Indian Foreign Affairs Journal Vol. 10, No. 3, July–September 2015, 284-299

India-Africa Relations: Evolving Past to a Promising Future

Aparajita Biswas*

Bilateral relations have traditionally dominated the agenda of international relations with the state being the primary actor in international engagement. However, with the dawn of the 21st century and the increasing importance of the role of multinational corporations, private institutions, non-governmental organisations, global financial markets, and transnational entities, a strong sense of interdependence among societies at a global level has been diluting the significance of bilateral relations as the primary channel for international engagement. As a result, multilateralism, regionalism and sub-regionalism have emerged as dynamic elements of cooperation, with nations adopting broader approach to inter-state engagements.

In the case of India-Africa relations and its growing significance within a network of greater political, economic and social interdependence, it has become necessary for India to look beyond bilateral ties. International and regional organisations, transnational networks, MNCs, and NGOs are playing an increasingly important role in shaping bilateral relations, and there is a need for constructive engagement through these more contemporary channels as well.

Within this context, a continental approach in engaging with the African continent becomes increasingly relevant and complements the pan-African vision of a 'United States of Africa'. India's proactive engagement with the African countries in the post-reform era resulted in the institutionalisation of the Africa-India Forum Summit, held first in New Delhi in 2008, followed by the second Africa-India Forum Summit in Addis Ababa in 2011. Deliberations and outcome from both the summits offer a direction to Indo-African relations, and provide a framework for the establishment of a long-term and stable partnership of a new type, based on equality and mutual benefit, as well as a blueprint for India-Africa co-operation in political, economic, social

***The Author** is Professor at the Centre for African Studies, University of Mumbai and President, African Studies Association of India.

development, and other fields in the future.

The 2008 Summit also marked the culmination of India's renewed focus on Africa. The second India-Africa Forum Summit (IAFS), held in Addis Ababa, Ethiopia, in May 2011, was intended to build on the momentum of growth. The Summit's theme was "Enhancing Partnership: Shared Vision". It affirmed the critical importance of South-South co-operation as an instrument to effectively supplement existing international efforts that would lead to tangible benefits for developing countries. With the third summit to be held in October 2015, the subject of Africa will continue to gain salience in foreign policy discourse and deliberation within India, especially considering that for the first time the Indian government has directly invited all 54 heads of states to participate.

The IAFS is especially significant as it represents an umbrella-like summit, which includes political representatives, bureaucrats, industrialists, businessmen, academics and members of civil society, providing a platform for cooperation across sectors between India and African nations, as well as Indian and African industry, business, academics and society. Its mechanisms work to create strong linkages between the three most significant elements of economic co-operation: trade, investment and aid/assistance. It further provides a platform- which is organised at the government level- that brings together the public and private sectors.

One of the cornerstones of India's renewed engagement is the presence of the three million Diaspora, which is of strategic importance to India. The present government has given significant importance to active diasporic involvement, in India's development. This is evident from the gala celebration of the 13^{th} Pravasi Bharatiya Divas in Ahmadabad in 2015 that marked the 100th anniversary of Mahatma Gandhi's return to India from South Africa. In his address at the function, Prime Minister Modi asked for deeper engagement of the Indian Diaspora in the country's growth. This article recognises the crucial role of the Diaspora in understanding modern India-Africa relations but does not examine it in detail. Instead, it aims to explore the more overt factors that have moulded the existing dynamics, and studies its considerable evolution over the decades. After briefly explaining the foundations of this relationship, especially the historical linkages, this paper then contextualises this within the current economic and political structures. Although Africa houses several nations that are not only partners in trade and investment but also geopolitical allies, this paper takes on a "Pan Africa" perspective and attempts to look at the larger, macroscopic picture.

