UNLOCKING AFRICA'S SUSTAINABLE GROWTH: INDIA'S ROLE AND OPPORTUNITIES

WP No. - 146

EXPORT-IMPORT BANK OF INDIA

WORKING PAPER NO. 146

Unlocking Africa's Sustainable Growth: India's Role and Opportunities

CONTENTS

Project Team: Research and Analysis Group

Mr. David Sinate, Chief General Manager

Ms. Sara Joy, Chief Manager

Ms. Alfiya Ansari, Deputy Manager

Mr. Siddharth Nema, Deputy Manager

LIST OF TABLES

LIST OF CHARTS

Executive Summary

Africa has steadily strengthened its economic footing, drawing increased global attention as a hub for trade and investment. In Africa, economic growth averaged 4.2% between 2000 and 2023. In 2024, the continent's average real GDP growth is estimated at 3.2%. However, it still falls significantly short of the 7% annual growth rate widely regarded by the development experts including the African Union (AU) and United Nations Economic Commission for Africa (UNECA) as the minimum required growth rate to meaningfully reduce poverty and achieve the Sustainable Development Goals (SDGs).

Looking ahead, Africa's real GDP growth is expected to rise to 3.9% in 2025, reflecting the positive impact of recent economic reforms undertaken across many African countries. However, Africa's overall economic performance and medium-term growth outlook presents significant cross-regional differences. These variations stem from the effectiveness of domestic policies towards global and local shocks.

Further, Africa possesses a strong competitive edge grounded in its vast natural resources, youthful population, growing digital economy, rapid urbanization and strategic maritime position. The continent holds about 30% of the world's known mineral reserves and significant oil, gas and arable land, making it critical to the global clean energy transition and food security. With 60% of its population under 25 years, Africa's youth can be a powerful force for innovation and economic growth if equipped with relevant skills. Digital adoption is accelerating, enhancing financial inclusion and reducing poverty, while urbanization is reshaping economic landscapes and increasing demand for infrastructure and services. Additionally, Africa's expansive coastline and evolving maritime activity, including rising port traffic and vessel registration, offer new trade and investment opportunities. Together, these factors position Africa as a dynamic and strategic region with immense potential for inclusive and sustainable development.

AfCFTA and AfDB's Strategic Vision for Africa

The African Continental Free Trade Area (AfCFTA), launched in January 2021, aims to create the world's largest single market, enhancing intra-African trade, regional value chains and economic integration in line with the AU's Agenda 2063. With 54 signatories and 48 ratifications as of early 2025, the agreement is expected to significantly boost Africa's income, trade and poverty reduction. Key milestones include the adoption of tariff schedules and the Guided Trade Initiative (GTI), which enabled duty-free trade among pilot countries starting in 2022, later expanding to include major economies like South Africa and Nigeria. Parallelly, the Ten-Year Strategy (2024-33) of the African Development Bank (AfDB) outlines priorities across five areas - energy access, food security, industrialization, regional integration and quality of life. The strategy emphasizes inclusive green growth and resilient economies through infrastructure development, human capital investment and sustainable financing. Together, AfCFTA and the AfDB strategy present a coordinated framework to transform Africa's economic landscape and improve living standards across the continent.

Africa's International Trade

Over the past decade, Africa's trade landscape has experienced notable fluctuations, largely influenced by global economic conditions, commodity price fluctuations and regional developments. In the post-pandemic period, Africa's trade rebounded strongly, reaching US$ 1,177.2 billion in 2021 and peaking at US$ 1,420.2 billion in 2022. However, in 2023, Africa's total trade slightly declined to US$ 1,355.9 billion, with exports of US$ 640.9 billion and imports of US$ 714.9 billion, while the trade deficit widened to US$ 74 billion. This decline is mainly the result of a combination of factors, including geopolitical tensions, global economic slowdown due to inflationary pressures and tighter monetary policies in key markets.

Major Exports: In 2023, mineral fuels, oil and distillation products remained the dominant export category at US$ 240 billion, accounting for 37.4% of total exports of Africa. Other major exported products were precious stones and metals (driven by gold, diamonds and platinum exports) (12.2% of total exports), ores, slag and ash (6%), copper and articles (5.1%) and vehicles other than railway or tramway (3.6%), among others.

Major Imports: In 2023, Africa's imports were also dominated by mineral fuels, oil and products of distillation, with a value of US$ 141.7 billion, making up 19.8% of Africa's total imports. Other major imported products were machinery & mechanical appliances (10.2%), transport vehicles (8.5% of total imports), electrical machinery and equipment (7.4%) and cereals (4.2%), among others.

Major Exporters: South Africa remained the continent's top exporter (17.3% of total exports), with exports increasing from US$ 81.8 billion in 2015 to US$ 110.7 billion in 2023, marking a 35.3% increase. Nigeria (9.5%), traditionally the second-largest exporter, saw a more modest increase in exports, increasing from US$ 48.5 billion to US$ 60.7 billion. Other major exporters include Algeria (8.9%), Morocco (6.6%), Egypt (6.6%) and Angola (6%), among others.

Major Importers: South Africa was also the largest importer with US$ 107.3 billion in imports in 2023, accounting for 15% of the continent's total imports. Egypt accounted for a share of 11.6% in 2023, followed by Morocco, Nigeria and Algeria at 9.9%, 8.5% and 5.8%, respectively.

Major Export Destinations: China was Africa's top export destination during 2015 to 2023. African exports to China nearly doubled from US$ 46.1 billion in 2015 to US$ 83.8 billion in 2023, with China's share rising from 11.1% to 13.1%. Other major export destinations include UAE (6.3%), Italy (6.3%), France (5.7%), Spain (5.6%) and Netherlands (4.5%), among others.

Major Import Sources: Africa's import sourcing has increasingly tilted towards Asia and the Gulf. China has consolidated its position as Africa's largest import source. Imports from China grew from US$ 84.6 billion in 2015 to US$ 128.3 billion in 2023, with its share rising from 15.8% to 17.9%. India has emerged as a key supplier to Africa, with imports increasing from US$ 24.9 billion in 2015 to US$ 42.3 billion in 2023, and India's share increasing from 4.7% to 5.9%. Other major import sources in 2023 include USA (5%), UAE (4.8%), France (4.2%), Germany (3.8%) and South Africa (3.7%), among others.

Foreign Direct Investment Flows in Africa

Over the past decade, Africa's FDI landscape has been volatile yet resilient, shaped by global economic trends, commodity cycles and regional policy shifts. After peaking at US$ 82.2 billion in 2021, FDI declined to US$ 54.5 billion in 2022 and to US$ 52.6 billion in 2023 due to global economic pressures. Clean energy, especially green hydrogen, emerged as a key investment driver.

Egypt led FDI inflows in 2023, driven by major hydrogen and ammonia projects, followed by South Africa, which benefited from its diversified economy and energy transition initiatives. European countries and the US remain the largest FDI stockholders in Africa.

The sub-regional trends remain varied. North, Central and East Africa saw moderate declines; West Africa remained stable and Southern Africa recorded a 22% rise, led by hydrogen and EV battery investments. Notable announcements included a US$ 34 billion hydrogen project in Mauritania and a US$ 6.4 billion EV battery plant in Morocco.

However, the value of international project finance in Africa plummeted by 50% in 2023 to US$ 64 billion, following a 20% drop in 2022. Investments in renewable energy and power generation saw significant declines in deal volumes and values, though wind and solar projects in Egypt, South Africa and Zimbabwe still garnered US$ 10.8 billion. A key policy development was the adoption of the AfCFTA Investment Protocol, aimed at bolstering intra-African investment, particularly in the services sector. Meanwhile, FDI outflows from Africa fell sharply to US$ 0.1 billion in 2023, the lowest in a decade, with Morocco and Kenya being the top sources of outbound investment.

Trends in India-Africa Merchandise Trade

In 2015, total trade between India and Africa stood at US$ 59.4 billion, however, by 2024, it had increased to US$ 83.4 billion with a surplus of US$ 3.3 billion, demonstrating the expanding scope of bilateral economic cooperation. India's exports to Africa have risen significantly over this period, from US$ 25.6 billion in 2015 to US$ 43.4 billion in 2024. While India exports largely manufactured goods to Africa, imports from Africa have been largely composed of energy resources such as crude oil and natural gas, along with gold and certain agricultural commodities. Although imports reached a peak of US$ 53 billion in 2022, it stabilized around US$ 40.1 billion in 2024, indicating a gradual balancing of trade.

Countries in Africa including Kenya, Egypt, Togo, Tanzania and Djibouti continue to be major trade partners with India having substantial trade surpluses, indicating strong Indian exports. Conversely, India's trade deficits with resource-rich nations like Angola, Nigeria and Equatorial Guinea widened considerably, largely driven by increased imports of crude oil and natural gas.

Major Export Destinations: South Africa continued to be the largest export destination of India in Africa in 2024, receiving US$ 8.3 billion worth of exports, followed by Tanzania, which saw a remarkable rise in trade, with Indian exports jumping to nearly US$ 5 billion. Interestingly, countries like Egypt, Kenya and Nigeria have emerged as other significant destinations for Indian exports.

Major Import Partners: South Africa continues to top the list of India's import sources in Africa, accounting for over a quarter of India's imports from Africa in 2024. Nigeria (12.8% share) remains a crucial partner too, especially for energy security. Angola (11.7%) and Tanzania (9.1%) have notably increased their exports to India in recent years. Imports from Mozambique (5.9%) have also increased significantly from US$ 362.5 million in 2015 to US$ 2.3 billion in 2024.

India's Exports to Africa: Mineral fuels, oil and related products dominate India's export basket to Africa, contributing over 27% of India's total exports to Africa in 2024. Cereals (10.4%), especially rice and wheat, have gained prominence, with exports valued at US$ 4.5 billion in 2024. Pharmaceuticals continue to be a strategic sector, contributing 9%, a testament to India's role as the "pharmacy of the world". Other important export categories include transport vehicles (8.6%), machinery & mechanical appliances (6.6%) and electrical goods (3.5%), indicating strong Indian presence in Africa's growing consumer and industrial markets.

India's Imports from Africa: The largest import commodity remains mineral fuels and oils, making up 43.5% of total imports from Africa in 2024. Another key product is precious stones and metals, particularly diamonds and gold, accounting for over 20% of imports and amounting to US$ 8.2 billion in 2024. Imports of copper, ores and fertilizers also remain significant. Fertilizer imports increased from virtually nothing in 2015 to over US$ 1 billion in 2024.

India–Africa Investment Relations

From April 2010 to March 2025, India's approved investments in Africa amounted to US$ 62 billion, with Mauritius accounting for a dominant 86.3% share, primarily due to its favorable tax regime and the Double Taxation Avoidance Agreement (DTAA) with India. Other top destinations included Mozambique, South Africa, Kenya and Tanzania. India's investments are largely service-oriented but remain diversified, with major focus on financial services (30.9%), manufacturing (30.6%) and transport and communication (11%).

Mauritius leads across almost all sectors due to its liberal regulatory environment and its role as a financial hub. Mozambique dominates in agriculture and mining, reflecting resource-driven investments, while South Africa plays a steady, albeit smaller, role as a regional economic anchor. India's FDI outflows to Africa reflect a growing interest in sectors like infrastructure, trade facilitation and consumer markets, alongside traditional resource-linked investments. This highlights India's multifaceted engagement aimed at fostering industrial development, connectivity and financial inclusion across the continent.

Africa's FDI inflows into India from April 2000 to December 2024 aggregated US$ 179.7 billion, again dominated by Mauritius (24.9% of total inflows), functioning more as a financial intermediary than a direct investor. Investments from other African countries such as South Africa, Morocco, Kenya and Nigeria have been minimal, indicating significant untapped potential for two-way capital flows.

Innovative Financing Mechanism for Sustainable Africa

Africa stands at a pivotal moment in its development trajectory. With a rapidly growing population, accelerating urbanization and abundant natural and human capital, the continent holds vast potential to drive global economic growth. However, realizing this potential hinge on the availability of robust, innovative and scalable financing mechanisms to address Africa's enormous development needs—ranging from infrastructure and industrialization to health, education and climate resilience. Despite a modest post-pandemic recovery, growth remains uneven and insufficient to meet the ambitions outlined in the African Union's Agenda 2063 and the SDGs. Tightening global financial conditions, rising debt vulnerabilities and restricted access to affordable capital, compounded by external shocks, geopolitical instability and transformative megatrends, further complicate the financing landscape.

To achieve sustainable development, Africa must mobilize substantial financial resources. The AfDB estimates that Africa requires approximately US$ 495.6 billion annually until 2030—around 17% of its projected 2024 GDP—to match the development levels of high-performing countries. If measured against the longer-term Agenda 2063 benchmarks, the requirement reduces to US$ 86.7 billion annually. A significant portion of these funds is needed for road infrastructure (64.8%), reflecting long-standing underinvestment, while education (17.4%), energy (11%) and R&D (6.8%) are also critical.

Meeting these needs require both traditional and innovative financing sources. Historically, multilateral institutions like the World Bank and the International Monetary Fund (IMF) have played central roles, but African countries still face high borrowing costs and limited access to international capital markets. In 2022, total external financial flows to Africa stood at US$ 174.9 billion, a sharp decline from the previous year. Africa also remains marginalised in global climate finance, receiving only 4.5% of global flows during 2019-2020. Multilateral lenders remain vital, with the World Bank and the AfDB holding significant shares of Africa's multilateral debt. Meanwhile, bilateral financing is shifting toward non-Paris Club lenders, particularly China, though this has raised concerns around transparency and debt sustainability.

To close the financing gap, it is essential to align public and private financing mechanisms and strengthen multilateral development banks. A coherent financing architecture, grounded in domestic resource mobilization, sound debt strategies and good governance, is key to ensuring inclusive and sustainable growth.

- **Blended finance** offers a promising solution by combining concessional public funds with commercial capital to support impactful investments in high-risk environments. For instance, Rwanda's Bank for Development successfully issued a sustainability-linked bond with support from the World Bank, which attracted diverse investors and rewarded the bank for meeting environmental, social and governance (ESG) targets.
- **Tripartite financing arrangements**, involving African countries, GCC sovereign wealth funds and partners like India, also offer strategic value, particularly in infrastructure and agriculture. These can simultaneously address GCC food security concerns, leverage Indian agricultural expertise and improve African productivity. India can play a key role in such collaborations, offering technology, infrastructure support and mutual benefits in the form of stable food supplies and access to critical resources.
- **Green financing** is emerging as a powerful tool for conservation and climate action. A notable example is the Zimbabwe-UAE agreement where conservation rights over large tracts of land are used to generate carbon credits, with revenues shared between the investor and local communities. India could adopt similar models, using its expertise and capital to secure conservation rights in Africa, contributing to global climate goals and benefiting from the carbon market.
- **Debt-for-climate swaps (DFCS)** present another innovative mechanism, allowing indebted nations to redirect debt service payments towards climate resilience projects. These can be structured through bilateral or multilateral arrangements and offer win-win outcomes - debt relief and climate investment. India could implement a model where African countries receive debt relief in exchange for climate investments implemented with Indian goods and expertise, thus aligning its economic and diplomatic interests with sustainability.
- Lastly, the **issuance of thematic bonds**—green, social, gender and blue bonds—is gaining traction in Africa. These instruments mobilize funds for environmental sustainability, social equity, women's empowerment and marine conservation. Pioneering examples include Nigeria's sovereign green bond, the AfDB's COVID-era social bond, Morocco's gender bond and Seychelles' blue bond for sustainable

fisheries. These instruments demonstrate Africa's evolving financial ecosystem and offer replicable models to support the continent's development and climate goals.

India-Africa Partnership Towards Development

India and Africa share a deep-rooted and multidimensional partnership, built on historical ties, mutual respect and shared developmental goals. This relationship has become a key pillar of South-South cooperation, guided by principles of equality, solidarity and mutual benefit. India's engagement with Africa prioritizes African ownership and leadership, ensuring that cooperation is demand-driven and tailored to local developmental needs. India emphasizes capacity building, use of local resources and long-term, inclusive development.

India has supported Africa's development through people-centric initiatives in education, health, trade, investment, technology transfer, maritime and defense cooperation and cultural exchange. This collaboration has been formalized through three India-Africa Forum Summits (IAFS) in 2008, 2011 and 2015, which provide strategic direction to the partnership. During the COVID-19 pandemic, India's timely provision of medicines and vaccines reaffirmed its commitment to African welfare.

A landmark initiative, Focus Africa, launched in 2002–03, initially targeted Sub-Saharan Africa and later expanded to North Africa. Supported by the Export-Import Bank of India (India Exim Bank) this initiative has bolstered trade and investment ties across the continent. India's development assistance includes Lines of Credit (LOCs), grants, humanitarian aid, technical consultancy and capacity-building through schemes such as the Indian Technical and Economic Cooperation (ITEC) Programme and scholarships.

India and Africa also collaborate in global governance, championing inclusive multilateralism. A key moment was the African Union's permanent G20 membership during India's 2023 Presidency. Africa's involvement in sustainability platforms like the International Solar Alliance (ISA) and the Coalition for Disaster Resilient Infrastructure (CDRI) underscores the shared vision for green, resilient development.

Looking ahead, India is working to deepen its development partnership with Africa through the 10^{th} edition of the Africa-India Partnership Day (AIPD), which targets a trade volume of US$ 200 billion by 2030. The five key pillars of AIPD agenda include infrastructure development, agriculture and agro-processing, healthcare and the pharmaceutical industry, digital economy and innovation (including fintech) and energy and sustainability.

Infrastructure Development

Infrastructure development in Africa is essential for economic growth, poverty reduction and achieving the SDGs. Despite significant progress, Africa faces a substantial infrastructure gap, requiring annual investments of US$ 130 billion to US$ 170 billion, with a shortfall of US$ 100 billion. The lack of productive infrastructure in sectors like energy, transport and water hinders industrialization and economic growth.

India has been a key partner in Africa's infrastructure development, focusing on demand-driven, consultative projects that align with African nations' priorities. India has supported projects in transport, energy, water supply and digital infrastructure, such as railway lines in Ghana, solar electrification in Burkina Faso and IT parks in Mozambique. These projects are funded through LOCs, grant assistance and technical support, fostering long-term, sustainable development.

Key areas of cooperation include transport connectivity, rural electrification, water and sanitation, ICT infrastructure and capacity building. India's approach emphasizes local ownership, mutual respect and the strengthening of African institutions through training and project management support.

Looking forward, India aims to accelerate infrastructure development by encouraging investment-led trade, joint ventures and public-private partnerships. India also seeks to enhance Africa's trade with India through increased participation by African LDC's in schemes like the Duty-Free Tariff Preference (DFTP), fostering regional integration and economic resilience.

Agriculture and Agro-Processing

India and Africa can build a strong partnership in agriculture and agro-processing sector, focusing on food security, rural development and inclusive economic growth. Both regions have significant agricultural potential but face challenges such as low productivity and infrastructural limitations. India's experience, especially its Green Revolution, offers valuable insights for Africa in improving agricultural productivity through the adoption of high-yielding seed varieties, irrigation and mechanization.

