

SPMRF OCCASIONAL PAPER

Prime Minister Modi Reaches Out to Africa

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P rime Minister Modi's visit to four important nations in Africa - Mozambique, South Africa, Tanzania and Kenya - in early July 2016 reflects his commitment to keep Africa at the centre of India's attention and substantially expand our outreach. Surprisingly, Mozambique and Kenya had not hosted an Indian Prime Minister in more than 30 years!! Taking place shortly after the visits of our President and Vice President to Africa covering a diverse geographical spread and also counting PM Modi's own previous outing to Seychelles and Mauritius, it does represent an unprecedented high level of political engagement with Africa. In fact, that has been the missing aspect in our otherwise very robust and extensive relations with Africa and PM Modi has done well to address that issue upfront.

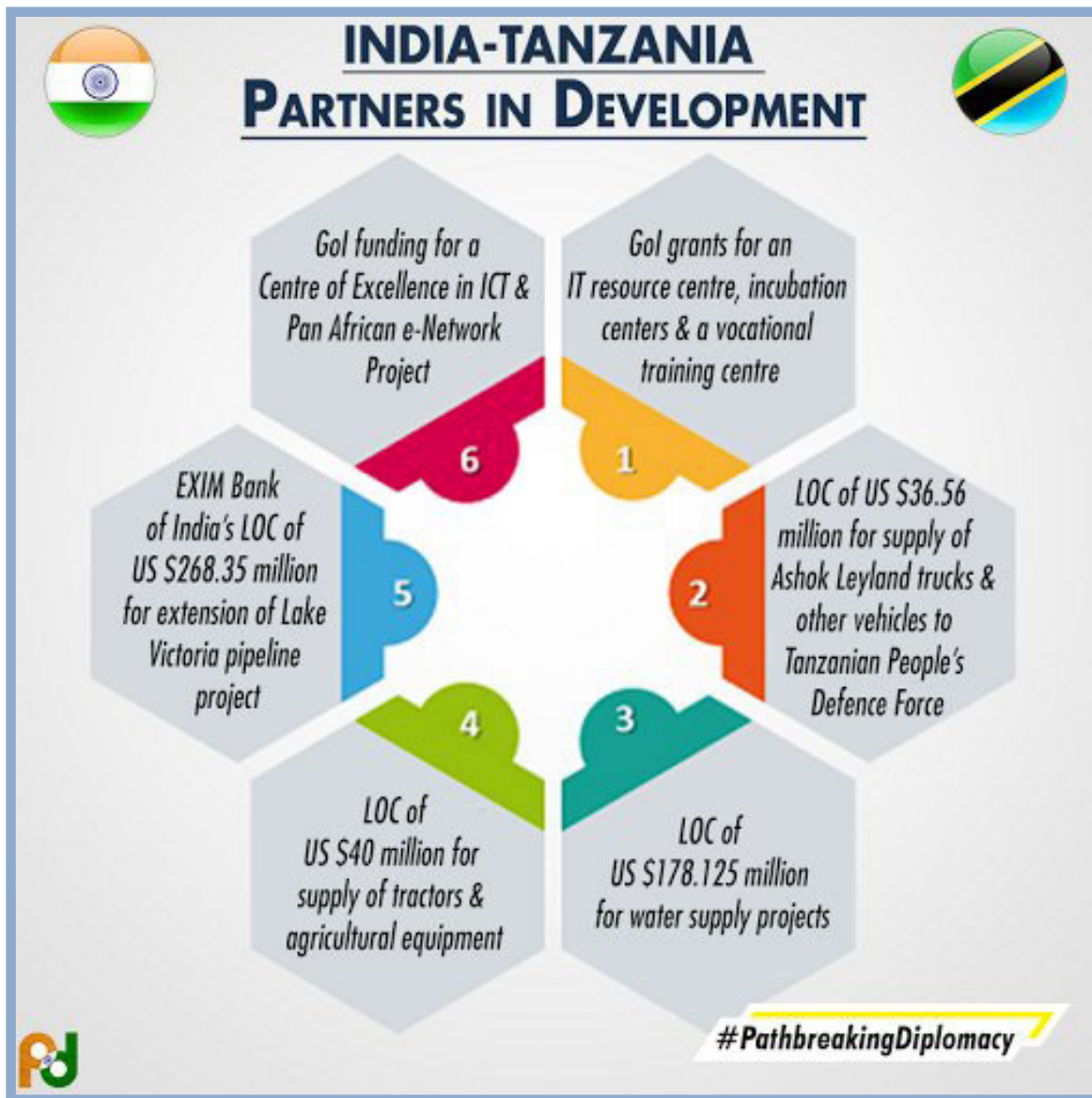
PM Modi was received with warmth and brotherly bonhomie which characterize India's relations with Africa. In an unusual departure from the protocol regulations, he was received in Tanzania by the Prime Minister and later seen off by President Magufuli himself. In Kenya, President Kenyatta made