Historical Linkages

Ancient Indians were known for their sea-faring activities that enabled them to extend their influence across the Indian Ocean. This is supported by the pre-Christian era accounts of ancient Egypt, Mesopotamia, Persia and Babylon. A leading scholar, Ingrams, wrote, "Hindus not only made trade settlements along the coast, dating from the seventh century B.C. but apparently penetrated inlands towards the regions of the Great Lakes".[1] Much later, J.H. Speke, explorer of the source of the Nile, wrote about many Indians he had met in the interior of Africa, and the many important landmarks that carried Indian names in East African countries.[2] Reginald Couplands, another historian, observed that probably, "...the Hindus were trading with East Africa and settling in the coast as early as 6th century B.C".[3] It was the Indians who introduced coconut palm in the eastern coast of Africa.

With the beginning of the Christian era, we get a better view of the trading history. The first written account of this period comes from *The Periplus of the Erythrean Sea*[4], written towards the middle of the 1st century A.D. It bears the eloquent testimony to ancient India's commercial relations and trade routes with the countries in Africa. According to Gregory, Indians began ocean trade with Mesopotamia and Egypt as early as 3000 B.C.[5] This is evidenced by the findings of the Indian team concerning the "ruins of ur". Such contacts flourished further with the passage of time. *The Periplus* refers to ships being loaded with products at "Ariaca" and "Barygaza", which then set sail for the market towns of East Africa. The products included wheat, rice, clarified butter, sesame oil, cotton cloth, girdles and honey from the reed of "sacchari".[6] On their return trip, the ships carried back to India cinnamon, frankincense, fragrant gums, tortoise shell and ivory.[7] W. H. Schoff, commentator of *The Periplus*, identifies "Ariaca" with modern Kutch, Kathiawar and Gujarat in India, and "Braygaza" with modern Broach or Bharuch, also in Gujarat.[8]

The dawn of European colonial rule changed the relationship, regulating interactions and forcibly introducing class and racial hierarchies into what had been a freewheeling relationship. Colonialism also triggered the largest labour migrations across the Indian Ocean; moving vast populations from South Asia to East and South Africa, to work as soldiers, labourers, traders and middlemen, with defined roles in colonial society. Thus, migrants from Africa to India and vice versa have moved on land or sea in pursuit of fortune, glory and faith from ancient times up to the present day. Movement across the Indian Ocean facilitated exchanges between Africa and the rest of the Indian Ocean region, a region of geopolitical significance throughout history. [9]

Mohandas K. Gandhi, who would later become the father of Indian independence, was part of that movement. Gandhi's philosophy, which he successfully put into practice to achieve India's independence in 1947, inspired a startling number of African leaders - including Kwame Nkrumah of Ghana, Jomo Kenyatta of Kenya, Obafemi Awolowo of Nigeria, Julius Nyerere of Tanzania and Kenneth Kaunda of Zambia - in their own national liberation campaigns. Jomo Kenyatta wrote, "The architect of Indian independence with the weapon of non-violence, Gandhi has contributed to the quicker emancipation of many Asian and African countries from the subjection of the colonialism from Europe".[10]

If Mahatma Gandhi laid the moral foundations for Indo-African relations, Jawaharlal Nehru gave the relationship its political structure during his long tenure as India's first prime minister (1947-1964). Nehru left an indelible imprint on India-Africa relations since India's early post-independence years. He regarded the African liberation struggle as part of the Afro-Asian resurgence and offered support to the people of Africa who were struggling against discrimination and apartheid. Nehru adopted two policy initiatives to assure African national leaders that independent India stood by them. He made it clear that his government would like the Indians in Africa to give up their attitude of hesitation and join the mainstream of African liberation. He also projected an image of non-alignment as a major thrust of India's interaction with the outside world. The corollary was to project the significance of South-South economic cooperation beyond the earlier colonial underpinnings.

India's Africa policy emphasised decolonisation and the achievement of the African majority rule. It opposed all forms of domination, particularly racial domination, in any part of Africa, as people of Indian origin were called upon to make a common cause with the indigenous African population without any claim to special status. In addition, it built fresh bonds of economic cooperation with African countries.

