



CII-EXIM BANK REGIONAL CONCLAVE ON
india - southern africa
GROWTH PARTNERSHIP

 31st October- 1st November 2022  The Maslow Hotel, Johannesburg, South Africa

BACKGROUND NOTE



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PREFACE

1. Southern Africa: Gearing up for an Economic Turnaround

The Southern African Development Community (SADC) is a Regional Economic Community comprising of 16 member states—Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe. The main objectives of SADC are to achieve development, peace and security, and economic growth, to enhance the quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration.

The region of Southern Africa has the world's largest reserves of manganese and platinum group metals (PGMs), and among the largest reserves of gold, diamonds, chromite ore and vanadium. Angola, whose reserves are estimated at around 13 billion barrels, is the largest oil producer in Africa after surpassing Nigeria in recent times. Similarly, an estimated 11 billion barrels in oil reserves and 2.2 trillion cubic feet of natural gas reserves have been found off Namibia's coast, with the first production planned within four years. Countries like Malawi and Mozambique also have significant reserves of oil & gas and other natural resources that are largely under-explored. In a similar vein, The Democratic Republic of Congo produces more than 70 percent of the world's cobalt, holds 60 percent of the planet's coltan reserves and is the world's fourth-biggest producer of copper. It has over 1,100 listed minerals that include cobalt, copper, niobium, tantalum, petroleum, industrial and gem diamonds, gold, silver, zinc, manganese, tin, uranium, coal, hydel, and timber.

The southern African countries recognized the importance of regional economic integration for sustained growth and development and came together to form the Southern African Development Community (SADC) in 1992 that covers 16 countries today. SADC, an inter-governmental organization, has since played a pivotal role in the region's socio-economic development, through enhanced productivity.

The SADC countries collectively contribute 28.4 percent of Africa's GDP (2021), and 28.2 percent of Africa's total population, wherein South Africa accounts for 54.5 percent of the region's GDP, followed by Angola (9.7 percent), and Tanzania (9.2 percent). The Southern Africa region was the most affected by the pandemic; with a 6.3 percent GDP decline in 2020, but it recorded an estimated GDP growth of 4.2 percent in 2021. The recovery of growth is approximated to be driven by the increase in prices of commodities like crude oil, platinum, copper, and gold prices, improving export revenues in countries well-endowed with these resources, and by vaccination rollouts, which aided growth in tourism. According to the IMF, Africa's nominal GDP is estimated to rise to US\$ 2.7 trillion in 2021 and US\$ 3.0 trillion in 2022.

It is imperative for the SADC countries to sustain the gradual current economic turnaround by creating the necessary conditions for manufacturing growth, greater investment inflows and expansion of external trade volumes.

Down the years, the SADC economies have been at varying stages of development, with South Africa accounting for 54.5 percent of the region's GDP, followed by Angola (9.7 percent), and Tanzania (9.2 percent). The economy of South Africa is expected to slow down to 1.9 percent, in line with a concurrent global slowdown, rising interest rates and high unemployment, suppressing aggregate demand. Annual inflation rate in the SADC region is also projected to accelerate to 14.0 percent in 2022 on account of external factors such as the elevated global oil prices and political tensions. It is evident that exports by extractive industries alone will not sustain the region's growth and development. Instead, it would be essential for the regional economies to modernize their agriculture sector, speed up manufacturing growth, and augment the services sector.

Indian industry could play a catalytic role in the economic transformation of SADC countries through the trade and investment channels. Historically, Government of India has maintained strong relations with the SADC countries, greatly helped by shared history, common international understanding, and cordial diplomatic relations. These factors have also contributed to Indian companies seeing southern African countries as promising investment destinations.

2. India – Southern Africa Relations: Growing with the Times

India's links with the struggle for freedom and justice in South Africa date back to the period during which Mahatma Gandhi started his Satyagraha movement in South Africa over a century ago. India was at the forefront of the international community in its support to the anti-apartheid movement. India worked consistently to put the issue of apartheid on the agenda of the UN, NAM, and other multilateral organizations and for the imposition of comprehensive international sanctions against South Africa.

India recognizes the African continent's diversity, and has therefore engaged with the African countries, both at the continental level supported by the time-tested relations with the African Union and through multi-dimensional ties with the regional economic communities of which SADC is one of the most prominent groupings.

Towards developing extensive economic and strategic relations with SADC, the Government of India signed the Memorandum of Understanding (MOU) on economic cooperation with SADC in October 1997. The broad areas of cooperation identified then were agriculture, water resources management, human resource development, entrepreneurial development, promotion of SMEs, non-conventional energy sources, communication, commerce, banking, diplomacy, and enterprises development through private sector involvement.

SADC works closely with the African Union and NEPAD at the continental level and engages in tripartite cooperation with the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA). These linkages are a testament to India's focused relations with SADC, and the member countries.

a. India – Southern Africa Bilateral Trade

SADC ranks first among African regional trade associations (RTAs) in value terms, representing 37.3 percent of total African exports in 2017 (WTO estimates). The outward orientation of the SADC economies makes a strong case for India to deepen its trade relations with the region.

With the increasing diversification of India's global trade towards other developing and emerging economies, India Exim Bank has cited that SADC has emerged as an important trade partner for India. During 2020-21, India's total trade with SADC countries stood at US\$ 20.8 billion, and during 2021-22, at US\$ 32.9 billion. India's total exports to SADC stood at US\$ 13.7 billion in 2021-22 and total imports from the region at US\$ 19.2 billion.

The increasing importance of India as SADC's trading partner can also be assessed from the fact that India maintained a trade deficit with SADC in 2021-22, mainly on account of its trade deficit with Angola and South Africa.

Looking ahead, India would perhaps look to play a defining role in southern Africa's economic integration and intra-regional trade growth. In the early 2000, after the implementation of the SADC Trade Protocol commenced, intra-SADC trade had more than doubled from US\$ 13.2

billion in 2000 to US\$ 34 billion in 2009, representing about 155 percent growth. However, as a proportion of total SADC trade, intra-SADC trade grew only by 15.7 percent-18.55 in that period. The SADC trade flows have not changed significantly in the following decade.

Today, as the SADC member countries seek to dismantle the barriers to intraregional trade, India will have stronger reasons to step up the bilateral trade with the SADC countries. Historically, the main intra-SADC trade export items had been petroleum oils, agricultural products, electricity and some clothing and textile products, and the main export items to the rest of the world consisted of resources (e.g., coal, ferrochromium, manganese ores, platinum, as well as precious metals and diamonds), resource intensive manufactured goods, mainly for the automotive industry, some clothing and textiles, and tobacco.

Studies point out that there exists immense potential for increasing SADC's regional and overall trade. Key strategies for enhancing the intra-regional trade are product and market diversification, reduction of non-tariff barriers (NTBs) and other barriers to trade, and development of regional and global value chains.

India could play an instrumental role in bolstering SADC's external trade growth, and in particular exports, by partnering the member countries in expanding their respective domestic industrial base and thereby diversify their exports.

b. India – Southern Africa Investment Relations

The SADC member countries are directing increased focus on improving the region's infrastructure and industrial base, while creating an increasingly investor friendly policy environment. Take the case of the SADC Industrialization Strategy and Roadmap 2015 – 2063 that was unveiled at the SADC Summit in Harare, Zimbabwe, on April 29, 2015. The strategy roadmap aims at technological and economic transformation of the SADC region through industrialization, modernization, skill development, science and technology promotion, financial strengthening, and deeper regional integration.

More recently, the SADC Secretariat in conjunction with the European Union launched the Support to Improving the Investment and Business Environment (SIBE) Programme in the SADC region on August 6, 2019, funded under the 11th European Development Fund (EDF) of fourteen million Euros.

SIBE is a 5-year Programme, implemented by the SADC Secretariat in the 16 Member States with the objective of achieving sustainable and inclusive growth and support job creation through the transformation of the region into a SADC investment zone and promoting intra-regional investment and foreign direct investment (FDI) in the region, for SME. SADC region is India's major FDI destination in Africa, with majority of investment going to Mauritius. Mozambique had the second highest Indian investments during April 1996 to August 2022. Indian investments in Mozambique are mainly in the natural gas and coal industries.

Indian industry is cognizant of the emerging investment opportunities in the southern African economies. Indian companies have ventured into both Greenfield and Brownfield investments in the SADC region, spanning various sectors including manufacturing, mining, construction, and

energy. According to data from the Ministry of Finance and Reserve Bank of India, India's approved cumulative investments in the SADC region during April 1996 to August 2022 amounted to US\$ 69.9.

Pertinent to note that the SADC region accounted for 94.2 percent of Indian investments in Africa during April 1996 to August 2022. The sectors that drew significant investments from India include Agro-processing, mineral processing, and manufacturing (pharmaceuticals, consumer goods including textile and apparel, leather and footwear and automotive components) sectors.

Looking ahead, economic sectors in SADC countries that are likely to draw greater investments from India are:

- Physical Infrastructure
- Power & Energy (incl. Renewable Energy)
- Mining
- Manufacturing
- Logistics
- Information and Communication Technology
- Healthcare and Pharmaceuticals
- Agriculture & Food Processing
- Education and Skill Development

CII & AFRICA

3. CII & Africa

Confederation of Indian Industry (CII) plays a transformative role in strengthening the India-Africa ties across the spectrum, including multi-faceted economic ties. CII began its Africa-focused initiatives more than 28 years ago and is now linked with more than 95 counterpart organizations in 45 African countries to facilitate exchange of information between Indian and African industry. CII has also forged deep ties with leading investment promotion agencies in Africa.

Key activities and engagements of CII focused on Africa include:

a. Research & Publications

The CII Africa Desk produces white papers, reports, and publications for circulation to its membership and beyond. Research is conducted both independently and in collaboration with multinational knowledge partners and banks. Key publications released over the last few years are:

- i. India Africa: Leveraging new dimensions in economic engagement (2022)
- ii. CII-JETRO Analysis Paper on: Platform for Japan – India Business Cooperation in Asia – Africa Region (2020)
- iii. India and Africa: Developing Trilateral Partnership (2019)
- iv. Compendium on Project Implementation by Indian companies in Africa (2018)
- v. Indian Industry's inclusive footprint in South Africa (CII – PWC report) (2018)
- vi. CII – UNECA Report on Deepening Africa India Trade & Investment Partnership (2018)
- vii. Global Policy Watch – Africa – on Africa; report done by CII International Research Desk (2017)
- viii. Global Watch: Focus – Africa (2016)
- ix. India and Africa – Collaboration for Growth (2015)
- x. Africa – India: Facts & Figures (2015)
- xi. India – Africa: Trade and Economic Relations – A Note (2015)
- xii. Nigeria and India: Leveraging on the economies (2015)
- xiii. Joining Hands to Unlock Africa's Potential – A new Indian Industry-led approach to Africa (2014)
- xiv. Business Guide to Investing in Africa (2014)

b. International Training

i. IT, Skill & Capacity Development

The CII Africa Committee meets frequently to discuss issues and methods to nurture talent and upgrade competence levels in African countries. Indian industry is looking to increase the number of scholarships and internships to African students in India and to enhance the acceptability of Indian degrees across Africa.

ii. Industrial Services Training Programme (ISTP)

The CII Africa Desk has been conducting 10-day Industrial Services Training Programmes (ISTP) to expose Heads of African Chamber of Commerce to best practices of Indian business, as well as Indian business chambers. So far, 11 such training programmes have been conducted, with the last edition held in March 2019.

iii. India Africa Technology Partnership Programme (IATPP)

CII, in partnership with the Ministry of Science and Technology and the Ministry of External Affairs, Government of India, has been commissioned to execute the India Africa Technology Partnership Programme (IATPP). The programme seeks to create an enabling mechanism to build capacity in the recipient nations to absorb innovative technologies, build long-term and stronger science and technology partnerships and facilitate transfer of Indian technology to African nations. Under this umbrella, week-long training programmes are extended to African participants around innovation and technology management.

iv. Interactive Sessions

CII also organises interactive sessions with international educationalists, legal advisors, and export-import banks to share information on the latest rules, regulations, research, and financing options available for traders and investors.

c. Trade & Investment Promotion

CII works closely with Government of India to promote Brand India and its 'Triple A' (Affordable, Adaptable, Appropriate) technologies in Africa. Interactive sessions with international journalists, and representatives of the World Trade Organization (WTO), African Development Bank (AfDB), Regional Economic Communities, among others, are organised to spread awareness about myriad benefits of partnering with India.

CII also organises international business delegations to all parts of Africa. These delegations are multi-sectoral, usually comprising representatives of 10 or more companies (with some travelling to Africa for the first time) and often accompanied by Indian ministers or senior government officials. This provides an opportunity for the members to interact with their industry counterparts in Africa, engage in B2B meetings, meet concerned African ministers and investment promotion agencies, and participate in business seminars.

CII led multi-sectoral business delegations to South Africa, Uganda, Rwanda, Zimbabwe, and Nigeria in 2018, and to Ethiopia, Mauritius, Egypt, Namibia, and Zimbabwe in 2017. To complement the high-profile diplomatic visits by Indian leaders (President, Prime Minister, and Vice-President), CII organised business delegations to Ghana and Cote d'Ivoire during the visit of then President Pranab Mukherjee in June 2016, to South Africa during Prime Minister Narendra Modi's visits in July 2016 and during his visit to Rwanda & Uganda in July 2018. The organization led a business delegation to Nigeria during the visit of then Vice-President M Hamid Ansari in September 2016, and to Gabon and Senegal during the visit of Mr. M. Venkaiah Naidu, Vice President of India in May 2022. CII also led business delegations to Madagascar in December 2016.

Furthermore, CII leads delegations to international events such as Mining Indaba, South Africa, and organises an “India Pavilion” in several African countries such as Ghana, Kenya, South Africa, and at trade fairs like Auto Mechanical and Aero-Space Expo, to name a few.

CII organises ‘The India Show’ in Africa, a three-day event-cum-exhibition that showcases Indian manufacturers, services and technologies. ‘The India Show’ has been organised in four African countries thus far - South Africa (2010), Ethiopia (2011), Tanzania (2013) and Nigeria (2015).

CII-EXIM Bank Conclave on India Africa Growth Partnership: CII has played a pivotal role in the transformation and diversification of India-Africa economic relations across the spectrum. The overarching focus of CII has been to complement the India-Africa economic and development partnership with Africa’s own vision of its resurgence that is articulated in the Africa Agenda 2063 and African Development Bank’s High 5s.

The annual CII-EXIM Bank Conclave on India Africa Project Partnership has emerged as the centrepiece of CII’s accelerated economic engagement with Africa. Sixteen editions of the Conclave have been organised in New Delhi since its inception in 2005.

CII has also factored in the diversity of the continent and singularity of each region by organising regional conclaves. So far, 15 regional conclaves have been hosted in African countries, including in Zambia, Ethiopia, Ghana, Mozambique, South Africa, Cote d’ Ivoire, Uganda, Senegal, Tanzania, Namibia, Nigeria and Egypt.

African nations have also participated strongly in CII’s flagship international investors’ meet, ‘The Partnership Summit’, organised annually in association with the Ministry of Commerce and Industry, Government of India.

CII organises regular visits for African industry and diplomats to large Indian enterprises and SMEs to give them direct exposure to the potential and capabilities of Brand India. Road shows are organised across India to introduce the visiting delegates to regional Indian industry members. These interlinked activities also help showcase various facets of Brand Africa.

CII has held Africa seminar series in Indian cities, such as, Chennai, Coimbatore, Tirupur, Kochi, Pune, Kolkata, Chandigarh, Ahmedabad, and Bengaluru to promote awareness of business opportunities in Africa.

Over the years CII has demonstrated strong leadership in engaging with Prime Ministers, Presidents, Ministers, Ambassadors, Ministers, Senior Government Officials, and Industry Leaders of all African countries. CII regularly organises interactive sessions with visiting dignitaries. The Third India Africa Forum Summit (IAFS-III), held in October 2015, saw CII organising business-focused meetings with the leaders of Nigeria, Gabon, Kenya, Mauritius, and Senegal. In 2019, CII organised business interactions with the leaders of South Africa and Seychelles and with other visiting delegations from African countries. In 2019, CII organised business interactions with the leaders of Mauritius and Zambia.

When the Covid-19 pandemic broke out in early 2020, bringing in its wake stringent restrictions on holding in-person meetings and conferences, the CII Africa division launched a series of virtual events that engaged senior government officials, diplomats, industry leaders, and different subject experts from India and Africa for knowledge exchange on key aspects of the India-Africa partnership. Digital events were organised all through 2020 and 2021 and focused on wide-ranging themes such as the impact of AfCFTA on doing business in Africa. India's engagement with different regions of Africa in countries like Uganda, Namibia, Zimbabwe, Kenya, Egypt, South Africa, Rwanda, Ghana, Cameroon, Ethiopia, Tanzania, etc. Some of the sector focused virtual events organised in 2021 were:

- i. India - Africa Agriculture and Food Processing Summit
- ii. 2nd India - Africa Higher Education and Skill Development Summit
- iii. 2nd CII Summit on Innovative - Financing Partnership with Africa

It has been the constant endeavour of CII to engage the political leadership, diplomats, bureaucracy, and business leaders in India and overseas to strengthen India's external trade and business ties.

Africa Growth Partnership' as it is an intrinsic part of India's "vision of a prosperous, integrated, and united Africa," and a part of liberating Africa's potential, as Prime Minister Narendra Modi said in his address to the Ugandan parliament in 2018 while outlining 10 principles of India's engagement with Africa.

The Conclave aims to serve as a platform for dialogues between India and the 16 Southern African countries, which are members of Southern African Development Community (SADC), to further strengthen the growth partnerships. The Conclave will give industry a chance to expand, deepen and diversify areas of engagement and encourage greater collaboration given the need to build resilient supply chains and increased dependence on international production networks. The Conclave will aim to strengthen India-Southern Africa cooperation in the key sectors and how this collaboration can help in realizing the vision of USD 150 bn investment and USD 200 bn trade between India and Africa by 2030.

The Conclave will have various rounds of interactions with Government officials of partner countries, multilateral institutions, business community, exporters, banks, Indian business diaspora, and other stakeholders, with a view to identify business, trade, and investment opportunities for Indian entrepreneurs. The Conclave will play a pivotal role in the formation of innovative ideas and strategies, for both Indian and Southern Africa businesses and Governments to take the South-South cooperation agenda forward.

Indian companies are already present across the African continent and there is a growing interest to develop a strong economic partnership focused on Southern Africa. Over the past several years, Indian companies have proven their excellence in multiple sectors and have developed a sustainable and proactive engagement with local economies, industry, and communities in Africa, bringing significant gains to both sides. The proposed FTA with SACU countries will help

in widening the scope for doing business across the region and provide the required impetus to achieve the vision of USD 200bn trade by 2030.

The two-day conclave will involve Business Conference, Exhibition, B2B meetings, Ministerial interactions, Networking Dinner, etc.

The Conclave steers India-Africa economic engagement based on Africa's needs and priorities, which is animated by the overarching objective of the continent's economic resurgence. "Our activities and initiatives are designed to respond to the needs of Africa and the priority of its people. It envisages co-capabilities and co-benefits while promoting local ownership. As a result, we see a unique level of trust that is even more valuable as we contemplate more challenges ahead," said India's External Affairs Minister, S. Jaishankar at the 16th conclave in 2021.

Additionally, Dr. S Jaishankar, Minister of External Affairs, Government of India has said that India promises to be Africa's most steadfast partner. India kept its supply lines open during the peak of the Covid-19 pandemic and ensured that critical supplies such as medicines and medical equipment reached countries in need in Africa.

Other Events & Engagements: African nations also participate strongly in CII's flagship international investors' meet, 'The Partnership Summit', organised annually in association with the Ministry of Commerce and Industry, Government of India.

CII organises regular visits for African industry and diplomats to large Indian enterprises and SMEs to give them direct exposure to the potential and capabilities of Brand India. Road shows are also organised across India to introduce the visiting delegates to regional Indian industry members. These interlinked activities also showcase various facets of Brand Africa.

CII has played a pivotal role in enhancing awareness of emerging opportunities in the African continent through its Africa seminar series, which have been held in various Indian cities, including Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Indore, Kochi, Kolkata, Pune and Tirupur.

Over the years CII has demonstrated strong leadership in engaging with Prime Ministers, Presidents, Ministers, Ambassadors, Ministers, Senior Government Officials, and Industry Leaders of all African countries.

CII regularly organises interactive sessions with visiting dignitaries. The Third India Africa Forum Summit, held in October 2015, saw CII organising business-focused meetings with the leaders of Nigeria, Gabon, Kenya, Mauritius, and Senegal.

In 2018, CII organised business interactions with the leaders of South Africa and Seychelles and with other visiting delegations from African countries. In 2019, CII organised business interactions with the leaders of Mauritius and Zambia.

It is the constant endeavour of CII to network with the political leadership, diplomats, bureaucracy, business leaders in India and overseas to strengthen India's external trade and business ties.

d. Policy and Multilateral Engagement

The CII Africa Desk organises and participates in multilateral business forums (such as BRICS Forum, IBSA Dialogue Forum, Africa Global Business Forum, World Economic Development Forum) to jointly discuss and strategise ways to strengthen South-South Cooperation. These Forums are attended by CEOs and senior officials from across the world to discuss issues that impact bilateral trade and investment flows. Issues and constraints such as tariff barriers, expediting visa applications, early finalization of Preferential Trade Agreement (PTA) and technology transfer are put forth for Government consideration. In some instances, Governments are urged to liberalize the norms and reduce duties.

A key forum organised by CII is the India-South Africa CEOs Forum. The Forum, launched by Mr. Jacob Zuma, then President of South Africa, during his visit to India in June 2010, held its first meeting in Johannesburg on 30 August 2010. The second, third and fourth meetings were held on 29 August 2011 in New Delhi, 8 July 2016 in Pretoria and 29 April 2018 in Johannesburg, South Africa, respectively.

Likewise, the CII-India Business Forum (IBF) has helped broaden Indian corporate participation in South Africa and Egypt. The IBF focuses on skill development, healthcare, job creation, and wealth creation and distribution as principal elements of bilateral partnerships.

With the growing importance of public health and enhanced prospects of collaboration in this crucial sector, CII has organised three editions of India Africa Health Forum so far.