Key areas of collaboration include contract farming, seed development, cooperative models, water management, market access and agro-processing. India's success with contract farming and cooperatives, such as AMUL, can help Africa improve local food production, reduce import dependence and increase farmers' incomes. India's low-cost irrigation technologies and market platforms like e-NAM can support African nations in enhancing agricultural efficiency and market transparency.

Agro-processing offers opportunities for value-added agriculture, food processing and cold chain logistics. India's experience in these areas can assist Africa in setting up similar systems. Mechanization, particularly with Indian farm machinery suited to small-scale farms, is another promising area. Additionally, India can support agricultural research and development in Africa, fostering innovation in climate-resilient crops and sustainable practices.

India has already invested significantly in Africa's agricultural sector, and further collaboration in areas like farm machinery, technology transfer and capacity building can unlock substantial growth in agriculture and agro-processing across Africa.

Healthcare and Pharmaceutical Industry

India and Africa have a strong healthcare and pharmaceutical partnership, with India providing affordable medicines, vaccines and health-related supplies, including during the COVID-19 pandemic. India's contributions extend to health infrastructure, local capacity building and drug production through joint ventures. Both regions also share traditional medicine practices, fostering a potential exchange of expertise to improve healthcare outcomes.

India's Pan African e-Network, launched in 2009, connects remote hospitals in Africa to Indian specialists, enabling tele-medicine consultations and continuing medical education. India's affordable generic pharmaceuticals have significantly reduced the spread of diseases like HIV, malaria and TB in Africa, and Indian companies have invested significantly in healthcare infrastructure, including hospitals across the continent.

There are opportunities to deepen cooperation, including expanding India's role as a key supplier of generic drugs to Africa, incentivizing Indian pharmaceutical companies to set up manufacturing units locally and enhancing healthcare delivery through tele-medicine and hospital networks. Capacity building through training African health professionals and increasing medical tourism from Africa to India are additional growth areas.

India and Africa can also collaborate in R&D, focusing on infectious diseases and neglected tropical diseases. The AfCFTA presents further opportunities for joint innovation and investment in the healthcare sector.

Digital Economy and Innovation

As Africa accelerates its digital transformation, the need for robust, scalable and inclusive digital infrastructure has become critical. India's Digital Public Infrastructure (DPI) model, including platforms like Aadhaar, UPI and DigiLocker, offers a valuable blueprint for overcoming challenges in Africa, such as fragmented payment systems and high transaction costs. India's success in building open-source, interoperable platforms has driven inclusive growth and offers several lessons for Africa's digital future.

Key takeaways for Africa include building foundational digital identity systems, like India's Aadhaar program, which could enable financial inclusion for millions of Africans without formal identification. India's UPI provides a model for interoperable, low-cost payment systems that could reduce transaction costs and enhance cross-border financial integration in Africa. Furthermore, India's open API-based financial infrastructure has facilitated rapid expansion in services like credit and insurance, a model that Africa could adopt with open banking frameworks. Lastly, India's success was catalyzed by public-private partnerships, which could be replicated in Africa to enhance fintech-led innovation and regulatory collaboration.

India is actively engaging with African nations to share its DPI framework, co-develop digital ecosystems, foster digital skill development and regional cooperation. This collaboration aligns with the AfCFTA vision, aiming to create a harmonized digital ecosystem that drives economic integration and inclusive growth. Through shared values of inclusivity and sustainability, this partnership promises to shape a new digital development paradigm.

Energy and Sustainability

India and Africa are deepening their partnerships in energy and sustainability, driven by mutual aspirations for secure, sustainable and inclusive energy systems. Africa, rich in critical minerals like lithium and cobalt, is poised to play a vital role in the global clean energy transition. However, challenges such as limited processing capacity and fragmented value chains hinder its potential. India, an emerging leader in renewable energy and green hydrogen, is investing in technologies like battery storage and electric mobility, making it an ideal partner for Africa's mineral resources. Joint efforts can help develop local processing industries, improve infrastructure and ensure responsible mining practices, contributing to industrial development across Africa.

India has made significant strides in solar energy, with projects like solar water pumping, mini-grids and rural electrification helping expand energy access in remote African communities. Through the ISA, India has supported over 30 African nations, offering concessional financing and technical assistance.

Green hydrogen, as a future energy pillar, presents new opportunities for collaboration. Africa's vast renewable resources make it a potential leader in green hydrogen production, and India is investing in large-scale projects in partnership with African nations. Financing, technology and institutional cooperation are essential for scaling these efforts, aligning with sustainable development and climate justice goals.

India Exim Bank in Africa

In line with the Government of India's focus, India Exim Bank has played a critical role in facilitating trade, investment and development collaborations between India and African nations. India Exim Bank's commitment towards building relationships with Africa is reflected in the various activities and programmes, which the Bank has set in place. Through a range of financial instruments, including LOCs, project financing, Buyer's Credit under the National Export Insurance Account (BC-NEIA) scheme and capacity-building initiatives, the Bank has enabled Indian companies to participate in Africa's developmental priorities across infrastructure, energy, agriculture, healthcare and manufacturing sectors. These interventions not only contribute to Africa's economic advancement but also open up new avenues for India's trade and investment, creating a mutually beneficial growth model.

Chapter

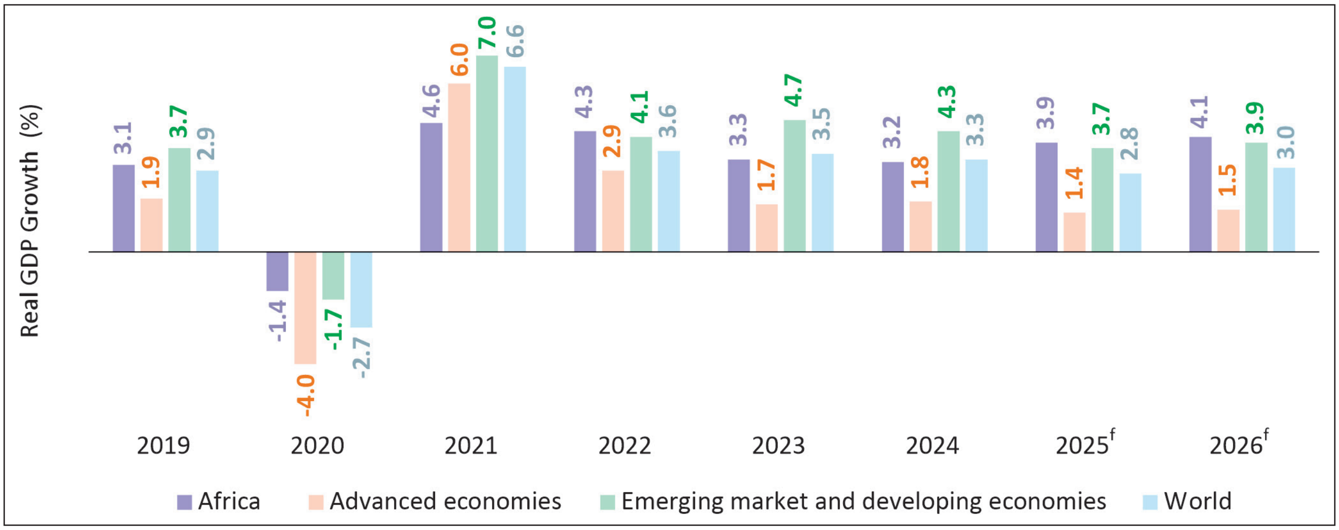
1

Africa: An Economic Overview

Africa's economic trajectory is marked by complexity and contrast; a story of people, places and policies moving together in determined steps toward progress. From bustling urban centers to remote rural communities, economic growth is shaped not only by the continent's vast natural wealth and youthful energy, but also by the efforts of the natives striving to overcome challenges and lay the groundwork for a more prosperous future.

In the last two decades, Africa has steadily strengthened its economic footing, drawing increased global attention as a hub for trade and investment. In Africa, economic growth averaged 4.2% between 2000 and 2023. According to the 2024 World Development Indicators of the World Bank, the average annual percentage change was 1.7 percentage points higher than the global average of 3.1% between 2000 and 2010. Similarly, between 2011 and 2020, weighted average GDP growth in Africa was 3.1%, compared with the global average of 2.4%. As a result of the pandemic, the African economy contracted in 2020 by 1.4%. However, real GDP growth picked up to average at 4.1% between 2021 and 2023 **(Chart 1.1)**.

Chart 1.1: Africa's Growth Outlook



Source: IMF, April 2025 and India Exim Bank Research

In 2024, the continent's average real GDP growth is estimated at 3.2%, according to the Macroeconomic Performance and Outlook (MEO) 2024 Update of African Development Bank (AfDB) and World Economic

Outlook (WEO), April 2025 of the International Monetary Fund (IMF). It still falls significantly short of the 7% annual growth rate widely regarded by the development experts including the African Union (AU) and United Nations Economic Commission for Africa (UNECA) as the minimum required growth rate to meaningfully reduce poverty and achieve the Sustainable Development Goals (SDGs).

Looking ahead, Africa's real GDP growth is expected to rise to 3.9% in 2025, reflecting the positive impact of recent economic reforms undertaken across many African countries. These reforms, targeted at addressing the cost-of-living crisis, curbing inflation and strengthening fiscal and debt management, are expected to create a more stable macroeconomic environment, helping to sustain growth momentum in the coming years.

Africa's overall economic performance and medium-term growth outlook presents significant cross-regional differences. These variations stem from the effectiveness of domestic policies towards global and local shocks. Generally, regions focusing on boosting productivity, quality and competitiveness in key sectors like agriculture and manufacturing, alongside strategic public infrastructure investments to drive structural transformation, have witnessed positive growth outcomes.

According to the AfDB, growth in Central Africa is expected to dip slightly, easing from 4.0% in 2024 to 3.9% in 2025. However, it is projected to pick up again to 4.1% in 2026, driven largely by a rebound in Equatorial Guinea and consistent growth in DR Congo.

East Africa is set to remain the continent's fastest-growing region, with GDP growth projected to rise from 4.4% in 2024 to 5.3% in 2025, reaching 6.1% in 2026. Notably, half of the region's economies, including South Sudan, Rwanda, Uganda, Ethiopia, Tanzania and Kenya, are expected to grow by 5% or more in 2025. Real GDP growth in North Africa is expected to improve steadily, rising from an estimated 2.7% in 2024 to 3.9% in 2025 and 4.2% in 2026. This positive trend is expected to be supported by economic rebounds in key economies such as Libya, Egypt and Morocco.

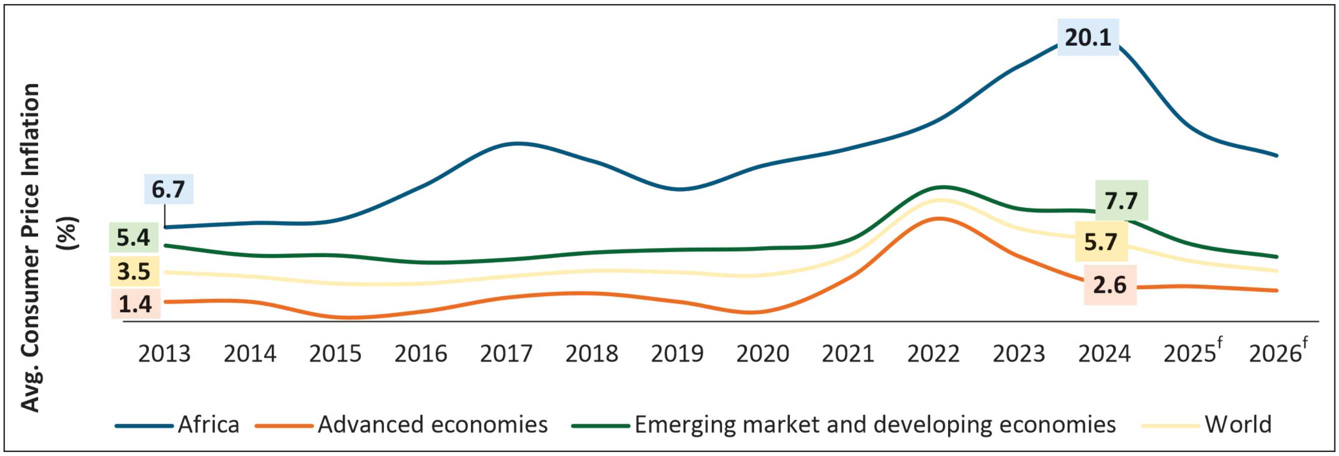
After a sluggish performance in recent years, Southern Africa's economy is projected to regain momentum, with growth rising from 1.8% in 2024 to 3.0% in 2025 and 3.1% in 2026. This marks the first time since 2021 that regional growth is expected to surpass 2%. The recovery is largely driven by strong performances in Eswatini, Zambia and Zimbabwe, each projected to grow by 5% or more following the negative effects of a severe drought in 2024. Most countries in the region are expected to grow between 3% and 4% in 2025, except for South Africa, Namibia and Lesotho.

West Africa's real GDP is projected to rise from 4.1% in 2024 to an average of 4.6% over 2025-2026. The majority of countries in the region are expected to post growth of 5% or more in 2025, with the exceptions of Ghana, Sierra Leone and Nigeria. Growth in Nigeria, the region's largest economy, is expected to remain subdued due to the impact of macroeconomic stabilization measures on household spending and business activity, along with ongoing structural challenges that continue to hinder productivity growth.

Inflation continues to be a major challenge in Africa, weighing high on small progress the continent made in terms of growth. In 2024, inflation remained high, averaging 20.1% **(Chart 1.2)**, well above the medium-term targets in many countries. This upward trend was primarily driven by rising inflation in 16 African nations, including major economies like Egypt and Nigeria. However, the number of countries experiencing double-digit inflation dropped from 19 in 2022 to 15 in 2024, as aggressive monetary policies started to show some positive results[1].

[1] Africa's Macroeconomic Performance and Outlook - January 2025, AfDB

Chart 1.2: Surging Inflation in Africa



Source: IMF, April 2025 and India Exim Bank Research

Competitive Edge of Africa

- ***Natural Resources: Africa's Abundant Mineral Wealth***

Africa holds approximately 30% of the world's known mineral reserves, including significant quantities of gold, cobalt and diamonds. Notably, the continent contributes substantially to the world's annual production of six key minerals - 80% of platinum, 77% of cobalt, 51% of manganese, 46% of diamonds, 39% of chromium and 22% of gold. It also has sizeable reserves of natural graphite, copper, nickel, lithium and iron ore, globally. These resources are critical for the global transition to a low-carbon economy, particularly in the production of batteries, electronics and renewable energy technologies[2].

Africa is endowed with substantial natural wealth, holding approximately 7% of the world's proven oil and natural gas reserves. In addition to its energy potential, the continent possesses over 60% of the world's undeveloped arable land, underscoring its strategic importance in global food security and agricultural development.

Furthermore, with majority of African nations having direct access to the sea, the continent is uniquely positioned to tap into the blue economy. If sustainably developed, this sector holds an estimated global potential value of US$ 1.5 trillion, offering transformative economic opportunities for coastal states across Africa.

- ***Human Capital: Africa's Youthful Population***

Africa is home to 13% of the global population, with a demographic profile that sets it apart. 60% of Africans are under the age of 25, making it one of the youngest populations in the world, with a median age of 19.7 years. By 2050, the continent is projected to account for over 40% of the global school-age population in low and middle-income countries[3]. This burgeoning youth demographic presents both a challenge and an opportunity.

---

2 https://www.afdb.org/en/news-and-events/natural-capital-option-african-governments-finance-sustainable-development-goals-60569?utm

3 Investing in Youth, Transforming Africa, World Bank (https://www.worldbank.org/en/news/feature/2023/06/27/investing-in-youth-transforming-afe-africa?utm)

If adequately educated and equipped with relevant skills, Africa's youth can drive innovation, entrepreneurship and economic growth. The AfDB emphasizes the importance of investing in youth to harness this potential, noting that the youth population is expected to double to more than 830 million by 2050. Such investments are crucial not only for Africa's development but also for meeting global labour demands in various sectors.

- ***Growing Digital Economy in Africa***

Africa is experiencing a technological revolution, with rapid growth in digital accessibility. Between 2019 and 2022, over 160 million people across the continent gained access to broadband internet. Sub-Saharan Africa saw a 115% surge in internet users from 2016 to 2021, highlighting the region's rapid digital adoption. Additionally, 191 million more individuals engaged in digital financial transactions, making or receiving digital payments between 2014 and 2021, signalling a significant shift towards a digitally driven economy[4].

Improved accessibility to broadband services, coupled with greater affordability and enhanced service quality has contributed significantly to increased digital inclusion. This digital inclusion plays a vital role in promoting job creation and poverty reduction. According to a 2023 flagship report by the World Bank, in countries such as Nigeria and Tanzania, sustained internet coverage over a period of three or more years was associated with a reduction in extreme poverty by approximately 7%, alongside an increase in labour force participation and wage employment of up to 8%.

By fostering vibrant innovation ecosystems and establishing regulatory frameworks that encourage technology adoption, Africa is well-positioned to become a leader in the digital economy among developing markets. With the right investments in digital infrastructure, skills development and policy support, the continent could harness its growing digital momentum to drive inclusive economic growth and long-term development.

- ***Urbanization and Thriving Cities***

Africa is poised for a significant urban transformation over the next three decades, with its urban population expected to double. Projections from Africapolis indicate that by 2050, the number of people living in cities will rise from 829.3 million to 1.4 billion, meaning more than half of Africans will reside in urban areas[5]. This rapid urban expansion will drive a surge in demand for land, housing, infrastructure and essential services.

The way cities are designed and developed has far-reaching implications for urban life. It affects access to employment, health services, education, social cohesion, safety and the overall cost of living and doing business. Moreover, urban planning influences inclusion and equality of opportunity, for instance, by shaping women's participation in the labour market, and determines how cities interact with their surrounding environment and regions.

To fully harness the potential of urbanization, African countries have a vital opportunity to improve and adapt current urban development policies. This includes engaging relevant stakeholders in national urban strategies and simplifying the often costly and time-consuming processes associated with infrastructure and investment projects. Realizing the benefits of urban growth will require forward-thinking urban planning, robust governance frameworks and innovative financing mechanisms.

---

4 Digital Transformation Drives Development in Africa, World Bank http://worldbank.org/en/results/2024/01/18/digital-transformation-drives-development-in-afe-afw-africa#:~:text=Over%20160%20million%20Africans%20gained,payment%20between%202014%20and%202021

5 https://africapolis.org/en/data/?country=Africa&keyfigure=urbanPop&menu=browser&type=abs&year=2020

- ***Evolving Maritime Sphere***

As the world's second-largest continent covering roughly one-fifth of the Earth's surface. Including its island nations, Africa boasts more than 26,000 nautical miles of coastline. 38 African countries are either coastal or island states. The continent has over 100 port facilities, with 52 actively handling containerized goods and various types of cargo[6].