Non-alignment, both as a policy principle and as a collective movement, has been a basic part of independent India's foreign policy. Together with China's Zhou Enlai, Egypt's Gamal Abdel Nasser, Yugoslavia's Josef Tito, Ghana's Nkrumah and Indonesia's Sukarno, Nehru played a leading role in convening the first Asian-African Conference in April 1955, which brought representatives of 29 African and Asian countries to the Indonesian city of

Bandung and gave rise to the NAM. India thereafter continued to generously support national liberation movements in Africa, financially and politically.[11]

During Indira Gandhi and Rajiv Gandhi's prime ministership, there was continuity of India's Africa policy of earlier years. India accorded formal diplomatic recognition to South Africa's African National Congress in 1967 and to Namibia's South West African People's Organization in 1985. India was willing to share its development experience and provide technical and medical skills, educational scholarships and other forms of aid under the Indian Technical and Economic Cooperation Programme, launched in 1964.

Contemporary India-Africa Ties

With the end of the Cold War and the advent of globalisation creating dynamic changes within the global economy, liberalisation and privatisation were geared to make economies more connected at the global level. The private sector and the market gained greater prominence in both India and African countries. The scope of India-Africa cooperation has increased rapidly, especially with India's emergence as an important player in the world economy and India's own significant need for oil and other natural resources. The role of Indian conglomerates, with or without the support of the Indian government, has also been increasing. Further, a number African markets have been growing significantly. This has resulted in a competitive economic environment, with the presence of both traditional and contemporary global economic powers, providing markets for African goods, and services for African markets.

The agents of India-Africa engagement during this phase shifted towards the private sector. From an ideological primacy, engagement began to factor more pragmatic considerations in India's foreign policy discourse, focusing on issues such as business and market access, private sector investment, energy security, Diaspora and economic diplomacy.

Many programmes and initiatives have been offered by the government of India with the objective of boosting trade and investment with African countries since 2000. Some of the prominent programmes are the "Focus Africa" programme, the TEAM-9 initiative, and the pan-African e-Network. The "Focus Africa" programme and the TEAM-9 initiative are both geared towards intensifying economic engagement between India and the identified target- African countries.[10] India has also utilised its mechanisms included in its ITEC programme. African e-Network, the first initiative of India in Africa at the continental level was launched in 2008 and fully funded by the Government of India for an amount of approximately US $87.75 mn. 48

countries in Africa can access the network. Moreover, the Duty-Free Tariff Preference Scheme (DFPT-LDC) provides access on tariff lines that constitute 92.5 per cent of global exports of Least Developed Countries (LDCs). 34 of 48 countries classified as LDCs are African nations, making this scheme particularly significant.[12]

Besides, India has also coupled economic vectors - highlighting technology transfer and partnerships – alongside trade agreements, FDI and aid. The Indian Development Initiative (IDI) formulated in 2003–04, now known as Indian Development and Economic Assistance Scheme (IDEAS), for example, related aid to trade and FDI, with Indian strategic interests prioritised through this economic engagement. [13]

At the regional level, India has successfully positioned itself as a strong dialogue partner of COMESA, ECOWAS, SADC, EAC, and ECCAS – the various Regional Economic Communities (RECs), and has been implementing sub-regional and national programmes through the framework of the various RECs. At the national level, India has been spreading its footprint through the establishment of bilateral relations, having extended its diplomatic presence across 27 African countries. Moreover, the Confederation of Indian Industry (CII) regularly organises "Made in India" shows and conclaves in Africa, encouraging Indian companies to display their products, for instance, textiles, drugs and pharmaceuticals, food processing, machinery, tools, auto components, and construction equipment.

At the policy level, trade has been a crucial element of these initiatives, operating alongside New Delhi's commitment to liberal multilateralism, which seeks to open up global markets for Indian exporters. India and Africa have also been engaging closely with regard to trade policy, with close coordination and synchronisation between India and African countries on agricultural subsidy and pricing issues in the Doha Round of trade negotiations in the World Trade Organization (WTO). India and African countries are coordinating with each other in the WTO to negotiate and to share information about common issues of interest. [13] India and South Africa are active in the G-20 forum, which was formed to protect the interests of farmers. Both the countries are also coming together in multilateral forums like BRICS and IBSA. While IBSA hoped to facilitate trade and investment among the developing countries, BRICS is challenging domination of industrial countries of the west in industrial and financial governance. The establishment of BRICS Bank is significant for African countries. It is positioned as a financial institution that will provide African countries with alternative source of development funding and help them to ignore the conditionalities imposed upon the continent by the Westled international financial institutions.

