India and Africa

There are deep historical roots in India’s interest in Africa. A rather big and influential Indian community or, more precisely, communities, has long lived on the Dark continent especially in its eastern and southern parts. The total number of these communities is about 2.8 million people. More than half of them - 1.5 million are in the Republic of South Africa, about 890 thousand are on the Mauritius Island, 80 thousand are in Kenya, 60 thousand are in Tanzania, 25...30 thousand are in each of Uganda, Mozambique or Zambia. After these countries became independent in the late 50-s... early 60-s, everywhere, except Mauritius where Indians are titular nation, they were forced to leave politics for various reasons, however, they still continue to play a significant role in business. There are Indian quarters, shopping centers and cultural and entertaining facilities nearly in all capitals of the Eastern and Southern African States.

Recently India as the fast economically growing State which is catching China up on number of inhabitants and the industrial potential, starts to compete more and more actively with its huge partner and the rival not only in Asia and the AP-Region, but also not to fall behind in ‘capturing’ the African continent. New Delhi is disturbed not only by large-scale economic penetration of China into Africa where by some estimates, since 2000, it has invested up to 1 trillion dollars (!); but also establishment in the Indian Ocean of the logistic, transport and military infrastructure designed to provide its strategic plans for realization of the globally covering initiative "One belt, One Road".

India is afraid that dynamically growing China will not only oust New Delhi out of the African markets, but will also take a strategic initiative in the Indian Ocean on the coasts of which it promptly creates its infrastructure. Like just one naval base in Djibouti which is already bigger than American base nearby in Camp Lemonnier: there are 12,000
Chinese military located there, that is two thousand people more than on the American base. At the same time Beijing promptly increases the economic, cultural and humanitarian influence on the African continent. Coming with big money, it offers different flexible and complex ways of cooperation, bind credits, construction of infrastructure, personnel training and many other things.

India has something to counter these factors with. Together with Japan it heads the so-called The Asia-Africa Growth Corridor (AAGR) being an alternative to the Chinese Silk way.

India is much interested in the African hydrocarbon sector. Now more than 17% of the oil consumed by the country, come from Tropical Africa. And, though in general, it is surpassed by China which imports oil from 10 African countries, Delhi became largest oil importer in Nigeria and the second largest in Angola. The Indian company ONGC Videsh Limited invested 2,5 billion Dollars in oil exploration and production in Sudan, and the oil-extracting giant Essar in 2009 - 2016 was the main shareholder of the oil refinery in Mombasa (Kenya), the largest in East Africa. Indians have won certain positions in oil production in Gabon, Ghana, Côte d'Ivoire, Mozambique, São Tomé and Príncipe where they have secured a number of perspective oil fields.

The Indian companies also occupy prominent place in the cargo transportation market of Africa which experience the boost in the last 20 years. One may meet lorries of Indian Tata brand nearly in all countries of the continent to the south of Sahara. In East Africa, Tata Africa Holding with financial support of the Indian Export-Import Bank (EXIM Bank) has constructed several assembly enterprises and has got a wide dealer network. The Indian State Concerns RITES and IRCON cooperate with Kenya, Mozambique, Senegal and Sudan on the railroads.

India, being as it is well known, one of the main world centers for processing of diamonds and jewelry made of them, increases production and import of rough African diamonds. Since 2010 the Surat Rough Diamond Sourcing India Ltd creates the related processing infrastructure worth 1,2 billion US dollars in Zimbabwe. There are intensive purchases in Angola as well.

In general, there is worth for India to be proud of: from 2007 to 2018 trade turnover between India and Africa has grown five times – from 12 to 57 billion US Dollars, and the total amount of direct investments to the African States, by different estimates, has made about 50 - 60 billion US US dollars in Zimbabwe. This is, of course, less, than with China, the trade turnover of which with the continent makes about 180 to 200 bln. US dollars a year; however, it is still impressive. And the continental Africa share is not more than 10 - 15 bln. US dollars in Zimbabwe. Other amounts are ‘pumped’ through the Mauritius offshore zone; and other regions of the world become their final beneficiaries.