Between the first half of 2018 and the first half of 2023, Africa witnessed significant growth in maritime activity, with port calls by container ships increasing by 20% and tanker calls surging by a record-breaking 38%. A standout development in vessel registration came in 2022, when Liberia surpassed Panama after three decades to become the world's largest ship register by deadweight tonnage. Liberia maintained its lead into 2023, commanding a 17.3% share of the global fleet, compared to Panama's 16.1%[7].

In late 2023, the red sea crisis prompted large numbers of vessels to navigate away from the Suez Canal and around the Cape of Good Hope. The rerouting of shipping traffic, which led to increased congestion in South African ports, opened up new opportunities for countries like Madagascar, Mauritius, Namibia and Tanzania. These nations, strategically positioned along maritime routes connecting Asia and Europe, stand to benefit from the shifting dynamics.

Amid geopolitical uncertainties and climate risks, Africa is actively working to enhance its shipping capacity and trade connectivity. This presents a major opportunity for the continent, allowing it to capitalize on its strategic location along key maritime trade routes linking Asia, Europe and the Americas.

African Continental Free Trade Area – An Update

The African Continental Free Trade Area (AfCFTA) was operationalised on January 1, 2021, with an aim to boost intra-African trade and creation of a single market for goods, services and movement of people in line with the "Agenda 2063" of the African Union. 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% or US$ 450 billion, speed up wage growth for women and lift 30 million people out of extreme poverty by 2035[8]. As on February 2025, 54 African countries have signed the agreement and 48 countries out of the 54 signatories (88.9%) have ratified the same[9]. These countries include Ghana, Kenya, Rwanda, Niger, Chad, Eswatini, Guinea, Côte d'Ivoire, Mali, Namibia, South Africa, Republic of Congo, Djibouti, Mauritania, Uganda, Senegal, Togo, Egypt, Ethiopia, Gambia, Sahrawi Arab Democratic 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, Morocco, Guinea-Bissau, Botswana, Comoros, Mozambique and Liberia (in the order of ratification). The 7th Council of Ministers (COM) responsible for trade of the AfCFTA adopted the Ministerial Directive 1/2021 on

[6] Africa's Integrated Maritime (AIM) Strategy, 2050 https://au.int/sites/default/files/newsevents/workingdocuments/33832-wd-african_union_3-1.pdf

[7] Africa: Stronger maritime industry drives resilient, sustainable trade, UNCTAD https://unctad.org/news/africa-stronger-maritime-industry-drives-resilient-sustainable-trade

[8] The African Continental Free Trade Area Economic and Distributional Effects, The World Bank Group, 2020

[9] https://www.brookings.edu/articles/the-african-continental-free-trade-area-is-game-changer-for-both-african-and-global-economies/

the Application of Provisional Schedules of Tariffs Concessions (PSTC) on October 10, 2021. This Ministerial Directive provided a legal basis for the 29 countries that had submitted their tariff schedules in accordance with the agreed modalities to trade preferentially amongst themselves. The Ministerial Directive was adopted by the Assembly of Heads of State and Government in February 2022 paving the way for various activities and initiatives towards the start of commercially meaningful trade under the AfCFTA.

During the 9th Meeting of the Council of Ministers held in July 2022, H.E. the Secretary General of the AfCFTA, Mr. Wamkele Mene, announced the AfCFTA Secretariat Guided Trade Initiative (GTI). The Committee on the AfCFTA Guided Trade Initiative has coordinated the participation of national AfCFTA committees, identification of products to be traded under the initiative, organised logistics, identified and addressed customs-related challenges, thus creating an enabling environment for sustainable trade under the AfCFTA[10]. Accordingly, commercially meaningful trade began in October 2022, when eight pilot countries, from the five regions of Africa - Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tunisia and Tanzania, started trading a set of goods duty free under the AfCFTA GTI. The products earmarked to trade under this initiative include ceramic tiles, batteries, tea, coffee, processed meat products, corn starch, sugar, pasta, glucose syrup, dried fruits and sisal fibre, among others, in line with the AfCFTA's focus on value chain development[11].

Major African markets such as South Africa and Nigeria joined GTI in the first half of 2024. By the end of October 2024, over 37 different State Parties to the AfCFTA (among the 54 total) completed these procedures. This significant threshold of countries and coverage of major African markets creates the conditions for accelerated trading to begin. Growers, manufacturers and processors that meet the product-specific rules of origin under the AfCFTA can benefit from reduced tariffs in intra-African trade[12].

AfDB's Ten-Year Strategy (2024-33)[13]

AfDB's Ten-Year Strategy (2024-33) outlines the Bank's response to assist African countries in navigating overlapping challenges, economic, social and environmental. It reflects a stronger push by Multilateral Development Banks (MDBs) to address global and regional crises through a lens that prioritizes Africa's specific needs.

At its core, the strategy envisions a prosperous, inclusive, resilient and integrated Africa, driven by two key goals: accelerating inclusive green growth and building resilient, thriving economies. In doing so, the AfDB is committed to a balanced approach, harmonizing environmental sustainability, social equity and economic growth.

The Strategy builds on AfDB's "High 5" development priorities, which remain central to its operations:

- ***Light Up and Power Africa***

Across Africa, 600 million people lack access to energy and nearly a billion lack access to clean cooking solutions. However, this represents a huge potential market ready for investment. Achieving universal

[10] The AfCFTA Secretariat's Guided Trade Initiative has been launched: How will it work and where does trade under AfCFTA rules now stand? Special Trade Brief, Tralac Law Centre\
[11] AfCFTA's Guided Trade Initiative takes off, set to ease and boost intra-African trade, October 2022
[12] International Trade Administration (ITA), USA https://www.trade.gov/market-intelligence/afcfta-update-november-2024
[13] The Ten-Year Strategy African Development Bank Group (2024 – 2033) https://www.afdb.org/en/documents/ten-year-strategy-african-development-bank-group-2024-2033

electricity access by 2033 requires a threefold increase in the current annualised rate of new connections, to 90 million, half of which will be through off-grid solutions. Achieving universal access will require at least a doubling of the current rate of investment, to around US$ 190 billion per year through to 2030.

- ***Feed Africa***

Africa currently spends significantly on cereal imports, a clear signal of untapped potential within its own borders. The continent's food and agriculture market, valued at US$ 280 billion in 2023, is projected to soar to US$ 1 trillion by 2030. Agriculture, which contributes about 25% of Africa's GDP, holds the key to unlocking broad-based economic, social and environmental transformation.

In other developing regions across the globe, agricultural transformation has fuelled significant progress, boosting productivity to feed rapidly growing urban populations. While Africa's farms have managed a respectable 3–4% annual growth in output since 2000, productivity still lags. Cereal yields in Africa are just half of those in India and Bangladesh, and maize yields in East Africa average only 2 tonnes per hectare, compared to 4.7 tonnes in Southeast Asia—a major gap, especially considering maize is a dietary staple across the region.

Bridging this yield gap requires bold investment. According to the AfDB, up to US$ 40 billion annually is needed to revitalize 18 priority agricultural value chains. With the right investments, Africa's agricultural sector can become a powerhouse, feeding the continent, boosting rural incomes and driving sustainable growth for generations to come.

- ***Industrialize Africa***

Africa's industrialization is gaining momentum, with productive clusters emerging across key regions, supported by natural resources, foreign investment and digital finance. However, Africa's path to industrialization faces several critical hurdles. Many firms struggle with unreliable and costly power, poor transport and port infrastructure and limited digital connectivity, factors that drive up costs and restrict market access.

The business environment remains challenging, with limited access to affordable credit, underdeveloped capital markets and high information costs stalling the growth of medium and large enterprises. In addition, Africa's economies are often small and fragmented, making it harder for firms to generate the revenues needed to scale up. Stronger trade integration could help overcome these market limitations.

Human capital is another key constraint. Education and training systems haven't kept pace with the needs of industry. Gender disparities further hold back progress. Women are underrepresented in high-value manufacturing and earn less than men for equal work, largely due to unequal access to science, technology, engineering and mathematics (STEM) education, reducing the overall talent pool needed to drive industrial growth.

- ***Integrate Africa***

Integrating Africa is key to unlocking its full economic potential. By promoting the free movement of goods, capital and people and building strong regional value chains, the continent can lay the foundation for deeper industrialization and more inclusive growth.

The AfCFTA is a major step toward this goal. As noted earlier, when fully implemented, it could boost intra-African trade by US$ 450 billion by 2035, raise average incomes by 7% and lift 30 million people out of poverty. Although intra-African trade is growing, it still makes up just 15% of the continent's total trade. Encouragingly, goods traded within Africa tend to have higher value-addition, unlike exports outside the continent, which are often raw materials highlighting the potential of regional trade to drive economic transformation.

However, achieving this vision requires significant investment in infrastructure ports, roads, railways and energy to reduce trade costs and improve connectivity. The Africa Regional Integration Index shows that Africa still lags behind other regions in integration, but progress at the sub-regional level, especially in East Africa, offers hope for the entire continent.

- ***Improve the Quality of Life for the People of Africa***

Africa faces development challenges, particularly in the areas of health, education, water and sanitation and financial inclusion. Despite comprising 18% of the global population, Africa carries 24% of the world's disease burden and accounts for half of all deaths from communicable diseases. The continent suffers from a severe shortage of healthcare infrastructure, with only 1.3 hospital beds per 1,000 people, far below Europe's 6.1, and just one intensive care bed per 100,000 people. Additionally, approximately 30% of Africans live more than two hours away from primary healthcare facilities, limiting timely access to essential services[14].

Africa's education and training systems are not sufficiently aligned with the demands of its labour markets. These challenges reflect deep-rooted structural weaknesses at all levels of the education system, with insufficient emphasis on STEM disciplines, which are crucial for future economic growth and competitiveness.

Access to clean water and adequate sanitation remains a pressing concern. Between 2000 and 2020, around 500 million Africans gained access to at least basic drinking water, raising coverage to 69% of the population. However, this progress has not kept pace with population growth. As a result, the number of people lacking access to clean water increased to approximately 411 million in 2022[15].

Improving access to affordable financial and non-financial services is essential for empowering women and youth across the continent. Financial tools such as savings accounts, credit, insurance and digital payment platforms enable households to manage income volatility, plan for the future and invest in livelihoods. However, significant gaps remain. The rapid expansion of mobile technologies offers promising opportunities to expand financial inclusion and bridge this gap.

Together, these priorities align with the African Union's Agenda 2063 and the UN SDGs, reflecting a comprehensive roadmap for economic transformation, human development and climate-smart growth.

[14] Strategy for Quality Health Infrastructure in Africa 2022-2030, AfDB https://www.afdb.org/sites/default/files/documents/publications/strategy_for_quality_health_infrastructure_in_africa_2022-2030.pdf

[15] Progress on Drinking Water, Sanitation and Hygiene In Africa 2000-2020 5 Years into the SDGs, UNICEF, UN https://www.unicef.org/media/117726/file/JMP%20Snapshot%20on%20Progress%20on%20Drinking%20Water,%20Sanitation%20and%20Hygiene%20in%20Africa%202000-2020.pdf

Chapter

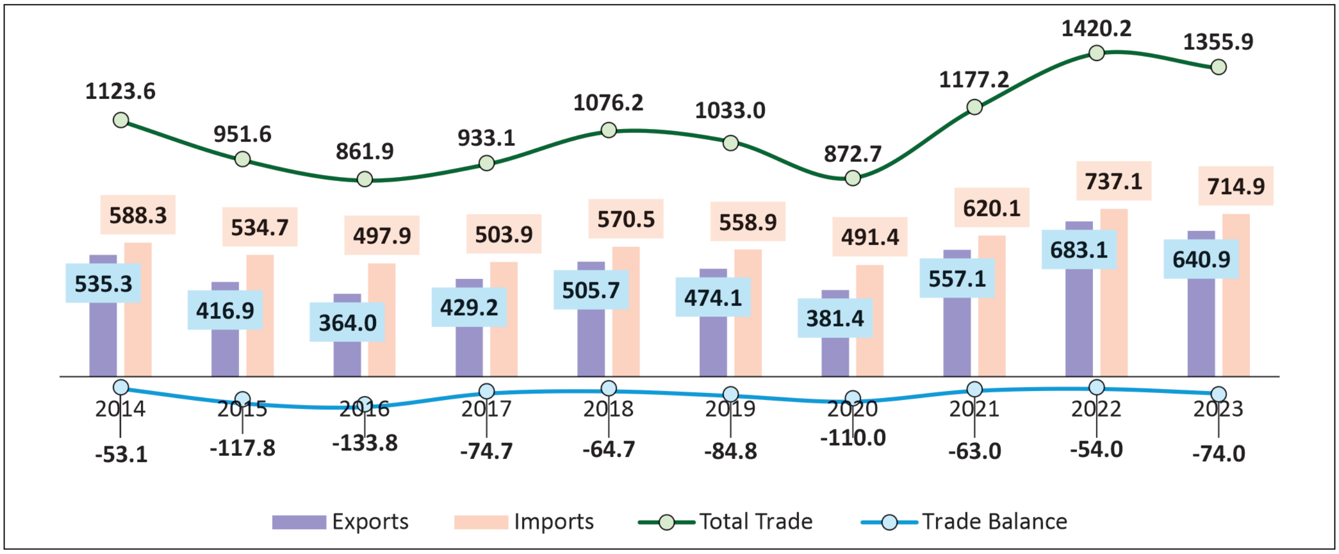
2

Africa's International Trade

Africa's trade dynamism is being changed rapidly in an evolving global trade policy landscape, shaped both by geopolitical conditions and climate imperatives. Africa's trade remains dependent on the external events of the global economy. Over the past decade, Africa's trade landscape has experienced notable fluctuations, largely influenced by global economic conditions, commodity price fluctuations and regional developments. Africa's total trade stood at US$ 1,123.6 billion in 2014 but witnessed a consistent decline through 2016, reaching a low of US$ 861.9 billion **(Chart 2.1)**. This drop may be attributed to the global commodity price collapse, particularly affecting oil and mineral exports, which form a substantial portion of Africa's trade. Additionally, sluggish global demand in the post-2014 period contributed to reduced trade volumes.

In 2018, Africa's trade showed signs of recovery, climbing back to US$ 1,076.2 billion, driven by a moderate recovery in commodity prices and increased infrastructure investments. However, this momentum was disrupted again in 2019 and 2020, as total trade fell to US$ 872.7 billion in 2020 due to the COVID-19 pandemic. The pandemic caused widespread disruptions in global supply chains, reduced both demand and supply capacities, and significantly lowered trade volumes across the continent.

Chart 2.1: Africa's Foreign Trade (US$ billion)



Source: ITC Trade Map and India Exim Bank Research

In the post-pandemic period, Africa's trade rebounded strongly, reaching US$ 1,177.2 billion in 2021 and peaking at US$ 1,420.2 billion in 2022. This surge could be attributed to the global economic recovery, a sharp increase in commodity prices and the formal implementation of the AfCFTA in 2021, which enhanced regional trade linkages. However, in 2023, Africa's total trade slightly declined to US$ 1,355.9 billion, and the trade deficit widened to US$ 74 billion. This decline is likely the result of a combination of factors, including geopolitical tensions, global economic slowdown due to inflationary pressures and tighter monetary policies in key markets.

Overall, exports and imports both grew by around 20% from 2014 to 2023, showing moderate expansion in Africa's global trade footprint and resulting in total trade rising by 20.7% during the same period, indicating overall growth in engagement with international markets. However, the trade deficit widened by 39.4%, suggesting that imports continued to outpace exports, highlighting a persistent structural imbalance in Africa's trade.

Africa - Major Export Items

In 2023, mineral fuels, oils and distillation products remained the dominant export category at US$ 240 billion, accounting for 37.4% of total exports **(Table 2.1)**. However, its share has declined from 41.1% in 2015, reflecting a gradual diversification away from traditional fuel exports. Within mineral fuels, oils and distillation products, Africa majorly exports crude oil (HS-2709). Nigeria, Libya, Angola and Algeria are among the leading global exporters of crude oil, with a combined share of 10.9% of the global crude petroleum exports and 80.3% of Africa's crude petroleum exports in 2023.

Table 2.1: Commodity-wise Major Exports of Africa (US$ billion)

HS Code	Product	2015	2019	2022	2023	% Share in 2023
	Africa's Total Exports	**416.9**	**474.1**	**683.1**	**640.9**	**100.0**
27	Mineral fuels, oils and products of distillation	171.2	192.2	288.5	240.0	37.4
71	Natural or cultured pearls, precious stones and metals	37.0	51.3	74.8	78.2	12.2
26	Ores, slag and ash	14.1	23.7	34.3	38.3	6.0
74	Copper and articles	12.4	15.5	27.6	32.7	5.1
87	Vehicles other than railway or tramway	13.6	16.7	20.1	23.2	3.6
85	Electrical machinery and equipment	12.6	13.4	16.2	18.9	2.9
72	Iron and steel	6.8	7.7	12.8	13.4	2.1
08	Edible fruit and nuts	7.8	9.6	12.6	12.8	2.0
31	Fertilisers	3.7	6.1	17.6	11.8	1.8
28	Inorganic chemicals	6.4	8.8	17.8	11.1	1.7
18	Cocoa and cocoa preparations	10.6	9.2	9.3	10.5	1.6
84	Machinery and mechanical appliances	8.8	8.5	10.1	9.8	1.5
62	Articles of apparel and clothing accessories, not knitted or crocheted	5.7	6.6	7.5	7.6	1.2
25	Salt, sulphur, earths and stone and plastering materials	3.6	3.7	7.3	7.6	1.2
39	Plastics and articles	4.1	5.2	7.0	6.2	1.0

Source: ITC Trade Map and India Exim Bank Research

Meanwhile, precious stones and metals exports rose significantly, contributing 12.2% in total exports in 2023, up from 8.9% in 2015, driven by gold, diamonds and platinum exports from countries including Guinea and Ghana. Exports of ores, slag and ash and copper and articles also grew substantially, highlighting Africa's strategic position as a source of key minerals needed for the global clean energy transition.

Africa - Major Import Items

In 2023, Africa's imports were also dominated by mineral fuels, oils and products of distillation, with a value of US$ 141.7 billion, making up 19.8% of Africa's total imports **(Table 2.2)**. Key importers of fuel and energy products include South Africa, Nigeria, Egypt and Morocco, accounting for 47.6% of Africa's energy imports under HS-27. Machinery and mechanical appliances followed with US$ 71.9 billion (10.1% share in total imports). Other major imported products were transport vehicles (8.5%), electrical machinery and equipment (7.4%) and cereals (4.2%), among others. Meanwhile, products like plastics and articles, pharmaceuticals and iron and steel have witnessed growth in imports in value terms, though their shares have remained relatively stable.