India - Africa Economic Relations

India's endorsement of South–South cooperation in various international forums and several economic initiatives to enhance cooperation with the African countries is reflected in the rapid increase in trade and investment with several African countries. Trade statistics show that it reached US $68 billion in 2014 and is projected to reach more than US $75 billion in 2015.[14] Yet, the estimated trade potential between the two regions is far greater, and its spread as well as composition has to be substantially diversified. Africa occupies 10.60 per cent of India's total export value trade in 2015. This upward trend is partly the consequence of India's duty-free tariff preferential scheme for 49 LDCs, which was announced in April 2008 and has benefited 33 African countries.

India - Africa Trade *in Billion USD*

Year	Indian Exports	Indian Imports	Total
2000-2001	2.385	2.071	4.456
2001-2002	2.886	2.607	5.493
2002-2003	3.131	3.437	6.568
2003-2004	3.848	3.199	7.047
2004-2005	5.572	4.006	9.578
2005-2006	6.993	4.878	11.871
2006-2007	10.27	14.716	24.986
2007-2008	14.19	20.47	34.66
2008-2009	14.813	24.728	39.541
2009-2010	13.432	25.614	39.046
2010-2011	19.713	31.956	51.669
2011-2012	24.674	43.865	68.539
2012-2013	29.142	41.11	70.252
2013-2014	31.226	36.626	67.852

Source : EXIM Bank of India

Figure 1 shows that African export to India has risen from a mere US $4.456 billion in 2001 to US $67.852 billion in 2014, a figure that would keep increasing assuming that India's demand for African minerals and fuels remains unabated, and the price for these minerals remains relatively stable. This rise is mainly due to high commodity prices and rising volumes of agricultural goods. Also, India is depending on oil rich African countries for its crude oil supply. As of 2014, Africa supplies around a fifth of India's total crude oil imports – a figure that has risen from close to zero in 2005.

While the Indian exports include manufactured goods, machinery and transport equipment, food, and pharmaceutical products, India's import pattern from African countries has been highly skewed over the years, focusing on certain regions on the continent. South Africa accounts for 14.74 per cent of Indian exports followed by Nigeria 11.61 per cent, Egypt 10.34 per cent and Tanzania 6.67 per cent. Other African countries occupy 46.42 per cent of the total export trade of India. India's imports from Africa are still dominated by crude petroleum, gold, and inorganic chemical products, reflecting India's high demand for energy resources. Nigeria and Angola occupy 30.41 per cent and 18.28 per cent of India's imports followed by South Africa 13.41 per cent, Egypt 9.25 per cent and Morocco 3.21 per cent. Others occupy 24.74 per cent of India's imports. Since the mid-1990s, East Africa has been the most attractive region for India's imports, followed by West and North Africa. West Africa has been improving its market share over the past decade mainly because of its oil imports. Nigeria is the largest economy of the region and the largest market for India.[15]

Regarding India's balance of trade with the African countries, records show that in 2014, Africa had a US $5.4 billion trade surplus with India.[16] However, this is almost entirely the result of primary commodities exports, with Nigeria's unrefined oil exports contributing significantly to this surplus. As refining capacity in Africa remains limited, Indian companies are keen to tap into Africa as an export market for refined petroleum products. India has already started exploring refining opportunities in some of the key African markets for refined petroleum exports (Kenya and Mauritius), and as bases for exporting elsewhere in Africa.

