

## **Trendsetting the Third India-Africa Summit (IAFS 3) in Africa's Development Trajectory**

*By Sanusha Naidu\**

Wednesday 28 October 2015

In this article, Sanusha Naidu examines India-Africa trade relations within the context of the forthcoming, Third India-Africa Summit (IAFS 3) to be held from 26 - 29 October 2015. She argues that the summit presents an opportunity for India to set out a pragmatic agenda for how it will chart its engagement with the continent over the next three years. Sanusha calls on both Africa and India to be decisive in the partnership, with Africa being more coherent about what it wants out of New Delhi, and New Delhi being explicit about what it wants to achieve.

From the 26<sup>th</sup> to the 29<sup>th</sup> of October 2015 India's Bharatiya Janata Party (BJP) led government will be hosting its first ever Africa Summit. With more than 35 African governments having accepted Prime Minister Narendra Modi's invitation to attend, IAFS 3 promises to be a grandiose affair.

IAFS 3 comes at a time when Africa is preparing to host one of its other partners, China. The 6<sup>th</sup> China Africa Forum, co-chaired by South Africa will take place from the 4<sup>th</sup> – 5<sup>th</sup> of December in Johannesburg. IAFS 3 therefore is therefore an opportunity for New Delhi not to be caught following the dragon's tail but rather setting its own mark in its African engagement.

But before the Modi's government can start rolling out its action plan on Africa, there needs to be some form of reflection on how far India has come in its Africa Policy.

One area that needs to be examined critically is the two-way trade relationship between India and African countries.

In 2013, India's former commerce and industry minister, Anand Sharma noted that the sub-continental actor hoped to increase bilateral trade between New Delhi and Africa to US\$100 billion by 2015, from the US\$70 billion of 2014. However, estimates project a rise to US\$90 billion in 2015 thus short of the target, amidst concerns that India-Africa trade may be stagnating.

At the 2014 World Economic Forum hosted in New Delhi, African leaders and Indian industrialists suggested alike that trade between the two sides is envisioned to reach US\$500 billion by 2020.