Table 2.2: Commodity-wise Major Imports of Africa (US$ billion)

HS Code	Product	2015	2019	2022	2023	% Share in 2023
	Africa's Total Imports	**534.7**	**558.9**	**737.1**	**714.9**	**100.0**
27	Mineral fuels, oils and products of distillation	78.3	82.6	158.1	141.7	19.8
84	Machinery and mechanical appliances	61.1	64.5	66.8	71.9	10.1
87	Vehicles other than railway or tramway	42.8	44.6	45.6	60.9	8.5
85	Electrical machinery and equipment	45.4	45.0	48.4	53.1	7.4
10	Cereals	21.8	22.9	35.2	30.3	4.2
39	Plastics and articles	19.2	21.5	31.1	26.8	3.8
72	Iron and steel	16.9	16.1	21.8	18.7	2.6
30	Pharmaceutical products	14.8	17.0	20.3	18.4	2.6
73	Articles of iron or steel	17.1	14.3	16.5	16.9	2.4
15	Animal, vegetable or microbial fats and oils	6.7	8.0	15.2	13.0	1.8
90	Optical, photographic, cinematographic and medical equipment	8.1	11.6	10.9	10.6	1.5
38	Miscellaneous chemical products	7.5	8.3	11.5	10.5	1.5
17	Sugars and sugar confectionery	5.5	5.8	9.2	9.7	1.4
48	Paper and paperboard and articles of paper pulp	7.0	7.5	10.3	8.9	1.2
25	Salt, sulphur, earths and stone and plastering materials	5.9	5.4	9.9	8.2	1.1

Source: ITC Trade Map and India Exim Bank Research

Africa – Major Exporters and Importers

South Africa remained the continent's top exporter, with exports increasing from US$ 81.8 billion in 2015 to US$ 110.7 billion in 2023, marking a 35.3% increase **(Table 2.3)**. Despite this rise, its share in total African exports declined from 19.6% to 17.3%. Nigeria, traditionally the second-largest exporter, saw a more modest increase in exports, at 25.2%, increasing from US$ 48.5 billion to US$ 60.7 billion.

On the other hand, North African countries like Morocco and Egypt increased both their export volumes and continental share. Morocco's exports grew by 91.4% between 2015 to 2023, and its share rose from 5.3% to 6.6%. Egypt experienced a 92.2% increase, with its share rising to 6.6% during the same time period. The top five exporting economies accounted for 49% of Africa's exports in 2023.

Table 2.3: Africa - Major Exporters (US$ billion)

Country	2015	2019	2022	2023	% Share in 2015	% Share in 2023
Africa's Total Exports	**416.9**	**474.1**	**683.1**	**640.9**	**100.0**	**100.0**
South Africa	81.8	90.4	123.6	110.7	19.6	17.3
Nigeria	48.5	53.6	63.3	60.7	11.6	9.5
Algeria	34.8	37.1	66.2	57.1	8.4	8.9
Morocco	22.2	29.6	42.3	42.5	5.3	6.6
Egypt	21.9	30.5	52.1	42.1	5.2	6.6
Angola	44.7	34.8	51.3	38.7	10.7	6.0
Libya	10.8	29.3	40.3	35.7	2.6	5.6
DR Congo	8.7	13.4	29.4	28.5	2.1	4.4
Tunisia	14.1	15.0	18.6	20.0	3.4	3.1
Côte d'Ivoire	12.6	12.9	16.4	18.4	3.0	2.9
Guinea	1.5	6.7	11.4	18.0	0.4	2.8
Ghana	13.8	16.8	17.4	16.9	3.3	2.6
Gabon	10.7	7.7	10.5	12.7	2.6	2.0
Congo	8.7	5.6	8.9	12.3	2.1	1.9
Zambia	7.3	7.0	11.7	10.5	1.8	1.6

Source: ITC Trade Map and India Exim Bank Research

South Africa was also the largest importer with US$ 107.3 billion in imports, accounting for 15% of the continent's total imports in 2023, although its share declined marginally from 2015 **(Table 2.4)**. Egypt, while still a key player, saw its share falling from 13.8% in 2015 to 11.6% in 2023. Meanwhile, Morocco and Nigeria increased their import shares significantly; Morocco from 7% to 9.9% and Nigeria from 6.3% to 8.5% during 2015 to 2023, signalling rising domestic consumption and import dependency in these economies.

Rising imports by countries like DR Congo, Libya and Côte d'Ivoire point to growing industrial and consumer demand in emerging African markets. The top five importers, South Africa, Egypt, Morocco, Nigeria and Algeria accounted for around 51% of global imports of Africa during 2023.

Table 2.4: Africa - Major Importers (US$ billion)

Country	2015	2019	2022	2023	% Share in 2015	% Share in 2023
Africa's Total Imports	**534.7**	**558.9**	**737.1**	**714.9**	**100.0**	**100.0**
South Africa	85.8	88.2	111.9	107.3	16.0	15.0
Egypt	74.0	76.5	96.2	83.2	13.8	11.6
Morocco	37.6	51.1	72.8	70.7	7.0	9.9
Nigeria	33.8	47.4	60.5	60.6	6.3	8.5
Algeria	51.8	42.6	36.0	41.5	9.7	5.8
Tunisia	20.2	21.5	26.7	25.9	3.8	3.6
DR Congo	8.1	8.8	26.9	25.7	1.5	3.6
Libya	12.9	15.7	19.9	23.2	2.4	3.2
Côte d'Ivoire	10.4	10.7	18.0	18.8	1.9	2.6
Kenya	16.1	17.2	21.1	18.7	3.0	2.6
Ethiopia	16.3	15.6	16.5	17.0	3.0	2.4
Ghana	14.7	10.4	18.0	16.4	2.7	2.3
Angola	13.2	14.2	17.7	15.7	2.5	2.2
Tanzania	14.7	9.1	15.7	15.1	2.8	2.1
Senegal	5.6	8.1	12.1	11.9	1.0	1.7

Source: ITC Trade Map and India Exim Bank Research

Africa - Major Export Markets and Import Sources

China was Africa's top export destination during 2015 to 2023. African exports to China nearly doubled from US$ 46.1 billion in 2015 to US$ 83.8 billion in 2023, with China's share rising from 11.1% to 13.1% **(Table 2.5)**. The UAE emerged as a major export partner, with exports growing substantially from US$ 11.5 billion in 2015 to US$ 40.3 billion in 2023, with its share increasing from 2.8% to 6.3%, making it one of the fastest-growing export destinations of Africa.

Italy's share in Africa's exports increased during 2015 to 2023, on the other hand, countries like France and Spain maintained stable positions. In contrast, India, witnessed its share in Africa's exports declining from 6.3% in 2015 to 4.4% in 2023, with exports falling from US$ 40.7 billion in 2022 to US$ 27.9 billion in 2023. India's imports from Africa are heavily skewed toward crude oil and metals. A softening in global energy and commodity prices in 2023, following the post-pandemic and Ukraine conflict-induced price spikes in 2022, directly impacted the value of imports which was further affected by shift in India's sourcing strategies.

Table 2.5: Africa's Major Export Destinations (US$ billion)

Importers	2015	2019	2022	2023	% Share in 2015	% Share in 2023
Africa's Total Exports	**416.9**	**474.1**	**683.1**	**640.9**	**100.0**	**100.0**
China	46.1	68.5	82.0	83.8	11.1	13.1
UAE	11.5	18.5	24.9	40.3	2.8	6.3
Italy	21.9	26.2	49.1	40.3	5.3	6.3

Importers	2015	2019	2022	2023	% Share in 2015	% Share in 2023
France	23.7	26.0	36.4	36.8	5.7	5.7
Spain	24.9	27.5	41.2	35.9	6.0	5.6
Netherlands	19.4	16.8	30.9	28.6	4.7	4.5
India	**26.1**	**31.2**	**40.7**	**27.9**	**6.3**	**4.4**
USA	20.2	22.2	31.1	26.6	4.8	4.1
Germany	11.3	15.4	25.4	24.9	2.7	3.9
UK	14.0	13.8	19.8	18.0	3.4	2.8
Switzerland	11.4	12.6	17.5	17.9	2.7	2.8
South Africa	17.2	19.2	18.7	16.9	4.1	2.6
Belgium	8.3	9.5	13.6	12.2	2.0	1.9
Turkey	5.8	6.1	10.5	10.4	1.4	1.6
Mozambique	3.1	4.8	8.6	8.5	0.7	1.3

Source: ITC Trade Map and India Exim Bank Research

Africa's import sourcing has increasingly tilted towards Asia and the Gulf. The continent's demand for affordable machinery, consumer goods, intermediate products and energy aligns well with supply from China, India, UAE and Saudi Arabia. China has consolidated its position as Africa's largest import source. Imports from China grew from US$ 84.6 billion in 2015 to US$ 128.3 billion in 2023, with its share rising from 15.8% to 17.9% **(Table 2.6)**.

India has emerged as a key supplier to Africa, with imports increasing from US$ 24.9 billion in 2015 to US$ 42.3 billion in 2023, with India's share increasing from 4.7% to 5.9%, reflecting India's growing export of pharmaceuticals, vehicles, refined petroleum products, machinery and food grains to African countries. The UAE and Saudi Arabia have demonstrated impressive growth in their export volumes to Africa. Exports from the UAE surged from US$ 13.6 billion in 2015 to US$ 34.2 billion in 2023, raising its share from 2.5% to 4.8%. Similarly, Saudi Arabia's exports, primarily petroleum products and petrochemicals, rose significantly compared to US$ 16.9 billion in 2023, reaching US$ 21.0 billion in 2023.

Table 2.6: Africa's Major Import Sources (US$ billion)

Exporters	2015	2019	2022	2023	% Share in 2015	% Share in 2023
Africa's Total Imports	**534.7**	**558.9**	**737.1**	**714.9**	**100.0**	**100.0**
China	84.6	95.6	125.2	128.3	15.8	17.9
India	**24.9**	**30.3**	**45.3**	**42.3**	**4.7**	**5.9**
USA	30.7	31.5	36.3	35.8	5.8	5.0
UAE	13.6	22.3	37.5	34.2	2.5	4.8
France	29.4	30.4	31.0	29.8	5.5	4.2
Germany	28.7	25.5	25.0	26.9	5.4	3.8
South Africa	27.1	22.8	28.7	26.3	5.1	3.7
Italy	21.7	20.4	22.3	21.7	4.1	3.0
Turkey	13.2	17.5	22.9	21.1	2.5	3.0

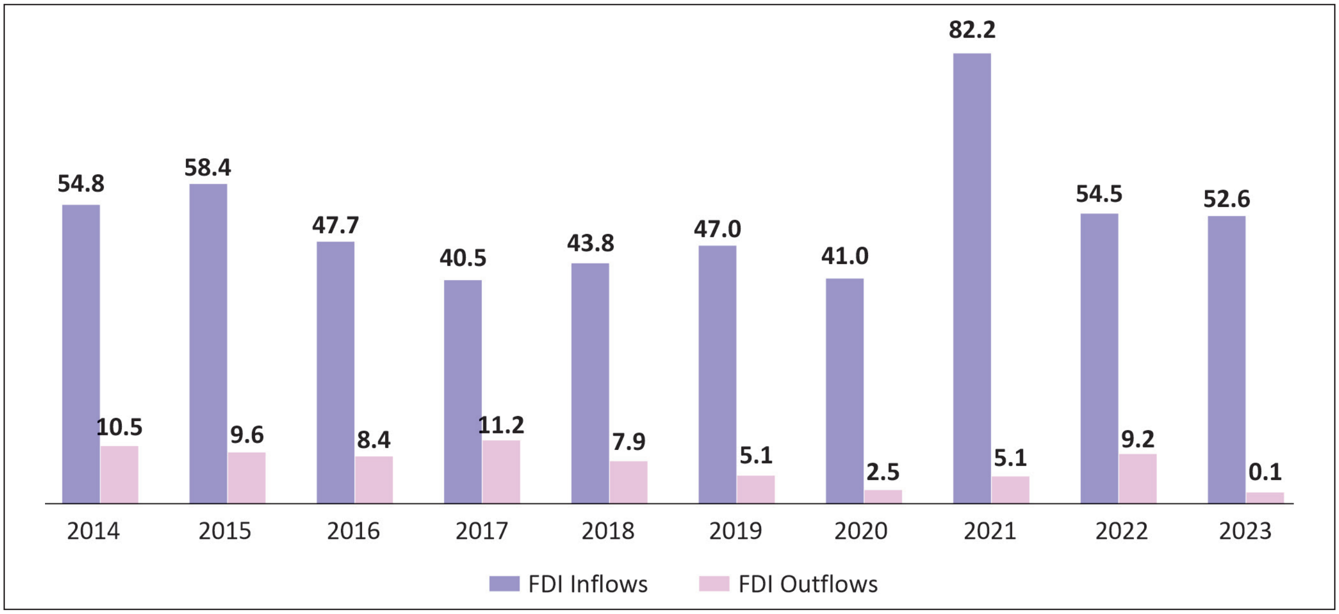
Exporters	2015	2019	2022	2023	% Share in 2015	% Share in 2023
Saudi Arabia	16.9	17.1	27.5	21.0	3.2	2.9
Spain	18.3	19.6	21.0	20.3	3.4	2.8
Belgium	10.9	11.4	20.4	18.1	2.0	2.5
Russia	9.2	13.3	11.5	14.8	1.7	2.1
Brazil	9.1	8.7	13.5	14.0	1.7	2.0
Netherlands	11.5	12.0	18.3	13.7	2.2	1.9

Source: ITC Trade Map and India Exim Bank Research

Foreign Direct Investment Flows in Africa

Africa's overall foreign investment scenario over the past decade has been marked by volatility but also resilience and evolving investor interest. Africa's FDI inflows have shown significant fluctuations over the last decade, reflecting changing global investor sentiment, commodity price cycles and regional policy shifts. After reaching a high of US$ 58.4 billion in 2015, inflows declined over the next few years due to subdued global commodity prices and domestic instabilities in key economies. The COVID-19 pandemic caused a dip in FDI inflows to US$ 41 billion in 2020, but a sharp rebound followed in 2021, with inflows rising to US$ 82.2 billion, the highest in the decade **(Chart 2.2)**. While most countries in Africa saw a moderate rise in FDI in 2021, around 45% of the total inflows was due to an intra-firm financial transaction in South Africa[16].

Chart 2.2: Africa's Foreign Investment Flows, 2014-2023 (US$ billion)



Source: UNCTADstat and India Exim Bank Research

The decline in inflows to Africa in 2022 to US$ 54.5 billion was mainly due to the high base effect of large one-time deals in 2021, combined with global factors such as economic slowdown, inflation, tighter monetary policies and geopolitical uncertainties. Six of the top 15 greenfield megaprojects announced globally in 2022

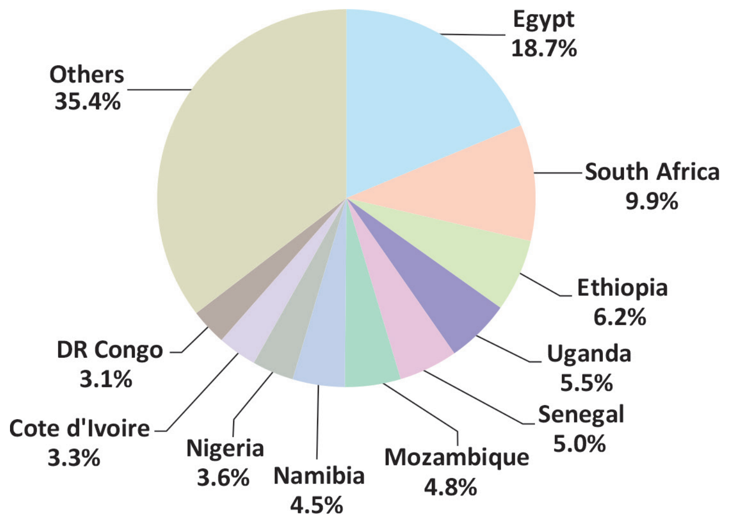
[16] https://unctad.org/news/investment-flows-africa-reached-record-83-billion-2021

were in Africa. Inflows to Africa slightly declined in 2023, but significant investments in the clean energy sector offered a positive highlight.

European investors remain the largest holders of FDI stock in Africa in 2023, holding three of the top four spots (the Netherlands at US$ 109 billion, France at US$ 58 billion, USA at US$ 46 billion and the UK at US$ 46 billion).

Egypt emerged as the largest recipient of FDI Inflows to Africa in 2023, attracting nearly one-fifth of the continent's total inflows **(Chart 2.3)**. This is due to major green hydrogen and ammonia projects in the country, strategic economic reforms and its location as a transit hub between Europe, Asia and Africa. South Africa retained a strong position, attracting 9.9% of total FDI inflows in Africa, buoyed by its diversified economy and green energy initiatives. Its status as a financial and industrial hub contributed to sustained investor interest.

Chart 2.3: Major Recipients of FDI Inflows to Africa in 2023 (% Share)



Source: UNCTADstat and India Exim Bank Research

Among sub-regions, North Africa saw a more pronounced decline in 2023, with inflows falling from US$ 15 billion to US$ 13 billion, marking a 12% drop. This moderation could be linked to economic uncertainties or a slowdown in previous investment momentum, although countries like Egypt still attracted substantial green hydrogen and renewable energy investments. Egypt's Suez Canal Economic Zone finalized agreements worth US$ 10.8 billion for green hydrogen and green ammonia projects.

Beyond energy, Africa is drawing attention from the electric vehicle (EV) sector as well. One of the biggest announcements came from a Chinese company planning a US$ 6.4 billion EV battery manufacturing plant in Morocco, a major step towards establishing a broader EV value chain in the continent.

West Africa remained relatively stable in 2023, with FDI inflows holding steady at US$ 13 billion, recording a 1% decrease. The region's resilience points towards ongoing interest in natural resources, energy projects and growing consumer markets sustained investor confidence. The biggest greenfield investment announced anywhere in the world in 2023 was a green hydrogen project in Mauritania, projected to bring in a staggering US$ 34 billion. Green hydrogen is clearly emerging as a focal point for investment across the continent.

Central Africa experienced a decline in FDI, with inflows dropping by 17% from US$ 7 billion in 2022 to US$ 6 billion in 2023. East Africa also witnessed a modest decline in investment, with inflows decreasing by 3% from US$ 12 billion to US$ 11 billion. Despite this moderation, East Africa continues to be seen as a key hub for logistics, infrastructure and energy development, maintaining its relative appeal to investors.