With reference to the analysis on trade, certain key trends emerge out of the India-Africa trade relations. Trade is restricted to few countries although there is tremendous potential to increase trade between the two regions. Moreover, there is a trend towards the exchange of raw materials for value added products, which has created some cause for concern. Extensive trade relation has been highly motivating for both sides but analysts warn India against locking African countries as primary producers, which can ultimately become a public relations headache. Besides, there are significant problems and imbalances; as Indian goods reach Africa, they sometimes create pressure on domestic producers with competition in domestic and world market positions of African nations in textile and apparel sectors. It is worth noting that trade-induced competition can spur improvement but can also inflict unemployment and other social costs.

Investment

Another indication of warming India-Africa relations in recent years is the increase in Indian investments in Africa, now covering much of the African continent, in different sectors. The primary catalyst of that investment has been state-supported private companies whose focus has been on investing in agricultural, oil and telecommunications sectors. However, Indian public sectors are investing in sectors like energy, mining, infrastructure and agriculture. Much of Indian investment runs parallel to its growing trade with the continent, with an overlap between top investment destinations and top trading destinations in Africa. According to a study by the Standard Chartered, the top ten trading partners are also the leading recipients of Indian investment. These include Mauritius, Sudan, Egypt, Nigeria, Liberia, Kenya, Libya, South Africa, Mozambique and Tanzania.

Before disaggregating and analysing Indian investments in Africa by sector, it is important to identify the general trends and contexts. Statistics on Indian investments in Africa remain unclear with some declaring it to have reached more than US$32 billion. It is a fact that the overwhelming percentage of Indian investment in Africa goes towards the Indian Ocean island of Mauritius (86 per cent) and distorts the overall figures of Indian foreign direct investment (FDI) to Africa (much in the same way that the Bahamas do with Chinese FDI to Central America and the Caribbean).[17] The incentives put in place by the financial services industry in Mauritius provide an attractive site for Indian capital, some of which is "round-tripping" back to the sub-continent. This creates a statistical anomaly when examining the overall Indian FDI in Africa that causes one to overestimate the significance of the Indian Ocean Island within the context of financial activity in Africa as well as to inflate the overall volume of the Indian investment in the continent. However, when Mauritius is taken out, Mozambique is the leading destination, at 7 per cent in 2014, primarily reflecting energy investment. Following behind are Sudan, Egypt, Nigeria, Liberia, Kenya, Libya and South Africa, with a diversity of investments.

According to one study, the bulk of Indian FDI is directed towards acquisitions of existing businesses or so-called "brownfields" investments, which readily employ locals and actively procure supplies locally.[18] The risks of investment into Africa are well recognised by Indian companies and financiers, but in recent years these conventional concerns are being offset by the high rate of returns on investment in selected country environments. Indian firms are targeting regions like East Africa, expecting to lead continental growth rates in the coming decades, for investment. The ability of the Zambian government to float its first Eurobond in 2012, which was over-subscribed and raised US$750 million, is a sign of how improvements in local conditions have improved the investment outlook. At the same time, the onset of resource nationalism by the newly elected Zambian government of Michael Sata in 2013–2014 is an indication of the relevance of the African agency to problems faced by Indian investors.

Nevertheless, Indian multinational companies have considerable investments in sectors ranging from mining, manufacture, agriculture and energy. The leading sectors are the pharmaceuticals and telecom sectors, which accounted for 18.5 and 14.8 per cent respectively. Other important sectors that are operational in Africa are construction, oil and gas mining and petroleum products. In 2007, Dr. Reddy's Laboratories Ltd, the Hyderabad-based pharma major opened its 40th overseas office in Lagos, Nigeria, in partnership with Phillips Pharmaceuticals.[19] Big pharmaceutical companies such as Ranbaxy have signed joint ventures with local African companies which give them the advantage of investing, and developing local manufacturing capabilities.[20]

Tata is an important investor in Africa. Tata's official sites claim that Tata Africa Holdings shares the core Tata values of business ethics and commitment to corporate social responsibility (CSR).[21] For example, the Tata Group has invested about US $145 million till 2014, and has employed 1500 people in Africa and also provided indirect employment opportunities thrice that number. In Zambia, Tata Africa Holdings with state-owned Zambia Electricity Supply Corporation has invested in the 120 MW Itezhi-Tezhi hydropower project. It is near completion in 2015 and the country will benefit from its electricity generation capacity.[22] The other significant Tata investment is Tata Coffee in Uganda, which set up a 3,600 metric tonnes per annum capacity plant in that country, at an investment of Rs 70 crore in 2005 and a vehicle assembly plant in Zambia.[23] According to Ian Taylor, "….both benefit the national economies by adding value to raw materials and aiding diversification away from primary agriculture". In Uganda, India is now the third largest source of foreign direct investment, after the UK and Kenya.[24]