INDIA-TANZANIA EDUCATION COOPERATION

- *Agreement on Friendship and Technical, Economic and Scientific Cooperation in 1966*
- *Tanzania is one of the biggest beneficiaries of training slots under ITEC/SCAAP programmes*
- *India provided 285 civilian slots & 39 defence slots in 2014-15 under ITEC programme*
- *24 ICCR scholarships offered in 2014-15 under Commonwealth Scholarship/Fellowship Plan & General Cultural Scholarship Scheme*





a special gesture of accompanying Modi to the Indian community reception. Reflecting on the type of relationship between India and Africa President Kenyatta noted that the fundamental engagement was based on people to people relationship. These relations cannot be measured solely in terms of trade and investment links even though those have grown at an impressive rate with our annual trade turnover with the continent hovering around US \$ 70 billion and our total investments in Africa having already crossed US \$50 billion mark. The underpinning for the relations is provided by the solidarity of our peoples during our struggle for freedom and independence, the shared empathy

of having suffered colonial subjugation and oppression, the humiliations and depredations of the past and our common aspirations to provide a life of freedom and equality for our people.

Africa's rich mineral resources hold an immense strategic significance for us. We already import roughly 20% of our oil and gas requirements from this continent and this figure is set to increase further as we continue to diversify our energy supplies and reduce our dependence on the volatile Middle East region. Viewed from the above perspective it was only appropriate that PM Modi's current African outing should have included Mozambique and Tanzania. Both these countries have substantial reserves of natural gas to meet our growing requirements and there are no security issues involved unlike in trying to source this strategic commodity from elsewhere.

In Mozambique, PM Modi gifted a large consignment of medicines including ARV drugs symbolizing our solidarity with that country in fighting the menace of HIV/AIDS and committed India's support for the capacity building of security forces. A long term agreement for purchase of 100,000 tonnes of pulses with the provision to double that figure in four years was



INDIA-MOZAMBIQUE : CLOSE & FRIENDLY RELATIONSHIP

#PathbreakingDiplomacy



#TransformingIndia

- *Diplomatic relations established in 1975*
- *Strong traditional links formed on a common platform for cooperation for mutual benefit*



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INDIAN INVESTMENTS IN MOZAMBIQUE

- *ONGC Videsh Ltd. & Oil India Ltd. acquired 20% participating stake in Rovuma gas block*
- *International Coal Ventures Pvt Ltd. acquired 65% stake in Benga mines & 2 coal mines in Tete province*



particularly important from India's point of view as it would help alleviate shortages and check the rising prices in our country. This would also bring some balance in our bilateral trade which is currently heavily weighted in our favour with annual Indian exports being around US \$ 1.3 billion.

PM Modi's next stop was South Africa. Despite our close strategic ties and extensive functional links covering almost all areas because of our membership of IBSA and BRICS, sadly there had not been any official bilateral visit by our Prime Minister in nearly ten years. Former Prime Minister Manmohan Singh visited South Africa in October 2011 for the IBSA summit and later in March 2013 for the BRICS summit but despite availability of adequate windows on both the occasions; our side sadly did not consider adding the bilateral segment in either of these visits. Ironically, President Putin of Russia as well as President Xi Jinping of China undertook bilateral official visits to South Africa on the occasion of BRICS summit in 2013 and we lost a crucial opportunity to underscore our special ties with the land of Madiba, where Mahatma Gandhi spent over 20 years constituting critical formative part of his political life.