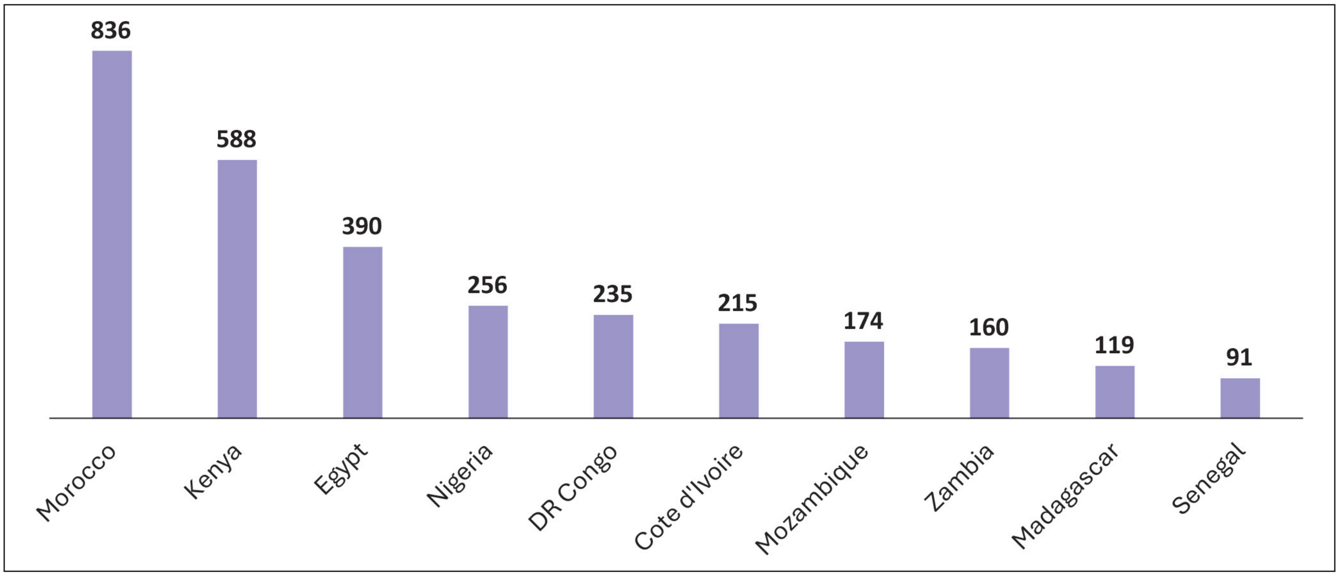
In contrast to these declines, Southern Africa stood out as the only sub-region to register an increase in FDI. Inflows rose significantly by 22%, from US$ 7 billion in 2022 to US$ 9 billion in 2023. This surge is mostly driven by major green hydrogen projects and a growing electric vehicle battery manufacturing sector. In South Africa, three energy companies unveiled separate green hydrogen initiatives totalling US$ 7.1 billion in 2023.

The overall value of international project finance deals in Africa fell sharply in 2023, falling by 50% to US$ 64 billion, following a 20% decline in 2022. Sectors like renewable energy and power generation saw particularly steep declines in both deal numbers and investment value. Wind and solar projects continued to attract attention, with US$ 10.8 billion committed to projects across Egypt, South Africa and Zimbabwe.

A notable policy development in 2023 was the adoption of the AfCFTA Investment Protocol, which is expected to boost intra-African investment. While regional investment projects still make up a relatively small share of overall activity, they are gaining ground especially in the services sector.

FDI outflows from Africa decreased to US$ 0.1 billion in 2023 from US$ 9.2 billion in 2022, recording the lowest outflow figure during the last decade. The highest outflows were from Morocco and Kenya **(Chart 2.4)**.

Chart 2.4: Major Sources of FDI Outflows from Africa in 2023 (US$ million)



Source: UNCTADstat and India Exim Bank Research

Chapter

3

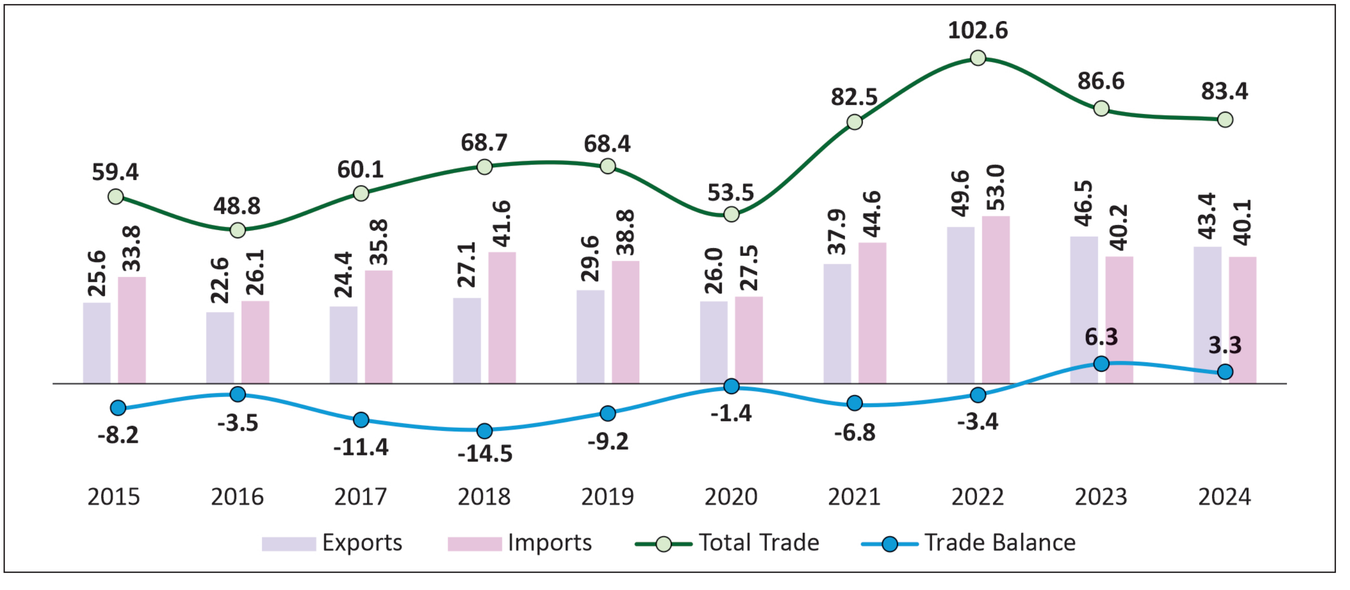
India's Growing Role in Africa's Sustainable Development

India's partnership with Africa has evolved into a multidimensional engagement, with trade playing a central role in fostering development. Over the past decade, India has emerged as one of Africa's key trading partners, offering not just economic cooperation but also investments in infrastructure, capacity building and technology transfer.

Trends in India-Africa Merchandise Trade

In 2015, total trade between India and Africa stood at US$ 59.4 billion, however, by 2024, it had increased to US$ 83.4 billion, demonstrating the expanding scope of bilateral economic cooperation **(Chart 3.1)**. India's exports to Africa have risen significantly over this period, from US$ 25.6 billion in 2015 to US$ 43.4 billion in 2024. While India exports largely manufactured goods to Africa, imports from Africa have been largely composed of energy resources such as crude oil and natural gas, along with gold and certain agricultural commodities. Although imports reached a peak of US$ 53 billion in 2022, it stabilized around US$ 40.1 billion in 2024, indicating a gradual balancing of trade.

Chart 3.1: India's Merchandise Trade with Africa (US$ billion)



Source: ITC Trade Map and India Exim Bank Research

India's trade with Africa also showed strong resilience during global disruptions, notably the COVID-19 pandemic. While total trade dropped to US$ 53.5 billion in 2020, it recovered swiftly, reaching a record high of US$ 102.6 billion in 2022. This bounce-back underscores the strategic depth and robustness of the India-Africa economic partnership. It also reflects how both regions view each other as dependable partners in uncertain global environments.

A notable shift in the trade dynamics is reflected in the improving trade balance. India traditionally ran a trade deficit with Africa, which widened to US$ 14.5 billion in 2018 from US$ 8.2 billion in 2015. However, the trend began reversing post 2020, and by 2023, India had recorded a trade surplus of US$ 6.3 billion, followed by surplus of US$ 3.3 billion in 2024. This positive shift suggests a more balanced and sustainable trade relationship, benefiting both regions.

India's Major Export Destinations in Africa

India's trade relationship with Africa has evolved to become more vibrant and diversified, reflecting the growing importance of the continent in India's global outlook. In 2024, India's exports to Africa reached an impressive US$ 43.4 billion, making up nearly 10% of India's total global exports **(Table 3.1)**. In 2024, South Africa continued to be the largest export destination of India in Africa, receiving US$ 8.3 billion worth of goods from India, followed by Tanzania, which saw a remarkable rise in trade, with Indian exports jumping to nearly US$ 5 billion. Interestingly, countries like Togo, Benin and Djibouti have emerged as significant destinations for Indian exports, each importing close to or over US$ 900 million in goods from India.

Table 3.1: India's Major Export Destinations in Africa (US$ million)

Region/ Countries	2015	2019	2023	2024	% Share in India's Exports to Africa in 2024	% Share in India's Global Exports in 2024*
India's Exports to Africa	**25,624.1**	**29,592.6**	**46,483.0**	**43,367.1**	**100.0**	**9.8**
South Africa	3,811.5	3,982.9	8,018.9	8,266.5	19.1	1.9
Tanzania	1,663.3	1,692.9	4,129.2	4,960.8	11.4	1.1
Egypt	2,356.3	2,658.6	3,956.1	3,228.8	7.4	0.7
Kenya	3,183.2	1,931.2	3,288.8	3,115.4	7.2	0.7
Nigeria	2,285.7	3,678.9	3,961.7	2,874.1	6.6	0.7
Togo	455.0	1,089.4	3,857.8	2,760.3	6.4	0.6
Mozambique	1,476.4	2,135.3	2,272.9	1,566.3	3.6	0.4
Ghana	641.6	602.6	998.7	1,307.5	3.0	0.3
Benin	407.4	418.4	907.9	1,007.6	2.3	0.2
Senegal	522.0	484.0	1,040.1	968.4	2.2	0.2
Morocco	328.5	935.0	1,112.2	963.9	2.2	0.2
Algeria	847.8	743.6	750.3	959.4	2.2	0.2
Djibouti	204.1	357.2	1,183.8	948.3	2.2	0.2
Côte d'Ivoire	385.4	428.6	720.5	906.7	2.1	0.2
Guinea	271.2	351.5	636.9	826.5	1.9	0.2

Note: * India's global exports in 2024 stood at US$ 441,783.9 million

Source: ITC Trade Map and India Exim Bank Research

India's Major Import Partners in Africa

India's imports from Africa in 2024 amounting to US$ 40.1 billion, contributed to 5.7% of India's global import basket. South Africa continues to top the list of India's import sources in Africa, accounting for over a quarter of India's imports from Africa in 2024 **(Table 3.2)**. Nigeria remains a crucial partner too, especially for energy security, with India importing US$ 4.9 billion worth of petroleum products, despite some decline from previous years. India's import ties are now expanding to include more diversified sources in the region. Angola and Tanzania have notably increased their exports to India in recent years. Imports from Mozambique have also increased significantly from US$ 362.5 million in 2015 to US$ 2.3 billion in 2024.

India's import profile with Africa illustrates a strengthening and more balanced trade relationship, where both exports and imports are being deepened across a wider range of African partners, aligning with India's long-term goals of economic diversification and South-South cooperation.

Table 3.2: India's Major Import Sources from Africa (US$ million)

Region/ Countries	2015	2019	2023	2024	% Share in India's Imports from Africa in 2024	% Share in India's Global Imports in 2024*
India's Imports from Africa	**33,793.4**	**38,766.8**	**40,166.4**	**40,061.3**	**100.0**	**5.7**
South Africa	6,279.7	6,634.5	11,350.3	10,335.2	25.8	1.5
Nigeria	10,240.0	10,613.1	3,491.1	5,138.0	12.8	0.7
Angola	3,171.5	3,799.6	3,905.6	4,703.2	11.7	0.7
Tanzania	1,005.0	859.5	1,726.5	3,632.5	9.1	0.5
Mozambique	362.5	856.7	1,758.7	2,344.6	5.9	0.3
Ghana	3,221.5	2,494.2	1,307.5	1,723.3	4.3	0.2
Morocco	1,100.4	1,102.8	1,389.0	1,697.4	4.2	0.2
Algeria	289.6	1,988.7	685.6	1,005.2	2.5	0.1
Egypt	1,461.5	2,001.1	1,460.3	958.5	2.4	0.1
Togo	257.3	361.8	778.5	954.0	2.4	0.1
Guinea	473.1	394.4	1,448.8	728.2	1.8	0.1
Senegal	227.7	484.2	695.2	701.3	1.8	0.1
Equatorial Guinea	420.2	962.6	174.0	590.8	1.5	0.1
Côte d'Ivoire	571.1	505.7	392.0	527.2	1.3	0.1
Cameroon	744.8	427.1	629.5	493.4	1.2	0.1

Note: * India's global imports in 2024 stood at US$ 702,641.7 million

Source: ITC Trade Map and India Exim Bank Research

Major Traded Commodities

India's Exports to Africa

Mineral fuels, oil and related products dominate India's export basket to Africa, contributing over 27% of India's total exports to Africa **(Table 3.3)**. Although the export value marks a moderation from the 2023 peak of US$ 15.9 billion to US$ 11.8 billion in 2024, it still underscores Africa's importance in India's energy trade. Beyond energy, the Indian export profile shows significant diversification. Cereals, especially rice and wheat, have gained prominence, with exports valued at US$ 4.5 billion in 2024, marking a substantial increase of more than threefold as compared to 2015 and accounting for 10.4% of India's Africa-bound exports in 2024. Pharmaceuticals continue to be a strategic sector, contributing 9%, a testament to India's role as the "pharmacy of the world". Other important export categories include vehicles (8.6%), machinery (6.6%) and electrical goods (3.5%), indicating strong Indian presence in Africa's growing consumer and industrial markets.

At a disaggregated level, India's major exports to Africa include refined petroleum products; rice, semi-milled or wholly milled; medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, packaged for retail sale; motor cars and refined sugar.

Table 3.3: India's Major Exports to Africa (US$ million)

HS Code	Product	2015	2019	2023	2024	% Share in India's Exports to Africa in 2024	% Share in India's Global Exports in 2024*
	India's Exports to Africa	**25,624.1**	**29,592.6**	**46,483.0**	**43,367.1**	**100.0**	**9.8**
27	Mineral fuels, oil and products of distillation	5,294.2	6,027.0	15,885.6	11,830.2	27.3	2.7
10	Cereals	1,475.5	1,434.6	3,776.8	4,504.0	10.4	1.0
30	Pharmaceutical products	3,039.8	3,178.8	3,833.0	3,898.9	9.0	0.9
87	Vehicles other than railway or tramway	2,774.2	3,057.7	3,759.5	3,728.6	8.6	0.8
84	Machinery and mechanical appliances	1,606.9	2,236.7	2,630.7	2,848.9	6.6	0.6
85	Electrical machinery and equipment	900.2	1,354.9	1,444.1	1,526.0	3.5	0.3
17	Sugars and sugar confectionery	611.5	869.1	2,087.3	1,504.1	3.5	0.3
39	Plastics and articles	810.0	1,057.2	1,122.2	1,210.5	2.8	0.3
29	Organic chemicals	566.6	761.1	799.7	889.7	2.1	0.2
73	Articles of iron or steel	652.4	661.1	862.8	856.4	2.0	0.2
52	Cotton	769.9	877.6	958.3	821.3	1.9	0.2
02	Meat and edible meat offal	590.2	442.6	652.9	790.9	1.8	0.2
38	Miscellaneous chemical products	270.7	500.1	627.3	674.9	1.6	0.2
40	Rubber and articles	276.8	316.3	402.4	412.3	1.0	0.1
69	Ceramic products	109.8	211.5	470.1	397.3	0.9	0.1

Note: * India's global exports in 2024 stood at US$ 441,783.9 million

Source: ITC Trade Map and India Exim Bank Research

India's Imports from Africa

India's import profile from Africa highlights the continent's strategic importance as a supplier of essential raw materials and natural resources. The largest import commodity by far remains mineral fuels and oils, making up 43.5% of total imports from Africa in 2024 **(Table 3.4)**. Another key product is precious stones and metals, particularly diamonds and gold, accounting for over 20% of imports and amounting to US$ 8.2 billion in 2024. Imports of copper, ores and fertilizers also remain significant. Fertilizer imports increased from virtually nothing in 2015 to over US$ 1 billion in 2024.

Table 3.4: India's Major Imports from Africa (US$ million)

HS Code	Products	2015	2019	2023	2024	Share in India's Imports from Africa in 2024 (%)	Share in India's Global Imports in 2024* (%)
	India's Imports from Africa	**33,793.4**	**38,766.8**	**40,166.4**	**40,061.3**	**100.0**	**5.7**
27	Mineral fuels, oils and products of distillation	19,095.6	23,923.6	14,213.1	17,408.1	43.5	2.5
71	Natural or cultured pearls, precious stones and metals	6,870.4	6,667.8	12,553.4	8,160.9	20.4	1.2
74	Copper and articles	583.3	744.9	2,605.8	2,468.7	6.2	0.4
08	Edible fruit and nuts	1,313.8	988.3	1,477.7	1,747.4	4.4	0.2
26	Ores, slag and ash	992.8	654.2	1,303.4	1,389.5	3.5	0.2
07	Edible vegetables and certain roots	447.0	375.2	801.4	1,196.9	3.0	0.2
25	Salt, sulphur, earths and stone and plastering materials	554.8	508.3	1,037.9	1,096.6	2.7	0.2
28	Inorganic chemicals	1,134.0	1,467.3	1,494.5	1,085.4	2.7	0.2
31	Fertilisers	0.6	271.7	761.9	1,009.9	2.5	0.1
12	Oil seeds and oleaginous fruits	126.9	396.9	713.0	696.3	1.7	0.1
47	Pulp of wood or of other fibrous cellulosic material	159.1	148.3	556.2	587.5	1.5	0.1
72	Iron and steel	619.5	403.9	567.1	387.9	1.0	0.1
52	Cotton	186.6	393.1	165.5	352.2	0.9	0.1
89	Ships, boats and floating structures	76.0	212.4	18.2	327.0	0.8	0.05
09	Coffee, tea, maté and spices	175.9	112.1	234.6	300.6	0.8	0.04

Note: * India's global imports in 2024 stood at US$ 702,641.7 million

Source: ITC Trade Map and India Exim Bank Research

India is also increasingly importing a wide range of agricultural products, including edible fruits, vegetables and oilseeds from Africa, with combined values exceeding US$ 3.6 billion in 2024. At a disaggregated level, India's major imports from Africa include crude petroleum; gold in unwrought form; coal; natural gas and unrefined copper. While India's major imports such as unwrought gold, coal, unrefined copper, phosphoric acid and refined copper undergone a decline, products such as petroleum crude, liquified natural gas, cashew nuts, dried or shelled pigeon peas and diammonium phosphate witnessed an increase during 2023-24.

India's Trade Balance with Africa

Countries in Africa including Kenya, Egypt, Togo, Tanzania and Djibouti continue to be India's major trade partners with substantial surpluses, indicating strong Indian exports. Notably, Côte d'Ivoire shifted from a deficit in earlier years to a surplus in 2024, suggesting a restructured trade relationship **(Table 3.5)**. Libya also emerged as a growing partner, with India registering a significant trade surplus after years of marginal trade.

