

Re-energising India's Africa Policy

What is the issue?

- India-Africa trade and engagement is on a decline due to various factors.
- Policy implementation in this regard needs a critical review as Africa is considered a foreign policy priority by India.

How significant is Africa to India?

- India's top five markets today in Africa are South Africa, Nigeria, Egypt, Kenya and Togo.
- The countries from which India imports the most are South Africa, Nigeria, Egypt, Angola and Guinea.
- India's top three exports to Africa are:
 1. mineral fuels and oils (processed petroleum products)
 2. pharmaceutical products
 3. vehicles
- Mineral fuels and oils (essentially crude oil) and pearls, precious or semi-precious stones are the top two imports.
- The composition of the India-Africa trade has not changed much over the last two decades.

What is the current trade scenario?

- In 2020-21, India's exports to Africa saw a reduction of 4.4% over the previous year.
- And imports saw a reduction of 25%.
- Thus, bilateral trade valued at \$55.9 billion in 2020-21, fell by \$10.8 billion compared to 2019-20.
- India's investments in Africa too saw a decrease from \$3.2 billion in 2019-20 to \$2.9 billion in 2020-21.
- Total investments over 25 years, from April 1996 to March 2021, are now just \$70.7 billion.
- This is about one-third of China's investments in Africa.

What are the key reasons for the decline?

- Africans have been deeply affected by the COVID-19 pandemic and remain ill-equipped to deal with it.

- Africa experienced a sharpened international competition in the first two decades of the 21st century.
- This was known as ‘the third scramble’.
- A dozen nations from the Americas, Europe and Asia have striven to assist Africa.
- In turn, they aimed to benefit from its markets, minerals, hydrocarbons and oceanic resources.
- Thereby, they could also expand their geopolitical influence.
- China successfully used the pandemic to expand its footprint by increasing the outflow of its vaccines.
- Unfortunately, India’s ‘vax diplomacy’ has suffered a setback.
- India had the geopolitical compulsion to concentrate on its ties with the UK, the EU, and the Quad powers, particularly the US.
- Consequently, the attention normally paid to Africa by India lost out.
- Given the condition in other countries due to the pandemic, flows of assistance and investment to Africa have generally decreased.

What is the way forward?

- For mutual benefit, Africa and India should remain optimally engaged.
- India's External Affairs Minister, in the UNSC's open debate on conflict and post-pandemic recovery in Africa, regretted that “the voice of Africa is not given its proper due.”
- It is time to seize the opportunity and restore Africa to its primary position in India’s diplomacy and economic engagement.
- Fresh financial resources for grants and concessional loans to Africa must be allocated, as previous allocations stand almost fully exhausted.
- It is essential to impart a 21st century complexion to the partnership with Africa.
- This means developing and deepening collaborations in health, space and digital technologies.
- Also, to overcome the China challenge in Africa, increased cooperation between India and its international allies is important.

Source: The Hindu