The CII Africa Committee helm CII's Africa-focused engagements. The Committee (having both large and small enterprises as members) develops strategies to improve bilateral economic, industrial and trade relations, and addresses areas of concern while presenting recommendations and probable solutions for deeper bilateral engagements. The Committee also draws up new guidelines and checklists for various bilateral industrial cooperation activities. Besides, the Committee monitors the economic policies of Indian and African states and identifies the opportunities to scale up India's presence in the African markets and enhance Africa's presence in the burgeoning Indian market.

e. Core Focus Areas

On a broader plane, the CII Africa Committee drives bilateral partnerships in the following areas:

- Agriculture: Farm sector equipment, watershed management, Agro-processing, and Triple A technologies
- Pharmaceuticals & Healthcare: Bulk drugs manufacturing, tertiary hospitals
- IT/BPO & Telecom: Skills development, investments in telecom & IT/ITeS infrastructure development
- Power & Energy: Hydropower, alternative energy (wind & solar), power transmission, gas-based power generation plants
- Mining & Minerals: Equity in mines, setting up plants for captive raw material, JVs for mining

- Transportation: Commercial vehicles assembly plants, transportation systems and railways
- Infrastructure: Concessional lines of credit, private public participation (PPP) projects, trilateral partnerships for physical infrastructure development, investment norms
- SME Development: Capacity building, SME financing, incubators, innovations, marketing
- Skills Development: Manufacturing, infrastructure, agriculture, and services sector



**REGIONAL CONCLAVE ON
INDIA – SOUTHERN AFRICA
PROJECT PARTNERSHIP**

4. Regional Conclave on India – Southern Africa Project Partnership

Confederation of Indian Industry (CII) has planned the Regional Conclave on India – Southern Africa Project Partnership as an engagement with all SADC Member States. The SADC region has been a focus area for CII in the overall efforts to drive India's bilateral trade and investment ties with Africa.

The Regional Conclave will bring the key stakeholder groups from both regions to deliberate upon the opportunities for diversifying and expanding the bilateral trade and investment flows and address the issues that have caused a certain economic slowdown in the southern African region in recent years.

The Conclave will facilitate interactions between the Government officials of partner countries, multilateral institutions, business community, exporters, banks, Indian Diaspora, and other stakeholders, with a view to identifying the business, trade and investment opportunities for Indian entrepreneurs looking to establish and expand their business footprints in the region, in the context of the broader South-South Cooperation.

The Regional Conclave will have featured focused sessions on the following areas:

1. Promoting Innovative Financing Mechanism

With Southern African economies showing straightforward signs of economic recovery on the back of increasing exports, investment in trade supporting infrastructure and access to trade finance have taken on renewed significance. Lack of adequate trade finance acts as a significant non-tariff barrier to trade, which needs to be enhanced for the long-term economic development and structural transformation of the region. Thus, there is an increasing requirement for trade facilitation programmes, where DFIs, ECAs and Commercial Banks could collaborate to bridge the trade finance gap by extending credit enhancement and risk mitigation mechanisms. While India Exim Bank's flagship programmes such as Lines of Credit and Buyer's Credit under NEIA are playing an increasingly significant role in providing long-term export credit and financing development projects across Africa, and SADC region the Bank's newly launched Trade Assistance Programme (TAP) would further promote enhanced flow of trade among India and African economies. This session will explore various mechanisms of innovative financing to address constraints related to both long-term and short-term trade finance and finance for infrastructure development in Southern Africa.

2. Special Plenary on Trade

While the Southern African region has shown visible signs of economic revival and resilience, the economic potential of the region remains underleveraged due to policy and procedural constraints. Given enormous opportunities for trade and investment in the region, which have been boosted by the launch of the African Continental Free Trade Area Agreement (AfCFTA), it is imperative to forge sustained interactions between private enterprises, government and policy

makers of India and SADC countries to enhance economic partnership between the two sides, qualitatively and quantitatively. The B2G dialogue is crucial for resolving issues relating to the Ease of Doing Business in SADC countries. This session will explore how intensifying dialogue and consultations between industry and government can help open markets and unlock value in diverse sectors, including manufacturing, agriculture, energy, and services and generate recommendations on how Southern African countries can incentivize Indian investors by adopting relevant legislation and policies in their countries.

3. Manufacturing sector – Moving up the Value Chain

With post-pandemic economic recovery picking pace, Southern African countries are focusing on bolstering manufacturing and producing value-added goods. Given the potential of economies in the region, the governments are working on initiatives to improve the manufacturing sector's global competitiveness and increase its participation in regional and global markets. Many SADC countries like South Africa and Namibia already have well-established manufacturing apparatus but are looking for latest technologies and finance to further move up the value chain. In this quest of manufacturing resurgence, Southern African countries can enhance partnership with Indian companies and fast-track clearances for them to set up manufacturing facilities. The session will focus on increasing investment by Indian companies in promoting value-added manufacturing and explore innovative financing mechanisms, including debt funds, pensions funds, green and blue bonds for environment-sensitive projects, to facilitate greater Indian investment and encourage MSMEs in Manufacturing sector.

4. Harnessing Technology and explore collaborations in Services sector

Technologies and service sector are poised to be twin drivers of economic growth of the Southern African region. India has a sterling record in setting up IT centers in various SADC countries including South Africa, Namibia, Tanzania, a Technology Centre in Zimbabwe, and entrepreneurship centers in a few countries. India is also supporting SADC countries to bridge the digital divide through the second phase of the pan-Africa e-Network project – e-Vidya Bharati and e-Arogya Bharati Network Project. Besides technologies, there is enormous potential for enhancing collaboration between India and Southern Africa in the services sector. India's proven strengths in financial services, health services, legal and technical services can lead to better employment opportunities and contribute to development of the region. In this regard, the operationalization of SADC Protocol on Trade in Services (PTIS) in January this year has brilliant potential to accelerate the creation of a liberalized single services market by removing all trade barriers. The Session will discuss strategies for Indian companies to enhance supply of appropriate and cost-effective technologies to southern African countries. What role can Indian companies play in the development of digital economy in Southern African countries and potential for enhancing bilateral collaboration in fin-tech and financial services.

5. Agriculture and Food Processing – Unlock the growth potential

With more than 70 percent of the rural population depending on agriculture in Southern African countries, agriculture will continue to remain central to fostering economic growth and improving food security in the region. Due to its reliance on rain-fed agriculture, the SADC region is particularly vulnerable to climate change. To address the less-than-optimal performance in the

agriculture sector, India can forge sustainable partnership with the SADC region in agriculture and agri-businesses sector. Indian companies can help in strengthening of the value chains in areas of in-farm mechanization, irrigation, food processing technologies, inputs & nutrients, and agricultural research & development. This session will focus on how Indian companies and institutions can play a bigger role in the transformation and upgradation of agriculture in Southern Africa. This session will also focus on exploring innovative financing mechanisms like PPP (public private partnerships) for upgrading and modernizing agriculture in SADC countries.

6. Promoting partnerships in Mining, Beneficiation & Allied services

Southern Africa is one of the world's richest mineral-rich regions and is endowed with numerous resources such as gold, diamonds, coal, crude oil, natural gas, and minerals. Given the importance of mining in economies of SADC countries, Indian companies have a huge opportunity in enhancing their investment in this crucial sector. In the SADC region, Indian multi-national enterprises have ventured into both Greenfield and Brownfield investments in the mining sector. India's biggest independent, private-sector mining group Vedanta Resources has extensive mining projects across SADC and have a strong presence in Namibia, Zambia, and South Africa. India's Tata conglomerate is also involved in mining projects in Mozambique and Mauritius. Angola, being the third largest producer of diamonds in Africa, has sought Indian investment in diamond mining and processing. India and SADC countries need to work closely to develop policy prescriptions that incentivize the private sector to adopt technology and data solutions for managing vast amount of geological data for developing the mining sector. The Session will discuss the use of technologies in mining sector, sustainable mining practices and financing requirements for investment in the mining sector.

7. Infrastructure & Energy – Partnering for building Connectivity and Powering Growth Way Forward

Given the economic profile of countries in the region, Southern Africa is poised for transformation of infrastructure and energy development – the twin areas in which Indian companies have proven expertise. By focusing on greater regional interconnectedness, SADC countries can map new pathways of intra-region trade and investment in diverse areas. Going forward, energy generation and delivery will become increasingly crucial as the SADC region industrializes on its way to accelerating human development. Accelerating energy cooperation, particularly around clean and green energy, is the next frontier of strengthening ties between India and the region. India's growing renewable energy capacity has the potential to boost the continent's green growth significantly. Southern Africa is also critical to India's energy security as it is home to many oil-producing countries, including Angola, and countries with sizeable uranium reserves such as Namibia, South Africa, and Malawi. This session will explore how Indian companies, with their experience and expertise in providing cost-effective infrastructure and green energy solutions, can expand their presence in the dynamic Southern Africa region. The discussion will also focus on innovative financing mechanism and sustainable energy technologies to propel partnership in these sectors.



AFRICA: RECENT ECONOMIC PERFORMANCE

5. Africa: Recent Economic Performance¹

Africa is a region with enormous potential; a transitioning continent with rapid urbanization, growing working age population, growing income, and evolving consumption patterns. Despite these supporting factors, the continent is constrained by several structural factors. African economies are being tested in the recent times in the aftermath of the COVID-19 pandemic, which had crippled economies across the world through direct channels including health, reduced demand due to mobility restrictions and consequent disruption of global trade.

The economic impact of the COVID-19 pandemic on Africa has been severe, however, the continent is set to emerge from the recession. According to African Economic Outlook 2022, real gross domestic product (GDP) in Africa rebounded strongly in 2021, growing by 6.9 percent from a contraction of 1.6 percent in 2020 (**Table 1.1**). Africa's estimated real GDP growth in 2021 surpassed the world average and that of other regions. This rebound was supported by recovery in global demand, higher oil prices benefiting oil-exporting economies, easing of COVID-19 restrictions in most countries, and associated growth in domestic consumption and investment. Africa's real GDP growth is, however, expected to decelerate to 3.9 percent in 2022, reflecting receding base effects and uncertainties related to the persistence of the COVID-19 pandemic and the impact of the Russia–Ukraine conflict.

The 9.8 percent rebound in global trade in 2021 aided external demand of Africa's primary commodities, especially from its major trading partners. The rise in global trade lifted commodity prices from 2020 levels, especially prices of energy and metals. After undergoing a contraction of 7.5 percent in 2020, Africa's export volume is estimated to grow by 5.1 percent in 2021, followed by 1.4 percent in 2022 and 1.1 percent in 2023². Trade costs are expected to rise in the short run as a result of sanctions, export restrictions, energy costs and disruptions in transport due to COVID-19.

The sustained recovery has also reversed losses in real per capita GDP in 2020, with per capita income growing by 4.4 percent in 2021 after contracting by 4.1 percent in 2020³. Moreover, several African economies seized the opportunity of the pandemic induced crisis to embark on macroeconomic and structural reforms, which are crucial for ensuring an inclusive growth over the long run. There has also been a shift in focus from investment for the extraction and export of natural resources to people based and manufacturing-based investments such as telecommunications, retail, and services.

Africa's growth performance varies across regions and economic groupings, with North Africa⁴ being the most resilient region with growth of 11.7 percent in 2021. North Africa's strong recovery was attributed largely to Libya, on the back of a strong rebound in oil sector activities, following easing of the decade-long political impasse, which led to the lifting of the oil exports blockade in late 2020. Growth in North Africa is expected to decelerate to 4.5 percent in 2022, largely reflecting ebbing of base effects in countries such as Libya (3.5 percent) and Morocco (1.1 percent). Egypt,

¹ Prepared by India Exim Bank Research Team comprising Mr. David Sinate, Chief General Manager and Ms. Sara Joy, Chief Manager

² WTO Press Release, April 2022

³ African Economic Outlook 2022, AfDB

⁴ According to the AfDB classification, North Africa comprises Algeria, Egypt, Libya, Mauritania, Morocco, and Tunisia

supported by improved trade with the European Union, its largest trading partner is expected to grow by 5.9 percent, while Mauritania is expected to grow by 5 percent due to increased tourism. Higher oil prices will bolster the region's growth and benefit Algeria and Libya.

As regards East Africa⁵, robust agricultural output, sustained public investment in large infrastructure projects and increased economic integration cushioned the region from pandemic induced crisis in 2021. Real GDP of the region grew at an estimated 4.8 percent in 2021, followed by a growth of 4.7 percent in 2022. The economies driving East Africa's growth during 2021 were Rwanda, Djibouti, Ethiopia Kenya, and Tanzania.

In Central Africa⁶, the GDP has contracted by 2.7 percent in 2020 as a result of security challenges, curtailed international demand due to the pandemic and oil price volatility. The real GDP is estimated to grow by 3.4 percent in 2021 and is projected to rise to 4.6 percent in 2022. The rebound in growth is expected to have come from the completion of energy projects and the resumption of agricultural and mining activities and increased mineral prices. Growth in 2021 was driven by DR Congo, Equatorial Guinea, and Cameroon.

As regards West Africa⁷, average growth in the region stood at 4.3 percent in 2021 and is projected to remain strong at 4.1 percent. Growth in West Africa was driven largely by Nigeria, the region's largest economy (accounts for two third of Western Africa's GDP). Nigeria's economy grew by an estimated 3.6 percent in 2021 and is projected to expand by 3.4 percent in 2022, benefiting from high oil prices, recovery in services and manufacturing, and policy support in agriculture. Ghana and Côte d'Ivoire returned to a higher growth path, expanding by 4.2 percent and 6.5 percent, respectively, in 2021. West Africa is expected to benefit from its regional integration.

The Southern Africa region⁸ was the most affected by the pandemic, with the region contracting by 6.3 percent in 2020. The region recorded an estimated GDP growth of 4.2 percent in 2021. The economy of South Africa, the largest economy in the region, posted strong growth of 4.9 percent, the highest since 2007, reflecting large fiscal stimuli. Growth in 2021 in the Southern African region is estimated to be driven by increase in prices of commodities like crude oil, platinum, copper, and gold prices, improving export revenues in countries well-endowed with these resources. Growth in the Southern African region is expected to decelerate to 2.5 percent in 2022, especially as South Africa's economic growth is projected to moderate by 1.9 percent in 2022, which will lead to dampened growth in other countries within the region which supply inputs to the industrialised economy of South Africa. Botswana (12.5 percent), Zimbabwe (6.3 percent) and Mauritius (3.9 percent) were among the top-performing economies in 2021, with these countries are projected to grow strongly, by 4.3 percent, 3.5 percent, and 6.1 percent, in 2022. The recovery of growth in the region was driven largely by rising prices and global demand.

⁵ East Africa comprises Burundi, Comoros, Djibouti, Ethiopia, Eritrea, Kenya, Rwanda, Seychelles, Somalia, South Sudan, Sudan, Tanzania, Uganda.

⁶ Central Africa comprises Cameroon, Central African Republic, Chad, Republic of Congo, DR Congo, Equatorial Guinea, and Gabon

⁷ West Africa comprises Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo

⁸ Southern Africa comprises Angola, Botswana, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, São Tomé and Príncipe, South Africa, Zambia, and Zimbabwe

Apart from Libya, whose growth rate appears large due to lower base effect, the fastest growing economies during 2021 were Botswana, Rwanda, Seychelles, Kenya, Morocco, Burkina Faso, Cabo Verde, Benin, Côte d'Ivoire, Zimbabwe, Ethiopia, and Senegal with real GDP growth remaining above 6 percent.

According to the IMF, Africa's nominal GDP is estimated to rise to US\$ 2.7 trillion in 2021 and US\$ 3.0 trillion in 2022, from US\$ 2.4 trillion estimated in 2020. The top five economies of Africa – Nigeria, South Africa, Egypt, Algeria, and Morocco – accounted for 57.8 percent of the continent's cumulative GDP during 2021.

Table 1.1: Select Macroeconomic Indicators of African Countries

Country/ Region	GDP at Current Prices (US\$ bn)				Real GDP Growth (%)				Inflation (Avg, % change)			
	2020	2021 ^e	2022 ^e	2023 ^f	2020	2021 ^e	2022 ^e	2023 ^f	2020	2021 ^e	2022 ^e	2023 ^f
Africa	2403.6	2703.2	2973.0	3132.5	-1.6	6.9	4.1	-	10.8	13.0	13.5	-
Algeria	147.6	164.6	193.6	199.4	-4.9	4.0	2.4	2.4	2.4	7.2	8.7	8.2
Angola	58.3	74.5	124.9	133.3	-5.6	0.7	3.0	3.3	22.3	25.8	23.9	13.2
Benin	15.7	17.5	18.4	20.0	3.8	6.6	5.9	6.2	3.0	1.7	4.6	1.8
Botswana	14.9	17.8	18.4	19.8	-8.7	12.5	4.3	4.2	1.9	6.7	8.9	4.5
Burkina Faso	17.4	19.1	19.6	21.3	1.9	6.9	4.7	5.0	1.9	3.9	6.0	2.0
Burundi	3.1	3.3	3.4	3.7	0.3	2.4	3.6	4.6	7.3	8.3	9.2	6.5
Cabo Verde	1.7	1.9	2.0	2.2	-14.8	6.9	5.2	5.8	0.6	1.9	2.3	2.0
Cameroon	40.9	45.0	45.7	49.5	0.5	3.5	4.3	4.9	2.5	2.3	2.9	2.4
Central African Republic	2.4	2.6	2.6	2.9	1.0	1.0	3.5	3.7	0.9	4.3	4.0	3.6
Chad	10.7	11.8	12.9	13.5	-2.2	-1.1	3.3	3.5	4.5	-0.8	4.1	3.1
Comoros	1.2	1.3	1.3	1.4	-0.3	2.2	3.5	3.7	0.8	1.5	5.0	1.5
Côte d'Ivoire	61.4	69.8	73.0	80.3	2.0	6.5	6.0	6.7	2.4	4.2	5.5	2.3
DR Congo	48.7	57.1	64.8	71.5	1.7	5.7	6.4	6.9	11.4	9.0	6.4	6.1
Djibouti	3.4	3.6	3.8	4.2	1.0	4.0	3.0	5.0	1.8	1.2	3.8	4.3
Egypt	364.0	402.8	435.6	450.4	3.6	3.3	5.9	5.0	5.7	4.5	7.5	11.0
Equatorial Guinea	10.0	12.7	16.3	15.0	-4.9	-3.5	6.1	-2.9	4.8	-0.1	4.0	3.9
Eritrea	2.1	2.3	2.6	2.8	-0.6	2.9	4.7	3.6	4.8	4.5	6.2	3.5
Eswatini	4.0	4.7	4.6	4.9	-1.9	3.1	2.1	1.8	3.9	3.7	4.8	4.2
Ethiopia	96.6	99.3	105.3	116.2	6.1	6.3	3.8	5.7	20.4	26.8	34.5	30.5
Gabon	15.3	19.2	22.5	22.5	-1.9	0.9	2.7	3.4	1.3	1.1	2.9	2.6
Ghana	68.5	76.4	73.9	78.9	0.4	4.2	5.2	5.1	9.9	10.0	16.3	13.0
Guinea	15.3	17.6	21.0	22.9	6.4	4.2	4.8	5.8	10.6	12.6	12.7	12.3
Guinea-Bissau	1.5	1.6	1.7	1.8	1.5	3.8	3.8	4.5	1.5	3.3	4.0	3.0
Kenya	101.3	109.8	114.7	119.1	-0.3	7.2	5.7	5.3	5.3	6.1	7.2	7.1
Lesotho	2.1	2.5	2.6	2.7	-6.0	2.1	3.1	1.6	5.0	6.0	6.1	5.6
Liberia	3.0	3.5	3.8	4.1	-3.0	4.2	4.5	5.5	17.0	7.8	8.2	6.9

Libya	19.2	32.4	48.8	45.2	-59.7	177.3	3.5	4.4	2.8	3.7	3.7	2.4
Madagascar	13.1	14.2	14.6	15.2	-7.1	3.5	5.1	5.2	4.2	5.8	8.8	6.8
Malawi	11.8	12.2	12.0	11.3	0.9	2.2	2.7	4.3	8.6	9.3	10.7	7.1
Mali	17.5	19.2	19.3	21.2	-1.2	3.1	2.0	5.3	0.5	4.0	8.0	3.0
Mauritania	8.1	9.1	9.3	9.7	-1.8	3.0	5.0	4.4	2.3	3.8	4.9	4.0
Mauritius	10.9	11.1	11.3	12.5	-14.9	3.9	6.1	5.6	2.5	4.0	8.4	5.7
Morocco	114.7	131.5	133.1	143.0	-6.3	7.2	1.1	4.6	0.6	1.4	4.4	2.3
Mozambique	14.0	16.1	18.1	19.5	-1.2	2.2	3.8	5.0	3.1	5.7	8.5	7.7
Namibia	10.6	12.3	13.0	14.2	-8.5	0.9	2.8	3.7	2.2	3.6	5.5	4.6
Niger	13.8	15.0	15.6	17.3	3.6	1.3	6.9	7.2	2.9	3.8	5.0	3.0
Nigeria	429.4	441.5	510.6	580.1	-1.8	3.6	3.4	3.1	13.2	17.0	16.1	13.1
Republic of Congo	10.3	12.8	16.0	15.6	-8.1	-0.2	2.4	2.7	1.4	2.0	2.7	3.0
Rwanda	10.3	11.1	12.1	13.2	-3.4	10.2	6.4	7.4	7.7	0.8	8.0	7.0
São Tomé and Príncipe	0.5	0.5	0.5	0.6	3.0	1.8	1.6	2.8	9.8	8.1	14.5	9.2
Senegal	24.5	27.6	28.4	32.1	1.3	6.1	5.0	9.2	2.5	2.2	3.0	2.2
Seychelles	1.2	1.5	1.8	1.8	-7.7	8.0	4.6	5.6	1.2	9.8	5.6	1.6
Sierra Leone	4.1	4.2	4.3	4.3	-2.0	3.2	3.4	4.3	13.4	11.9	17.3	14.5
Somalia	7.0	7.4	8.5	9.2	-0.3	2.0	3.0	3.6	4.3	4.6	9.4	3.6
South Africa	335.3	418.0	426.2	447.7	-6.4	4.9	1.9	1.4	3.3	4.5	5.7	4.6
South Sudan	6.7	5.2	5.7	10.8	-6.6	5.3	6.5	5.6	24.0	5.3	16.0	15.0
Sudan	34.4	35.2	31.5	33.2	-3.6	0.5	0.3	3.9	163.3	359.1	245.1	111.4
Tanzania	64.4	70.3	77.5	86.2	4.8	4.9	4.8	5.2	3.3	3.7	4.4	5.4
The Gambia	1.8	2.0	2.2	2.3	-0.2	5.6	5.6	6.2	5.9	7.4	8.0	8.0
Togo	7.6	8.4	8.7	9.5	1.8	5.1	5.6	6.2	1.8	4.3	4.6	2.0
Tunisia	42.5	46.5	45.6	-	-9.3	3.1	2.2	-	5.6	5.7	7.7	-
Uganda	37.4	42.5	46.4	50.1	-1.4	5.1	4.9	6.5	2.8	2.2	6.1	4.1
Zambia	18.1	20.8	26.7	27.7	-2.8	4.3	3.1	3.6	15.7	20.5	15.7	9.2
Zimbabwe	23.1	32.6	36.4	34.7	-5.3	6.3	3.5	3.0	557.2	98.5	86.7	46.5

Note: ° estimates; ¹ forecast; - not available

Source: IMF, WEO April 2022; and India Exim Bank Analysis

However, continued impediments to international travel and tourism are contributing to persistent weakness in services. Though international travel has recovered from its April 2020 low, it has stabilized far below pre-pandemic levels as uncertainty regarding the spread of the virus persists. According to the United Nations World Tourism Organisation, tourist arrivals in Africa remained 68 percent lower in 2020 and 73 percent lower in 2021 as compared to 2019 levels. Fast-tracking vaccination programs in Africa could help countries ease travel restrictions and increase tourism revenue.