Conversely, India's trade deficits with resource-rich nations like Angola, Nigeria and Equatorial Guinea widened considerably, largely driven by increased imports of crude oil and natural gas. The sharp reversal with Nigeria from a surplus in 2023 to a US$ 2.3 billion deficit in 2024 underscores the volatility tied to energy trade.

Table 3.5: India's Trade Balance with Major African Countries (US$ million)

Country	2015	2019	2023	2024
Kenya	3,071.3	1,835.4	3,173.5	2,832.0
Egypt	894.8	657.5	2,495.7	2,270.3
Togo	197.7	727.6	3,079.4	1,806.3
Tanzania	658.3	833.5	2,402.7	1,328.3
Djibouti	202.5	336.1	1,172.6	929.8
Benin	129.1	85.0	732.6	840.8
Somalia	401.9	592.9	748.7	786.8
Mauritius	739.5	752.8	596.5	582.4
Libya	112.9	118.2	68.7	535.0
Côte d'Ivoire	-185.7	-77.1	328.5	379.4
Guinea-Bissau	-189.8	-110.7	-62.5	-176.1
Botswana	-520.1	-585.8	-1,196.1	-189.5
Gabon	-78.7	-101.0	-364.9	-233.4
Ghana	-2,580.0	-1,891.6	-308.8	-415.9
Equatorial Guinea	-406.2	-952.5	-154.4	-563.5
Morocco	-771.9	-167.7	-276.9	-733.5
Mozambique	1,113.9	1,278.6	514.2	-778.3
South Africa	-2,468.2	-2,651.6	-3,331.4	-2,068.7
Nigeria	-7,954.3	-6,934.3	470.7	-2,263.9
Angola	-2,900.0	-3,510.8	-3,272.2	-4,119.2

Source: ITC Trade Map and India Exim Bank Research

India's Investments in Africa

According to data from the Ministry of Finance, Government of India, and the Reserve Bank of India (RBI), approved[17] cumulative India's investments in Africa during April 2010 to March 2025 amounted to US$ 62 billion. Mauritius, Mozambique, South Africa, Kenya and Tanzania were the top destinations of India's investments in the African region **(Table 3.6)**. India's approved investments in Africa have largely been concentrated in Mauritius, with a share of 86.3% in India's total overseas direct investments to Africa, due to its status as a low-tax jurisdiction and the Double Taxation Avoidance Convention (DTAA)[18]. The Government of India and the Government of Mauritius came to a unanimous decision on December 6, 1983, regarding the avoidance of double taxation. The conventions of DTAA signed between India and Mauritius will be applicable to residents of one or both contracting states. On March 7, 2024, India and Mauritius signed a protocol amending the DTAA. A key point of revision was the introduction of a new article to satisfy the principal purpose test. However, it is to be noted that the protocol is yet to be ratified.

Table 3.6: India's Top Investment Destinations in Africa (US$ million)

Country	April 2010-March 2020	2020-21	2021-22	2022-23	2023-24	2024-25	April 2010-March 2025	Country-wise Share during April 2010-March 2025 (%)
Mauritius	43,832.1	2,496.8	872.2	828.6	991.6	4,552.8	53,574.1	86.3
Mozambique	253.0	323.1	2,261.4	133.5	108.8	193.4	3,273.1	5.3
South Africa	465.7	15.1	7.2	64.3	433.1	142.9	1,128.2	1.8
Kenya	101.4	16.4	7.5	11.0	11.0	844.9	992.2	1.6
Tanzania	80.1	0.7	5.8	2.7	16.1	783.2	888.6	1.4
Egypt	204.5	0.2	0.6	2.0	18.3	0.1	225.8	0.4
Zambia	168.7	4.1	4.9	6.2	8.4	24.9	217.2	0.3
Morocco	136.8	4.9	8.8	-	1.2	64.4	216.1	0.3
Tunisia	192.9	-	-	-	-	-	192.9	0.3
Nigeria	84.1	34.8	2.7	11.6	11.7	27.3	172.3	0.3
Ethiopia	159.1	2.0	0.7	1.8	0.9	0.9	165.4	0.3
Sudan	13.9	12.2	22.5	32.4	46.7	35.5	163.3	0.3
Gabon	49.6	2.9	2.1	89.1	10.4	-	154.1	0.2
Libya	98.8	0.1	0.1	14.8	-	2.7	116.4	0.2
Ghana	96.3	1.7	2.7	5.6	8.2	1.2	115.7	0.2
Uganda	48.5	4.7	9.1	5.0	23.5	23.9	114.7	0.2
Congo	4.1	0.8	2.5	9.0	34.5	61.5	112.4	0.2
Botswana	31.8	0.1	6.8	27.2	12.8	3.2	81.9	0.1
Zimbabwe	16.5	12.6	4.0	4.6	-	-	37.6	0.1
Algeria	25.2	0.1	1.3	1.3	0.2	0.5	28.6	-

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

[18] 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.

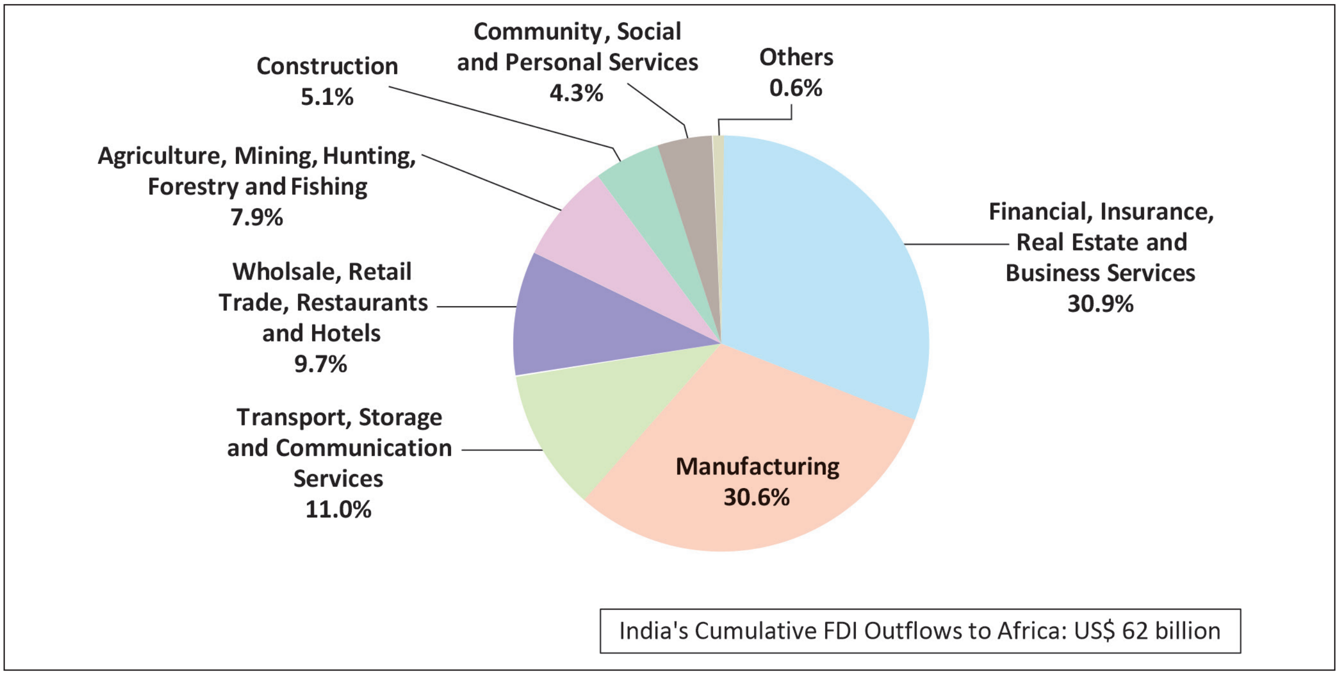
Country	April 2010-March 2020	2020-21	2021-22	2022-23	2023-24	2024-25	April 2010-March 2025	Country-wise Share during April 2010-March 2025 (%)
India's Total FDI Outflows to Africa	46,124.9	2,935.1	3,228.3	1,257.8	1,739.3	6,768.3	62,053.8	100.0
India's Total FDI Outflows*	239,134.6	18,619.2	24,955.2	22,880.7	24,887.0	41,617.5	372,094.2	-
Africa's Share in overall FDI Outflows (%)	19.3	15.8	12.9	5.5	7.0	16.3	16.7	-

Note: - Negligible/ nil; * India's total Overseas Investment figure include investments in GIFT City

Source: Ministry of Finance, Reserve Bank of India (RBI) and India Exim Bank Research

Chart 3.2 illustrates India's cumulative FDI outflows to Africa amounting to US$ 62 billion in various sectors. It shows diversified yet service-oriented investment pattern, with a dual focus on financial services and manufacturing, complemented by infrastructure and trade facilitation sectors.

Chart 3.2: Sector-wise Indian Investments in Africa



Note: Legend is arranged based on the size of its share in total investments; others include electricity, gas and water and miscellaneous

Source: RBI and India Exim Bank Research

There lies a strong sectoral concentration in financial, insurance, real estate and business services, which account for the largest share at 30.9%. This suggests India's strategic interest in Africa's financial infrastructure and services. This is followed by manufacturing sector, which also attracts 30.6% of Indian FDI, highlighting India's commitment to industrial development and value addition in African economies.

Transport, storage and communication services constitute 11.0% of the investment, underscoring India's focus on improving connectivity and logistics in Africa. Wholesale, retail trade, restaurants and hotels receive 9.7%, indicating growing consumer market engagement and support for tourism infrastructure. Other sectors receiving moderate investments include agriculture, mining, hunting, forestry and fishing (7.9%), construction (5.1%) and community, social and personal services (4.3%). These investments reflect India's multifaceted engagement with Africa, including natural resources, infrastructure and social sectors.

Table 3.7 highlights Mauritius as the dominant hub for Indian foreign direct investment (FDI) across nearly all major sectors. Mauritius accounts for over 90% of Indian investments in financial, insurance, real estate and business services (93.1%), construction (97.8%), community, social and personal services (95.7%), transport, storage and communication services (99.6%), and wholesale, retail trade, restaurants and hotels (97.6%). This dominance is likely due to favourable tax treaties, a liberal regulatory environment and its strategic role as a gateway for Indian firms into Africa.

In manufacturing, Mauritius also attracts a substantial 82.9% share, with minor investments dispersed in Tanzania (4.4%) and South Africa (3.4%). Similarly, in electricity, gas and water, Mauritius leads with 66.9%, followed by Zambia (20.6%) and Egypt (8.2%), indicating India's growing interest in Africa's utility infrastructure.

Notably, Mozambique stands out in agriculture, mining, hunting, forestry and fishing, attracting 66.7% of Indian investments in this sector, suggesting resource-driven investment patterns. South Africa, while not a major recipient across most sectors, appears consistently, reflecting its role as a regional economic powerhouse.

Table 3.7: Country-wise Major Sectors Attracting Indian Investments in Africa, April 2010 - March 2025

Sector/Top Countries	% Share in Major Sectors
Agriculture, Mining, Hunting, Forestry and Fishing	
Mozambique	66.7
Mauritius	29.2
South Africa	1.2
Zambia	0.8
Tanzania	0.4
Manufacturing	
Mauritius	82.9
Tanzania	4.4
South Africa	3.4
Morocco	1.1
Tunisia	1.0

Sector/Top Countries	% Share in Major Sectors
Financial, Insurance, Real Estate and Business Services	
Mauritius	93.1
Kenya	4.2
South Africa	1.5
Egypt	0.6
Uganda	0.1
Community, Social and Personal Services	
Mauritius	95.7
South Africa	3.2
Uganda	0.3
Nigeria	0.2
Ethiopia	0.2
Construction	
Mauritius	97.8
Nigeria	1.0
Zambia	0.4
South Africa	0.3
Mozambique	0.2
Electricity, Gas and Water	
Mauritius	66.9
Zambia	20.6
Egypt	8.2
Ghana	2.6
Seychelles	1.4
Transport, Storage and Communication Services	
Mauritius	99.6
Uganda	0.2
Kenya	0.1
Mozambique	0.1
South Africa	0.03

Sector/Top Countries	% Share in Major Sectors
Wholesale, Retail Trade, Restaurants and Hotels	
Mauritius	97.6
South Africa	0.9
Uganda	0.5
Ghana	0.4
Kenya	0.3

Source: Ministry of Finance, RBI and India Exim Bank Research

The critical drivers of FDI inflows into Africa are mostly the availability of natural resources, market size, GDP, infrastructure development, trade openness covering imports and exports of goods and services – both intra-regional and extra-regional, and the strength of local currency.

Africa's Investments in India

During April 2000-December 2024, FDI inflows to India from Africa have been dominated by investments from Mauritius that accounts for 24.9% of India's overall FDI inflows at US$ 178.8 billion **(Table 3.8)**. This share is due to Mauritius's role as a financial intermediary, supported by a favourable tax treaty. South Africa follows distantly with US$ 619.7 million (0.1%), while all other African nations contribute marginally. Countries like Morocco, Kenya, Nigeria and Egypt have made modest investments, but each account for less than 0.1% of total inflows.

Table 3.8: Major African Investors in India, April 2000 – December 2024

Country	FDI Equity Inflows (US$ million)	% Share in India's Total FDI Equity Inflows
Mauritius	178,810.3	24.9
South Africa	619.7	0.1
Morocco	141.4	-
Kenya	30.5	-
Nigeria	16.6	-
Mozambique	15.7	-
Liberia	14.8	-
Uganda	12.7	-
Egypt	11.3	-
Botswana	9.2	-
Ghana	8.0	-
Tunisia	5.0	-
Tanzania	3.7	-
Malawi	1.2	-
Togo	0.9	-
Algeria	0.8	-

Country	FDI Equity Inflows (US$ million)	% Share in India's Total FDI Equity Inflows
Swaziland	0.7	-
DR Congo	0.6	-
Benin	0.6	-
Zambia	0.4	-
Total FDI Inflows from Africa	**179,704.9**	**25.0**

Note: India's cumulative FDI equity inflows during April 2000 to December 2024 was US$ 719,535.52 million; "-" implies negligible share

Source: Department for Promotion of Industry and Internal Trade, MOCI and India Exim Bank Research

Chapter 4

Innovative Financing Mechanism for Sustainable Africa

Africa's journey towards sustainable and inclusive development is at a defining moment. With a growing population, rapid urbanization and abundant natural and human capital, the continent has the potential to emerge as a key driver of global economic growth. However, unlocking this potential requires robust, innovative and scalable financing mechanisms to support the continent's vast development needs, including infrastructure, industrialization, health, education and climate resilience.

Despite modest economic recovery following the COVID-19 pandemic, Africa's growth remains uneven and insufficient to meet the aspirations set out in African Union's Agenda 2063 and the SDGs. At the same time, global financial conditions have tightened, debt vulnerabilities have risen and access to affordable capital remains a persistent challenge for many African nations mainly stemming from external shocks, geopolitical instability and evolving megatrends such as digital transformation, climate change and demographic shifts.

Financing Needs for Sustainable Africa

Access to finance is a critical driver of structural transformation in Africa. To accelerate this transformation and sustain development momentum, African countries must mobilize substantial financial resources. The AfDB estimates that the continent will require approximately US$ 495.6 billion annually, equivalent to about 17% of Africa's projected 2024 GDP, until 2030 to reach the performance levels of high-performing developing countries at comparable stages of development. If the longer-term target of Agenda 2063 is used as the benchmark, the annual financing requirement is significantly lower, at around US$ 86.7 billion or 3% of projected 2024 GDP.

A significant portion of these funds is needed for road infrastructure, which accounts for 64.8% of the total financing requirement. This reflects decades of underinvestment in the sector, resulting in infrastructure that is ill-equipped to support the continent's growing population and economic activity. Other key sectors include education (17.4%), energy (11%) and research and development (6.8%), all of which are essential to improving productivity and supporting long-term development.

Despite these needs, there is a substantial financing gap. Based on current performance levels in these critical sectors and projected changes aligned with GDP per capita, the annual financing gap is estimated at US$ 402.2 billion, or about 13.7% of Africa's 2024 GDP, under the SDG framework. Under the Agenda 2063 timeline, which allows for a longer investment horizon, the gap narrows to US$ 70.4 billion annually, or 2.4% of GDP. Road infrastructure remains the main contributor to this gap (72.9%), followed by education (10.4%), energy (9.9%) and productivity-related investments (6.8%). These figures highlight the continent's lag in key SDG areas linked to structural transformation and the urgency of addressing the infrastructure deficit.

Sources to Finance the Gap

The following section explores the landscape of development financing in Africa, examining traditional and emerging sources of capital—from public and private sector funding to multilateral institutions, sovereign wealth funds, green financing instruments and innovative blended finance models.

Since the 1970s, multilateral financial institutions such as the World Bank, the IMF and other global bodies have played a pivotal role in financing development. However, African sovereigns continue to face high borrowing costs in international capital markets, driven by perceived risks and unfavourable credit ratings. The United Nations and the AfDB estimate that Africa will need about US$ 1.3 trillion annually to meet its sustainable development goals by 2030, and US$ 234.5 billion to US$ 250 billion annually to finance climate action. While much of this will need to be financed domestically, increased external financing, both public and private, is critical. In 2022, external financial flows to Africa, including foreign direct investment, official development assistance (ODA), remittances and net portfolio investments, totaled only US$ 174.9 billion, down nearly 20% from US$ 217.1 billion in 2021.

Africa remains marginalized in global climate finance despite being highly vulnerable to climate change. In 2019-2020, of the US$ 652.6 billion in global climate finance, Africa received only US$ 29.5 billion (4.5%), with 86% coming from public sources and just 14% from private actors. In comparison, East Asia and the Pacific mobilized US$ 293 billion, Western Europe US$ 105 billion and North America US$ 85 billion.

Multilateral lenders remain vital sources of financing. In 2022, the World Bank through its International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD), accounted for about 55% of Africa's debt to multilateral creditors, down from 62% in 2000. The AfDB's share remained relatively stable, averaging 22.9% over the last decade and stood at 19% in 2022. Other major multilateral creditors included the European Investment Bank (5%), Islamic Development Bank (4%) and Arab Fund for Economic and Social Development (3%). The share of debt owed to other multilateral institutions increased significantly, from 4% in 2000 to 11% in 2022.

On the bilateral side, Africa's debt composition has shifted markedly towards non-Paris Club lenders, especially China. In 2022, bilateral creditors accounted for 23% of Africa's external debt, with China alone representing 42% of this share. Other major bilateral lenders included France (10%), Saudi Arabia (7.9%), Kuwait (6.4%), Germany (6.4%) and Japan (5.7%). This shift has been accompanied by greater opacity and a lack of transparency around the size and terms of loans.

To close the financing gap and support sustainable development, there is an urgent need for better alignment between public and private financing models, standards and instruments. Strengthening the mandates, governance frameworks and financial capacity of multilateral development banks and other public finance institutions remain essential. Such reforms would enable these institutions to deliver financing at the scale, speed and flexibility required to meet Africa's development and climate goals.

