



Mains Practice Question

Q. How does India see its place in the economic space of rising natural resource rich Africa? Discuss. (250 words)

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Approach

- Briefly introduce with the resource richness of the African continent.
- Discuss trade relation between India and Africa and its benefit.
- Discuss government initiatives to strengthen India-Africa relations.
- Conclude accordingly.

Introduction

- Africa is home to some 30% of the world's mineral reserves, 8% of the world's natural Gas and 12% of the world's oil reserves. The continent has 40% of the world's gold and up to 9% of its chromium and platinum. The largest reserves of cobalt, diamonds, platinum and uranium in the world are in Africa. It holds 65% of the world's arable land and ten percent of the planet's internal renewable fresh water source.
- The Indian subcontinent with its increasing demand is in need of resources, and an underdeveloped continent that is rich in natural resources would be mutually beneficially to both India and Africa.

Body

- **Trade relation:**
 - In terms of trade the **African Union is India's fourth largest trading partner** after the United States, China, and the United Arab Emirates, a position propped up by diversification in Indian exports to the continent.
 - While India **exported goods worth \$40 billion to Africa in FY22, its imports were higher at \$49 billion**, partly due to oil purchases from various African countries.
 - About a fifth of India's exports to the continent were petroleum products, and over 18% were pharmaceuticals. A trade agreement will enable seamless movement of these products at zero or concessional duties, helping both sides.
- **Potential benefit to India from African continent:**
 - For a resource-constrained country like India, an entire continent in its early stages of development like Africa offers limitless opportunities.
 - Beneath the surface of Africa lies a wealth of mineral resources of enormous value. In 2019, the continent produced almost 1 billion tonnes of minerals worth \$ 406 billion . Which could easily be exploited by Indian companies, that in return would provide employment and generate wealth in the African continent.
- **Government initiatives to strengthen India-Africa relations:**
 - India and Mauritius signed the Comprehensive Economic Cooperation and Partnership Agreement (CECPA)
 - India Japan Asia-Africa Growth Corridor
 - Pan Africa e-network

- Vaccine Maitri
- African nations launched the African Continental Free Trade Area (AfCFTA) with the objective of creating a single African market for the free movement of goods, services, labour, and capital, and increasing intra-African trade. AfCFTA may be able to provide Indian firms and investors with certain opportunities to tap into a larger, unified, and robust African market.

▪ **India-Africa Collaborative projects:**

- India has completed **197 projects so far, 65 more** are currently under execution, and 81 are at the pre-execution stage.
- In Gambia, India has constructed the National Assembly building and undertaken projects in water supply, **agriculture and food processing**.
- In Zambia, India is involved in an important **hydro-power project**, in the erection of pre-fabricated health posts and in the supply of vehicles.
- **In Mauritius**, recent notable projects include the metro express, the new Supreme Court and social housing.

Conclusion

India needs to aims to forge a strong presence in Africa that may benefit both Africa and India through diversifying trade opportunities, strengthening diplomatic ties, and increasing cooperation and partnership with various African governments.

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