Africa's economic growth outlook is subject to significant risks due to the uneven global recovery hindered by variants of COVID-19 across Europe and China and geo-political tensions resulting from the Russia-Ukraine conflict. This has resulted in doubling of crude oil prices from US\$ 69.4/bbl in 2021 to US\$ 112.4/bbl by March 2022, which is expected to boost export revenue growth in oil producing countries. However, supply chain disruptions, rising costs of transport and higher global food and fertiliser prices are expected push up the inflation further across Africa, limiting the economic recovery. In such a challenging global trade scenario, Africa's growth can be insulated by the effective implementation of the African Continental Free Trade Area (AfCFTA) agreement, with a market of more than 1.3 billion people, through sustainable export diversification by leveraging intra-regional trade.

6. Recent Trends in Africa's Foreign Trade and Investment: An Overview

A large domestic market, rich natural resources, and continuous efforts to strengthen regional integration by way of AfCFTA offer significant opportunities for Africa to facilitate trade and enhance its position in the global trade scenario. Economic activity in Africa is recovering from the unprecedented pandemic, though at a modest pace. A boom in commodity prices may provide much required fiscal space by generating higher export revenues. However, as economic uncertainty continues to prevail, external demand and global investments continue to remain subdued.

The AfCFTA, which was to come into effect from July 1, 2020, got delayed on account of the pandemic, and came into force on January 1, 2021. As of May 2022, 43 of the 54 signatories (80 percent) have deposited their instruments of the AfCFTA ratification. Being the world's largest free trade area, AfCFTA is expected to ultimately result in a liberalized single market for goods and services, aided by easy movement of people and capital, boosting intra-African production, consumption, and exports. As per the World Bank, potentially, the full implementation of the AfCFTA could boost Africa's income by 7 percent or US\$ 450 billion, speed up wage growth for women, and lift 30 million people out of extreme poverty by 2035.⁹

Africa's total trade increased by 23.7 percent in 2021 to US\$ 1.1 trillion from US\$ 903.9 billion in 2020, driven by recovery in global commodity prices and external demand (**Chart 2.1**). Africa's share in global trade has, however, declined from 2.6 percent in 2020 to 2.5 percent in 2021.

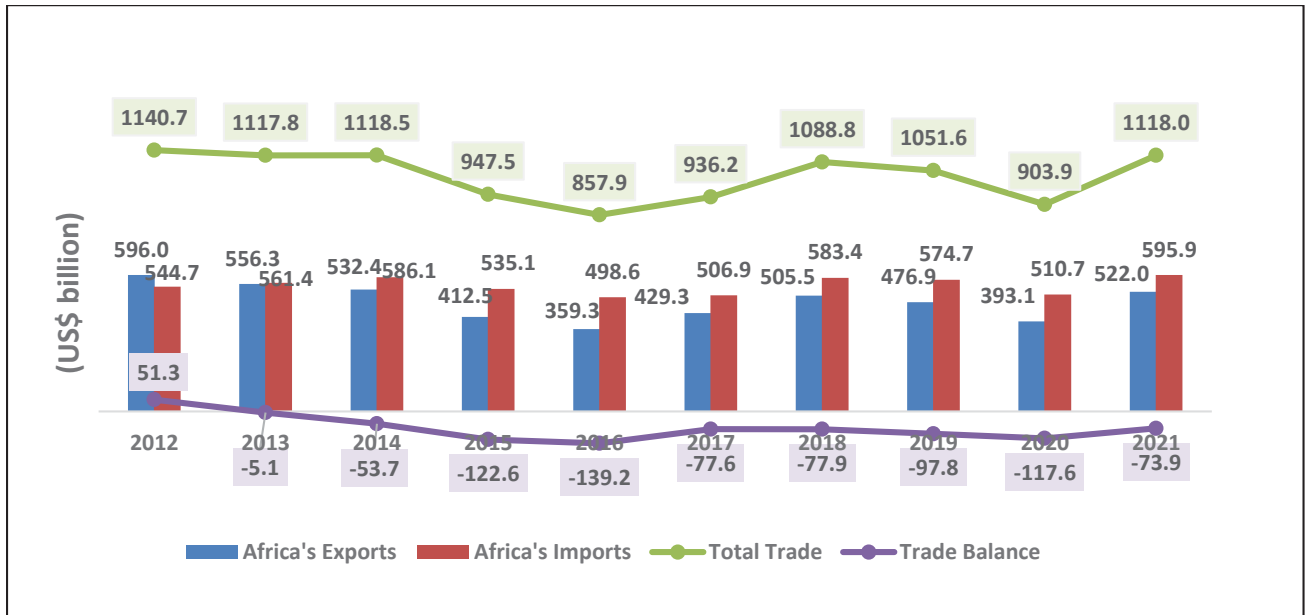
Africa's total merchandise exports increased by 32.8 percent from US\$ 393.1 billion in 2020 to be at US\$ 522 billion in 2021. Imports also increased by 16.7 percent to US\$ 595.9 billion in 2021 as compared to US\$ 510.7 billion in the previous year. Accordingly, Africa's share in global exports increased to 2.4 percent in 2021, as compared to 2.2 percent in 2020. Africa has been witnessing a consistent decline in its share in global exports since 2011 when the share stood at 3.2 percent. The share of Africa in global imports declined from 2.9 percent in 2020 to 2.7 percent in 2021. Supported by large growth in exports compared to imports, the continent's trade deficit has narrowed to US\$ 73.9 billion in 2021, from US\$ 117.6 billion in the previous year.

According to the World Trade Organisation (WTO)'s estimates released in April 2022; Africa's global merchandise exports volume growth would moderate to 1.4 percent in 2022 after growing by 5.1 percent in 2021. Africa's global imports volume growth is expected to moderate to 2.5 percent in 2022 after growing by 4.2 percent in 2021¹⁰.

⁹ The African Continental Free Trade Area Economic and Distributional Effects, The World Bank Group, 2020

¹⁰ WTO Press Release, April 2022

Chart 2.1: Africa's Foreign Trade, 2012-2021



Source: ITC Trade Map; and India Exim Bank Analysis

Africa – Major Exporters

South Africa, Nigeria, Egypt, Algeria, Morocco, and Angola are the largest exporters in Africa, together accounting for as much as 61.3 percent of Africa's total exports in 2021. Other major exporters from the region include Libya, Tunisia, DR Congo, Ghana, and Côte d'Ivoire.

Africa – Major Importers

As regards imports, South Africa, Egypt, Morocco, Nigeria, and Algeria are the leading importers in Africa, which together accounted for 52.7 percent of Africa's total imports in 2021. Other major importers in Africa during the year include Tunisia, Ghana, Kenya, Liberia, Libya, and Ethiopia.

Africa – Major Export Items

Mineral fuels continue to be the largest export item from Africa, accounting for 36.2 percent of Africa's total exports in 2021, reflecting the significant share of petroleum crude exports from Africa. Mineral fuels witnessed increase in its share compared to 28.3 percent in 2020 due to rise in international crude oil prices fuelled by recovering global demand. Other major items of export from Africa during the same year include pearls and precious stones, ores and slag, copper and its articles, vehicles other than railway and tramway, and electrical and electronic equipment.

- **Africa's Crude Petroleum Exports (HS-2709)**

Nigeria, Libya, Angola, and Algeria are among the leading global exporters of crude oil, with a combined share of 12.3 percent of the global crude petroleum exports and 81.6 percent of Africa's crude petroleum exports in 2021.

Africa's export of crude petroleum stood at US\$ 127.3 billion in 2021, increasing from US\$ 75.2 billion in 2020. Crude oil prices significantly influence crude petroleum exports from Africa.

Africa – Major Import Items

Africa’s import basket is relatively diversified compared to its exports. Minerals fuels, mainly dominated by petroleum oils, not crude (14.6 percent of Africa’s imports) and machinery and mechanical appliances (10.2 percent of Africa’s imports) were the two largest import items in 2021, followed by electrical machinery and equipment, vehicles other than railway and tramway, cereals, plastics and its articles, pharmaceutical products, and iron and steel.

Africa – Major Export Destinations

China was the major export destination for Africa, accounting for 14.2 percent of Africa’s total exports in 2021. China surpassed USA to become the largest destination for Africa’s exports in 2012. India was the second-largest export market for Africa in 2021 (accounting for 6.3 percent of Africa’s total exports), a position it retained from 2017. Other major destinations for Africa’s exports in 2021 include Spain (5.9 percent of Africa’s total exports), USA (5.8 percent), Italy (5.4 percent) and France (5.4 percent).

Africa – Major Import Markets

As regards imports, while western countries such as USA, France, and Germany remained major sources for Africa’s global imports, China emerged as the leading supplier to Africa, accounting for as much as 19.5 percent of Africa’s total imports in 2021. India emerged as the second largest import source in 2021, accounting for 5.7 percent of Africa’s global imports. Other major sources for Africa’s imports in 2021 include USA (4.7 percent of Africa’s total imports), France (4.6 percent), and South Africa (4.2 percent).

Africa’s Trade – Way Forward

In order to ensure post-Covid recovery, African economies need to diversify their exports. Reliance on a narrow range of export products tends to amplify the impact of external shocks in Africa. A regional approach through the AfCFTA will not only make it easier to remove these roadblocks but also unleash the potential of a large single market. To ensure sustainable growth and to insulate from future shocks, developing resilient value chains is of utmost importance. Further, the implementation of the AfCFTA is expected to provide further opportunity for African businesses to establish new network of businesses across Africa, while tapping the rapidly growing markets in the continent.

Foreign Direct Investment Flows in Africa¹¹

Foreign Direct Investment (FDI) flows to Africa reached record levels in 2021 increasing by 113.1 percent to US\$ 83 billion from US\$ 39 billion in 2020, accounting for 5.2 percent of global FDI. The share of Africa in the FDI inflows of developing economies increased from 6.0 percent in 2020 to 9.9 percent in 2021 (Table 2.1). The number of international projects in renewables in Africa doubled between 2011 and 2021, from 36 to 71, including several megaprojects such as the power-to-x project for the construction of a 30 GW hydrogen plant in Mauritania (estimated at US\$ 40 billion).

¹¹ Source: UNCTADstat and World Investment Report 2022, UNCTAD

Most recipients saw a moderate rise in FDI after the fall in 2020 caused by the pandemic. The total for the continent was inflated by a single intra-firm financial transaction in South Africa in the second half of 2021. Excluding that transaction, the increase in Africa is moderate, more in line with other developing regions. Southern Africa, East Africa and West Africa saw their flows rise; Central Africa remained flat and North Africa declined.

FDI flows to North Africa fell by 5 percent to US\$ 9.3 billion in 2021. FDI inflows to Egypt dropped by 12 percent as large investments in exploration and production agreements in extractive industries were not repeated. Despite the decline, the country was the second largest host of FDI in the continent with total FDI inflow of US\$ 5.1 billion in 2021. Flows to Morocco rose by 52 percent to US\$ 2.2 billion in 2021 as a large international project finance deal worth US\$ 20 billion was announced for the construction of a 3,800 km transmission line to the United Kingdom with 3.6 GW of capacity, sponsored by Xlinks (United Kingdom).

FDI in West Africa increased by 48 percent to US\$ 14 billion in 2021. Nigeria's FDI inflows doubled to US\$ 4.8 billion in 2021, mainly because of the resurgence in oil investment and expansion in gas. FDI flows to Ghana rose by 39 percent to US\$ 2.6 billion, again mainly owing to projects in extractive industries; for example, the construction of an US\$ 850 million gold mining facility by Newmont Corp (USA) and the construction of a cement factory by Ciment d'Afrique (CIMAF) (Morocco) for US\$ 436 million.

FDI to East Africa grew by 35 percent to US\$ 8.2 billion in 2021. FDI inflows to Ethiopia reached US\$ 4.3 billion with 80 percent of the projects in renewables. Chinese investments tripled in 2021 as Ethiopia remains a central hub for China's Belt and Road Initiative. Uganda saw its FDI rise by 31 percent to US\$ 1.1 billion. FDI to Tanzania rose by 35 percent to US\$ 922 million, and new greenfield project announcements tripled in value in the country.

FDI inflows to Central Africa remained stable at US\$ 9.4 billion in 2021. FDI to DR Congo rose by 14 percent to US\$ 1.9 billion, with investment remaining buoyant because of flows in offshore oil fields and mining.

FDI inflows to Southern Africa jumped to US\$ 42 billion in 2021 due to a large corporate reconfiguration in South Africa – a share exchange between Naspers and Prosus in the third quarter of 2021. Despite the overall positive FDI trend on the continent, total greenfield announcements remained limited at US\$ 39 billion, showing only a modest recovery from the low of US\$ 32 billion in 2020 (down from US\$ 77 billion in 2019).

In contrast, international project finance deals targeting Africa showed a rise of 26 percent in number (to 116) and a resurgence in value to US\$ 121 billion (compared to US\$ 36 billion in 2020). The rise was supported by strong investments by multilateral finance and capital market investors targeting power (US\$ 56 billion) and renewables (US\$ 26 billion). European investors remain by far the largest holders of foreign assets in Africa, led by the United Kingdom (US\$ 65 billion) and France (US\$ 60 billion).

Table 2.1: Africa's Foreign Investment Inflows, 2012-2021 (US\$ million)

Region/ Country	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Africa	57086.8	50637.1	54497.6	57922.1	46249.9	40176.0	45384.2	45678.1	38952.2	82990.5
South Africa	4558.8	8300.1	5770.7	1729.4	2235.0	2008.4	5449.6	5125.0	3062.3	40888.8
Egypt	6031.0	4256.0	4612.0	6925.2	8106.8	7408.7	8141.3	9010.0	5851.8	5122.0
Mozambique	5629.4	6175.1	4901.8	3866.8	3093.4	2293.1	2703.0	2211.7	3034.6	5101.7
Nigeria	7127.4	5608.5	4693.8	3064.2	3453.3	2413.0	775.2	2305.1	2385.3	4844.3
Ethiopia	278.6	1343.9	1855.1	2626.5	4142.9	4017.1	3310.3	2548.8	2381.0	4259.4
Congo	-282.8	609.4	1659.5	3803.3	1611.6	4417.0	4315.3	3366.1	4015.5	3690.8
Ghana	3293.4	3226.3	3357.0	3192.3	3485.3	3255.0	2989.0	2827.0	1875.8	2613.8
Senegal	276.2	311.4	403.1	409.2	472.4	588.3	847.8	1065.5	1845.7	2231.9
Morocco	2728.4	3298.1	3561.0	3254.8	2157.1	2686.0	3558.9	1720.0	1419.2	2153.3
DR Congo	3312.1	2098.2	1843.2	1673.5	1204.7	1340.2	1616.8	1488.1	1646.9	1870.0

Source: UNCTADstat; and India Exim Bank Analysis

FDI outflows from Africa increased to US\$ 2.7 billion in 2021, from (-) US\$ 622.5 million in 2020. However, it remained below the pre-pandemic level of US\$ 4.9 billion in 2019. The highest outflows were from Nigeria and Morocco and directed to other African countries (**Table 2.2**).

Given a modest GDP growth rate and a slow vaccine roll-out programme, investment recovery in Africa is likely to lag behind the rest of the world. In the long run, however, Europe's quest for alternative energy sources may benefit Africa, leading to higher investments, especially in oil and gas producing countries. Other sectors benefiting could be fertilisers producing countries like Morocco and Egypt and palladium producer like South Africa. South Africa is the largest producer of palladium after Russia and is expected to receive increased investments in the sector as it remains a critical input for automobile and electronics.

Table 2.2: Africa's Foreign Investment Outflows, 2012-2021

(US\$ million)

Region/ Country	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Africa	10500.8	11002.1	10531.4	9548.8	8425.1	11813.3	8189.3	4914.1	-622.5	2653.1
Nigeria	1542.6	1237.5	1614.3	1435.2	335.5	310.8	565.6	285.3	-338.0	1236.5
Morocco	406.1	332.0	436.3	653.3	579.7	1020.9	782.1	893.0	458.4	506.3
Côte d'Ivoire	14.3	-6.4	16.2	14.4	28.7	676.0	144.7	119.5	1.3	489.9
Egypt	211.1	301.0	252.7	181.7	206.6	199.0	323.5	405.0	326.5	367.0
Togo	420.3	-20.7	359.0	348.7	257.0	-32.6	70.2	42.8	-112.3	224.9
Senegal	56.0	33.3	27.5	31.4	223.9	82.4	52.8	71.1	99.2	217.2
Mozambique	8.9	522.3	97.0	1.5	34.7	26.0	-25.3	-30.9	153.4	193.7
DR Congo	420.5	400.7	343.6	507.8	272.3	292.2	209.2	133.9	148.8	192.4
Ghana	1.1	8.8	11.8	221.4	14.7	15.9	81.0	587.8	542.4	191.8
Madagascar	36.4	15.6	36.8	81.9	89.7	106.0	117.9	101.6	119.1	115.3

Source: UNCTADstat; and India Exim Bank Analysis

The negotiations on investment of the AfCFTA commenced in March 2021, and subsequent rounds of discussions started in March 2022. The AfCFTA Protocol on Investment will aim at promoting, facilitating, and protecting intra-African investment that fosters sustainable development while safeguarding the State Parties' right to regulate.

7. Regional Trade Agreements in Africa

Since the early 1990s, many countries in Africa have made significant progress in opening up their economies to external competition through trade and exchange rate liberalisation. At the same time, with creation or expansion of a number of important Regional Trading Agreements (RTA) in other parts of the world, there has been a revival of interest among policy makers in Africa for regional integration, resulting in the establishment or renewal of such arrangements in the region.

Select intra-regional trading agreements in Africa that have been notified to the WTO include:

- **Common Market for Eastern and Southern Africa (COMESA)** - Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe
- **East African Community (EAC)** – Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda
- **Economic Community of West African States (ECOWAS)** - Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo
- **Economic and Monetary Community of Central Africa (CEMAC)** - Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon and Republic of Congo
- **Southern African Customs Union (SACU)** - Botswana, Eswatini, Lesotho, Namibia, and South Africa
- **Southern African Development Community (SADC)** - Angola, Botswana, Comoros, DR Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe
- **West African Economic and Monetary Union (WAEMU/UEMOA)** - Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo.

These trading arrangements are envisaged to foster trade and investment relations amongst member countries by removal or lowering of tariffs and other impediments to intra-regional trade flows. In some cases, the arrangement also aims at fostering common economic and monetary union amongst member states, as also a common currency.

The **African Continental Free Trade Area (AfCFTA)** agreement, signed in Kigali, Rwanda, on March 21, 2018, presently has 54 African States (except Eritrea) as signatories. The AfCFTA is the largest in the world in terms of participating countries since the formation of the World Trade Organization. The AfCFTA agreement entered into force on May 30, 2019, after the treaty was ratified by 22 countries – the minimum number required by the treaty. On account of the outbreak of COVID-19 the operationalisation of trade under the AfCFTA was delayed and has commenced on January 1, 2021. An outcome of Africa's continued efforts towards economic integration, the AfCFTA aims at accelerating intra-African trade and boosting Africa's trading position in the

global market by strengthening Africa's common voice and policy space in global trade negotiations. So far, 43 of the 54 signatories (80 percent) have deposited their instruments of the AfCFTA ratification - Ghana, Kenya, Rwanda, Niger, Chad, Eswatini, Guinea, Côte d'Ivoire, Mali, Namibia, South Africa, Congo Republic, Djibouti, Mauritania, Uganda, Senegal, Togo, Egypt, Ethiopia, Gambia, Sahrawi Republic, Sierra Leone, Zimbabwe, Burkina Faso, São Tomé & Príncipe, Equatorial Guinea, Gabon, Mauritius, Central African Republic, Angola, Lesotho, Tunisia, Cameroon, Nigeria, Malawi, Zambia, Algeria, Burundi, Seychelles, Tanzania, Cabo Verde, DR Congo and Morocco.

8. India-Africa Trade Relations

India and Africa share a very special relation that is multidimensional and has been driven by its people, trade, and ideas. It has constantly evolved overtime. Initially, India-Africa bilateral trade, mainly catered to the rising demand for natural resources from the Indian side. Gradually, India enhanced its scope of economic cooperation with Africa.

With a view to facilitate and further enhance bilateral trade and commercial relations with countries in Africa, India put in place important policy measures as also institutional frameworks to create an enabling trade and business environment. Major policy initiatives and institutional frameworks include, among others, Focus Africa Programme, India's Duty-Free Tariff Preference Scheme for Least Developed Countries (DFTP-LDC), e-Vidya Bharti (Tele-education) and e-Arogya Bharti (Tele-medicine) Project (e-VBAB), IBSA Initiative, Interbank Cooperation Mechanism among BRICS members, and India-Africa Forum Summit, among others.

India's total trade with Africa grew from US\$ 68.6 billion in 2011-12 to US\$ 89.6 billion in 2021-22, recording the highest ever level witnessed by both regions (**Table 4.1**). In line with the global trends, India's trade with Africa moderated in 2020-21, however, trade rebounded in 2021-22, growing by 60.1 percent. India's exports to Africa in 2021-22 was US\$ 40.3 billion as compared to US\$ 27.8 billion in 2020-21 (y-o-y growth of 45 percent) and US\$ 24.7 billion in 2011-12. India's imports were to the tune of US\$ 49.3 billion in 2021-22, as compared to US\$ 28.2 billion in 2020-21 (y-o-y growth of 75.0 percent) and US\$ 43.9 billion in 2011-12.

While India's exports to Africa accounted for 9.5 percent share in India's total exports in 2021-22, India's imports from Africa accounted for 8.0 percent share in India's total imports. India has a negative trade balance with Africa. India's trade deficit with the region stood at US\$ 9.1 billion in 2021-22, as compared to US\$ 0.4 billion in 2020-21, and US\$ 19.2 billion in 2011-12.