Innovative Financing Mechanisms

As Africa seeks to transition from potential to prosperity, financing will be the cornerstone of progress. Crafting a coherent and resilient financing architecture, anchored in domestic resource mobilization, sustainable debt strategies and strong governance is going to be essential for accelerating development and ensuring that no one is left behind. Some of these innovative financing mechanisms include the following.

Blended Financing

Blended finance lets investors choose different risk tolerances while all participating in the same project. Those willing to take more risk can act as a capital cushion for investors who need to take less risk but are interested in financing high-impact projects. This kind of flexibility is especially important when considering low-income countries, where sustainable finance could have an outsized impact on social and environmental issues.

Blended finance, combining concessional public funds with commercial funds, is becoming a powerful means to direct more commercial finance towards impactful investments that are unable to proceed on strictly commercial terms.

The strategic addition of blended finance to project financing structures can ease private investor concerns while investing in Africa. Successful projects would include the right combination of debt, equity or grant financing, the right seniority of investors including governments in terms of absorbing losses and earning returns and appropriate risk-mitigation products.

Africa's development finance institutions (DFIs) and MDBs are using innovative blended-finance solutions to mobilize appropriately priced private capital. The Rwanda Bank for Development (BRD) successfully issued a US$ 30 million sustainability-linked bond (SLB), backed by a US$ 10 million IDA credit enhancement. Unlike traditional sustainable bonds tied to specific projects, this SLB rewards BRD with lower interest costs for achieving clear ESG targets, such as doubling funding for women-led projects, boosting local ESG compliance and financing 13,000 affordable homes by 2028.

The bond was oversubscribed, attracting over 100 investors, and enabled BRD to diversify funding sources away from government reliance. This model demonstrates key benefits - lowers borrowing costs, links finance to measurable impact, attracts private capital at scale and can be replicated by other African institutions to drive inclusive, sustainable growth.

Tripartite Financing Opportunities

Africa can jointly explore the potential for tripartite cooperation initiatives with third countries in critical areas. The North African countries being part of the Middle East and North Africa (MENA) region are strategically closer to the Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE).

Partner countries could collaborate with the sovereign wealth funds of GCC countries for high-end infrastructure projects in these African countries. The trilateral partnership initiatives could be given further impetus by setting up a dedicated fund or agreements involving the DFIs of the respective countries for investing in infrastructure projects in Africa.

The IMF estimates that the GCC's population will reach 57 million by 2025, drastically increasing its food requirements. With limited arable land, these countries are already relying heavily on imports. Climate change and geopolitical instability are expected to further exacerbate this reliance. Thus, promoting agricultural investments in fertile African areas remains a critical strategic priority for GCC.

India being a pioneer in agriculture technology and production may also enter into a tripartite agreement with GCC and Africa, wherein Africa may benefit from GCC's financing and GCC will benefit from stable foodgrains supply from India and Africa while India could gain by securing favourable arrangements for stable supply of critical minerals and crude oil. In order to achieve food security in the region, India could share its vast experience across the agri-value chain in enabling Africa to become a net exporter of agriculture products. Most of the African nations have huge tracts of cultivable land; however, these lands are not having adequate infrastructure like connecting roads, transportation network, power transmission, communication channels and irrigation canals, among others.

Green Financing: Conservation Rights

Conservation finance adopts various innovative financing mechanisms aimed at raising and managing capital for the conservation of biodiversity. In Zimbabwe, a UAE-based firm named Global Carbon Investments (GCI) secured conservation rights over a vast 7.5 million hectares representing 20% of the country's landmass for US$ 1.5 billion. Under the deal, Blue Carbon, a fully owned subsidiary and project developer of GCI would receive 70% of revenues from the selling of carbon credits. The remaining 30% would go to the Zimbabwean government, of which 55% will be passed on to local communities.

India could explore similar conservation and carbon credit deals with African countries to enhance its environmental and economic partnerships. By securing conservation rights over large tracts of land in Africa, Indian firms or government-backed entities could contribute to global climate goals while simultaneously accessing a lucrative market for carbon credits. Such agreements would involve investing in the preservation of vast ecosystems, which are crucial for carbon sequestration and biodiversity. The revenue generated from carbon credits could be shared in a manner that supports both the host countries and local communities, similar to the Zimbabwe-UAE model.

For instance, India could negotiate a revenue-sharing structure where a significant portion of the proceeds supports local development projects and conservation efforts, while also benefiting Indian stakeholders. This approach would not only help India meet its own climate targets but also foster stronger economic and environmental ties with African nations, aligning with mutual interests in sustainable development and climate resilience.

Debt for Climate Swaps

Debt-for-Climate Swaps (DFCS) are agreements between sovereign nations and their creditors that redirect a portion of existing debt repayments toward climate-related investments. These transactions offer countries a dual benefit: improving fiscal stability while strengthening climate resilience. By reallocating debt service commitments, DFCS help unlock essential funding for renewable energy, sustainable urban infrastructure, climate-smart agriculture, water security and forest conservation and restoration. This tool is particularly attractive for heavily indebted countries that also possess high biodiversity value.

The DFCS transaction can be bilateral or multilateral. In a bilateral DFCS, a creditor agrees to reduce the debt service obligations of a debtor government. In exchange, the debtor commits to allocating an agreed-upon amount, typically in local currency towards a specific purpose, such as financing a nature conservation initiative. This model is commonly used in official government-to-government agreements and functions as a form of bilateral financial assistance. In such arrangements, the creditor accepts a direct financial loss in return for the debtor's investment in pre-agreed projects.

There are two main structures under multipartite DFCS structures. In the first one, a third party, often a non-profit or international organization, buys part of a country's outstanding debt from creditors, usually at a reduced price on the secondary market. After acquiring the debt, the third party works with the debtor government to restructure it. In return, the government agrees to invest an equivalent amount (often in local currency) into climate-related projects. This was the most common model used in the 1980s wave of debt swaps.

In the second approach, the debtor government buys back its own debt from creditors at a discount. This is typically done with the help of a donor institution, which provides the financing for the buyback. Although this method is usually used for commercial debt, it can also apply to official debt held by other governments.

An example is the Seychelles' debt-for-climate swap, where donor funding enabled the government to repurchase its debt from bilateral creditors. While creditors may offer a discount, the amount of savings is generally smaller than what could be achieved through the capital markets.

India may also work on a mechanism offering debt relief to African nations in exchange for the investment of the avoided debt service in climate change-related projects wherein the procurement of project goods is from India and the execution done by an Indian project exporter. Such a mechanism would enable India to earn global repute for its proactive role in supporting SDGs. By providing essential goods and expertise for climate projects, India would enhance its international standing as a key player in global environmental solutions. This initiative would highlight India's leadership in integrating economic support with sustainable development, showcasing its capability to contribute meaningfully to global climate goals while fostering strong bilateral relationships with African nations.

The transaction structure can vary, with the reduction of debt coming from its conversion to local currency, the use of a lower interest rate, a partial write-off or a combination of these options. Given the complexity of the instrument, higher transaction costs and dependency on the creditor, the use may be limited in scope and will also involve countries generally under debt distress.

Thematic Bonds – Green Bonds, Social Bonds, Gender Bonds and Blue Bonds

Green bonds are debt instruments that raise capital to finance environmental or climate-related projects. The proceeds from green bonds are directed towards projects such as renewable energy initiatives, clean transportation, energy-efficient buildings and sustainable agriculture, aimed at climate adaptation, mitigation and environmental sustainability. Nigeria has become the first African country to issue a sovereign green bond in December 2017, raising NGN 10.69 billion to fund renewable energy projects.

Social bonds finance projects which address various societal challenges, from affordable housing to healthcare, education and social equity. The proceeds from social bonds are used exclusively to fund such projects, allowing investors to support causes that align with their social and ethical values while receiving financial returns. The AfDB issued its first social bond in 2020, raising US$ 3 billion targeting healthcare systems, food security and social services, supporting vulnerable African communities during the COVID-19 crisis.

Gender bonds emerge as promising instruments for financing projects aimed at mitigating gender equality and bolstering women's empowerment. These bonds are used to fund initiatives that support female entrepreneurship, create employment opportunities for women, and improve access to finance for women-led businesses. In 2021, Banque Centrale Populaire (BCP) Morocco issued a gender bond, raising around US$ 20 million through private placement. This was the first gender bond issued in Africa and the funds were utilised for improving women's access to finance and to increase female participation in Morocco's economy.

Blue bond is a green bond that is focused on initiatives related to the sustainable use or protection of water resources and the promotion of sustainable activities within the blue economy. Blue bonds are particularly relevant for African countries with vast coastlines and rich marine biodiversity. In October 2018, Seychelles, an island nation heavily dependent on its marine resources, launched the World's First Sovereign Blue Bond aimed at mobilizing resources for empowering local communities and businesses, in transitioning to sustainable fisheries and safeguarding oceans while the blue economy is sustainably developed. The bond raised US$ 15 million to support sustainable marine projects, including the expansion of protected marine areas, sustainable fisheries and ocean health initiatives.

Financial Innovation Initiatives led by the African Development Bank Group

Since 2015, the African Development Bank has developed several pioneering financial innovations to scale and bolster its support to Africa's transformation in the face of evolving global economic and development finance environments. These innovations are in line with the recommendations from the G20 Independent Review of MDBs' Capital Adequacy Frameworks to scale up MDB financing. While the G20 Independent Review recommendations were published in 2022, the AfDB had already been at the forefront of balance sheet optimization through the innovative use of risk transfer products. In 2015, it became the first MDB to launch its own captive risk participation vehicle: the Private Sector Credit Enhancement Window. It was also among the first MDBs to ideate and launch the Exposure Exchange Framework Agreement, under which it has executed over US$ 10 billion in risk transfers.

In 2018, the AfDB became the first MDB to undertake a synthetic securitization transaction on its private sector portfolio and in 2022, following the debilitating impact of COVID-19 pandemic, it launched another pioneering risk transfer transaction with the support of the UK, partially transferring the risk on US$ 2 billion in sovereign loan assets to private insurers and the UK. This risk transfer enabled the AfDB to release an estimated US$ 2 billion from its balance sheet to finance climate investments. In January 2024, it launched US$ 750 million sustainable hybrid capital transaction, the first of its kind by an MDB. This instrument increases its lending capacity by US$ 2.2 billion to US$ 3 billion and establishes a new asset class for investors as well as a new funding tool that will help strengthen MDBs' lending capacity for the foreseeable future. In total, the African Development Bank has unlocked more than US$ 13 billion in additional lending capacity to date.

Further, having stretched its balance sheet over the past decade, it is exploring means to deploy these innovative techniques on transactions at origination in risk-sharing initiatives under its guarantees business model. The recent environment, social and governance (ESG) labeled partial credit guarantees to mobilize private capital to sovereigns such as Benin, Côte d'Ivoire and Egypt were achieved through risk-sharing partnerships with the insurance market to grow the AfDB's headroom to maximum impact and to help improve the debt situation in borrowing countries. The AfDB continues to explore opportunities to deploy innovative financial instruments to further optimize its balance sheet and increase lending capacity by collaborating more with peer institutions.

Source: Adapted from African Economic Outlook 2024

Chapter 5

India-Africa Partnership Towards Development

India and Africa share a time-tested, strategic and multifaceted partnership built on historical ties, cultural kinship and mutual respect. Rooted in shared values and common developmental aspirations, this partnership has evolved over the decades into one of the most robust examples of South-South cooperation. In Africa's pursuance of "Africa-owned" and "Africa-led" development, it is India's endeavour to base this partnership on the principles of equality, mutual respect, solidarity and mutual benefit. Indian model of cooperation with Africa is demand driven, consultative and participative, involves local resources, builds capacity and is based on Africa's own prioritisation of its needs.

Africa remains a major focus region of India's development assistance. Guided by a consultative model of cooperation, India's development partnership is centered on the priorities and national goals of African countries. This partnership has grown to encompass critical areas such as people-oriented development, capacity building, trade and investment, maritime and defence cooperation, technology sharing and cultural exchange. India's commitment to Africa has been institutionalized through the India-Africa Forum Summits (IAFS) held in 2008, 2011 and 2015. These platforms have helped frame India-Africa engagement in a comprehensive and coherent manner. Even during global disruptions such as the COVID-19 pandemic, the relationship remained resilient, marked by India's supply of medicines, vaccines and other support measures to African nations.

The Focus Africa initiative, launched in 2002-03, was a significant step towards enhancing India-Africa trade and investment. Initially targeting key Sub-Saharan African countries, the initiative later expanded to include North Africa, reflecting India's intent to engage with the entire continent. The initiative, supported by the Export-Import Bank of India, has been instrumental in identifying trade and investment opportunities and promoting greater economic engagement. India's development cooperation in Africa is delivered through a combination of Lines of Credit (LOCs), grant assistance, technical consultancy, humanitarian aid and a wide array of capacity-building programmes such as the Indian Technical and Economic Cooperation (ITEC) programme and educational scholarships. These efforts span diverse sectors and geographies across the African continent.

On global platforms, India and Africa collaborate to address complex challenges through inclusive multilateralism. A historic milestone was achieved during India's G20 Presidency in 2023, when the African Union was inducted as a permanent member of the G20, a major geopolitical development. In global sustainability initiatives, Africa's active participation in the International Solar Alliance (ISA), the Global Biofuel Alliance and the Coalition for Disaster Resilient Infrastructure (CDRI) reflects the shared commitment to green growth and resilience.

As part of its forward-looking strategy, India is scaling up its development partnership through the 10^{th} edition of the Africa-India Partnership Day (AIPD). The Export-Import Bank of India (India Exim Bank) has been organising the AIPD as part of the events associated with the Annual Meetings of the AfDB Group, starting with Marrakech (in 2013), and followed by Kigali (in 2014), Abidjan (in 2015), Lusaka (in 2016), Ahmedabad (in 2017), Malabo (in 2019), Accra (in 2022), Sharm El Sheikh (in 2023) and Nairobi (in 2024). The AIPD events focus on 'Sharing of India's Development Experiences', especially, through the Public-Private Partnership (PPP) mode of development. The 10^{th} edition is anchored around a five-point agenda aimed at deepening cooperation and targeting a trade volume of US$ 200 billion by 2030. The five pillars of this engagement include:

1. Infrastructure Development
2. Agriculture and Agro-Processing
3. Healthcare and the Pharmaceutical Industry
4. Digital Economy and Innovation (including Fintech)
5. Energy and Sustainability

Infrastructure Development

The development of infrastructure in Africa is critical for fostering economic growth as it contributes significantly to human development, poverty reduction and the attainment of the SDGs. According to the AfDB, investment in infrastructure accounts for over half of the improvements in economic growth in Africa witnessed over the last decade and has the potential to contribute much more, given a conducive environment.

One of the key factors retarding industrialization has been the insufficient stock of productive infrastructure in power, water and transport services that would allow firms to thrive in industries with strong comparative advantages. In order to ensure Africa's long term economic sustainability, it is imperative to use infrastructure as a tool to build resilience and facilitate growth. For Africa, the need for adequate infrastructure including secure energy, efficient transport, reliable communication systems, safe drinking water and sanitation remain critical. The AfDB estimates that US$ 130 billion - US$ 170 billion is required for infrastructure development each year in the region, leaving a gap of around US$ 100 billion.

Infrastructure development has been a cornerstone of India's development cooperation with Africa. Recognizing that modern, reliable infrastructure is essential for unlocking economic potential, improving connectivity and fostering inclusive growth, India has steadily scaled up its support to African countries through targeted investments in roads, railways, power projects, water systems and digital infrastructure. Through a combination of LOCs, grant assistance and technical consultancy, India has supported numerous high-impact infrastructure projects across Africa. These initiatives are tailored to national priorities and range from railway lines in Ghana, water supply systems in Tanzania and power transmission in Ethiopia, to solar electrification in Burkina Faso and IT parks in Mozambique.

India's model of engagement is demand-driven and partner-led, meaning projects are proposed by African governments and aligned with their development goals. This consultative approach reflects India's broader philosophy of South-South Cooperation, respecting sovereignty and focusing on mutual benefit. India has always cooperated and collaborated with Global South, be it power projects in Sudan, Burundi and Rwanda, sugar plants in Ethiopia and Malawi, technology parks in Mozambique, Côte d'Ivoire and Eswatini, and campuses built by Indian universities in Tanzania and Uganda, metro project in Mauritius, Parliament building of Gambia, etc. Lines of Credit as an instrument enable Government of India to cooperate with partner countries for infrastructure development and betterment of the lives of people in the African countries.

Key Areas of Cooperation in Infrastructure

- **Transport and Connectivity:** India has funded projects such as road construction in Zambia, railway connectivity in Ghana and bus assembly plants in Uganda, enhancing both domestic mobility and regional integration.
- **Energy and Electrification:** India has supported rural electrification projects using solar and hybrid technologies in several African countries under the International Solar Alliance. LOCs have financed power transmission and generation projects in countries like Sudan, Ethiopia and Mozambique.
- **Water and Sanitation:** In Tanzania, India has extended LOCs for water supply and sewerage projects covering towns like Dar-es-Salaam, Tabora and Dodoma. Similar projects have been supported in Mozambique and Rwanda.
- **ICT and Digital Infrastructure:** India's Pan-African e-Network Project and its successor, e-VidyaBharati and e-ArogyaBharati (e-VBAB), have created digital bridges in education and health, reaching over 20 African countries.
- **Capacity Building and Sustainability:** India complements infrastructure finance with technical training, project management support and capacity-building programmes under the ITEC scheme. This ensures that African partners have the knowledge and skills to manage and maintain the infrastructure developed.

India can play a defining role in accelerating Africa's infrastructure development through greater participation in regional connectivity projects, development of logistics hubs and urban infrastructure systems. The Indian private sector, with its track record in delivering cost-effective and sustainable infrastructure in complex environments, can actively contribute to building railways, highways, power generation and transmission systems, and digital infrastructure across the continent. These projects can be designed in close consultation with African governments to align with national priorities, making the partnership more responsive and impactful.

A shift towards an investment-led trade approach offers significant potential to deepen India-Africa economic ties. Joint ventures between Indian and African firms in infrastructure and related sectors can foster local value addition, generate employment and promote the development of regional value chains. Such investments would not only support physical infrastructure but also strengthen trade by diversifying markets and broadening the scope of goods and services exchanged. Indian businesses can leverage institutional tools such as the Lines of Credit extended by the Government of India through India Exim Bank. Africa already constitutes 39% of India's global LOC portfolio in value terms as of March 31, 2025. However, there is a need to improve the pace of disbursement and address procedural bottlenecks to ensure timely execution of projects.

In addition, greater awareness and utilization of India's Duty-Free Tariff Preference (DFTP) scheme by African Least Developed Countries (LDCs) can help expand African exports to India. Introduced in 2008 and significantly enhanced in 2014 to cover over 98% of India's tariff lines, the DFTP scheme offers substantial market access.