For PM Modi the visit to South Africa was like a pilgrimage, an opportunity to pay a tribute to the birth of the Satyagraha movement and the methods employed by Gandhi in mass mobilization against unjust and oppressive apartheid laws in the country which laid the foundation of our own freedom struggle. It was an opportunity to thank South Africa and express our deep sense of gratitude in having given us the gift of Mahatma. It was also an opportunity to remember Mandela's legacy of forgiveness and reconciliation in the true footsteps of Mahatma.

South Africa is our largest trading partner on the continent if one were to exclude oil imports with annual trade turnover reaching nearly US \$ 15 billion mark in 2011-12. Since then our imports from South Africa have come down a notch because of depressed commodity prices. The focus sectors are pharmaceuticals, IT, financial services, tourism and SMEs and talks between PM Modi and President Zuma covered all these areas. The two leaders also underscored the potential to enhance cooperation in the promising defence production sector. South Africa has an extensive defence production establishment which saw considerable innovation and development during the apartheid era and the technologies available with it hold considerable relevance in terms of our actual needs. It could well prove a reliable partner in



INDIA-SOUTH AFRICA: BILATERAL AGREEMENTS

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- *MoU on Cooperation in the Field of Agriculture & Allied Sectors*
- *Air Services Agreement*
- *MoU on Cooperation between Foreign Service Institute of India & Diplomatic Academy of South Africa*
- *Setting up of India-South Africa Joint Commission at the level of Foreign Ministers*
- *Agreement on S&T, Customs Cooperation & visa free travel for diplomatic & official passport holders*





our quest to ramp up manufacturing of defence hardware in our country.


While in South Africa, PM Modi also took up the question of India's membership of NSG. Some media reports had indicated that South Africa was holding out in Seoul along with China and some other countries. We do understand that it has a certain outlook towards NPT considering that it had the nuclear capability during the apartheid era and that it had voluntarily rolled back its nuclear programme before transition to the democratic

dispensation there. Be that as it may, we do appreciate President Zuma conveying South Africa's support for our membership of NSG in most unambiguous terms.

In Tanzania, which we remember as Nyerere's country, PM Modi's visit saw 5 agreements including the grant of a new US \$ 92 m Line of Credit for a water supply project. Tanzania is our major trading partner with annual trade turnover of US \$ 3.6 billion and India accounting for more than one thirds of total pharmaceutical imports. Modi offered to share India's experience in wide ranging areas of agriculture, education, healthcare and skill development.

There was considerable media focus on the work of 'Solar Mamas' a group of rural women solar technicians trained in Bunker Roy's Barefoot College in Tilonia, Rajasthan to install, use, repair and maintain solar lanterns and other household lighting appliances. The improvement in the quality of lives of rural population in Tanzania that they have brought about is really remarkable.


The last leg of PM's visit was Kenya, an important East African country with which we have traditionally enjoyed extensive wide ranging relations. Jomo Kenyatta the country's first President is widely revered in India. India is currently Kenya's largest trading partner with our exports reaching close to US \$ 4 billion per annum. With growing trade and investment links the agreement on avoidance of double taxation which was one of the seven pacts



INDIA-KENYA: ECONOMIC & BUSINESS LINKS




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- *India-Kenya Trade Agreement in 1981 under which both countries mutually accorded MFN status*
- *India-Kenya Joint Trade Committee set up in 1983*
- *Joint Business Council set up in 1985 by FICCI & KNCII*
- *MoU in 1996 between KNCCI & CII*
- *India-Kenya Double Taxation Avoidance Agreement signed in 1989*





INDIA-KENYA: ACADEMIC & CULTURAL LINKS

- Cultural Cooperation Agreement signed in 1981
- Kenya-India Friendship Association (KIFA) set up in 1981
- India offered over 164 scholarships to Kenyan nationals in 2014-15 under ITEC programs & ICCR scholarships

signed during the visit would prove beneficial to our investors. India also provided a new Line of Credit for US \$ 45 million to Kenya for development of Small and Medium enterprises. India's offer to build a cancer hospital was also deeply appreciated.

