscal.

(www.dnaindia.com, 04.02.16)