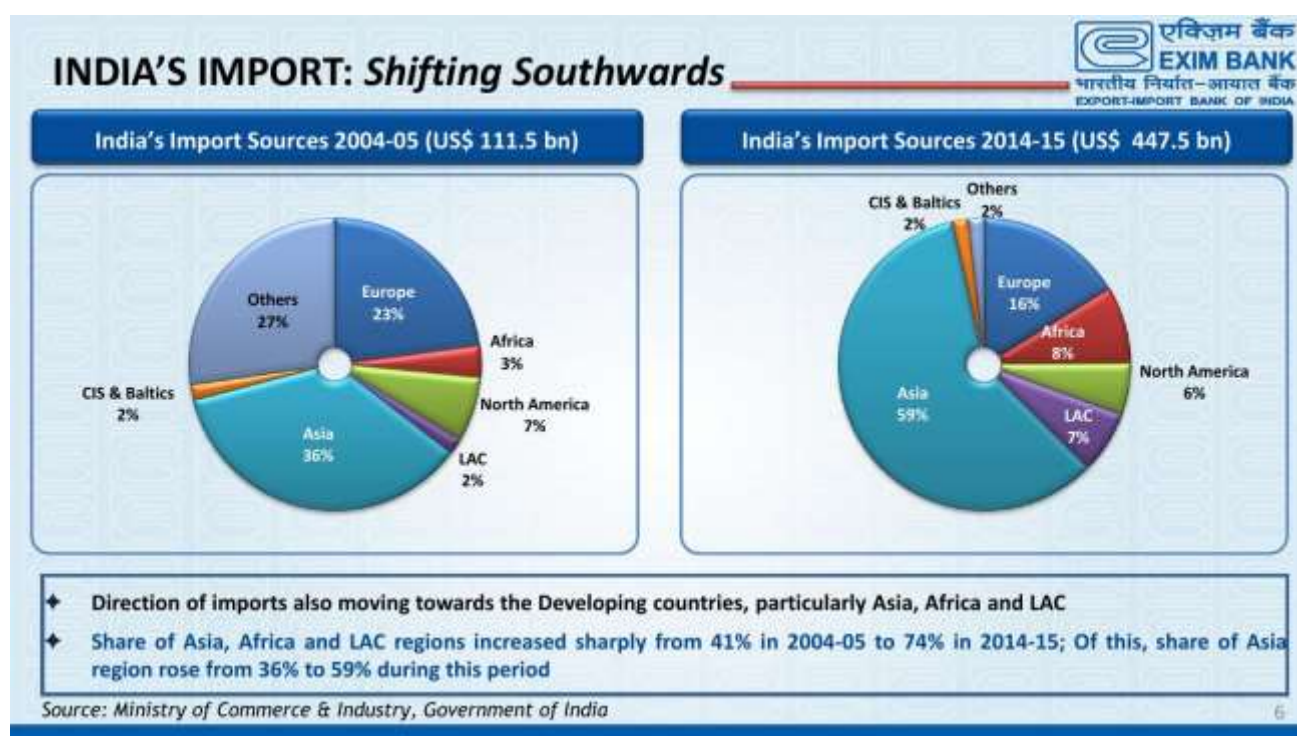
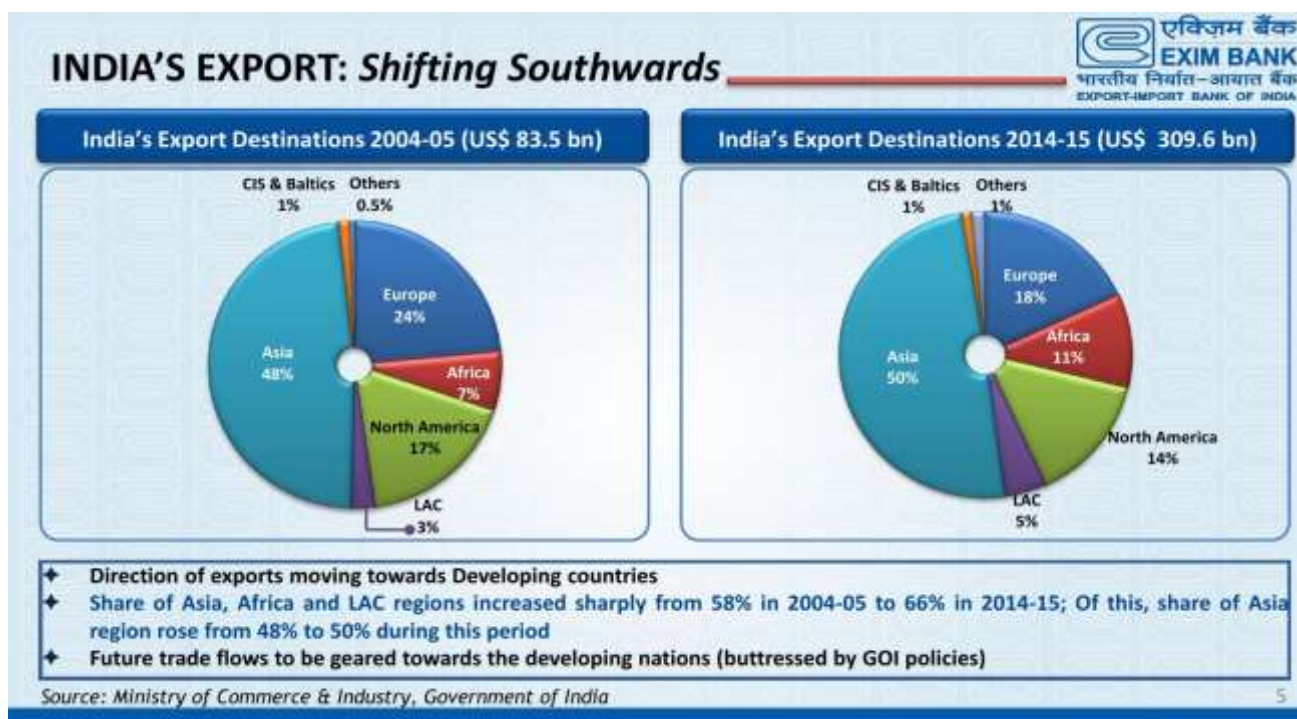
So how do we contextualise these trade statistics and projections?

Tralac, a trade law think tank based in Stellenbosch, South Africa, published an article by the Indian High Commissioner to Nigeria in which it was noted that in 2014 India overtook the US to become Africa's second largest trading partner after China. This is a significant issue for India in terms of strengthening its Africa policy. But what does this say about Africa's position in the broader picture of India's global trading profile?

For the financial period 2014-2015 India's top five trading partners did not feature a single African country (see table below); only two African countries Nigeria and South Africa appeared in India's list of top 25 trading partners at 12 and 22 respectively. Much of this trade with Africa's two economic giants is based on mineral resources that show a negative trade balance.



In the same period, Africa's share of India's export destinations only constituted about 11% while its share of India's import sources was 8%. See the graphs below.



These figures suggest that despite all the headline news about India's economic footprint in Africa, the continent represents a meager component of New Delhi's global trade footprint. Even where the trade numbers seem to indicate a large volume, it must be seen in the context that Africa is a continent of 54 countries, and that in quantitative terms the figure is negligible when bearing in mind that much of this trade could be fueled by a few resource rich countries. An interesting exercise of note is that India's trade with Africa is almost equivalent to its trade with its top-trading partner, China, of over US\$72 billion for the period 2014-2015. But more than this, Africa still features at the bottom of India's global trading footprint, with Asia being the primary export-import focus for New Delhi.