In the energy sector, ONGC Videsh, the overseas branch of the Oil and Natural Gas Company (ONGC), has been the most active public sector company in Africa, receiving support from the Indian government in overseas investments and acquisitions across Africa. The ONGC Videsh Limited (OVL) itself was created with the mission to pursue equity investments. The company has in total five exploration projects in Africa – one in Libya, two in Nigeria, one in Egypt and one in the Joint Development Zone: Nigeria-Sao Tome Principe. In Nigeria, the ONGC has "not only carried out exploration and production successfully in very difficult terrains, but has also been responsive to the needs of local population in terms of development of healthcare facilities and education centres etc".[25] The OVL has framed a CSR Policy for achieving the CSR objectives in all its overseas projects. The company provided scholarships to four Sudanese students for pursuing courses in management and engineering. The company also contributed US $2 million for the sponsorship of the South Sudan Special project to create an amicable business atmosphere in South Sudan so that it can pursue its business plans and strategies in the future.[26]

However, two producing projects in south Sudan (one of them is the Greater Nile project) have not been producing since 2012 due to lack of consensus between Sudan and South Sudan on the issue of oil transit and other border management troubles. In this sector, the operations in South Sudan projects have been temporarily shut down after internal conflicts and adverse security situation in the country since 22 December 2013.[27] Along with the CSR programme, the non-interference of the Indian government in the political activities of African countries has been highly appreciated by several African governments, especially Sudan.[28] Reliance Industries Limited and Essar have been leading private players in African oil sectors. Both RIL and Essar have been looking to expand their presence into Zambia, Malawi, Botswana, Namibia and Tanzania.

In the mining sector, India has established itself with the activities of Coal India Limited (CIL) in Mozambique and South Africa, and Vedanta in Zambia. The success of the Indian private sector in Africa is illustrated by Vedanta Resources and its copper operations in Zambia, where the company bought a majority (of shares?) in Konkola, one of Africa's largest integrated copper producers, in 2004.[29] Those moves have been supported by a gradual expansion of Indian financial institutions across Africa, spearheaded by the operations of three state-owned banks: Bank of Baroda, State Bank of India and Bank of India. Exim Bank of India also has been providing many concessions directed towards infrastructure development in African countries.

Indian investments in the agriculture sector are significant mainly because these help African countries to increase their agricultural production and also to reduce dependence on food grain import. India also made a commitment to raise Lines of Credit (LOC) facilities to African agricultural sectors. The largest single LOC approved by the Exim Bank outside the Indian sub-continent at the time of writing is the one extended to Ethiopia (US $640 million) for its Tindaho Sugar Project, and it is also expected to facilitate Indian investments.[30] The Exim Bank also extended LOCs to various African countries for improvement of farm production and mechanisation of the agricultural sector.[31] There are considerable Indian private sector investments in the agricultural sector. According to figures provided by governments of various East African countries in 2010, more than 80 Indian companies have invested around $2.4 billion in buying or leasing huge plantations in Ethiopia, Kenya, Madagascar, Senegal and Mozambique to grow food grains and other cash crops for the Indian market. However, there is criticism in academic quarters regarding agricultural investment by private companies. According to them, India and India-owned companies are joining with China, Saudi Arabia, Kuwait, South Korea and the European Union in acquiring land in Africa at throwaway prices, indulging in environmental damage and exporting the food while locals continue to starve.[32] The finding of an important study titled "India's Private Agro-Investment in Zambia" suggests that although negative impact of displacements have been limited in Zambia, there is no evidence that Indian investment has reduced rural poverty or food insecurity in that country. According to the report, " Whilst it is not an immediate threat it may well become one if current investment trends continue and Indian corporates are not held accountable for compliance with Social, economic and environmental safeguard".[33]