Table 4.1: India's Trade with Africa

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	-12	-13	-14	-15	-16	-17	-18	-19	-20	-21	-22
India's Exports to Africa (US\$ bn)	24.7	29.2	31.2	32.9	25.0	23.1	24.9	28.6	29.0	27.8	40.3
Africa's Share in India's Exports (%)	8.1%	9.7%	9.9%	10.6%	9.5%	8.4%	8.2%	8.7%	9.3%	9.5%	9.5%
India's Imports from Africa (US\$ bn)	43.9	41.1	36.6	38.9	31.8	28.9	37.9	41.2	37.7	28.2	49.3
Africa's Share in India's Imports (%)	9.0%	8.4%	8.1%	8.7%	8.4%	7.5%	8.1%	8.0%	7.9%	7.1%	8.0%
India's Total Trade with Africa (US\$ bn)	68.6	70.3	67.8	71.8	56.8	52.0	62.8	69.8	66.7	56.0	89.6
India's Trade Balance with Africa (US\$ bn)	-19.2	-11.9	-5.4	-6.0	-6.8	-5.8	-13.0	-12.6	-8.7	-0.4	-9.1

Source: Ministry of Commerce and Industry (MOCI), Government of India; and India Exim Bank Analysis

Major Export Partners

In 2021-22, South Africa remained the leading destination for India's exports to Africa, accounting for 15.1 percent of India's exports to the region. Other major export destinations include Nigeria, Egypt, Togo, and Kenya. Trends in India's exports to major markets in Africa are shown in the **Table 4.2**.

Table 4.2: India's Major Export Destinations in Africa

Region/ Countries	2011-12 (US\$ mn)	2021-22 (US\$ mn)	Share in India's Exports to Africa in 2021-22 (%)	Share in India's Global Exports in 2021-22* (%)
Africa	24,705.8	40,262.5	100.0	9.5
South Africa	4,731.2	6,085.3	15.1	1.4
Nigeria	2,702.0	4,663.2	11.6	1.1
Egypt	2,421.9	3,743.9	9.3	0.9
Togo	355.0	3,012.1	7.5	0.7
Kenya	2,277.5	2,631.9	6.5	0.6
Tanzania	1,614.7	2,300.9	5.7	0.5
Mozambique	533.4	1,975.8	4.9	0.5
Ghana	800.4	1,109.5	2.8	0.3
Sudan	717.4	1,077.3	2.7	0.3
Morocco	372.1	962.3	2.4	0.2
Senegal	365.1	953.6	2.4	0.2
Somalia	144.7	744.6	1.8	0.2
Côte d'Ivoire	282.5	728.6	1.8	0.2
Benin	654.7	716.4	1.8	0.2
Mauritius	1,400.5	714.9	1.8	0.2

Note: Including Eritrea and South Sudan; * India's global exports in 2021-22 stood at US\$ 422,004.4 million

Source: Ministry of Commerce and Industry (MOCI), Government of India; and India Exim Bank Analysis

Major Import Partners

As regards India's imports from Africa, South Africa dominated with a significant share of 22.2 percent of India's imports from the continent during 2021-22, followed by Nigeria, Guinea, Egypt, Angola, Tanzania, and Morocco (**Table 4.3**).

Table 4.3: India's Major Import Sources from Africa

Region/ Countries	2011-12 (US\$ mn)	2021-22 (US\$ mn)	Share in India's Imports from Africa in 2021-22 (%)	Share in India's Global Imports in 2021-22* (%)
Africa	43,869.3	49,321.1	100.0	8.0
South Africa	10,971.8	10,965.8	22.2	1.8
Nigeria	14,757.8	10,291.6	20.9	1.7
Guinea	262.2	3,616.6	7.3	0.6
Egypt	3,002.4	3,520.8	7.1	0.6
Angola	6,625.1	2,725.1	5.5	0.4
Tanzania	239.7	2,279.2	4.6	0.4
Morocco	1,658.5	2,244.2	4.6	0.4
Mozambique	101.5	1,879.5	3.8	0.3
Ghana	341.0	1,497.8	3.0	0.2
Congo P Republic	257.5	1,309.7	2.7	0.2
Gabon	146.6	1,070.5	2.2	0.2
Algeria	2,111.4	1,004.2	2.0	0.2
Equatorial Guinea	206.0	885.6	1.8	0.1
Cameroon	523.2	806.4	1.6	0.1
Senegal	84.1	696.2	1.4	0.1

Note: Including Eritrea and South Sudan; * India's global imports in 2021-22 stood at US\$ 613,052.0 million

Source: Ministry of Commerce and Industry (MOCI), Government of India; and India Exim Bank Analysis

Major Traded Items

Exports

Petroleum products are the largest items in India's export basket to Africa, contributing 21.5 percent to India's total exports to Africa during 2021-22. Other important items of exports to Africa in 2021-22 include vehicles other than railway or tramway, pharmaceuticals products, cereals, machinery, plastics and its articles, iron and steel, and sugar (**Table 4.4**).

The importance of Africa as India's export destination can be assessed from the fact that Africa accounted for 9.5 percent of India's global exports in 2021-22. Of which, India's export of mineral fuels, mineral oils and its products (mainly petroleum oils), itself accounts for 2.1 percent.

Table 4.4: India's Major Export Items to Africa

Commodity	2011-12 (US\$ mn)	2021-22 (US\$ mn)	Share in India's Exports to Africa in 2021-22 (%)	Share in India's Global Exports in 2021-22* (%)
Total	24,705.8	40,262.5	100.0	9.5
Mineral fuels, mineral oils and products	5,521.6	8,667.9	21.5	2.1
Vehicles other than railway or tramway	2,365.8	4,178.9	10.4	1.0
Pharmaceutical products	2,028.8	3,783.5	9.4	0.9
Cereals	1,171.7	3,414.7	8.5	0.8
Machinery and mechanical appliances	1,392.7	2,373.8	5.9	0.6
Plastic and its articles	749.7	1,509.8	3.7	0.4
Iron and steel	899.1	1,422.7	3.5	0.3
Sugars and sugar confectionery	670.7	1,410.5	3.5	0.3
Electrical Machinery and equipment	1,515.3	1,329.8	3.3	0.3
Cotton	822.0	1,078.9	2.7	0.3
Organic chemicals	450.2	920.9	2.3	0.2
Meat and edible meat offal	530.6	849.2	2.1	0.2
Articles of iron or steel	793.9	639.6	1.6	0.2
Miscellaneous chemical products	225.1	604.7	1.5	0.1
Paper, paperboard, articles of paper pulp	229.9	551.8	1.4	0.1

Note: Including Eritrea and South Sudan; * India's global exports in 2021-22 stood at US\$ 422,004.4 million

Source: Ministry of Commerce and Industry (MOCI), Government of India; and India Exim Bank Analysis

Imports

Table 4.5 highlights the major items imported by India from Africa. As is evident, mineral fuels, mineral oils and its products (mainly crude) accounted for almost half of India's total imports from Africa during 2021-22. Other major imports from Africa include natural or cultured pearls, precious or semiprecious stones, copper and articles, fertilisers, inorganic chemicals, ores, slag and ash, and edible fruit and nuts.

Table 4.5: India's Major Import Items from Africa

Commodity	2011-12 (US\$ mn)	2021-22 (US\$ mn)	Share in India's Imports from Africa 2021-22 (%)	Share in India's Global Imports in 2021-22* (%)
Total	43,869.3	49,321.1	100.0	8.0
Mineral fuels, mineral oils and its products	29,281.9	24,271.8	49.2	4.0
Pearls, precious or semiprecious stones	7,789.5	10,757.4	21.8	1.8
Copper and its articles	240.4	2,087.8	4.2	0.3
Fertilisers	490.0	2,083.3	4.2	0.3
Inorganic chemicals	1,423.3	1,826.9	3.7	0.3
Ores, slag and ash	497.3	1,294.8	2.6	0.2
Edible fruit and nuts	1,056.2	1,269.1	2.6	0.2
Salt; sulphur; earths and stone	589.2	842.0	1.7	0.1
Edible vegetables, certain roots and tubers	141.1	765.4	1.6	0.1
Oilseeds	47.1	620.0	1.3	0.1
Ships, boats and floating structures	5.5	567.8	1.2	0.1
Pulp of wood or of other fibrous material	82.5	412.9	0.8	0.1
Iron and steel	755.4	320.6	0.7	0.1
Wood and its articles	220.4	273.5	0.6	0.04
Aluminium and articles	245.9	200.0	0.4	0.03

Note: Including Eritrea and South Sudan; * India's global imports in 2021-22 stood at US\$ 613,052.0 million

Source: Ministry of Commerce and Industry (MOCI), Government of India; and India Exim Bank Analysis

India - Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)

With the aim of enabling trade between both regions, the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) between India and Mauritius, was signed on February 22, 2021, and entered into force on April 01, 2021. The CECPA is the first trade Agreement signed by India with a country in Africa. The Agreement is a limited agreement, covering Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, Movement of Natural Persons, Telecom, Financial services, Customs Procedures and Cooperation in other Areas.

The India-Mauritius CECPA provides for an institutional mechanism to encourage and improve trade between the two countries. The CECPA between India and Mauritius covers 310 export items for India. As regards trade in services, Indian service providers will have access to around 115 subsectors from the 11 broad service sectors.

9. Trends in India-Africa Bilateral Investments

India has increasingly emerged as an important global investor in overseas markets, besides being one of the major recipients of global foreign direct investment (FDI) inflows.

Historically, India's business interest and investments in Africa were largely driven by small and medium enterprises and traders. In the recent past, such investments were increasingly driven by bigger Indian companies. Most of these companies have made significant investments in the extraction sector of different African countries. Increasing demand for energy and raw materials in the domestic economy is the major driving force for these companies.

Indian investments are both in greenfield and brownfield, covering sectors such as pharmaceuticals and healthcare, energy, ICT, power, roads, railways, and automobiles, among others. Many Indian investments resulted in creation of infrastructure backbone in several African countries. Indian investments in Africa spanned across sectors. Major Indian Investors include Tata Motors, Mahindra and Mahindra, Bharati Airtel, ONGC Videsh, Reliance Industries, Tata Group, Vedanta Resources, Shree Renuka Sugars Ltd, Apollo Tyres, Mahindra Group, Cipla, Kanoria Chemicals, Glenmark Pharmaceuticals, Onmobile Global, RITES, Larsen & Toubro Ltd, and Ashok Leyland, among others.

Indian Investments in Africa

According to data from the Ministry of Finance, Government of India, and the Reserve Bank of India (RBI), approved¹² cumulative India's investments in Africa during April 1996 to August 2022 amounted to US\$ 74.2 billion. Mauritius, Mozambique, Sudan, Egypt, and South Africa were the top destinations of India's investments in Africa (**Table 5.1**). India's investments in Africa have largely been concentrated in Mauritius, mainly due to the Double Taxation Avoidance Convention¹³.

¹² Approved Overseas Direct Investment implies RBI approvals (financial commitments) for Overseas Direct Investment in Equity, Loan and Guarantees

¹³ In 2016, the Indian government amended its tax treaty with Mauritius; after which, the preferential tax benefits were removed partially starting in the fiscal year of 2017 and removed completely starting fiscal year 2019.

Table 5.1: Major Destinations of India's Overseas Investments in Africa

(US\$ million)

Country	Apr 1996 - Mar 2014	2014- 15	2015- 16	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22	2022-23 (Apr- Aug)	Apr 1996 - Aug 2022
Mauritius	38630.2	4580.8	3670.4	5392.7	1387.1	3086.8	2940.0	2496.8	872.2	149.6	63206.8
Mozambique	2665.9	7.7	1.7	8.0	37.3	40.2	150.4	323.1	2261.4	29.1	5524.8
Sudan	1238.8	0.0	-	-	-	-	-	12.2	22.5	14.9	1288.4
Egypt	963.4	17.6	8.3	1.0	13.8	22.0	0.2	0.2	0.6	2.0	1029.2
South Africa	408.1	29.5	60.6	32.5	64.9	54.8	12.8	15.1	7.2	5.0	690.5
Kenya	163.3	6.1	3.8	7.8	28.1	20.7	22.0	16.4	7.5	6.6	282.4
Libya	247.2	7.4	0.1	0.5	0.6	5.2	1.0	0.1	0.1	-	262.2
Tunisia	113.4	-	82.2	0.1	2.5	-	-	-	-	-	198.2
Liberia	192.1	0.2	-	-	-	-	-	-	-	-	192.3
Nigeria	105.9	12.7	0.6	5.0	4.3	9.7	12.3	34.8	2.7	1.3	189.3
Morocco	84.6	14.9	21.7	11.5	18.5	13.4	8.2	4.9	8.8	-	186.4
Zambia	23.2	41.7	79.7	10.8	10.2	2.6	3.6	4.1	4.9	4.9	185.7
Ethiopia	28.5	42.2	17.0	20.9	21.5	28.6	12.5	2.0	0.7	1.6	175.6
Gabon	88.0	12.1	-	2.7	5.3	3.9	6.7	2.9	2.1	8.2	131.8
Tanzania	61.6	1.6	11.4	0.2	21.8	17.2	2.5	0.7	5.8	1.2	124.1
Africa Total	45282.7	4790.2	3970.5	5520.9	1651.6	3335.5	3208.7	2935.1	3228.4	247.4	74170.9
India Total	228044.6	30919.5	22016.5	24901.5	18654.9	21322.6	20995.4	18619.2	24955.2	7749.867	418179.3
Share of Africa	19.9%	15.5%	18.0%	22.2%	8.9%	15.6%	15.3%	15.8%	12.9%	3.2%	17.7%

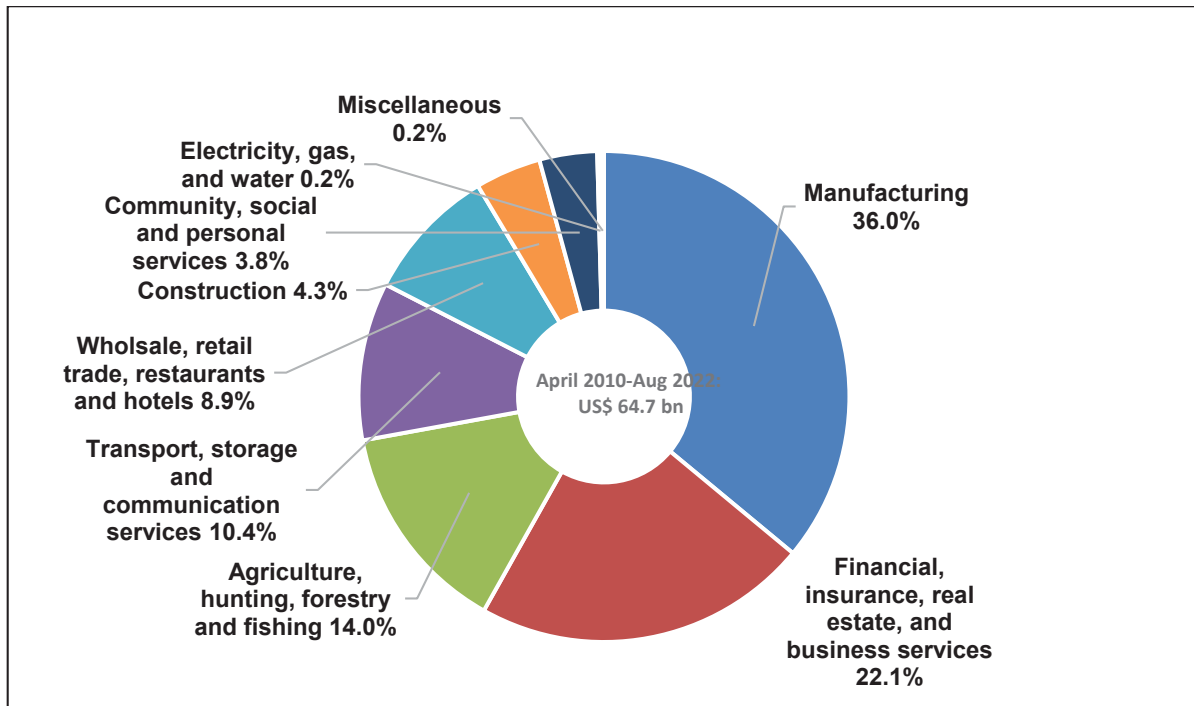
Note: - Negligible/ nil; Total India's Overseas Investments include investments in GIFT City

Source: Ministry of Finance and Reserve Bank of India (RBI); and India Exim Bank Analysis

Setting up a Wholly Owned Subsidiary (WOS) is the most preferred route of investment for Indian investors in Africa, with 81.6 percent of the total approved investments during April 2010-August 2022. Joint Ventures (JV) accounted for 18.4 percent of the total approved investments during the same period.

Africa's manufacturing sector attracted the highest Indian investments during April 2010-August 2022 (**Chart 5.1**). Other major sectors attracting Indian investments include financial, insurance, real estate and business services, agriculture and allied sectors, transport, storage, and communication services.

Chart 5.1: Sector-wise Indian Investments in Africa



Note: Legend is arranged based on the size of its share in total investments. Cumulative approved investments in Africa during April 2010 - August 2022 stood at US\$ 64.7 billion

Source: RBI; and India Exim Bank Analysis

Mauritius accounted for 85.2 percent of India’s investments in Africa during April 2010-August 2022, in sectors like manufacturing, financial, insurance and business services and transport, storage and communication services, among others. Though most Indian investments in Mauritius were ‘round-tripped’ back to India, the country also serves as a gateway to Indian investments in Africa. However, with the given data, it is not possible to disaggregate the FDI data to know the volume of Indian FDI outflows that are routed through Mauritius to other countries. Sector-wise classification of major countries in Africa attracting investments from India are given in **Table 5.2**.

Mozambique is the second largest investment destination for India in Africa. Indian investments in Mozambique have been mainly concentrated towards mining, reflecting investments by ONGC Videsh Limited (OVL).

Table 5.2: Sector-wise Major Countries in Africa Attracting Indian Investments, April 2010 - August 2022

Sector/ Major Countries	Share in the Respective Sector
Manufacturing	
Mauritius	93.5%
Tunisia	0.8%
South Africa	0.7%
Morocco	0.7%
Ethiopia	0.6%
Financial, insurance, real estate, and business services	
Mauritius	96.9%
South Africa	1.7%
Egypt	0.8%
Zambia	0.2%
Tanzania	0.1%
Agriculture, forestry, fishing, and mining	
Mozambique	85.6%
Mauritius	12.9%
Zambia	0.3%
Uganda	0.2%
South Africa	0.2%
Transport, storage, and communication services	
Mauritius	99.8%
Kenya	0.1%
Mozambique	0.1%
Wholesale, retail trade, restaurants, and hotels	
Mauritius	97.8%
South Africa	0.9%
Uganda	0.5%
Ghana	0.3%
Kenya	0.2%
Construction	
Mauritius	97.7%
Nigeria	1.2%
Zambia	0.4%
South Africa	0.3%
Mozambique	0.2%
Uganda	0.1%
Kenya	0.1%
Community, social and personal services	

Mauritius	98.5%
South Africa	0.4%
Uganda	0.2%
Nigeria	0.2%
Ethiopia	0.2%
Electricity, gas, and water	
Mauritius	44.6%
Zambia	34.8%
Egypt	13.9%
Ghana	4.4%
Seychelles	1.8%
Miscellaneous	
Mauritius	89.0%
Nigeria	11.0%

Note: Cumulative approved Indian investments in Africa during April 2010 - August 2022 stood at US\$ 64.7 billion

Source: RBI; and India Exim Bank Analysis

FDI Inflows

FDI inflows to India from Africa have been dominated by investments from Mauritius that accounts for 26.5 percent of India's overall FDI inflows (**Table 5.3**). Other African countries investing in India include South Africa, Seychelles, Morocco, and Kenya.

Table 5.3: Major Sources of India's FDI Inflows from Africa, April 2000 to June 2022

Country	FDI Inflows (US\$ million)	Share in India's Total FDI Inflows (%)
Mauritius	1,60,110.8	26.5
South Africa	588.7	0.1
Seychelles	217.5	0.04
Morocco	140.7	0.02
Kenya	28.4	0.005
Mozambique	15.7	0.003
Nigeria	15.5	0.003
Liberia	14.7	0.002
Egypt	10.4	0.002
Uganda	10.2	0.002
Africa Total	1,61,185.0	26.6
India Total	605117.0	100.0

Source: Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India

Bilateral Investment Treaties/Agreements

In Africa, India has signed and enforced Bilateral Investment Treaties (BITs) with Libya and Senegal (Table 5.4).

Table 5.4: List of Indian Bilateral Investment Treaties/Agreements in Africa

Country	Date of Agreement	Date of Enforcement	Date of Termination [#]
DR Congo	13 April 2010	-	22 March 2017
Djibouti	19 May 2003	-	22 March 2017
Egypt	09 April 1997	22 November 2000	22 March 2017
Ethiopia	05 July 2007	-	22 March 2017
Ghana	05 August 2002	-	22 March 2017
Libya	26 May 2007	25 March 2009	-
Mauritius	04 September 1998	20 June 2000	22 March 2017
Morocco	13 February 1999	22 February 2001	22 March 2017
Mozambique	19 February 2009	23 September 2009	21 March 2020
Senegal	03 July 2008	17 October 2009	-
Seychelles	02 June 2010	-	22 March 2017
Sudan	23 October 2003	18 October 2003	October 19, 2021
Zimbabwe	10 February 1999	-	22 March 2017

Note: - Information not available; # These BITs normally have sunset clauses, i.e., a period during which even after termination, obligations persist, which are normally 10 to 15 years for African Countries.

Source: Department of Economic Affairs, Ministry of Finance, Government of India (accessed on September 26, 2022)

10. Focus on the SADC Member Countries

This section primarily focuses on sixteen Southern African economies viz. Angola, Botswana, Comoros, Democratic Republic of Congo (DR Congo), Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, and Zimbabwe, which are also members of the Southern African Development Community (SADC).

The SADC countries are integral part of the African region comprising 35.4 percent of Africa's total land area, 28.4 percent of Africa's GDP (2021), and 28.2 percent of Africa's total population (2021). Among the major regional trading blocs in Africa, SADC is the second largest contributor (in terms of nominal GDP) to Africa in 2021, behind COMESA.

The SADC region's growth has remained relatively sluggish in the last few years. The average economic growth of SADC is estimated at 4 percent in 2021, after contracting by 4.8 percent in 2020 (Table 6.1). The recovery of growth in the region was driven largely by rising prices and global demand for metals and nonmetals and by vaccination rollouts, which aided growth in tourism. Botswana, Seychelles, Zimbabwe, and DR Congo were the fastest growing economies in the region in 2021, partly reflecting base effect. South Africa's economy recorded a strong growth of 4.9 percent in 2021, the highest since 2007, underpinned by a global rebound and large fiscal stimuli. DR Congo, Mauritius, Madagascar, and Tanzania are expected to record high growth in 2022. The economy of South Africa is expected to slow down to 1.9 percent, in line with a concurrent global slowdown, rising interest rates and high unemployment, suppressing aggregate demand. The economic outlook remains uncertain owing to the reoccurrences of COVID-19 waves, emergence of new virus' variants, the slower than anticipated vaccine rollout, political unrest, and the Ukraine-Russia conflict, which can undermine economic recovery and ultimately dampen the growth prospects for the region.