All the four countries covered by PM Modi share the Indian Ocean seaboard with us. The ocean provides us enormous opportunities in harnessing the blue economy but at the same time enjoins upon us the collective responsibility to secure the critical sea lanes of communications through which much of our trade and energy supplies flow. These issues dominated the agenda for PM's discussions with his counterparts and a number of agreements were signed during the visit to strengthen our bilateral cooperation in order to build up the capacity of these countries in this key area. India is to also provide support in hydrographic survey and extend requisite training facilities. South Africa is to assume the Chairmanship of Indian Ocean Rim Association in 2017 and agrees with us on the need to give priority attention to maritime security issues in the grouping.

International terrorism has emerged as one of the biggest challenges of our times and PM Modi also focused on the need to forge concerted action to deal with this problem. Number of agreements were signed to enhance our cooperation through greater networking and exchange of intelligence.

South Africa has a strong Indian diaspora numbering around 1.5 million including nearly 50,000 expatriates comprising of IT professionals and representatives of hundreds of Indian companies with offices in Johannesburg. Kenya and Tanzania also have a large concentration of people of Indian descent. PM Modi addressed well attended community receptions in all these places in order to reach out to the diaspora and urged them to be a part of growing India-Africa economic connect. He conveyed his admiration for the diaspora's contribution in their respective adopted countries' economic and political development and in this context recalled the distinguished role played by several individuals in the struggle against apartheid with which India herself had been closely associated. Diaspora's presence lends a strong people connect to our relations with Africa but the time had come to take those connections forward to build a more prosperous and mutually beneficial economic and commercial relations.

The India Africa Forum summit held in New Delhi in October 2015, where PM Modi took the initiative to invite all African leaders in a departure from the previous arrangement of Banjul formula, provided an opportunity for us to reinforce the pan African platform to further cement our ties with this continent. With his visit and other high level visits, PM Modi has sought to strengthen bilateral linkages with key countries for more tangible cooperation



INDIA-MOZAMBIQUE : CLOSE & FRIENDLY RELATIONSHIP

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in specific areas including in defence and security fields. Overreliance on the pan African platform has obvious limitations because of institutional capacity constraints of AU Commission and we must continue to invest sustained efforts at bilateral and regional levels. It is worth noting in this context that the African continent is not all that homogenous given regional disparities, continuing rivalries and competing aspirations among big nations, which is in evidence most palpably on the question of UN Security Council expansion.

PM Modi did well in offering India's experience and expertise to support the development processes in Africa and for the capacity building of governance and technical institutions there. His assertion that Africa would find a credible partner in India went down well with African leaders and the general public. In my own interaction with African leaders I have found that they are generally aware of our own resources constraints and what they really want from us is to teach them "how to fish rather than giving them the fish."

India and Africa share deep emotional bonds and our relations are as between brothers; African countries regard India as one of their own and rejoice in the success of India to draw inspiration for their own development and advancement. The sense of mutual respect and equality which pervades this relationship makes it rather unique. PM Modi's approach towards Africa is

conditioned by the need to preserve that dictum as the underlying basis of our relations with Africa. He is, in fact, driving our engagement with Africa to the next level, investing considerable personal attention.

We have made substantial financial allocation to Africa by way of soft loans and outright grants which were considerably augmented at the Delhi India Africa summit. In my view any comparison with richer western nations or Japan or for that matter China is meaningless since our circumstances are different and we must seek to optimally utilize our unique strengths and leverages. In fact, there is a widespread disenchantment within Africa at somewhat predatory policies followed by China and it is an appropriate time for us to make a renewed thrust in Africa. PM's visit indeed provided us a good opportunity to demonstrate our presence and driving philosophy for development there.

Before PM Modi undertook his visit to Africa there were some unfortunate incidents of attacks on African students in Delhi and other parts of the country. Our government was quick to assure that the perpetrators of those criminal activities would be brought to justice and that steps would be initiated to prevent recurrence of such incidents, these did cause a little flutter in some African capitals. PM Modi's visit, which underlined our abiding commitment to friendship with the African people as well as our support and partnership in their development, has certainly helped assuage any frayed emotions at their end. Reports from Africa indicate that this round of visit has, in fact, had a significant impact on relations and is being seen there as historic and unprecedented. ■

Prime Minister Shri Narendra Modi's visit to Africa