The main weak and vulnerable spot of New Delhi is that, unlike China which actively uses State funds for support of activity of the companies in Africa, the Indian business is forced to rely generally on its own means. The Indian EXIM Bank provides credit lines only to the flagman companies and on condition that Indian contractors will implement not less than 85% of this or that project. This factor narrows opportunities for Indians to compete with Chinese companies receiving the State assistance and complicates their settling in the African market.

However the competition with China and their own demands push Indians to be vigorously active. This year will obviously be one of the most active for the Indian policy towards Africa. There are a lot of evidence for that. So, it became known that in 2018 - 2020 India plans to establish 18 new embassies and consulates in the African States, in particular, in Equatorial Guinea, Eritrea, Somalia, Sierra Leone and some other.

There is another new thing. On January 29, 2018 the Republic of Seychelles and India have signed the updated version of the agreement on development of infrastructure on the Assumption Island. The agreement has provided construction and maintenance of infrastructure facilities within 20 years, which will be used for control and protection of the maritime economic zone of islands, holding rescue operations, suppression of criminal acts (illegal trade, drug traffic, etc.) and expansions of the sphere of control of Seychelles law enforcement agencies over external islands. Political connections of India with the Republic of Seychelles become more active. However there was a steady rejection of this project in the Parliament and public opinion. Many are afraid of excessive strengthening of influence of India there. New Delhi treats it rather calmly and doesn't press too much on the Republic of Seychelles. Observers consider, that Indians by hook or by crook, will be implementing the infrastructure projects, however, without coordination with official military presence of India, in intention to develop, which some political forces in the Seychelles suspect India. India has decided to allocate another 8 mln. Dollars of financial aid for needs of the country to confirm its good intentions.

There is one more evidence of activization of India towards Africa. On March 11, 2018 in New Delhi the inauguration
of the International Solar Alliance was held (it was proposed by the Prime Minister of India N. Modi in 2015 and was supported by France). 47 countries took part in the inauguration. India has allocated 1,4 bln. Dollars as credits for implementation of 27 projects (construction of solar power facilities) in 27 countries, mainly in Africa.

On March 11 - 15, 2018 President of India R.O. Kovind has visited Mauritius and Madagascar to increase economic and political ‘approach’. The purpose was to expand cooperation in the sphere of sea security in the Indian Ocean and to strengthen positions of New Delhi in Africa. A credit line was announced for purchase of military products by Mauritius for 100 mln. Dollars, 5 mln. Dollars from it are grants and one patrol boat. It is reported about transition to the practical phase of construction of dual purpose port structure by India on the Agalega island (completion is in 2020). The visit to Madagascar in general became the first in the history of the bilateral relations. A credit line for 81 mln. US Dollars was open for development of agricultural infrastructure and mechanization of farms. Cooperation in the sphere of anti-terror with the anti-Pakistani implication is planned. The matters of the fastest adoption of the UN comprehensive convention on international terrorism, UN reform, fight against climate change were discussed. The inauguration of the Geoinformation Center took place.

April 1 - 12, 2018 President of India has also paid a visit to Zambia. Direct investments of India in Zambian economy have reached 5 bln. Dollars (mining sector, infrastructure, processing industry, telecommunications, pharmaceutics). 3 bln. Dollars of 5 bln. Dollars are invested into copper extraction – the main assets of the country. India will invest 1 bln. more into it. The task to increase bilateral trade to 1 bln. Dollars a year is set. The President took part in start of the project of modernization of the road network of Lusaka the equipment for hospitals for 290 mln. Dollars was provided. In previous years nearly all aircrews of the Zambian Air Force and up to 40% of the Army command staff was trained with the help of India.

And this year in May, information appeared that India develops the strategy for the India and Pacific region. Its key element is the development of infrastructure in South, Southeast and East Africa as an alternative to the Chinese infrastructure and geopolitical project of ‘One Road’. It is planned to increase collaboration with Japan in the countries, neighboring to India, including Bangladesh, Myanmar, Thailand, Kenya (joint construction of the port of Mombasa), and also in the Indian northeast States. The important principles of this work are inclusivity and flexibility, providing for preservation of the quadrangle format (India, Japan, the USA, Australia) aimed, as many people believe, to restrain China.

In other words, the Chinese challenge did not stayed without reply from India which begins to position itself as a new superstate in Africa, and not only there. And there are grounds for that.

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