SADC's combined GDP stood at an estimated US\$ 766.8 billion in 2021 and is expected to record US\$ 854.1 billion in 2022. South Africa is the largest economy in the region, accounting for 54.5 percent of the region's GDP in 2021, followed by Angola (9.7 percent), and Tanzania (9.2 percent). GDP per capita at current prices of the region was at US\$ 2,056.3 in 2021, a rise compared to US\$ 1,733.3 in 2020.

Table 6.1: Macroeconomic Snapshot of SADC

	2018	2019	2020	2021 ^e	2022 ^f	2023 ^f
Nominal GDP (US\$ billion)	766.3	723.3	631.8	766.8	854.1	904.5
Real GDP Growth (%)	3.1	2.1	-4.8	4.0	3.8	-
GDP Per capita (US\$)	2219.9	2039.2	1733.3	2056.3	2230.6	2299.8
Population (million)	345.2	354.7	364.5	372.9	382.9	393.3
Current account balance (US\$ billion)	-16.6	-14.0	-0.4	14.5	3.0	-11.7

Note: ^e-estimates; ^f- forecasts

Source: SADC Annual Report, IMF World Economic Outlook April 2022, and India Exim Bank Analysis

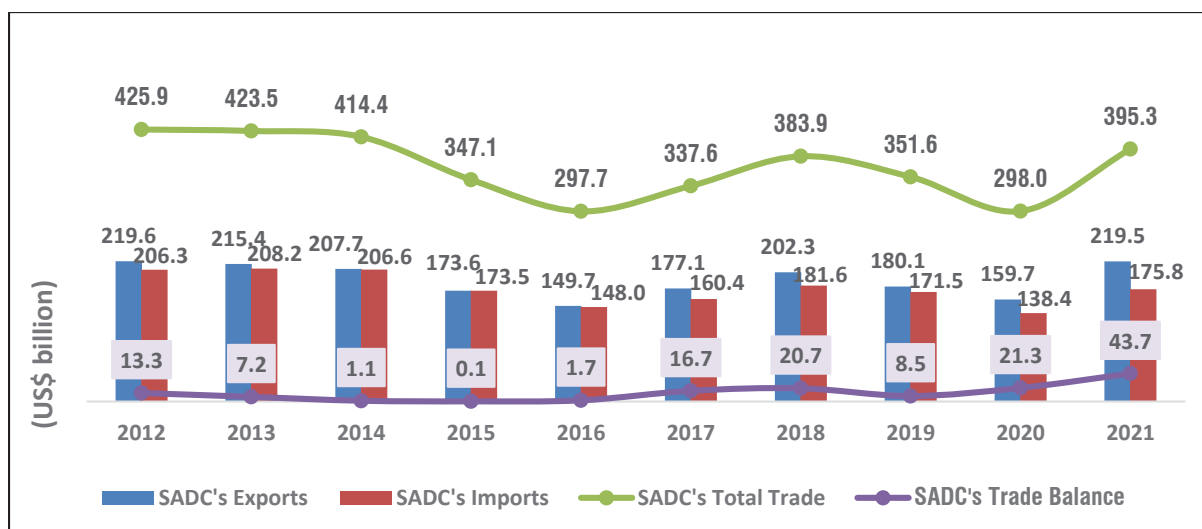
SADC region’s annual inflation slowdown to an average of 11.3 percent in 2021 from 49 percent in 2020, largely due to a significant slow-down of inflation in Zimbabwe. All member countries except Angola, Malawi, Seychelles, Zambia, and Zimbabwe, met the regional inflation target of 3-7 percent range. Annual inflation rate in the SADC region is projected to accelerate to 14.0 percent in 2022 on account of external factors emanating from the continued global economic recovery, such as the elevated global oil prices and political tensions. Inflation in Zimbabwe is projected to increase to an average of 86.7 percent in 2022 from 58 percent in 2021. Inflation is expected to increase above the regional benchmark for Angola, Botswana, Madagascar, Malawi, Mauritius, Mozambique, Zambia and Zimbabwe.

External Environment of SADC

During 2012-2021, SADC’s trade has had a wavering trend. After having peaked in 2012, SADC’s total trade declined until 2016 and recovered since 2017. Total trade started moderating further during 2019-2020 (**Chart 6.1**). The region boasts of the major resource rich countries in Africa as well as the world. However, the commodity price downturn had a significant impact on the region’s trade. The regional external sector has remained relatively strong in 2021, mainly due to high commodity prices. The member countries who relied heavily on commodity exports benefited in 2021.

SADC’s total trade increased by 32.6 percent from US\$ 298 billion 2020 to US\$ 395.3 billion in 2021. Trade growth during the year was mainly on the back of strong commodity exports, as SADC’s exports grew at 37.5 percent from US\$ 159.7 billion in 2020 to US\$ 219.5 billion in 2021. Imports of the region stood at US\$ 175.8 billion in 2021, an increase of 27 percent from US\$ 138.4 billion recorded in the previous year due to increased imports by the major economies South Africa and Angola.

Chart 6.1: SADC's Foreign Trade

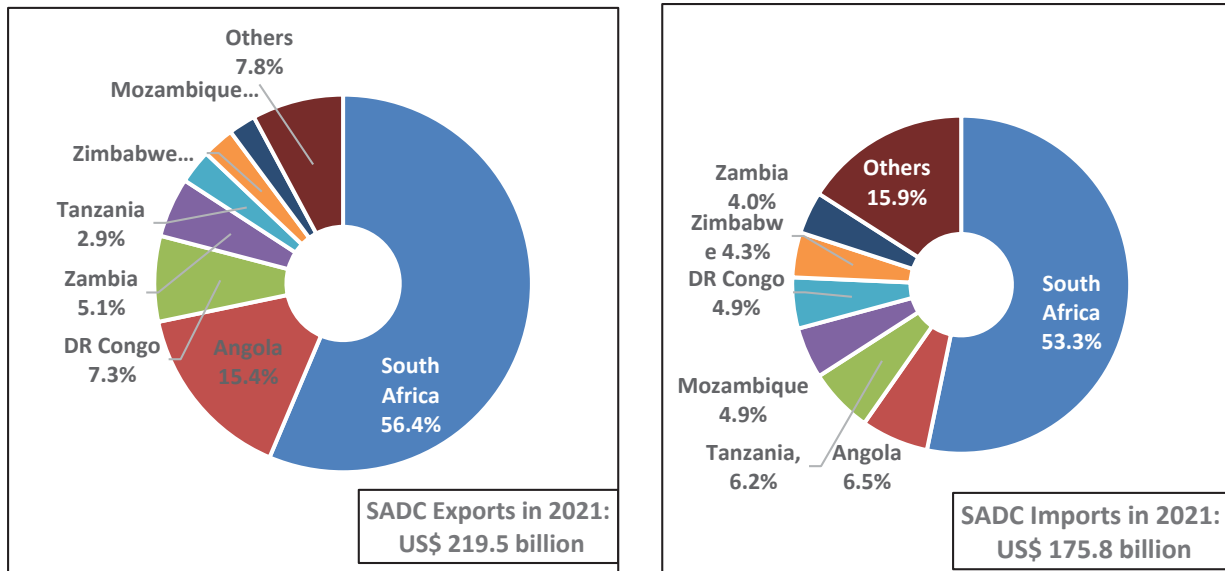


Source: ITC Trade Map; and India Exim Bank Analysis

Among SADC countries, South Africa and Angola are the largest exporters, together accounting for around 72 percent of the region's total exports in 2021. Other major exporters from SADC include DR Congo, Zambia, and Tanzania. In 2021, China, USA, Germany, and India were the largest export destinations of the region accounting for 22.9 percent, 7.1 percent, 5.2 percent, and 4.6 percent of SADC's global exports.

South Africa dominates imports of the SADC region, accounting for more than half of SADC's imports. Other major importers in the region include Angola, Tanzania, Mozambique, and DR Congo. As regards SADC's global imports, China has emerged as the leading supplier to SADC, accounting for as much as 18.4 percent of SADC's total imports in 2021, followed by South Africa, India, and Germany.

Chart 6.2: SADC - Major Exporters and Importers in 2021

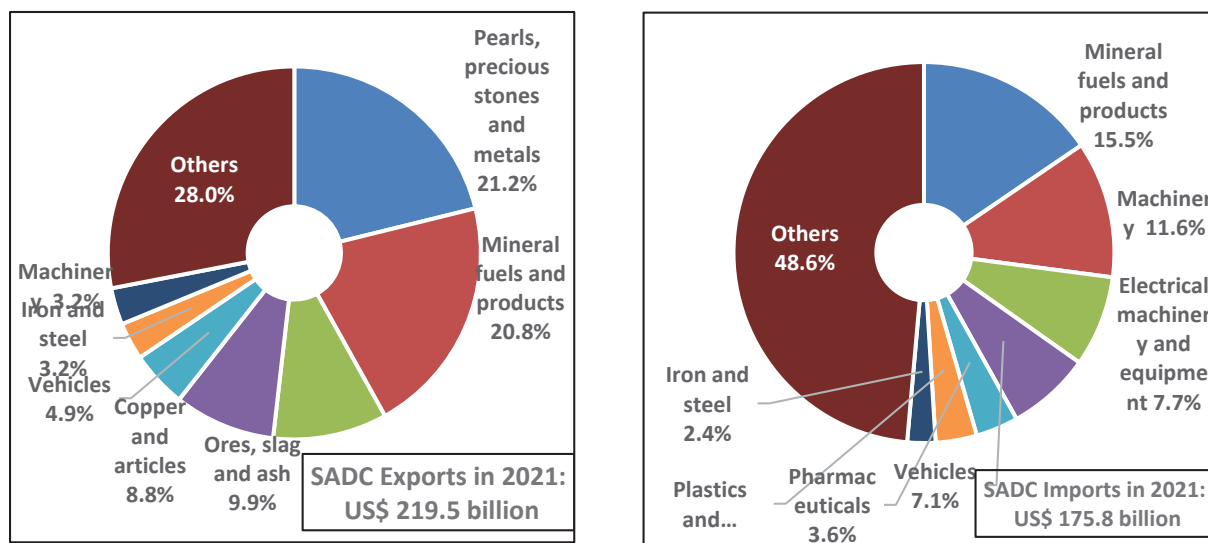


Source: ITC Trade Map; and India Exim Bank Analysis

Pearls, precious stones, and metals remain the largest export item of SADC, accounting for as much as 21 percent of SADC's total exports in 2021, followed by mineral fuels, ores and slag, copper and its articles, vehicles other than railway or tramway, iron and steel and machinery.

Mineral fuels and machinery were the two largest import items of SADC in 2021, accounting for over 27 percent of SADC's total imports. Other major imported products include electronic and electrical equipment, vehicles other than railway or tramway, pharmaceutical products, and plastics and its articles.

Chart 6.3: SADC - Major Traded Products in 2021



Source: ITC Trade Map; and India Exim Bank Analysis

The global Special Drawing Rights (SDRs) disbursement by the IMF enhanced the stability of the external sector by bolstering foreign reserves of SADC member countries. Member countries experiencing significant current account deficits in 2021 were Malawi, Mauritius, Mozambique, and Seychelles. Forex reserves of the region are estimated at 6.2 months of import cover in 2021 from 5.7 months of import cover in 2020, largely supported by significant foreign aid flows.

Investment Trends in SADC

FDI inflows to the SADC region increased over 6-folds to US\$ 45.7 billion in 2021, as compared to US\$ 7.3 billion in 2020 (**Table 6.2**). The year 2021 witnessed one of the highest ever levels of FDI inflows to the region. The strong increase was due primarily to a large corporate reconfiguration in South Africa – a share exchange between Naspers and Prosus in the third quarter of 2021. New project announcements in South Africa included a US\$ 4.6 billion clean energy project finance deal sponsored by UK-based Hive Energy and a US\$ 1 billion greenfield project by US-based Vantage Data Centers to build its first African campus. Investment flows to Mozambique, the second largest destination of FDI flows in the region, grew by 68.1 percent to US\$ 5.1 billion. The country saw a jump in greenfield projects, including UK-based Globeleq Generation’s plan to build power plants for US\$ 2 billion. SADC accounted for 55.1 percent of total inflows to Africa in 2021. As regards, FDI outflows from the SADC region, major source countries were Mozambique, DR Congo, Madagascar, Mauritius and Eswatini in 2021.

Table 6.2: Country-wise FDI Inflows to SADC Region

(US\$ million)

Country/ Region	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Angola	-1464.6	-7120.0	3657.5	10028.2	-179.5	-	-	-	-1866.5	-
Botswana	146.5	67.1	515.2	378.6	142.5	260.6	286.0	93.6	31.8	55.2
Comoros	10.4	4.2	4.7	4.9	3.6	3.9	5.7	3.7	3.9	4.1
DR Congo	3312.1	2098.2	1843.2	1673.5	1204.7	1340.2	1616.8	1488.1	1646.9	1870.0
Eswatini	31.5	84.7	25.5	41.3	21.4	-56.0	36.5	130.2	40.9	125.9
Lesotho	56.7	50.4	94.5	206.5	159.2	123.1	128.7	35.7	29.6	26.6
Madagascar	777.6	551.3	313.7	435.8	450.6	357.9	352.6	474.3	358.5	300.2
Malawi	80.9	88.5	387.1	509.7	116.1	90.2	959.4	55.3	45.2	50.3
Mauritius	589.0	293.4	455.6	216.5	378.8	480.0	460.5	444.1	224.7	253.2
Mozambique	5629.4	6175.1	4901.8	3866.8	3093.4	2293.1	2703.0	2211.7	3034.6	5101.7
Namibia	1060.8	769.9	441.2	888.0	355.6	279.9	208.6	-178.9	-155.9	411.6
Seychelles	261.4	170.3	230.0	194.5	155.2	191.9	119.5	143.7	122.3	156.9
South Africa	4558.8	8300.1	5770.7	1729.4	2235.0	2008.4	5449.6	5125.0	3062.3	40888.8
Tanzania	1799.6	2087.3	1416.1	1560.8	864.0	937.7	971.6	1217.2	684.9	921.8
Zambia	1731.5	2099.8	1488.7	1304.9	662.9	1107.5	408.4	859.8	-172.8	-456.7
Zimbabwe	399.5	400.0	544.8	421.0	371.8	349.4	744.6	280.0	194.4	166.0
Total SADC	18981.3	16120.3	22090.1	23460.4	10035.3	2370.5	7995.3	8285.0	7284.7	45725.4
Share in Africa's FDI Inflows (%)	33.2	31.8	40.5	40.5	21.7	5.9	17.6	18.1	18.7	55.1

Source: UNCTADstat; and India Exim Bank Analysis

Business Environment in SADC

The SADC region is one of the world's most mineral-rich regions. It is endowed with numerous non-renewable resources such as coal, crude oil, natural gas, and minerals. Southern Africa has huge reserves of diamonds, oil, uranium, platinum, coal, and copper. The region has great economic potential both, in terms of domestic production and regional and international trade and investment. During 2021, the region focused on enhancing the business environment through the use of effective programmes within SADC's industrialisation and market integration capacity in order to shape and improve economic activity.

India's Bilateral Trade with SADC

India's exports to SADC increased by 52.6 percent to be at US\$ 13.7 billion in 2021-22. India's major export markets in SADC include South Africa, Tanzania, Mozambique, and Mauritius (Table 6.4). The SADC region accounted for 3.3 percent of India's global exports in 2021-22.

Table 6.4: India's Exports to SADC

Country/ Region	2020-21 (US\$ mn)	2021-22 (US\$ mn)	% Growth in 2021-22	% Share in 2021-22
Exports to SADC	8,998.5	13,731.4	52.6	3.3
South Africa	3,934.2	6,085.3	54.7	1.4
Tanzania	1,439.1	2,300.9	59.9	0.5
Mozambique	1,231.3	1,975.8	60.5	0.5
Mauritius	422.9	714.9	69.0	5.2
DR Congo	430.3	568.2	32.0	0.1
Angola	259.6	452.5	74.3	0.1
Madagascar	324.2	351.3	8.4	0.1
Zambia	268.9	341.0	26.8	0.1
Botswana	172.7	278.9	61.5	0.1
Namibia	51.0	205.9	303.7	0.05
Zimbabwe	175.7	200.5	14.1	0.05
Malawi	151.0	150.4	-0.4	0.04
Seychelles	55.1	44.9	-18.5	0.01
Eswatini	24.3	26.8	10.3	0.01
Comoros	18.3	23.1	26.2	0.01
Lesotho	39.9	11.0	-72.4	0.003

Note: India's global exports in 2021-22 stood at US\$ 422,004.4 million

Source: Ministry of Commerce and Industry, Government of India

India's imports from SADC increased sharply by 61.7 percent to be at US\$ 19.2 billion in 2021-22. South Africa and Angola were the major import sources for India from SADC (Table 6.5). The SADC region accounted for 3.1 percent of India's global imports in 2021-22.

Table 6.5: India's Imports from SADC

Country/ Region	2020-21 (US\$ mn)	2021-22 (US\$ mn)	% Growth in 2021-22	% Share in 2021-22
Imports from SADC	11,845.7	19,158.3	61.7	3.1
South Africa	7,568.2	10,965.8	44.9	1.8
Angola	1,879.7	2,725.1	45.0	0.4
Tanzania	934.9	2,279.2	143.8	0.4
Mozambique	631.6	1,879.5	197.6	0.3
Botswana	461.7	528.0	14.4	0.1
Eswatini	50.9	235.0	361.7	0.04
Madagascar	80.1	144.1	79.9	0.02
Zambia	126.5	118.2	-6.6	0.02
Malawi	7.1	107.7	1,416.9	0.02
Mauritius	42.6	71.9	68.8	0.01
Namibia	30.2	46.0	52.3	0.01
DR Congo	10.2	31.2	205.9	0.01
Comoros	12.5	14.9	19.2	0.002
Zimbabwe	5.7	7.8	36.8	0.001
Seychelles	3.6	3.9	8.3	0.001
Lesotho	0.2	-	-	-

Note: - Negligible/ nil; India's global imports in 2021-22 stood at US\$ 613,052.0 million

Source: Ministry of Commerce and Industry, Government of India

India maintained a trade deficit with SADC in 2021-22, mainly on account of its trade deficit with Angola and South Africa. India's trade deficit with SADC increased to US\$ 5.4 billion in 2021-22, compared to US\$ 2.8 billion in the previous year, mainly on account of increased imports of pearls and precious stones, and mineral fuels from the region (Table 6.6).

Table 6.6: India's Total Trade and Trade Balance with SADC

(US\$ million)

Country/ Region	India's Total Trade with SADC (US\$ mn)		India's Trade Balance with SADC (US\$ mn)	
	2020-21	2021-22	2020-2021	2021-22
Total SADC	20844.2	32878.7	-2847.2	-5426.9
Angola	2139.3	3177.5	-1620.1	-2272.6
Botswana	634.4	806.8	-289.0	-249.1
Comoros	30.7	37.9	5.8	8.2
DR Congo	440.5	599.4	420.2	537.0
Lesotho	40.1	-	39.7	-
Madagascar	404.4	495.3	244.1	207.2
Malawi	158.0	258.1	143.9	42.7
Mauritius	465.5	786.7	380.3	643.0
Mozambique	1862.9	3855.3	599.7	96.3
Namibia	81.2	251.9	20.8	159.9
Seychelles	58.7	48.8	51.4	41.0
Eswatini	75.2	261.8	-26.6	-208.2
South Africa	11502.4	17051.1	-3634.0	-4880.5
Tanzania	2373.9	4580.1	504.2	21.7
Zambia	395.4	459.2	142.4	222.8
Zimbabwe	181.4	208.3	170.0	192.7

Source: Ministry of Commerce and Industry, Government of India

India's Bilateral Investment with SADC

As regards FDI flows, SADC region is India's major FDI destination in Africa, with majority of investment going to Mauritius (Table 6.7). Mozambique had the second highest Indian investments during April 1996 to August 2022. Indian investments in Mozambique are mainly in the natural gas and coal industries.

Table 6.7: FDI Outflows from India to SADC

(US\$ million)

Country	Apr 1996 - Mar 2014	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (Apr-Aug)	Apr 1996 - Aug 2022
Mauritius	38630.2	4580.8	3670.4	5392.7	1387.1	3086.8	2940.0	2496.8	872.2	149.6	63206.8
Mozambique	2665.9	7.7	1.7	8.0	37.3	40.2	150.4	323.1	2261.4	29.1	5524.8
South Africa	408.1	29.5	60.6	32.5	64.9	54.8	12.8	15.1	7.2	5.0	690.5
Zambia	23.2	41.7	79.7	10.8	10.2	2.6	3.6	4.1	4.9	4.9	185.7
Tanzania	61.6	1.6	11.4	0.2	21.8	17.2	2.5	0.7	5.8	1.2	124.1
Botswana	33.0	5.0	-	0.1	9.8	0.5	3.1	0.1	6.8	14.7	73.0
Zimbabwe	2.6	0.2	0.0	1.7	4.1	4.5	6.0	12.6	4.0	0.1	35.6
Congo	5.1	0.2	-	-	-	1.7	1.5	0.8	2.5	1.8	13.6
Madagascar	2.6	0.3	0.9	0.8	0.1	-	-	-	0.1	-	4.7
Seychelles	3.5	-	-	-	-	0.9	0.1	-	0.2	0.0	4.7
Namibia	2.3	0.0	-	-	-	0.5	0.0	0.3	1.0	0.2	4.3
Malawi	1.3	0.1	0.5	0.9	0.5	0.4	0.4	0.0	0.0	-	4.0
Eswatini	0.4	-	-	-	0.1	-	-	-	-	-	0.4
SADC Total	41839.6	4667.0	3825.1	5447.8	1535.7	3210.1	3120.3	2853.6	3166.1	206.7	69872.3

Note: - Negligible/ nil
 Source: RBI

According to data published by the Government of India, FDI inflows to India from SADC region have been dominated by investments from Mauritius. Other major countries from the region investing in India include South Africa and Seychelles (Table 6.8).

Table 6.8: FDI Equity Inflows to India from SADC

Country/Region	FDI Equity Inflow during April 2000 to June 2022	
	Value (US\$ mn)	Share in India's FDI inflow (%)
Mauritius	160110.8	26.5
South Africa	588.7	0.1
Seychelles	217.5	0.04
Mozambique	15.7	0.003
Tanzania	3.6	0.001
Botswana	2.4	-
DR Congo	0.6	-
Malawi	0.5	-
Zambia	0.3	-
Zimbabwe	0.1	-
Angola	0.1	-
Eswatini	0.1	-
SADC Total	160940.3	26.6

Note: '-' not available/ negligible

Source: Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India

11. India's Initiatives to Enhance Regional and Bilateral Relations with Africa

With a view to facilitate and further enhance bilateral trade and commercial relations with countries in Africa, India has put in place important policy measures as also institutional frameworks to create an enabling trade and business environment. Major policy initiatives and institutional frameworks include, among others, Focus Africa Programme, India's Duty Free Tariff Preference (DFTP-LDC) Scheme for Least Developed Countries, Pan-African E-Network: India and Pan-African Countries Initiative, IBSA Initiative, Interbank Cooperation Mechanism among BRICS members, and India-Africa Forum Summit. Briefs of these select initiatives are highlighted below:

'Focus Africa' Programme

With a view to significantly enhance India's trade with Africa, the Government of India launched an integrated programme 'Focus Africa' from the year 2002-03, with the main objective of increasing interactions with Africa by identifying key areas of bilateral trade and investment. The 'Focus Africa' programme when first introduced, focused on the Sub-Saharan African region with added emphasis on seven major trading partners of the region, namely, Nigeria, South Africa, Mauritius, Kenya, Ethiopia, Tanzania, and Ghana. With effect from April 1, 2003, the 'Focus Africa' programme has been extended to cover the entire continent.