India's Development assistance to Africa

As noted above, India has emerged in recent years from being an aid recipient to becoming an important aid donor. In parallel with recent growth in trade and investment, India has also stepped up its development assistance. India has a long tradition of providing assistance to African countries; the volume of assistance has grown rapidly in recent years, more than double since the turn of the century. It was the first Asian country to become a full member of the African Capacity Building Foundation (ACBF) in 2005, and assured US $1 million to the Foundation's sustainable development and poverty alleviation capacity building initiative.[34]

In its capacity-building initiatives, Indian Technical and Economic Co-operation (ITEC) is the most popular programme in Africa. Under this programme, India has provided more than $1 billion worth of technical assistance and training to African countries. Moreover, India plans to scale up training courses under the ITEC programme. More than 15,000 African students study in India, and training is given to senior African diplomats, defence personnel, and economic and financial officials.

Likewise, in both the summits, India has committed substantial amount of financial support to the African countries. Funding has been particularly notable in the areas of education, infrastructure and technology. In the First Summit, India committed US $5.4 billion in concessional credits to African countries and has offered US $5.4 billion in the Second Summit.[35] An additional 700 million US dollars was offered to establish new institutions, training programmes, and scholarships. The Indian government has offered US $100 million for financing an "e-network" project to enhance internet connectivity in Africa, linking five regional universities, five specialty hospitals, 53 regular hospitals and 53 educational institutions across Africa to Indian universities and hospitals via a satellite and a fibre optic network.

Another important component of India's development assistance is Lines of Credit scheme. The value of operational LOCs in African countries was US $4.3 billion in 2014. Within this wider framework, Exim has been a major agent in disbursing Indian aid and financial support to Africa. These schemes make up around 30 per cent of total Indian aid to sub-Saharan Africa (SSA). Exim extends lines of credit to governments, parastatal organisations, commercial banks, financial institutions and regional development banks to facilitate the export of eligible commercial products on deferred payment terms subject to concessional interest rates of around 4 per cent. These credit lines cannot be strictly defined aid (their purpose is not development but the advancement of Indian trade and investment opportunities) so much as officially supported export credits.[36] However, they are an integral part of what New Delhi sees as its assistance to Africa.[37]

It might be argued that Indian ventures in SSA add value to Africa's economies through the substantial investments in critical but underfunded infrastructure projects. Taking the lead are India's state-owned engineering companies like IRCON and RITES (Rail India Technical and Economic Services), both of which play significant roles in constructing road and railways in Africa. RITES has bagged contracts to refurbish and run railways in Mozambique, Sudan and Tanzania.[38] IRCON has constructed railways in Algeria and is also working in the railway projects in Sudan, Nigeria and Zambia.[39] There is also financial support to the tune of US $300 million for the development of a new Ethiopia-Djibouti Railway line. Indian engagements in these sectors have enhanced the capacity of the African countries' economies.

Moreover, Exim Bank in collaboration with the African Development Bank is setting up a Project Development Company in Africa to develop major infrastructural projects.

Conclusion

The contemporary India–Africa relations, although built on strong historical, cultural and political relations, is driven today by economic and geopolitical concerns. Although this relationship has evolved significantly over the years, it had never taken on a strategic nature as it has today. With African nations becoming more assertive and playing host to emerging nations such as China and Brazil, India's aim of becoming a partner in African development faces competition of sorts. It is imperative therefore, to create new and more productive engagements with Africa, ones that extend beyond the current milieu.

Notes

[1] A. Biswas, *Indo-Kenyan Political and Economic Relations*, Kanishka Publishing House, Delhi, 1992.

[2] JH Speke, *The Journal of the Discovery of the Source of the Nile*, W. Blackward & Sons, London,1863.

[3] RK Mukherjee, *Indian Shipping: A History of the Sea-Borne Trade and Maritime Activity of the Indians from the earliest Times*, Madras,1957, p. 60.