The second issue to consider is to not aggregate but disaggregate India's corporate footprint in Africa. According to a FDI market report on India's investment flows into Africa only a total of 165 Indian companies invested in Africa compared to 53,024 corporates that have invested globally between January 2003 and July 2015. This again demonstrates that the engagement must be broken down to understand how the numbers are understood in reality.

Having used the above two examples, what should one glean about the India-Africa engagement, or Africa's interaction with India? There are several issues that come to the fore.

First, India's Africa Policy still remains cautiously defined. This became clear when a discussion in March hosted by a prestigious Indian think tank in New Delhi brought forward the debate of where Africa fits in Modi's new foreign policy diplomacy and whether Africa is still a relevant area for the country.

Second, if India wants to demonstrate that it is 'not sleep walking' in Africa, then it needs to develop an official White Paper on its Africa Policy. This will certainly provide more impetus and a coherent roadmap for the relationship. Launching such a policy document at IAFS 3 will definitely set the Modi government apart from its predecessors. It may be instructive here to note that China has already drafted a second white paper on its Africa Policy, which looks likely to be released ahead of the 6<sup>th</sup> FOCAC Summit.

Third, and perhaps more significant is that the Africa-India engagement, while important to recognise historical linkages and support, must take into account the realities of the new context of the international system and the development agenda. It cannot be 'business as usual' with India gushing about how important Africa is to its global aspirations and vice versa. Putting that rhetoric into action can be established in what New Delhi sees as their value addition to the continent's development vision and action plan of Agenda 2063.

Fourth, India should not treat nor dismiss Africa as a junior or muted partner. While this may not seem the case, the first US-India consultation on Africa that took place in April 2015 certainly echoes some of this sentiment. It seems that there may be room for interpretation that New Delhi and Washington are becoming partners in Africa's strategic issue with perhaps little input from the Africa side. This is definitely not how Africa's relationship with emerging actors is perceived, at least by continental commentators and analysts.

The focus of this article has been on India's trade with Africa, which constitutes a major component of the relationship. With the above in mind, IAFS 3 represents an opportunity for the Modi government to set out a pragmatic agenda for how it will chart its engagement with the continent over the next three years. Both sides need to be decisive in the partnership, with Africa being more coherent about what it wants out of New Delhi and New Delhi being explicit about what it wants to achieve, especially since apart from the trade dimension, the engagement is also defined by technology transfer, development financing, peace and security exchanges and commitments to reforming the global system and the post-2015 development agenda.

*\*Sanusha Naidu is a Senior Researcher with the Institute for Global Dialogue (IGD) where she is managing the DIFD funded project on development diplomacy and trilateral cooperation. She is also attached to Fahamu's emerging powers in Africa project in which she is serving as a consultant. Fahamu is a pan-african social justice network based in Kenya and Senegal. She has previously worked at the Centre for Conflict Resolution based in Cape Town and managed the South African Foreign Policy Initiative (SAFPI) at the Open Society Foundation for South Africa. Ms Naidu has published widely including two edited books on China-Africa relations. She is also a regular media commentator for national and international press agencies such as SABC, e-tv News Channel Africa, Al Jazeera, and CCTV.*



*The Dialogue Online*, is an online extension of SALO's national, regional and international consensus-building dialogues (typically workshops, seminars and small meetings) on Peace and Security, Development, SA Foreign Policy, Gender (including LGBTI rights), Natural Resource Governance, Human Rights and the rights of migrant communities through *weekly written articles and/or commentary*. It is a channel through which critical issues raised during dialogue events are synthesised and shared with wider audiences. By taking the dialogue 'online', the conversation is enabled to continue beyond the limits of space and time and to a wider audience.

Since SALO's central focus is peace and security, *Dialogue Online* articles focus primarily on this theme, but drawing attention to the nexuses with development, natural resource governance, human rights and gender, mediation, environment and climate change. Preference is towards articles that speak to international development and peace building policy and practice, raise awareness about conflict situations and the gender dimensions thereof and provoke fresh thinking and policy debate. Contributions are drawn from SALO's pool of experts, peace building and development practitioners, activists, academics, former and current diplomats and workshop participants.

***Please note that the articles represent views of respective contributors and do not necessarily reflect SALO's view or position.***

Interested contributors are welcome to email articles of 750 to 1000 words in length to [info@salo.org.za](mailto:info@salo.org.za) for consideration.

Please follow us on twitter [@salo\\_info](https://twitter.com/salo_info) and [#DialogueOnline](https://twitter.com/DialogueOnline) SALO for comments.

#### SALO would like to thank

(in alphabetical order) the European Union; Friedrich-Ebert-Stiftung (FES); Irish Aid and the Embassy of Ireland, Pretoria; the Embassy of the Kingdom of the Netherlands in South Africa; the Royal Norwegian Embassy, Pretoria; The Olof Palme International Centre; Open Society Foundation; the Southern African Trust and UK aid, among others, for their for their ongoing support of our Policy Dialogue Series.