Specific focus products for exports to the continent have been identified, which can be broadly classified into the following major product groups: cotton yarn, fabrics, and other textile items; drugs and pharmaceuticals; machinery and instruments; transport equipment; and telecom and information technology. At the same time, the 'Focus Africa' programme envisages enhancing India's exports to the region through integrated efforts of the Government of India, India Trade Promotion Organisation (ITPO), Export Promotion Councils, Apex Chambers of Commerce and Industry, Indian Missions, and institutions such as the Export-Import Bank of India (India Exim Bank) and the ECGC Ltd. The 'Focus Africa' programme also complements the Government of India-supported Lines of Credit (LOC) programme, which India Exim Bank is extending to several countries in the African Region.

India's Duty Free Tariff Preference Scheme for Least Developed Countries

India's Duty Free Tariff Preference Scheme for Least Developed Countries (DFTP-LDC) came into effect in August 2008 with tariff preferences spread over five years. The Scheme came into full operation in October 2012, with 85 percent of India's total tariff lines made duty free, 9 percent tariff lines enjoying a Margin of Preference ranging from 10 percent to 100 percent and only 6 percent of total tariff lines retained in the Exclusion List with no duty preferences, for the exports from LDCs.

To fully meet the obligations under the Hong Kong Ministerial Mandate of 2005, the DFTP-LDC Scheme has been expanded by the Department of Commerce. With effective from April 1, 2014, the DFTP-LDC scheme now provides duty free/preferential market access on about 98.2 percent

of India's tariff lines (at HS 6-digit level of classification). Only 1.8 percent of the tariff lines have been retained in the Exclusion List, with no duty concessions. Only 97 lines are under exclusion list and 114 lines are under Margin of Preference (MOP) list. On all other lines, zero duty access has been provided for exports from beneficiary LDCs.

Apart from the expansion in the product coverage of the Scheme, procedural matters related to the Rules of Origin provisions of the DFTP-LDC Scheme have also been simplified on March 10, 2015, to further trade facilitation process. The new scheme provides market access on 95.5 percent of the lines on which LDCs have made to exports to India over the last two financial years. As on September 2020, 34 out of 47 LDCs have become beneficiaries to the scheme, which include 26 African countries¹⁴.

Pan-African E-Network: India and Pan-African Countries Initiative

An important element of the strategy to enhance Indo-African cooperation in the 21st century is the Pan African E-Network Project that is funded entirely by India. The project was announced by the then President of India, H.E. Dr A.P.J. Abdul Kalam, during the Inaugural session of the Pan-African Parliament held in Johannesburg in September 2004. Towards this end, a Memorandum of Understanding (MOU) was signed between the Government of India and the African Union in October 2005, and Telecommunications Consultants India Ltd. (TCIL) has been selected to implement the project.

The Pan-African E-Network Project seeks to cover the cost of supply, installation, testing and commissioning of hardware and software, end-to-end connectivity, satellite bandwidth, operational and maintenance (O&M) support, and providing the tele-education and tele-medicine services to 53 African countries. The first phase of the project which was launched on February 26, 2009, included 11 countries, namely, Benin, Burkina Faso, Gabon, the Gambia, Ghana, Ethiopia, Mauritius, Nigeria, Rwanda, Senegal, and Seychelles. The second phase of the project that covers another 12 countries – Botswana, Burundi, Côte d'Ivoire, Djibouti, Egypt, Eritrea, Libya, Malawi, Mozambique, Somalia, Uganda, and Zambia – was launched in 2010. 48 African countries have signed the agreement with TCIL for participating in the project. The Project successfully imparted tele-education and tele-medicine by linking educational institutions and hospitals in India with those from the participating African countries.

On September 10, 2018, the Pan-Africa E-Network project has been succeeded by e-VidyaBharati and e-AarogyaBharati (e-VBAB) Network Project, which would be a digital bridge of knowledge and health between India and Africa. e-VBAB Network Project is primarily a technological upgrade and extension of the Pan-African e-Network Project (Phase 1) which was implemented in 48 partner countries across Africa during 2009-2017. Over the 5-year project duration, e-VBAB Network Project is expected to provide free tele-education courses in various academic disciplines to 4000 students every year from African countries. The Project will also be utilized for providing free Continuing Medical Education (1000 every year) to African doctors/nurses/para-medical staff. The Project also offers full scholarships to students and

¹⁴ Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020)

professionals in participating countries in Africa. The 22 participating countries in Africa under the project include Benin, Comoros, Comoros, Côte d'Ivoire, DR Congo, Eritrea, the Gambia, Ghana, Guinea, Madagascar, Malawi, Mali, Mauritius, Mozambique, Nigeria, Seychelles, Sierra Leone, Somalia, South Sudan, Sudan, Uganda, and Zambia¹⁵.

IBSA Initiative

India – Brazil – South Africa (IBSA) Trilateral Commission is an outcome of the IBSA Dialogue Forum, which was formed amongst the three countries during the visit of the then Minister of External Affairs to Brazil in June 2003. The first meeting of the Trilateral Commission involving foreign ministers of India, Brazil and South Africa took place in March 2004 in New Delhi.

An important outcome of the Trilateral Commission meeting was the decision to hold regular meetings of the foreign ministers of the three countries. Another important outcome was the formation of a Trilateral Joint Commission, which, would be co-chaired by the foreign ministers. The IBSA Dialogue Forum plays an increasingly important role in the foreign policies of India, Brazil, and South Africa, and contributed to enhancing Trilateral Cooperation in key sectoral areas such as agriculture, education, energy, science and technology, trade, and transport. During the eighth meeting of the Trilateral Commission, which took place in June 2018 in Pretoria, South Africa, the foreign ministers of IBSA countries jointly released the IBSA declaration on South-South Cooperation, which aimed to forge a better understanding of development cooperation as a common endeavour between the countries of the Global South. The Ninth Meeting of the Trilateral Ministerial Commission took place in September 2018 in New York. Various issues of global significance, including peace, security, countering terrorism, development cooperation and South-South cooperation were discussed. The 10th Meeting of India-Brazil-South Africa Dialogue Forum (IBSA) Trilateral Ministerial Commission (ITMC) took place on September 21, 2022, in New York. The three countries reviewed the entire gamut of IBSA cooperation and welcomed new initiatives within IBSA, such as the inaugural meeting of the IBSA National Security Advisors, the launch of cooperation amongst the Development Cooperation Agencies in the form of IBSA Working Group on International/Trilateral Development Partnerships and the inaugural IBSA Senior Officials Meeting on Traditional Medicines. Various discussions on global issues, including cooperation in multilateral organizations, South-South cooperation, UNSC Reform, 2030 Agenda & Sustainable Development Goals, Climate Change, countering terrorism, financing for development, WTO, G20, and on regional issues such as African Union, Middle East Peace Process, and Situation in Ukraine were held during the meeting.

BRICS

BRICS countries - Brazil, Russia, India, China, and South Africa are incrementally increasing their global engagements. The BRICS members are known for their significant influence on regional and global affairs. Since 2009, the BRICS Heads of State and Government are meeting annually. These summits serve as platforms for strengthening economic, commercial, cultural, and political cooperation. To mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging and developing-market economies, the BRICS countries established

¹⁵ ilearn.gov.in; Ministry of External Affairs, GOI

the New Development Bank (NDB) in 2015. The NDB aims to support the development of public and private investment projects through loans, guarantees, equity participation and through various other mechanisms. It also collaborates with international organizations and other financial entities for global growth and development, while also providing technical assistance for projects supported by the Bank. The 13th BRICS Summit was hosted by India and held virtually in September 2021 on the theme, 'BRICS@15: Intra-BRICS cooperation for continuity, consolidation, and consensus'¹⁶. This was India's third BRICS Presidency since its inception (after 2012 and 2016).

International Solar Alliance

The International Solar Alliance (ISA) was conceived as a joint effort by India and France to mobilize efforts against climate change through deployment of solar energy solutions. It was conceptualized on the side-lines of the 21st Conference of Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Paris in 2015. With the amendment of its Framework Agreement in 2020, all member states of the United Nations are now eligible to join the ISA. The ISA is guided by its 'Towards 1000' strategy which aims to mobilise US\$ 1,000 billion of investments in solar energy solutions by 2030, while delivering energy access to 1,000 million people using clean energy solutions and resulting in installation of 1,000 GW of solar energy capacity. At present, 109 countries are signatories to the ISA Framework Agreement. 90 countries have submitted the necessary instruments of ratification to become full members of the ISA, which include 38 African countries.

India-Africa Forum Summit

During April 4-8, 2008, India hosted the First India-Africa Forum Summit in New Delhi. The Summit built upon the foundations of the historical relationship that existed between India and Africa, and designed a new architecture for a structured engagement, interaction and co-operation between India and Africa in the 21st century. The Summit celebrated friendship and renewed Indian commitment to Africa. The historic documents, the Delhi Declaration and the India-Africa Framework for co-operation adopted at the end of the Summit now serve as the contours for one systematic engagement with Africa.

In order to continue and enhance the systematic engagement with Africa, the Second India-Africa Forum Summit was organized in Addis-Ababa, Ethiopia, during May 24-25, 2011. This was the first time that such a meeting between India and its African partners at the level of Heads of State/Government was organized in Africa.

The Third Summit on a rotation basis was held in New Delhi, India from October 26-30, 2015. The Summit brought the leaders and representatives of 54 countries of Africa; of these, 41 countries were represented at the level of Heads of State/Government. This was by far the biggest gathering of African leaders in India and showcased multiple dimensions of the India-Africa relationship that is pivoted around trade, training, technology, capacity building and development partnership. At the Summit, the Indian Prime Minister announced the following development

¹⁶ Press Release, Ministry of External Affairs, Government of India, September 09, 2021.

assistance over the next five years for African countries: concessional credit of US\$ 10 billion, grants in aid of US\$ 600 million, and 50,000 scholarships for training and higher education. The Third India-Africa Forum Summit has opened new avenues for up-scaling the India-Africa partnership across the spectrum.

'Focus Africa' Seminar

Export-Import Bank of India organised a seminar titled "Focus Africa" on October 27, 2015, on the side-lines of the third edition of the India-Africa Forum Summit (IAFS), which was held during October 26-29, 2015, in New Delhi. The Seminar, which was inaugurated by Mr. Arun Jaitley, the then, Hon'ble Union Minister for Finance, Government of India, laid emphasis on the strong Indian commitment on strengthening India-Africa relations by identifying potential sectors for enhancing India's engagements with Africa as a development partner for the region.

12. Export-Import Bank of India in Africa

Export-Import Bank of India (India Exim Bank) commenced operations in 1982. The Bank was set up under an Act of Parliament (Export-Import Bank of India Act 1981), for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade. In its endeavour to promote India's international trade, India Exim Bank's vision has evolved from financing, facilitating, and promoting trade and investment, to a conscious and systematic effort at creating export capabilities; India Exim Bank today seeks to develop commercially viable business relationships with externally oriented companies.

The countries in the African continent have always been a focus region for India Exim Bank, and thus a critical component of its strategy to promote and support two-way trade and investment. As a partner institution to promote economic development in Africa, the commitment towards building relationships with Africa is reflected in the various activities and programmes, which India Exim Bank has set in place.

India Exim Bank has representative offices in Abidjan (Côte d'Ivoire), Addis Ababa (Ethiopia), Johannesburg (South Africa), and Dubai (United Arab Emirates), which play key roles in facilitating economic cooperation with Africa and are closely associated with several of the Bank's initiatives. The representative offices interface with multilateral institutions such as African Development Bank (AfDB), African Export-Import Bank (Afreximbank), regional financial institutions such as Trade and Development Bank (TDB) (erstwhile PTA Bank), West African Development Bank (BOAD), and developmental financial institutions such as Industrial Development Corporation of South Africa Ltd. (IDC), as well as Indian missions in the region, with the aim of increasing bilateral commercial engagements between the two regions.

Lines of Credit

To enhance bilateral trade and investment relations, India Exim Bank has in place several Lines of Credit (LOCs) extended to developing partner countries in Africa. These LOCs supplement the 'Focus Africa' programme of the Government of India (GOI) and are extended especially to priority sectors, identified by GOI for mutual cooperation and benefit. Besides these LOCs extended at the behest of GOI, India Exim Bank extends its own commercial LOCs to various financial institutions and other entities in Africa, some of which have included TDB (covering 17 countries in the eastern and southern African region), BOAD (covering 8 countries in the West African region), Indo-Zambia Bank, Nigerian Exim Bank and Afreximbank. These LOCs facilitate import of project-related equipment and services from India on deferred credit terms. At the same time, many of these LOCs are earmarked for infrastructure and related projects. As on July 31, 2022, the total number of operative GOI-supported LOCs to Africa stood at 181, which were extended to 40 countries and the ECOWAS Bank for Investment and Development (EBID) amounting to US\$ 11.0 billion. In addition, India Exim Bank also extended two commercial LOCs amounting to US\$ 104 million to EBID. A list of LOCs extended to African countries is given at

Annexure. Select examples include:

Countries:

- **Angola** – Railway rehabilitation project; industrial park; and textile project;
- **Benin** – Supply of railway equipment; agricultural equipment; tractor assembly plant; water supply project; and cyber city project;
- **Burkina Faso** – Rural electrification; agricultural projects including acquisition of tractors, harvesters, agricultural processing equipment; and low-cost housing and economical buildings project;
- **Burundi** – Hydro-electric project; farm mechanization; and integrated food processing complex;
- **Cameroon** – Plantation projects;
- **Central African Republic** – Cement plant and procurement of buses; hydro-electric project; and mining project;
- **Chad** – Setting up of cotton yarn plant, bicycle plant and rolling mill; agro-processing plants for tomato and mango and irrigation equipment;
- **Comoros** – Power project;
- **Côte d'Ivoire** – Project for renewal of urban transport system in Abidjan and for agricultural projects; IT & biotechnology park; fisheries and coconut fibre processing plant; rice production programme; and electricity interconnection project;
- **DR Congo** – Hydroelectric project; setting up a cement factory, acquisition of buses; transmission and distribution project; and installation of pumps;
- **Djibouti** – Cement plant project;
- **Eritrea** – Agricultural and educational projects;
- **Eswatini** – IT project; and agricultural development and mechanization of agriculture; and construction of a Disaster Recovery Site;
- **Ethiopia** - Energy transmission and distribution project; and development of sugar industry;
- **Gabon** - Housing projects;
- **The Gambia** – Supply of tractors; electrification expansion project; and replacement of asbestos water pipes with UPVC pipes project;
- **Ghana** – Rural electrification, agricultural and transportation projects; construction project; sugar plant; fish harvesting and processing project; waste management equipment and management support project; and sugarcane development and irrigation project;
- **Guinea** – Strengthening of Health System; Solar Projects; and drinking water supply of Grand Conakry-Horizon 2040;
- **Guinea-Bissau** – Rural electrification project; food processing unit and agricultural sector;
- **Kenya** – Power transmission lines; upgradation of textile factory; revitalization of coffee, cotton and livestock sector; and development of various small and medium enterprises;
- **Lesotho** – Export of pump sets, consultancy services and irrigation equipment; and vocational training centre project;
- **Liberia** – Power transmission and distribution project;
- **Madagascar** – Rice productivity and fertilizer production project;

- **Malawi** – Cotton processing; one-village one-project; green belt initiative; irrigation and threshing plant; and water supply projects;
- **Mali** – Rural electrification and setting up of agro machinery and tractor assembly plant; electricity transmission and distribution project; agriculture and food processing project; and acquisition of railway coaches and locomotives from India;
- **Mauritania** – Potable water project; and milk processing plant;
- **Mauritius** – Participation in infrastructure projects; purchase of specialised equipment and vehicles; and acquisition of Waterjet Fast Attack Craft;
- **Mozambique** – Gaza Electrification Project; water drilling project; IT park project; housing project; road rehabilitation project; rural drinking water and electricity project; and solar photovoltaic module manufacturing plant;
- **Niger** – Acquisition of transport equipment, motor pumps and flourmills; power projects; supply of potable water project; and electrification of villages using solar photovoltaic system;
- **Nigeria** – Supply and commissioning of transmission lines; solar mini grid electrification and solar street lighting; and construction of gas-based power plant;
- **Republic of Congo** – Rural electrification projects; development of transport system; and cement plant project;
- **Rwanda** – Power projects; irrigated agriculture project; establishment of vocational training centres; and development of SEZ;
- **Senegal** – Supply of medical equipment; supply of buses and accessories; fruit processing units; rural electrification project and fishing industry development project; irrigation project; and acquisition of railway coaches and locomotives from India; rice self-sufficiency programme; setting meat processing, cold storage, rendering and tannery plant and market place; IT training projects; and women poverty alleviation programme;
- **Seychelles** – Implementation of integrated health information system; and import of goods and services from India for specific projects;
- **Sierra Leone** – Procurement of tractors and connected implements, harvesters, rice threshers, rice mills, maize shellers and pesticide spray equipment; rehabilitation of existing facilities and addition of new infrastructure to supply potable water; and transmission lines;
- **Sudan** – Transmission and sub-station project; agricultural equipment; scientific equipment; solar electric panels; supply of equipment for railways; micro-industrial projects; development of livestock production and services; and sugar plant project;
- **Tanzania** – Export of tractors, pumps and vehicles; water supply schemes; and extension of pipeline;
- **Togo** – Rural electrification project; power transmission line; and farming and cultivation projects;
- **Zambia** – Hydroelectric project; and Prefabricated Health Posts;
- **Zimbabwe** – Up-gradation of pumping station and river water intake system; and renovation/upgradation of thermal power plant; and
- **ECOWAS Bank for Investment and Development (EBID)** – Financing public sector development projects and facilitating purchase of goods and services from India.

Project Exports

India Exim Bank has been providing a steady stream of support to project activities in engineering, procurement, and construction (civil, mechanical, electrical, or instrumental). This includes the provision of specific equipment related to supplies, construction and building materials, consultancy, technical know-how, technology transfer, design, and engineering (basic or detailed). India Exim Bank also supports existing or new projects, plants or processes that require additional assistance in processes such as international competitive bidding including multilaterally funded projects in India.

India Exim Bank also extends Credit Lines to overseas banks and institutions to facilitate export of goods and services from India. In Africa, the Bank has recently extended credit lines to Afreximbank and Africa Finance Corporation.

Buyer's Credit under National Export Insurance Account

In order to provide further impetus to project exports from India on medium- or long-term basis, especially in the infrastructure sector, a product called Buyer's Credit under National Export Insurance Account (BC-NEIA) was introduced in April 2011. Under this programme, India Exim Bank facilitates project exports from India by way of extending credit facility to overseas sovereign governments and government-owned entities for import of goods and services from India on deferred credit terms. Indian exporters can obtain payment of eligible value from India Exim Bank, without recourse to them, against negotiation of shipping documents. NEIA is a Trust, set up by the Ministry of Commerce and Industry and administered by the ECGC Ltd. As of now, a positive list of 92 countries have been identified by ECGC for which Indian exporters can avail BC-NEIA, of which 38 countries belong to Africa. As on June 30, 2022, India Exim Bank has sanctioned an aggregate amount of US\$ 2.4 billion under BC-NEIA for 23 projects in Africa valued at US\$ 2.6 billion.

Finance for Joint Ventures Overseas

Further, India Exim Bank supports Indian companies in their endeavour to globalise their operations, through overseas joint ventures (JVs) and wholly owned subsidiaries (WOS). Such support includes loans and guarantees, equity finance and in select cases direct participation in equity along with Indian promoters to set up such ventures overseas. In Africa, India Exim Bank has supported several such ventures in countries such as Egypt, Ethiopia, Ghana, Kenya, Mauritius, Morocco, Nigeria, Senegal, South Africa, Sudan, Tanzania, Uganda, and Zambia, across a range of sectors like agriculture and food processing, agro-based products, auto and auto components, chemicals, construction, electronics, engineering goods, EPC services, mining and minerals, plastics and rubber products, packaging, pharmaceuticals, software and IT enabled services, and textiles. These ventures serve to promote value addition, as also contribute to capacity building and capacity creation in host countries. As on June 30, 2022, India Exim Bank through its overseas investment finance programme has supported 49 Indian companies in 13 countries in Africa with an aggregate sanction of ₹ 61.0 billion.

Association with African Development Bank

India is a member of the African Development Bank (AfDB) Group. Many Indian companies participate in projects funded by the AfDB Group. India Exim Bank works very closely with the AfDB and has an active programme which offers a range of information, advisory and support services to Indian companies to enable more effective participation in projects funded by multilateral funding agencies, including the AfDB. India Exim Bank assists Indian companies in projects supported by the AfDB, through fund and non-fund-based assistance, while also providing advance alerts on upcoming opportunities. With the support from India Exim Bank, Indian project exporters have secured a number of overseas contracts in Africa in sectors such as power, telecommunications, transport, water supply & sanitation. India Exim Bank also organizes Business Opportunities seminars in Projects funded by the AfDB across various centres in India.

Africa – India Partnership Day

India Exim Bank regularly organizes the Africa -India Partnership Day, on the side-lines of the AfDB's Annual Meetings, with an objective of sharing India's developmental experiences with Africa, particularly in Public-Private Partnership (PPP) model of financing infrastructure development. India Exim Bank has so far hosted seven such events; first being on May 30, 2013, in Morocco; followed by Rwanda on May 22, 2014; Côte d'Ivoire on May 27, 2015; Zambia on May 24, 2016; Ahmedabad, India on May 24, 2017; Equatorial Guinea on June 13, 2019; and Ghana on May 26, 2022. The Africa-India Partnership Day has become a regular feature of the AfDB Annual Meeting and showcases the immense scope for expanding the mutually enriching partnership between Africa-India.

Project Development Company in Africa

Africa is a region of opportunities, as the continent is receiving plenty of investments in the infrastructure space. The PPP structure is slowly getting popularised by the national governments, increasing the interest of the private sector in infrastructure development. However, institutional capacity in several African nations is in a nascent stage.