[4] WA Shroff, *The Periplus of the Erytherean Sea*, London, 1921; See also, A. Biswas, *Indo-Kenyan Political and Economic Relations*, Kanishka Publishing House, Delhi, 1992.

[5] R. Gregory, *India and East Africa: A History of Race Relations within the British empire, 1890-1939*, Oxford, 1971, p.8; See also, A. Biswas, *Indo-Kenyan Political and Economic Relations*, Kanishka Publishing House, Delhi, 1992.

[6] Ibid. 4.

[7] Ibid. 4.

[8] Ibid. 4.

[9] A. Biswas, *Indo-Kenyan Political and Economic Relations*, Kanishka Publishing House, Delhi, 1992.

[10] Ibid.

[11] Ajay K. Dubey, *Indo-African Relations in the Post-Nehru Era (1965-1985)*, Kalinga Publications, Delhi, 1989.

[12] Ministry of Commerce and Industry, Government of India.

[13] Ministry of External Affairs (E&SA Division), India Africa Cooperation on Science, Technology and Innovation.

[14] EXIM Bank of India, <www.eximbankindia.in>

[15] AfDb Group, 2011, 'India's Economic Engagement with Africa', Africa Economic Brief, Vol. 2, No. 6, May 11.

[16] Ibid. 14..

[17] A. Paul, 'Indian Foreign Direct Investment in Africa', CUTS-CCIER, Working paper No. 1, 2012.

[18] 'Indian Company Take [sic] Firm Grip in Africa', *African Business Magazine.* 27 November 2012.

[19] Dr Reddy's already has presence in South Africa, Ghana, Sudan, Kenya, Uganda, Tanzania, Rwanda and the Democratic Republic of Congo.

[20] 'Ranbaxy labs forms JV in South Africa to sell AIDS Drugs', *Business Standard,* 07 February 2007.

[21] Tata Africa Holdings, <http://www.tataafrica.com/aboutus/milestones.htm>

[22] Tata Africa Holdings, <http://www.tataafrica.com/aboutus/tata_africa_holdings.htm>

[23] Tata-Uganda Coffee Project <http://www.tata.com/company/articlesinside/f3l7AArRnbg=/TLYVr3 YPkMU=>

[24] Ibid.

[25] ONGC Videsh Limited, 'Africa Assets', Accessed on 27 December 2013, <http://www.ongcvidesh.com/Assets.aspx?tab=0>

[26] Ibid.

[27] Ibid.

[28] Ibid.

[29] Vedanta Resources Ltd, 2015 < http://www.vedantaresources.com/our-operations.aspx>.

[30] EXIM Bank of India, <www.eximbankindia.in>.

[31] R. Rowden, 'India's Role in the New Global Farmland Grab: An examination of the role of the Indian Government and Indian companies engaged I overseas agricultural land acquisitions in developing countries', GRAIN and the Economics Research Foundation, April 2012, <www.networkideas.org>.

[32] Subhash Agrawal, Emerging Donors in International Development Assistance: The India Case, Editor, India Focus, New Delhi, IDRC-CRDI Canada, December 2007.

[33] A. Biswas and Ajay Kumar Dubey, Indian Privet Agro-Investments in Zambia - A Case Study, Oxfam India, April 2014.

[34] PM addresses the first India-Africa Forum Summit, <http://pib.nic.in/newsite/erelease.aspx? relid=37177>.

[35] Ibid.

[36] P. Sinha, 'Indian development cooperation with Africa', in Cheru and Obi, (eds.), *The rise of China and India in Africa.*

[37] I. Taylor , 'India's Rise in Africa', *International Affairs*, Vol. 88, No. 4, 2012, pp. 779–798.

[38] RP Yadav, 'India's Foreign Policy towards African Continent in post-cold war era', *Journal of Education and Social policy*, Vol. 1, No. 1, June 2014.

[39] I. Taylor, 'India's Rise in Africa', *International Affairs*, Vol. 88, No. 4, 2012, pp. 779–798.

✶ ✶ ✶