Addressing the limited institutional capacity in Africa on conceptualisation, management, execution and imparting project development initiatives, India Exim Bank along with other Indian institutions have joined hands with the AfDB and promoted a Project Development Company (PDC) for infrastructure development in Africa.

The PDC, named Kukuza Project Development Company, has been incorporated in Mauritius in July 2015. 'Kukuza' in Swahili means 'a cause to growth'. Reflecting the name, the PDC is expected to provide specialist project development expertise to take the infrastructure project from concept to commissioning in the African Continent. The PDC will provide the entire gamut of project development expertise to various infrastructure projects, such as project identification, pre-feasibility/ feasibility studies, preparation of detailed project reports, environmental and social impact assessment, etc.

The PDC shall utilise the domain expertise of each partner during the project development process to establish a bankable and sustainable implementation format based on an in-depth understanding of the concerns of all the stake holders - public authority, users' community, developers/ investors, and lenders.

India Exim Bank's Country Mission

With a view to enhancing India's bilateral trade and investment relations and in order to support Indian entrepreneurs in their globalisation endeavours, India Exim Bank had mounted a country mission to select countries in Africa in the year 2014. The Mission endeavoured to provide a framework for enhancing India's engagement in select countries in Africa by way of identifying key areas for commercial engagement while also assisting these countries in achieving their developmental objectives. This initiative was backed by India Exim Bank's longstanding strategic and commercial relations with various institutions, bodies, and organisations in Africa through its various capacity building programmes in various sectors in these countries.

The Mission to Africa covered countries including Mozambique, Rwanda, and Tanzania. The Mission team closely coordinated with Indian Missions and held various rounds of interactions with Government officials of partner countries, multilateral institutions, business community, exporters, banks, Indian business diaspora, and other stakeholders, with a view to identifying business, trade, and investment opportunities for Indian entrepreneurs.

India Exim Bank's Engagements in ITC's SITA

On March 09, 2014, Department for International Development (DFID) mandated the International Trade Centre (ITC), United Kingdom, to design and implement a project, called 'Supporting India's Trade Preferences for Africa' now called 'Supporting Indian Trade and Investment for Africa' (SITA). SITA is a six-year (2014-2020) project that aims at promoting exports from five East African countries – Ethiopia, Kenya, Rwanda, the United Republic of Tanzania, and Uganda – to India through investment and skills transfer from the Indian side. India Exim Bank has entered into an MOU with ITC in Geneva on March 26, 2014, through which the Bank has been associated with ITC's SITA initiative. The Project was in its inception Phase during March 2014 to March 2015, where a roadmap for SITA, including the focus sectors, was defined.

Member of Association of African Development Finance Institutions

India Exim Bank is a member of Association of African Development Finance Institutions (AADFI), a forum of institutions/ banks with the objective of creating co-ordination and economic solidarity among the development finance institutions in the African continent. The membership of AADFI helps to provide a platform for building linkages with other institutions in Africa, which are members of AADFI.

Association with Other Indian Institutions

India Exim Bank's equity in Agricultural Finance Corporation, which offers consultancy support in development of agro technology; and promoter membership in 'Small Farmers' Agri-Business Consortium (SFAC)', an investment institution whose objectives include promoting small and

medium agri-business ventures, places India Exim Bank in a vantage position to share its expertise and support development related activities in Africa.

Global Network of Exim Banks and Development Finance Institutions

India Exim Bank has entered into an MOU with four Exim Banks/ Development Financial Institutions (DFIs) viz. Export-Import Bank of India, Export-Import Bank of Malaysia, African Export-Import Bank, Andean Development Corporation and Export-Import Bank of Slovakia to form Global Network of Exim Banks and Development Financial Institutions (G-NEXID), which was formally launched at its inaugural meeting at UNCTAD, Geneva on March 13, 2006. Annual Meetings are held to deliberate upon measures to foster long-term relationship, share experience and strengthen financial cooperation to promote trade and investment relations among developing countries. The UNCTAD is a permanent observer in all statutory meetings and a key partner in the Network's activities.

G-NEXID members in the African Region include African Export-Import Bank, Egypt; Central African States Development Bank (BDEAC), Republic of Congo; Development Bank of Zambia; ECOWAS Bank for Investment and Development (EBID), Togolese Republic; Ghana Export-Import Bank (GEXIM); Nigerian Export-Import Bank; and Trade and Development Bank (TDB), Burundi.

Interbank Cooperation Mechanism among BRICS members

BRICS, which comprise Brazil, Russia, India, China, and South Africa, is an association of five major emerging national economies. In order to develop and strengthen economic ties and investment cooperation between BRICS countries, in 2010 state financial institutions for development and export support of the BRICS nations entered into a MOU, laying the foundation of BRICS Interbank Cooperation Mechanism. India Exim Bank is the nominated member development bank under the BRICS Interbank Cooperation Mechanism, along with other nominated member development banks from member nations of BRICS namely Banco Nacional de Desenvolvimento Economico e Social (BNDES), Brazil; State Development Corporation VEB.RF, Russia; China Development Bank Corporation (CDB); and Development Bank of Southern Africa (DBSA). The interbank cooperation among BRICS countries is expected to facilitate trade and help raise the economic profile of member countries at regional and global levels. Interbank cooperation is a first step toward closer cooperation within BRICS, and the member countries will jointly finance projects in high technology, innovation, and energy saving.

Select MOUs signed by India Exim Bank under the BRICS Interbank Cooperation Mechanism include:

BRICS Summit 2010 (Brazil)

- Memorandum of Cooperation among BRICS Development Banks

BRICS Summit 2011 (China)

- Framework Agreement for Financial Cooperation
- Protocol of Accession of DBSA to the MOC signed in 2010

St. Petersburg Economic Forum (2011), Russia

- Memorandum for Cooperation in Personnel and Training

BRICS Summit 2012 (India)

- Master Agreement on Extending Credit Facility in Local Currency
- BRICS Multilateral Letter of Credit Confirmation Facility Agreement

BRICS Summit 2013 (South Africa)

- BRICS Multilateral Infrastructure Co-financing Agreement for Africa
- BRICS Multilateral Cooperation and Co-financing Agreement for Sustainable Development

BRICS Summit 2014 (Brazil)

- Multilateral Cooperation Agreement on Innovation

BRICS Summit 2015 (Russia)

- Memorandum of Understanding on Cooperation with the NDB

BRICS Summit 2016 (India)

- Memorandum of Understanding amongst Members of BRICS Interbank Cooperation Mechanism and New Development Bank on General Cooperation

BRICS Summit 2017 (China)

- Interbank Local Currency Credit Line Agreement under BRICS Interbank Cooperation Mechanism
- Cooperation Memorandum Relating to Sharing of Credit Ratings

BRICS Summit 2018 (South Africa)

- Memorandum of Understanding on Collaborative Research on Distributed Ledger and Blockchain Technology in the Context of the Development of the Digital Economy

BRICS Summit 2019 (Brazil)

- Memorandum of Understanding for Mobilisation of Private Investment in Infrastructure

BRICS Summit 2020 (Russia-virtual)

- Memorandum of Understanding on Principles of Responsible Financing

BRICS Summit 2022 (China)

- Memorandum of Understanding amongst members of the BRICS Interbank Cooperation Mechanism and New Development Bank on General Cooperation

GPCL as a Consultant

Global Procurement Consultants Ltd. (GPCL) has been promoted by India Exim Bank in association with leading public sector and private sector consultancy organizations. GPCL's shareholding pattern creates a synergetic fusion of expertise, thereby providing a unique platform for sharing of collective Indian experience in a partnership mode with developing countries and emerging economies, in the professional management of projects, with particular reference to procurement services. GPCL synthesizes India's consultancy expertise in project management

and procurement across varied sectors of the economy including finance, infrastructure, energy, transportation, environment, information and communication technology, industry, agriculture, mining, water resources, health, and education. GPCL provides technical assistance in enhancing quality, transparency, efficiency and effectiveness of procurement and implementation services to help attain desired institutional and corporate objectives. GPCL supports, enhances, and extends scope of project supervision, monitoring and evaluation as also strengthening of institutional capacity for effective programme/ project implementation. In doing so, GPCL leverages upon its demonstrated strengths derived from its core staff, panel of specialists, and resources of its shareholders to assist funding and project executing agencies.

GPCL has a demonstrated track record spanning all stages of the procurement cycle covering procurement advisory services, procurement management, procurement review, performance review, provision of support services, valuations, financial advisory services, overall procurement audit and governance, as also associated services related to training and capacity building. GPCL has undertaken a number of assignments, in India and numerous countries abroad, directly for multilateral funding agencies or in projects funded by them. GPCL also has the distinction of being selected in some instances by the World Bank on a sole source basis, both in India and abroad.

GPCL has extensive experience supporting projects in Africa, and assignments undertaken include:

1. **Procurement Audit** of contracts in World Bank funded projects in Eritrea, Ghana, Malawi, Nigeria, and Uganda covering Health, Education, Agriculture, Infrastructure, Power, Privatization and Emergency rehabilitation.
2. **Comprehensive re-appraisal** of Water Supply Projects in Nigeria funded by the AfDB.
3. **Country Procurement Assessment Review (CPAR)** in the Kingdom of Eswatini for the AfDB in order to examine the existing public procurement framework, benchmark them with good procurement practices, and provide recommendations to revamp the system for better governance.
4. **Procurement Monitoring Agent** for a World Bank funded health project in Kenya calling for review of the procurement of goods, services and minor works including an audit of the procurement processes of the institutions and procurement units supported by the project.

Partner in Institutional Building in Africa

As a partner institution in promoting economic development in Africa, India Exim Bank shares its experience in the setting up of institutional infrastructure for enhancing international trade. In this regard, the Bank has taken active participation in the institutional building process in a number of countries in Africa. Besides being associated in the setting up of the Afreximbank, India Exim Bank undertook an assignment to design, develop, and implement a programme on Film Financing for Nigerian Export-Import Bank (NEXIM Bank) for expanding its exposure in financing

films (under Film Financing Programme). India Exim Bank has also been involved in the design and implementation of Export Finance Programmes for Industrial Development Corporation, South Africa; Consultancy Assignment for the Government of Mauritius on 'Projecting Mauritius as an investment hub for Indian Firms'; establishment of Export Credit Guarantee Company in Zimbabwe; and preparing a blueprint for setting up of Export-Import Bank of Zimbabwe.

In 2015, the International Trade Centre (ITC), Geneva, under its 'Supporting Indian Trade and Investment for Africa (SITA)' Project, has awarded India Exim Bank an assignment for 'Institution Capacity Building for Export Credit and Insurance' to enhance trade competitiveness in Rwanda. The objective of the assignment was to establish a rationale and suggest a broad framework for establishing an Export Credit Insurance Corporation in Rwanda.

In 2018-19, India Exim Bank concluded an assignment for the Ghana Export-Import Bank (GEXIM) for providing technical assistance across its various operational areas. India Exim Bank also delivered a 21-day training programme for GEXIM officials in Ghana and organised a skill enhancement programme for the top management of GEXIM in Mumbai.

Institutional Linkages

India Exim Bank has been consciously forging a network of alliances and institutional linkages to help further economic co-operation with the African Region. Towards this end, India Exim Bank has taken up equity in Afreximbank, West African Development Bank (BOAD), and Development Bank of Zambia. These endeavours are supplemented by the various Memoranda of Cooperation (MOCs) / Memoranda of Understanding (MOUs). The Bank has entered into MOUs/ MOCs with key institutions in the African Region including: AfDB; Trade and Development Bank (TDB); Afreximbank; Banque De Financement Des Petites Et Moyennes Entreprises (BFPME), Tunisia; Banque Internationale Arabe de Tunisie, Tunisia; Board of Investment (BOI), Mauritius; ECO Bank (Pan African Bank); Foreign Investment Promotion Agency, Tunisia; Industrial Development Bank of Sudan; Industrial Development Corporation of South Africa Limited (IDC); Nigerian Export-Import Bank (NEXIM); National Bank of Egypt; and Societe Tunisienne de Banque, Tunisia.

Knowledge Building and Technology Transfer

In the area of knowledge building and technology transfer, India Exim Bank's research studies focus on potential areas for boosting India's trade and investment relations with various regions in Africa, which include, among others, the Southern African Development Community (SADC), Economic Community of West African States (ECOWAS), Southern African Customs Union (SACU), North Africa, Common Market for Eastern and Southern Africa (COMESA), Least Developed Countries (LDCs), Maghreb region and East African Community (EAC). In order to support AfDB's High 5 agenda, India Exim Bank released five studies namely, 'Integrate Africa: A Multi dimensional Perspective', 'Feed Africa: Achieving Progress Through Partnership', 'Water, Sanitation and Healthcare in Africa: Enhancing Facility, Enabling Growth', 'Power Sector in Africa: Prospect and Potential', and 'Manufacturing in Africa: A Roadmap for Sustainable Growth' during the annual meeting of the AfDB in Ahmedabad, India in May 2017. Additionally, India Exim Bank also published several research studies on sectors such as India-Africa partnership in agriculture and farm mechanisation, healthcare sector, manufacturing sector, and on benefits of AfCFTA.

In a Nutshell

In sum, India Exim Bank, with its comprehensive range of financing, advisory and support services, seeks to create an enabling environment for enhancing two-way flow of trade, investment and technology between India and the African Region. While promoting infrastructure development and facilitating private sector development in host countries, the various efforts of India Exim Bank, ensconced in its range of activities, also contribute towards institutional building in the African Region.

13. Select Success Stories of India Exim Bank in the SADC Region

Lines of Credit (LOC)

I. Upper Ruvu Water Treatment Plant at Tanzania

India Exim Bank extended a Government of India-supported Line of Credit (GOI-LOC) of US\$ 178.13 million to the Government of Tanzania for augmentation of water supply schemes of Dar es Salaam and Chalinze regions in Tanzania. The project forms a key component of DAWASA's long term plans to improve water supply to Dar es Salaam and the surrounding towns. The project not only provides an increased volume of potable water, which improves the overall health situation and contributes to poverty alleviation, but also attracts further economic investment, resulting in greater employment opportunities. More than 1 million residents of Dar es Salaam and its surrounding urban areas have benefitted with the successful completion of the project. The benefits of construction phase contributed to employment opportunities.



II. Rural Water Development Project at Mozambique

India Exim Bank had extended a GOI-LOC of US\$ 19.7 million to the Government of Mozambique for Rural Water Development Project. The scope of work involved construction of 1575 borewells in the provinces of Zambezia, Nampula, Manica and Sofala in Mozambique with erection, commissioning of Afridev Pumps and training of maintenance groups. The Project was completed in March 2017. The project has impacted the lives of 824,500 people, directly

benefitting from gaining improved access to clean water. The project targeted the provinces of Nampula, Zambezia and Manica which account for more than half of the country's population. As a result of the project, the rural water coverage of the respective provinces increased from 30-35 percent to 45-50 percent. During the period of implementation of this project, the country also witnessed improvements in various health indicators across the years.



III. Solar Project at Mozambique

India Exim Bank extended a GOI-supported LOC of US\$ 13 million to Mozambique for manufacturing technology transfer of solar photo-voltaic modules, supply and installation of equipment and spares, as well as training of personnel. The project has enabled Mozambique to manufacture solar PV modules locally and reduced dependence on its import. According to a World Bank report, the air quality in the country has drastically improved due to increased dependence on solar power.



IV. Supply of Water Jet Fast Attack Craft; Aircraft & Fast Interceptor Boats (FIBS) and Offshore Petrol Vessels (OPVs) to Mauritius

India Exim Bank had extended three GOI-LOCs of US\$ 18 million for financing the acquisition of Waterjet Fast Attack Craft; US\$ 46 million for supply of one HAL Dornier Aircraft and 10 fast Inceptor boats; and US\$ 48.5 million, for supply of Offshore Petrol Vessels (OPVs), to the Government of Mauritius. Being an island country, naval security is crucial and challenging, hence, delivery of fully commissioned modern ship has enhanced day-night maritime surveillance capability of Mauritian Coast Guard. The Ship is used for patrolling, anti-smuggling, anti-poaching, search, and rescue operations in maritime Zone region. Aerial Survey of the region through Aircraft and Remote Sensing Applications helped in enhancing maritime security and in reducing casualties in the island country.



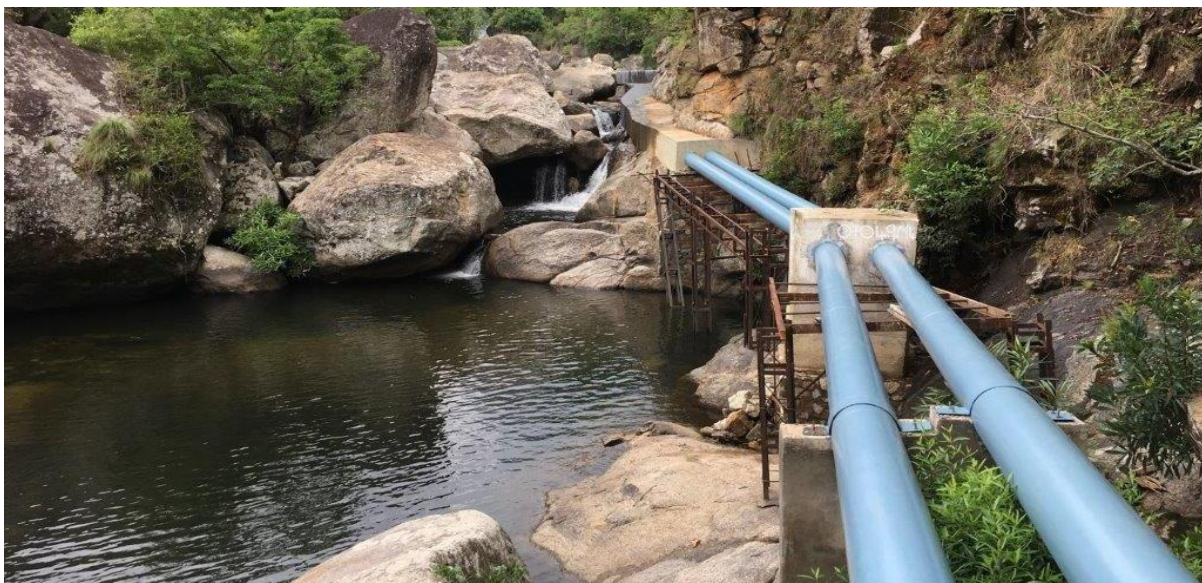
V. Development and Mechanization of Agriculture in Eswatini (Swaziland)

India Exim Bank had extended a GOI-LOC of US\$ 37.9 million to the Government of Eswatini for development and mechanization of agriculture in the country. The project aimed to ensure sustainable food security in the target areas of Eswatini by enhancing Maize farming system productivity and capacity building of the local farmers through mechanized and scientifically designed farming techniques. During the period of the project, Eswatini had witnessed significant improvements in maize crop production as well as productivity. The project has managed to create an impact in the following aspects: (i) enable farmers to plough more fields than before through the subsidization of farm inputs, (ii) protect tractors under the Sheds which were built under the project, and (iii) access to farmers to take their soil samples to nearby lab and to get the soil testing results on time. Also, under the project, a total of 100 tractors were supplied to the country and distributed to six Rural Development Areas (RDAs). The project has ensured ease of access to all services in crops production in the high precipitation areas, leading to food security in the country.



VI. Construction of New Water Supply System from Likhubula River in Mulanje to Blantyre in Malawi

India Exim Bank extended a GOI-LOC of US\$ 23.5 million to the Government of Malawi for construction of new water supply system from Likhubula River in Mulanje to Blantyre in Malawi. The project includes construction of intake structures, laying of pipelines and installation of pumps and motors. The project has resulted in 20,000 m³/day supply of water, directly benefiting more than 300,000 people in Blantyre city and surrounding areas including Mzedi, Bangwe, Namiyango, Limbe, BCA Hill, Mpingwe, Chiradzulu and a University in Thyolo. The project has also helped the project authority in reducing the exorbitant electricity cost, as the new water supply system largely operates under gravity.



VII. Supply of Vehicles in Zambia

India Exim Bank had extended a GOI-supported LOC of US\$ 10 million to the Government of Zambia for financing supply of 4X4 Pick-ups, trucks, buses, and spare parts. The vehicles were procured by the Government of Zambia for its various departments of Zambia Police, Zambia National Services, and the Zambia Defence Forces. The supply of vehicles has majorly improved the police presence and patrolling all over the country, even in far flung remote areas, thereby contributing to internal security.



VIII. Rural Drinking Water Project in Mozambique

Rural drinking water project has been financed under the GOI-LOC of US\$ 19.72 million to Mozambique. The project involved construction of 1575 borewells in the provinces of Zambezia, Nampula, Manica and Sofala in Mozambique with erection, commissioning of Afridev Pumps and training of maintenance groups. The project has impacted lives of 824,500 people directly benefitting from gaining improved access to clean water. Clean water sources have helped local community in combating water borne diseases such as cholera, chronic diarrhoea and improved their standards in health, hygiene, and sanitation.

IX. Construction of Prefabricated Health Posts in Zambia

India Exim Bank extended an LOC of US\$ 18 million to Zambia for financing the construction of 650 prefabricated health posts across the country. The construction of prefabricated health posts improved the access to cost effective, quality healthcare System in the rural areas of Zambia.



Buyer's Credit under the National Export Insurance Account Programme (BC-NEIA)

I. Integrated LPG Storage Facility in Mozambique

India Exim Bank extended a BC-NEIA facility of US\$ 30.83 million to Petroleos de Mocambique S.A. (Petromoc), Mozambique to set-up an integrated LPG storage facility at Beira port, Mozambique. The facility will enable Petromoc to receive, store, handle, distribute, and retail LPG both within Mozambique and to its neighbouring countries in the hinterland including Zimbabwe, Zambia, Malawi, and Botswana. The new terminal will also significantly reduce the logistics and transportation costs of LPG to all consumers in the region. The increased affordability of LPG will also promote its adoption as the primary domestic cooking fuel in the region.



II. Lusaka City Decongestion Project, Zambia

India Exim Bank extended a BC-NEIA facility of US\$ 245.74 million to the Government of Zambia for design and construction of Lusaka City Decongestion Project. The project has reduced the traffic congestion experienced during peak hours in Lusaka City. Lusaka City's road network has been upgraded to provide a robust transportation network, which will support sustainable economic growth. It has helped, especially with the influx of motor vehicles in the country, reducing time spent for navigating roads, so that people can have more time to work.



III. Transmission Line Project in Zambia

India Exim Bank extended a BC-NEIA facility of US\$ 20.35 million to ZESCO Ltd., Zambia for construction of transmission lines and distribution network with allied substations. The project was launched to achieve the Government of Zambia's aim of universal energy access for all Zambians by 2030, which was set in 1996. The project has helped providing electricity access to the Luangua and Rufunsa districts in Zambia and is promoting agricultural and industrial activities. The project has benefited hospitals, educational institutes, government offices and over 200,000 residents in the region. Further, the project would also assist Zambia to supply electricity to neighbouring countries such as Mozambique.



IV. Supply of Vehicles in Tanzania

India Exim Bank extended a BC-NEIA facility of US\$ 29.61 million to the Government of Tanzania for supply of 844 vehicles, spares, and related services. The vehicles have been deployed in all the major cities throughout Tanzania for array of activities such as police patrolling, assisting mobility of police personnel, providing water to interior parts of Tanzania, and collecting waste/sewage from areas where there are no adequate sewage systems available.



Other Financing Programmes

India Exim Bank extended support for supply, erection and commissioning of Wind farm consisting of 66 wind turbines at Cookhouse, Eastern Cape Province, South Africa with a capacity of 138.6 MW.



Annexure

India Exim Bank's LOCs in Africa (As on July 31, 2022)

- **GOI-supported LOCs extended by India Exim Bank**

Sl. No.	Country	Borrower	LOC Amount (US\$ mn)	Purpose of LOC
1	Angola	Government of Angola	40.0	Railway rehabilitation
2	Angola	Government of Angola	30.0	Industrial Park
3	Angola	Government of Angola	15.0	Setting up a textile project (cotton Ginning & spinning)
4	Benin	Government of Benin	15.0	Railway equipment, agricultural equipment and feasibility study for setting up a cyber city
5	Benin	Government of Benin	15.0	Tractor assembly plant and farm equipment manufacturing unit
6	Benin	Government of Benin	42.6	Rehabilitation and extension of 47 Water Supply schemes in rural areas
7	Burkina Faso	Government of Burkina Faso	30.0	Agricultural projects including acquisition of tractors, harvesters, agricultural processing equipment
8	Burkina Faso	Government of Burkina Faso	25.0	Rural electrification
9	Burkina Faso	Government of Burkina Faso	22.5	Low-cost housing and economical buildings project
10	Burundi	Government of Burundi	80.0	Kabu Hydro Electric Project
11	Burundi	Government of Burundi	161.4	Construction of Parliament building in Gitega and ministerial Buildings
12	Cameroon	Government of Cameroon	37.7	Maize farm plantation projects and rice farm plantation projects
13	Cameroon	Government of Cameroon	42.0	Cassava Plantation Project
14	Central African Republic	Government of Central African Republic	29.5	Setting up a modern dry process cement plant of 400 TPD capacity, and procurement of 100 buses for internal transport
15	Central African Republic	Government of Central African Republic	20.0	Development of mining project
16	Central African Republic	Government of Central African Republic	39.7	Two hydro-electric projects
17	Central African Republic	Government of Central African Republic	7.0	Restructuring of overdues under existing LOCs
18	Chad	Government of Chad	50.0	Bicycle plant, plant for assembly of agricultural equipment, steel billet plant and rolling mill and cotton yarn plant agricultural projects including acquisition of tractors, harvesters, agricultural processing equipment
19	Chad	Government of Chad	15.9	For financing extension of spinning mill [addition of weaving and processing capacities]
20	Chad	Government of Chad	6.1	Restructuring of overdues under existing LOCs
21	Comoros	Government of Comoros	41.6	For installation of an 18 MW power project in Moroni

22	Côte d'Ivoire	Government of Côte d'Ivoire	26.8	Renewal of urban transport system in Abidjan and for agricultural projects in the field of vegetable oil extraction, fruits and vegetable chips production, production of cocoa, coffee
23	Côte d'Ivoire	Government of Côte d'Ivoire	25.5	Mahatma Gandhi IT and Biotechnology Park, fisheries processing plant and coconut fiber processing plant
24	Côte d'Ivoire	Government of Côte d'Ivoire	30.0	Transmission line between Côte d'Ivoire and Mali
25	Côte d'Ivoire	Government of Côte d'Ivoire	30.0	Rice production programme
26	Côte d'Ivoire	Government of Côte d'Ivoire	24.0	Electricity Interconnection Project between Côte d'Ivoire and Mali
27	Côte d'Ivoire	Government of Côte d'Ivoire	71.4	Upgradation of Military Hospitals
28	Djibouti	Central Bank of Djibouti	10.3	General purpose LOC and restructuring of overdues under existing LOCs
29	Djibouti	Government of Djibouti (Restructured)	10.4	600 TPD Ali Sabieh Cement Plant Project, Phase I and restructuring of overdues under existing LOCs
30	Djibouti	Government of Djibouti (Restructured)	14.6	600 TPD Ali Sabieh Cement Plant Project, Phase II and restructuring of overdues under existing LOCs
31	Djibouti	Government of Djibouti	15.1	600 TPD Ali Sabieh Cement Plant Project, Phase III
32	DR Congo	Government of DR Congo	33.5	Setting up a cement plant, acquisition of buses and acquisition of equipment for MIBA
33	DR Congo	Government of DR Congo	25.0	Installation of hand pumps and submersible pumps
34	DR Congo	Government of DR Congo	42.0	Execution of Kakobola Hydroelectric Power Project
35	DR Congo	Government of DR Congo	168.0	Katende Hydro-electric Project
36	DR Congo	Government of DR Congo	82.0	Additional LOC for completion of Katende Hydro-electric Project
37	DR Congo	Government of DR Congo	34.5	Development of power distribution project in Bandundu province
38	DR Congo	Government of DR Congo	109.9	Transmission and distribution project in Kasai province of DR Congo for evacuation of electricity from Katende Hydroelectricity Power Project
39	EBID	Ecogas Bank for Investment and Development	250.0	Facilitate export of goods and services from India
40	EBID	Ecogas Bank for Investment and Development	100.0	Facilitate purchase of goods and services from India
41	EBID	Ecogas Bank for Investment and Development	150.0	Facilitate purchase of goods and services from India
42	EBID	Ecogas Bank for Investment and Development	500.0	To finance various development projects
43	Eritrea	Government of Eritrea	20.0	Multipurpose agricultural projects and educational projects
44	Eswatini	Government of Eswatini (Swaziland)	20.0	Information technology park
45	Eswatini	Government of Eswatini (Swaziland)	37.9	Agricultural development and mechanization of agriculture
46	Eswatini	Government of Eswatini (Swaziland)	10.4	Construction of a Disaster Recovery Site
47	Eswatini	Government of Eswatini (Swaziland)	108.3	Construction of a new Parliament Building

48	Ethiopia	Government of Ethiopia	65.0	Energy transmission and distribution project
49	Ethiopia	Government of Ethiopia	122.0	Development of sugar industry
50	Ethiopia	Government of Ethiopia	166.2	Development of sugar industry
51	Ethiopia	Government of Ethiopia	213.3	Development of sugar industry
52	Ethiopia	Government of Ethiopia	91.0	Development of sugar industry
53	Ethiopia	Government of Ethiopia	47.0	Development of sugar industry
54	Gabon	Government of Gabon	4.4	Housing projects
55	Gambia	Government of Gambia	5.8	Supply of tractors
56	Gambia	Government of Gambia	10.0	Construction of National Assembly Building Complex
57	Gambia	Government of Gambia	16.7	Completion of the National Assembly Building Complex
58	Gambia	Government of Gambia	22.5	Replacement of Asbestos water pipes with UPVC pipes project
59	Gambia	Government of Gambia	22.5	Electrification expansion project
60	Gambia	Government of Gambia	7.0	Restructuring of overdues under existing LOCs
61	Ghana	Government of Ghana	15.0	Rural electrification
62	Ghana	Government of Ghana	27.0	Rural electrification, agricultural and transportation projects
63	Ghana	Government of Ghana	60.0	Rural electrification project and construction of Presidential Office
64	Ghana	Government of Ghana	25.0	Foreign policy training institution, railway corridors and agro processing plant
65	Ghana	Government of Ghana	21.7	Improved fish harvesting & fish processing project and Waste management equipment and management support project
66	Ghana	Government of Ghana	35.0	Sugar plant
67	Ghana	Government of Ghana	24.5	Sugarcane development and irrigation project
68	Ghana	Government of Ghana	30.0	Rehabilitation and up-gradation of potable water system in Yendi
69	Ghana	Government of Ghana	150.0	Strengthening of agriculture mechanization services centres
70	Guinea	Government of Guinea	35.0	Construction and Establishment of 130 bedded Mother & Child Hospitals at Kankan and Nzerekore
71	Guinea	Government of Guinea	20.2	Two Solar Projects for (i) Supply of electricity and drinking water for 7 public universities and (ii) Solar Project for Electrification and Refrigeration in 200 Health Infrastructure
72	Guinea	Government of Guinea	170.0	Strengthening the drinking water supply of Grand Conakry-Horizon 2040
73	Guinea	Government of Guinea	20.5	For construction and up-gradation of Regional Hospitals in Kankan and Nzerekore
74	Guinea Bissau	Government of Guinea Bissau	25.0	Food processing and agricultural sector; and rural electrification project
75	Kenya	Government of Kenya	61.6	Power transmission lines and substation
76	Kenya	Government of Kenya	15.0	Development of various Small and Medium Enterprises
77	Kenya	Government of Kenya	30.0	Upgrade of Rift Valley Textiles Factory (RIVATEX East Africa Limited)
78	Kenya	Government of Kenya	100.0	Revitalization of coffee, cotton, and livestock sector

79	Lesotho	Government of Lesotho	5.0	General purpose: Export of pump sets, consultancy services and irrigation equipment
80	Lesotho	Government of Lesotho	4.7	Vocational training center for empowerment of youth and women
81	Liberia	Government of Liberia	144.0	Power transmission and distribution project
82	Madagascar	Government of Madagascar	25.0	Project for rice productivity and project for fertilizer production
83	Malawi	Government of Malawi	30.0	Irrigation, storage, tobacco threshing plant and one village-one project
84	Malawi	Government of Malawi	50.0	Cotton processing facilities, green belt initiative and one village one product (OVOP) project
85	Malawi	Government of Malawi	76.5	Development of irrigation network under greenbelt initiative; setting up of refined sugar processing equipment in Salima under greenbelt initiative, and development of fuel storage facilities
86	Malawi	Government of Malawi	23.5	Construction of a new water supply system from Likhubula river in Mulanje to Blantyre
87	Malawi	Government of Malawi	215.7	Drinking water supply schemes and other development projects
88	Mali	Government of Mali	20.6	Supply of railway coaches and locomotives from India
89	Mali	Government of Mali	27.0	Rural electrification and setting up of agro machinery and tractor assembly plant
90	Mali	Government of Mali	30.0	Electricity transmission and distribution project from Côte d'Ivoire to Mali
91	Mali	Government of Mali	45.0	Electricity transmission and distribution project from Côte d'Ivoire to Mali
92	Mali	Government of Mali	36.0	Completion of Mali-Ivory Coast Interconnection Link for integrating the national power grids of the two countries.
93	Mali	Government of Mali	15.0	Agriculture and food processing projects
94	Mali	Government of Mali	100.0	Power transmission project connecting Bamako and Sikasso via Bougouni
95	Mauritania	Government of Mauritania	21.8	Potable water project and milk processing plant
96	Mauritius	Government of Mauritius	48.5	Offshore Patrol Vessel from M/s Garden Reach Shipbuilders & Engineers Ltd
97	Mauritius	Government of Mauritius	46.0	Purchase, upgradation, servicing and maintenance of defence related equipment and vehicles for the Mauritius Police Force
98	Mauritius	Government of Mauritius	18.0	To finance the acquisition of Waterjet Fast Attack Craft
99	Mauritius	Government of Mauritius	52.3	Project Trident [Construction of berthing jetty and Head Quarter building for National Coast Guard of Mauritius]
100	Mauritius	SBM (Mauritius) Infrastructure Development Company Ltd	690.0	Equity participation in various Infrastructure projects
101	Mauritius	Government of Mauritius	100.0	For procurement of defence items from India
102	Mozambique	Government of Mozambique	20.0	General purpose - contracts approved include supply of water drilling machinery, equipment, accessories, components and spares, support vehicles, water and fuel tankers and electrical equipment's
103	Mozambique	Government of Mozambique	20.0	Electrification of Gaza province

104	Mozambique	Government of Mozambique	20.0	Transfer of water drilling technology and equipment
105	Mozambique	Government of Mozambique	25.0	To finance IT Park Project which will comprise construction of building and incubator facility, research and learning centre and technology park and administrative facility
106	Mozambique	Government of Mozambique	30.0	Rural electrification project in the provinces of Inhambane, Zambezi and Nampula
107	Mozambique	Government of Mozambique	25.0	Rural Electrification of Cabo Delgado, Manica, Niassa Provinces
108	Mozambique	Government of Mozambique	20.0	Enhancing productivity of rice, wheat, maize cultivation
109	Mozambique	Government of Mozambique	13.0	Solar Photo Voltaic Module Manufacturing Plant
110	Mozambique	Government of Mozambique	149.7	Rehabilitation of Road between Tica, Buzi and Nova Sofala
111	Mozambique	Government of Mozambique	19.7	Rural drinking water project extension
112	Mozambique	Government of Mozambique	47.0	Construction of 1200 houses
113	Mozambique	Government of Mozambique	38.0	Construction of 1600 borewells with hand pumps and 8 small water systems
114	Mozambique	Government of Mozambique	95.0	Procurement of railway rolling stock including locomotives, coaches, and wagons
115	Mozambique	Government of Mozambique	250.0	Improving the quality of power supply
116	Niger	Government of Niger	17.0	Buses, automobiles, flour mills and motor pumps
117	Niger	Government of Niger	20.0	Rehabilitation of six-power stations; purchase of three power transformers; and rehabilitation as well as erection of power lines between various places
118	Niger	Government of Niger	34.5	Solar electrification of 30 villages and solar photovoltaic system of 5 MW
119	Niger	Government of Niger	25.0	Potable water for semi-urban and rural communities
120	Nigeria	Government of Nigeria	100.0	[i] 1x26MW 11/33 KV Gas fired Power Plant and Associated Gas Supply facility in Calabar, in the Cross River state supply and commissioning of transmission lines, [ii] 132/33 KV substation, solar mini grid electrification and solar street lighting in the state of Kaduna, [iii] Supply and commissioning of transmission lines in Enugu State
121	Republic of Congo	Government of Republic of Congo	70.0	Rural electrification
122	Republic of Congo	Government of Republic of Congo	89.9	Development of transport system
123	Republic of Congo	Government of Republic of Congo	55.0	Setting up a greenfield 600 tpd rotary kiln cement plant project
124	Rwanda	Government of Rwanda	20.0	Nyabarongo Hydropower Power project
125	Rwanda	Government of Rwanda	60.0	Nyabarongo Hydropower project
126	Rwanda	Government of Rwanda	120.1	Export targeted modern irrigated agricultural project; and extension of export targeted modern irrigated agricultural project
127	Rwanda	Government of Rwanda	81.0	Establishment of 10 Vocational Training Centres and 4 business incubation centres in Rwanda

128	Rwanda	Government of Rwanda	66.6	Projects in Energy Sector
129	Rwanda	Government of Rwanda	100.0	Development of two SEZs & expansion of the Kigali SEZ
130	Rwanda	Government of Rwanda	100.0	Two Agriculture Project schemes - Rweru Irrigation Project and Mugesera Irrigation Project
131	Senegal	Government of Senegal	15.0	Development of rural SME and purchase of agricultural machinery and equipment
132	Senegal	Government of Senegal	17.9	Export of 350 buses and accessories and 85 pick-up vans
133	Senegal	Government of Senegal	7.1	Acquisition of railway coaches and locomotives from India
134	Senegal	Government of Senegal	27.0	Irrigation project
135	Senegal	Government of Senegal	11.0	Supply of 70 multipurpose oil presses, 70 mini bakeries and 70 cereal and fruit processing units for women poverty alleviation and supply of 320 pickup vehicles and 80 station wagons for support of decentralized administration
136	Senegal	Government of Senegal	10.0	IT training projects
137	Senegal	Government of Senegal	25.0	Rural electrification project and fishing industry development project
138	Senegal	Government of Senegal	5.0	Supply of medical equipment, furniture, and other accessories to four hospitals
139	Senegal	Government of Senegal	27.5	Rural electrification
140	Senegal	Government of Senegal	19.0	Fisheries development project
141	Senegal	Government of Senegal	42.0	Setting up a modern abattoir, meat processing, cold storage, rendering and tannery plant and marketplace
142	Senegal	Government of Senegal	63.0	Rice self-sufficiency programme
143	Senegal	Government of Senegal	26.0	Acquisition of buses
144	Senegal	Government of Senegal	24.5	Up-gradation and rehabilitation of health care system
145	Seychelles	Government of Seychelles	4.0	Purchase of essential commodities from India
146	Seychelles	Government of Seychelles	4.1	Implementation of integrated health information system
147	Seychelles	Government of Seychelles	10.0	Procurement of goods and projects as per the specified needs
148	Sierra Leone	Government of Sierra Leone	15.0	Procurement of tractors and connected implements, harvesters, rice threshers, rice mills, maize shellers and pesticide spray equipment
149	Sierra Leone	Government of Sierra Leone	30.0	Rehabilitation of existing facilities and addition of new infrastructure to supply potable water
150	Sierra Leone	Government of Sierra Leone	78.0	Transmission Line and Substation
151	Sierra Leone	Government of Sierra Leone	30.0	Land and infrastructure development including hydraulics, water management system (irrigation) and provision of tractors
152	Sierra Leone	Government of Sierra Leone	15.0	Expansion of the ongoing projects for rehabilitation of existing potable water facilities in four communities

153	Sudan	Government of Sudan	50.0	General purpose: contracts approved include export of electrification equipment, photovoltaic cells, diesel coaches, rehabilitation of locomotives, textile machinery, copper rods etc.
154	Sudan	Government of Sudan	41.9	SINGA-GEDARIF transmission and sub-station project
155	Sudan	Government of Sudan	350.0	Setting up 4 x 125 MW Kosti Combined Cycle Power Plant
156	Sudan	Government of Sudan	48.0	Supply of agricultural inputs for the Sudanese Agricultural Bank, technical and laboratory equipment to higher educational institutions, scientific equipment for ministry of science and technology, solar electrification & meeting requirements of Sudan Railways
157	Sudan	Government of Sudan	37.4	SINGA-GEDARIF transmission line extension to Galabat, micro-industrial projects and development of livestock production and services
158	Sudan	Government of Sudan	25.0	Mashkour (earlier Elduem) sugar project at White Nile State (1st tranche)
159	Sudan	Government of Sudan	125.0	Mashkour sugar project (IInd tranche)
160	Sudan	Government of Sudan	45.2	Restructuring of overdues under existing LOCs
161	Sudan	Government of Sudan	19.6	Restructuring of overdues under existing LOCs
162	Tanzania	Government of Tanzania	40.0	Export of tractors, pumps, and equipment from India
163	Tanzania	Government of Tanzania	36.6	Financing the purchase of 679 vehicles including trucks (512), buses (79) and ambulances (40)
164	Tanzania	Government of Tanzania	178.1	Water supply schemes to Dar-es-Salam
165	Tanzania	Government of Tanzania	268.4	Extension of Lake Victoria Pipeline to Tabora, Igunga and Nzega
166	Tanzania	Government of Tanzania	92.2	Rehabilitation and improvement of water supply system in Zanzibar
167	Tanzania	Government of Tanzania	500.0	Water supply scheme in 17 towns
168	Togo	Government of Togo	15.0	Rural electrification project
169	Togo	Government of Togo	13.1	Farming and cultivation of rice, maize, and sorghum
170	Togo	Government of Togo	30.0	Rural electrification project to cover 150 localities
171	Togo	Government of Togo	52.0	Setting up of 161 KV power transmission line
172	Togo	Government of Togo	40.0	Electrification of 350 villages through solar photo voltaic systems
173	Zambia	Government of Zambia	10.0	General Purpose - Contracts approved include export of TATA buses, motor vehicles, motorcycles, and supply of vocational tool kits
174	Zambia	Government of Zambia	29.0	Itezhi-Tezhi Hydro power project
175	Zambia	Government of Zambia	50.0	Prefabricated health posts
176	Zambia	Government of Zambia	18.0	Prefabricated health posts
177	Zimbabwe	Government of Zimbabwe	28.6	Up-gradation of Deka Pumping Station and River Water Intake System

178	Zimbabwe	Government of Zimbabwe	87.0	Renovation/Up-gradation of Bulawayo Thermal Power Plant
179	Zimbabwe	Government of Zimbabwe	19.5	Completion of Phase II: Up-gradation of Deka Pumping Station and River Water Intake System
180	Zimbabwe	Government of Zimbabwe	23.0	Upgradation of Bulawayo Thermal Power Plant
181	Zimbabwe	Government of Zimbabwe	310.0	Repowering of Hwange Thermal Power Station
Total			11,019.25	

• **Commercial LOCs extended by India Exim Bank**

Sl. No.	Borrower	Region	LOC Amount (US\$ mn)	Purpose of LOC
1	Ecogas Bank for Investment and Development	West Africa	4.0	Financing acquisition and implementation of Core Banking Solution [CBS] from India and other related expenses
2	Ecogas Bank for Investment and Development	West Africa	100.0	Financing and refinancing of goods and services imported from India
Total			104.0	



Export-Import Bank of India (India Exim Bank) was set up in 1982 by an Act of Parliament and is fully owned by the Government of India (GOI). The Bank is the principal financial institution for coordinating the working of institutions engaged in financing exports and imports.

India Exim Bank, has over the years, played a catalytic role in facilitating India's integration with the global economy by promoting, financing and facilitating India's international trade and investment. The Bank's range of programmes have helped Indian enterprises become competitive and develop a global footprint. Assistance is given to export-oriented companies by way of term loans for setting up production facilities, expansion/ modernisation/ upgradation of existing facilities and for acquisition of production equipment or technology.

The Bank also plays a key role in implementing GOI's policies and strategies in developing and enhancing global partnerships and lays special emphasis on extension of Lines of Credit to overseas entities, national governments, regional financial institutions and commercial banks. The Bank extends Buyers' credit and Suppliers' credit to support India's exports and has a programme called the Buyer's Credit under National Export Insurance Account (NEIA) to facilitate medium and long-term exports from India.

India Exim Bank has recently introduced the Ubharte Sitaare Programme (USP) to support Indian companies from various sectors, which are successful domestically but not in the export markets. The Bank will identify and support companies possessing differentiated product, process or technology through a mix of structured support under USP.

The Bank provides research inputs to the GOI and also works with State governments, developing strategies to augment exports. Several overseas Governments and institutions have engaged the Bank as a Consultant for institution building and capacity development.

India Exim Bank also supports rural enterprises in their quest to reach international markets through financial and technical interventions.

Export-Import Bank of India

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Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India completes 75 years of Independence in 2022, it must position itself for global leadership with a long-term vision for India@100 in 2047. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2022-23 as Beyond India@75: Competitiveness, Growth, Sustainability, Internationalisation has prioritized 7 action points under these 4 sub-themes that will catalyze the journey of the country towards the vision of India@100.

With 62 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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