While some countries like Tanzania have benefited from this, broader use of the scheme could contribute to more balanced trade and economic growth across the continent. To maximize impact, India could further focus on supporting public institution building, strengthening regulatory frameworks and investing in the development of human capital. Initiatives to build capacity in project preparation, implementation and infrastructure governance will be critical. Enhanced technical assistance in areas like urban planning, transport policy and public-private partnerships can further help African governments deliver on their infrastructure agendas.

Looking ahead, India's role in facilitating deeper intra-regional trade and investment flows within Africa will also be crucial. Infrastructure that promotes regional integration—such as cross-border transport corridors and energy interconnectivity—can enable African economies to trade more efficiently among themselves and with external partners. As the global trade environment evolves towards value chain-led and investment-driven growth, India and Africa must collaborate to build the physical and institutional foundations necessary for long-term economic resilience. Select LOC projects supported by India Exim Bank for infrastructure development in Africa are provided in **Table 5.1**.

Table 5.1: Select LOC Projects Supported by India Exim Bank towards Infrastructure Development in Africa

Sector/Country/Project	Project Value (US$ million)
Connectivity	
Mauritius	
Engineering Procurement and Construction of Mauritius Metro Express Project- Phase-III	80.0
Implementation of Mauritius Metro Express Project Phase-IV	300.0
Metro Express Project (Phase I & II)	260.0
Mozambique	
Rehabilitation of Road between Tica, Buzi and Nova Sofala	149.7
Power	
Burkina Faso	
Rural Electrification Project	25.0
Comoros	
Installation of an 18 MW Power Project in Moroni	37.0
DR Congo	
Development of Power Distribution Project in Bandundu Province	34.5
Financing transmission and distribution project in Kasai province for evacuation of electricity from Katende Hydroelectricity Power Project	109.9
Congo Republic	
Rural Electrification Project	70.0
Côte d'Ivoire	
Côte d'Ivoire – Mali Electricity Interconnection Project (Tranche – I)	30.0
Côte d'Ivoire – Mali Electricity Interconnection Project (Tranche – II)	24.0
Ethiopia	

Sector/Country/Project	Project Value (US$ million)
Energy Transmission and Distribution Project	65.0
Gambia	
Electrification Expansion Project for Greater Banjul Area	22.5
Guinea Bissau	
Rural Electrification Project	20.0
Kenya	
Transmission Line & Substation	61.6
Mali	
Completion of Mali-Côte d'Ivoire Interconnection Link for integrating the national power grids of the two countries.	36.0
Construction of High Voltage Transmission Line between Ferkessedougou (RCI) and Sikasso and setting up substation at Ferkessedougou, Sikasso, Koutiala and Segou	45.0
Electricity Transmission and Distribution Project from Côte d'Ivoire to Mali	30.0
Power Transmission Project Connecting Bamako and Sikasso via Bougouni	100.0
Mozambique	
Electrification of Gaza Province	20.0
Improving the Quality of Power Supply	250.0
Rural Electrification of Cabo Delgado, Manica, Niassa Provinces	25.0
Rural Electrification Project in the Provinces of Inhambane, Zambezi and Nampula	30.0
Niger	
Power Project	20.0
Nigeria	
Gas fired Power Plant and Associated Gas Supply facility in Calabar	29.3
Rwanda	
Projects in the Energy Sector	66.6
Senegal	
Rural Electrification Project	27.5
Sierra Leone	
Transmission Line and Associated Substations Project	78.0
Sudan	
Setting up 4 x 125 MW Kosti Combined Cycle Power Plant	350.0
SINGA-GEDARIF Transmission and Substation Project	41.9
SINGA-GEDARIF Transmission Line Extension to Galabat, Micro-Industrial Projects and Development of Livestock Production and Services	37.4
Togo	
Rural Electrification Project to Cover 150 Localities	24.6
Setting up of 161 KV Power Transmission Line	48.5

Sector/Country/Project	Project Value (US$ million)
Water	
DR Congo	
Installation of Hand Pumps and Submersible Pumps	25.0
Gambia	
Replacement of Asbestos Water Pipes with UPVC Pipes in the Greater Banjul Area	22.5
Guinea	
Strengthening the Drinking Water Supply of Grand Conakry Project	168.8
Malawi	
Construction of a New Water Supply System from Likhubula River in Mulanje to Blantyre	23.5
Construction of a New Water Source on Shire River and Associated Infrastructure	78.1
Upgrading and Extension of Existing Water Supply Schemes at Liwonde, Balaka and Mwanza	52.9
Mozambique	
Construction of 1600 Borewells with Handpumps and 8 Small Water Systems	38.0
Transfer of Water Drilling Technology and Equipment	20.0
Niger	
Water Project	25.0
Rwanda	
Irrigation & Watershed Development in Mahama Lot 1 (1220 Ha/ 1752 Ha)	27.7
Irrigation Development in Mahama Lot 2 (1515 Ha/ 2149 Ha)	32.9
Mugesera Irrigation Project (3000 Ha)	35.0
Sierra Leone	
Land and Infrastructure Development including Hydraulics, Water Management System (Irrigation) and Provision of Tractors	30.0
Rehabilitation of Existing Water Facility	30.0
Tanzania	
Construction and Execution of the Works Related to Rehabilitation and Improvement of Water Supply Scheme in Zanzibar	92.2
Construction of Water Supply Schemes in 25 Towns	465.0
Construction of Water Supply Schemes in Zanzibar Urban region	35.0
Extension of Lake Victoria Pipeline to Tabora, Igunga and Nzega	250.8
Water Supply Schemes to Dar-es-Salam	178.1

Source: India Exim Bank

Agriculture and Agro-Processing

India and Africa can forge a robust and future-oriented partnership in agriculture and agro-processing, rooted in shared challenges and aspirations for food security, rural development and inclusive economic growth. Given their abundant natural resources and immense production potential, both India and African economies share a central role in ensuring global food security in the near future. Considering the complementary sectoral priorities and similar role in evolving global food markets, numerous opportunities exist for collaboration between India and Africa in the agricultural sector. Given India's transformation from a food-deficient country to a net exporter of agricultural produce through its Green Revolution, it is well-positioned to support Africa in its agricultural transformation journey. The continent, blessed with abundant arable land but constrained by low productivity and infrastructural bottlenecks, can benefit immensely from India's experience across the agro value chain. One of the key areas of collaboration lies in ushering a Green Revolution in Africa, much like India's success in the 1960s and 70s. India's approach involving the adoption of high-yielding seed varieties, expansion of irrigation and the introduction of mechanisation offers a valuable model for Africa. With population pressures mounting, African countries need to enhance agricultural productivity. India can assist by transferring appropriate technologies, facilitating training and promoting policy frameworks that are suited to African contexts.

Contract farming, a model that has yielded positive results in India by ensuring input efficiency, better extension services and higher productivity, could also be explored in Africa. Many African countries currently import large volumes of food grains such as rice and wheat. A well-regulated contract farming model could support local production, reduce import dependence and boost rural incomes.

Similarly, India's leadership in ***seed development***, backed by a vibrant public-private R&D ecosystem, can support Africa in building efficient and resilient seed systems. Access to high-quality, pest-resistant, and locally adapted seeds at affordable prices remains a critical need in many African countries where over 80% of planted seeds are still farmer-saved. It is also evident that at the production level, timely access to right quality inputs, information and technology restricts agricultural productivity, which is a major impediment restricting Africa from realising its true potential in the sector.

Africa can greatly benefit from the ***development of cooperative models***, inspired by India's successful experience in this space. Cooperatives in India, such as AMUL in the dairy sector and Mahagrapes and HOPCOMS in horticulture, have demonstrated how farmer collectives can effectively bridge the gap between producers and markets. By pooling resources, these cooperatives empower smallholder farmers with collective bargaining power, ensuring fair prices and access to inputs, modern technologies and shared infrastructure such as cold chains and refrigerated transport. These mechanisms reduce transaction costs and eliminate intermediaries, allowing farmers to earn significantly higher revenues. For Africa, where smallholder farming dominates and market linkages remain fragmented, promoting cooperative-based models could play a transformative role. They would not only strengthen supply chains and improve access to export markets but also help farmers adhere to quality and safety standards required by international buyers. By supporting cooperatives with enabling policies, technical assistance and infrastructure, African countries can foster inclusive and sustainable agricultural development, enhance food security and boost rural incomes.

Water management is another crucial area of collaboration. With over 80% of water withdrawals in Africa directed towards agriculture and high levels of inefficiencies in irrigation systems, the continent stands to benefit from India's innovations in low-cost drip irrigation. Several Indian firms have demonstrated the ability to deliver scalable and affordable solutions for marginal landholders. Partnering with these companies can help African nations conserve water while improving agricultural yields.

Market access and price discovery are critical for farmers' incomes. India's experience with the National Agricultural Market (e-NAM), which integrates physical markets into a unified online platform, can provide a blueprint for African nations to enhance transparency and price realisation. In addition, digital tools such as the 'IFFCO Kisan' app provide farmers with real-time information on market prices, weather and agricultural best practices. African governments and agri-tech startups can explore partnerships with Indian firms to localise such solutions for their farmers.

Agro-processing offers tremendous opportunities for collaboration. India has developed extensive capacities in value-added agriculture, from food processing and cold chain logistics to export compliance and certification. Indian firms, supported by agencies such as APEDA, NAFED and TRIFED, can assist in setting up similar ecosystems in Africa, including training on standards, branding and marketing.

Mechanisation is yet another promising frontier. The small landholding patterns in both regions make Indian farm machinery particularly well-suited to African conditions. Indian equipments are often simpler to operate, cost-effective and adaptable, unlike complex Western machinery designed for large industrial farms. Indian companies in the sector have already entered African markets. Innovative business models like equipment leasing and rental services can be introduced in Africa to overcome capital constraints faced by small farmers. Key 'high-impact' partnership opportunity areas include agri input and farm machinery, milk and meat products, technology transfer and capacity building, food processing and developing institutional innovations for improving farmers' access to output markets. Opportunities exist for Indian investments in these sectors and for Africa to learn from the Indian experience.

Beyond hardware and trade, India can contribute to building ***institutional and research capacities*** in Africa. Collaboration on agricultural R&D, including through joint ventures or regional research centres, can accelerate innovation in areas such as climate-resilient crops, precision farming and sustainable practices. India's Sub-Mission on Agricultural Mechanisation (SMAM) and other schemes can offer templates for African governments to create an enabling environment for private sector investment. Capacity building and sensitisation of farmers are critical in ensuring adoption of new technologies. India's success in this space can provide both models and capacity-building support.

The India-Africa partnership must also focus on long-term capital formation in the agricultural sector. While Africa has witnessed some FDI in agriculture, India has emerged as a leading investor, contributing over US$ 5 billion between April 2010 and March 2025. India's outward FDI policy in agriculture encourages companies to invest abroad, offering a win-win solution by improving food security in Africa while supplementing India's demand for select commodities.

In sum, although India and Africa share similar sectoral characteristics, they are at different stages of transformation. Moreover, these economies have long realised the benefits of partnerships. With impending global production and food security pressures, there exists an urgent need to adequately channelise these investments towards 'high-impact priority areas' in order to achieve immediate and sustainable returns. The India-Africa collaboration in agriculture and agro-processing thus holds transformative potential, from knowledge transfer and joint ventures to technology deployment and institutional support. Select LOC projects supported by India Exim Bank in agriculture and agro-processing sector in Africa are provided in **Table 5.2**.

Table 5.2: Select LOC Projects Supported by India Exim Bank in Agriculture and Agro-Processing Sector in Africa

Sector/Country/ Project	Project Value (US$ million)
Food / Food Processing / Fisheries	
Eritrea	
Agriculture and Food Processing Projects	20.0
Mali	
Agriculture and Food Processing Projects	15.0
Mauritania	
Milk Processing Plant	11.3
Senegal	
Rice Self Sufficiency Programme	62.4
Irrigation	
Rwanda	
Irrigation and Watershed Development at Mpanga Sector	19.0
Irrigation & Watershed Development in Mahama Lot 1 (1220 Ha/ 1752 Ha)	27.7
Irrigation Development in Mahama Lot 2 (1515 Ha/ 2149 Ha)	32.9
Irrigation Development in Mahama Lot 3 (1118Ha/ 1587Ha)	16.7
Mugesera Irrigation Project (3000 Ha)	35.0
Sierra Leone	
Land and Infrastructure Development including Hydraulics, Water Management System (Irrigation) and Provision of Tractors	30.0
Plantation	
Burkina Faso	
Agricultural Projects Including Acquisition of Tractors, Harvesters, Agricultural Processing Equipment	26.4
Cameroon	
Cassava Plantation Project	42.0
Supply of Machinery and Equipment for Maize Farm Plantation Project & Rice Farm Plantation Project	37.5
Côte d'Ivoire	
Construction of 30 Storehouses and Offices in Prefabricated Material to House Paddy Processing and Storage Units	30.0
Eswatini (Swaziland)	
Agricultural Development and Mechanization of Agriculture	36.8
Madagascar	
Project for Rice Productivity	10.0

Sector/Country/ Project	Project Value (US$ million)
Malawi	
Development of Irrigation Network Under Greenbelt Initiative; Setting up of Refined Sugar Processing Equipment in Salima and Development of Fuel Storage Facilities	76.5
Cotton Processing Facilities; Green Belt Initiative and One-Village-One-Product (OVOP) Project	49.9
Irrigation, Storage, Tobacco Threshing Plant and OVOP Projects	30.0
Mali	
Setting up of Agro Machinery and Tractor Assembly Plant	15.0
Mozambique	
Enhancing Productivity of Rice, Wheat and Maize Cultivation	20.0
Senegal	
Development of Rural SME and Purchase of Agricultural Machinery and Equipment	15.0
Irrigation Project	27.0
Sierra Leone	
Agricultural Machinery and Equipment; Construction of 30 Rice Mill Buildings, Rice Stores and Drying Floors	14.7
Sudan	
Supply of Agricultural Inputs for the Sudanese Agricultural Bank, Technical and Laboratory Equipment to Higher Educational Institutions, Scientific Equipments for Ministry of Science and Technology, Solar Electrification & Meeting Requirements of Sudan Railways	15.0
Tanzania	
Export of Tractors, Pumps and Equipments	40.0
Togo	
Farming and Cultivation of Rice, Maize and Sorghum	13.1
Sugar Industry	
Ethiopia	
Development of Sugar Industry	636.2
Ghana	
Sugar Plant	35.0
Sudan	
Mashkour (earlier Elduem) Sugar Project at White Nile State	25.0

Source: India Exim Bank

Healthcare and Pharmaceutical Industry

India and Africa have a long-standing development cooperation in the field of health. India has been a source of reliable medicines and vaccines at affordable rates for Africa. During the COVID-19 pandemic, India supplied medicines, vaccines and health-related equipment to 42 African nations. The healthcare partnership extends to other areas including creation of health infrastructure and supply of equipment as well as local capacity building in areas such as drug production through joint ventures. Africa and India both have rich traditional medicine systems, and these have been integrated to some extent into the modern medicine systems. Sharing of experience, expertise and know-how in this area could lead to a win-win outcome in healthcare for both Indian and African population.

Through various departments, the Government of India has put in place mechanisms to enhance its engagement with African countries through, for example, the triennial India-Africa Summits, the Duty-free Tariff Preference Scheme for LDCs, and the Pan African e-Network (PAeN). The PAeN, set up in 2009 aims to share India's expertise in tele-education, tele-medicine and ICT services to overcome challenges in the healthcare sector and in capacity building through continuing medical education lectures in super speciality courses as per the African Union requirement. The tele-medicine component, which connects remote hospitals in 53 countries in Africa to 12 Indian hospitals has been fairly successful in bringing free medical consultations from eminent doctors/specialists in India to patients across Africa.

Major diseases have afflicted the lives of the African people hampering progress and wellbeing. In its efforts to eradicate diseases, Africa has procured generic and branded pharmaceutical products from India at a much lower cost as compared to products from the western countries. This has brought down the incidence and spread of diseases like HIV, Meningitis, Malaria and TB, among others and saved many lives in Africa. Indian companies have led campaigns and played a crucial role in making affordable medicines and vaccines available in African countries for the treatment and prevention of HIV/AIDS and Meningitis. Indian enterprises have invested in Africa in the healthcare sector, including setting up of hospitals to bring quality healthcare to the people of Africa. Medical tourism from Africa to avail of affordable medical care in India has increased, as also the temporary movement of Indian doctors and nurses to Africa for short term assignments.

India's pharmaceutical sector plays a key role in Africa's healthcare sector through local manufacturing of few drugs and medical devices, creating employment and building capacity and remains a major supplier of formulations and bulk drugs to Africa. Joint R&D initiatives could create a new paradigm in the important area of finding solutions to combat common threats from new and emerging diseases, epidemics and pandemics.

There are significant opportunities for deepening collaboration between India and Africa in the healthcare and pharmaceutical sectors, driven by strong complementarities between the two regions.

- India, as a global leader in the production of **affordable, high-quality generic pharmaceuticals,** has already established itself as a key supplier to African markets. With India known as the 'pharmacy of the world' due to its significant role in supplying affordable and generic medicines globally, particularly in developing countries, there is clear potential to expand this trade relationship. Systematic incentivisation of Indian pharmaceutical companies to establish manufacturing units within Africa would enhance local production capacities, reduce costs and improve access to essential medicines across the continent.
- In the area of **healthcare delivery**, India's vast network of registered hospitals and growing private healthcare sector can play a pivotal role in establishing health facilities in African countries. The expansion of tele-medicine centres under the e-VBAB initiative, combined with incentives for Indian hospital chains to set up operations in Africa, would improve access to quality healthcare services in remote and underserved areas.
- **Capacity building** represents another major avenue for cooperation. India's availability of specialised medical manpower and strong institutional framework for healthcare training can support the upskilling of African health professionals. Increasing scholarships and fellowships for African students to study

in India, along with scaling up existing e-VBAB initiatives, will contribute to strengthening healthcare systems in partner countries.

- India is also an increasingly popular destination for **medical tourism**, particularly among African patients seeking cost-effective, high-quality treatment. Its climate, traditional wellness practices such as Ayurveda and world-class super-specialty care make it a natural hub for health travellers. Strategic marketing in African countries and bundling of treatment and care packages could further boost the inflow of medical tourists from the continent.
- Collaborative opportunities also exist in **R&D**, where India's rapidly growing capabilities can complement Africa's needs. Establishing joint incubators, embedding African researchers within Indian pharmaceutical companies, and undertaking joint research on infectious diseases, diagnostics, vaccines and neglected tropical diseases could strengthen long-term innovation ecosystems in Africa.
- Lastly, the African Continental Free Trade Agreement (AfCFTA) offers a strategic framework for India to support Africa in diversifying exports and attracting investment in the healthcare sector. Annual industrial conventions and a shared e-marketplace for healthcare innovations would foster deeper commercial ties and technology exchanges, setting the stage for a robust, mutually beneficial partnership in healthcare and pharmaceuticals.

Select LOC projects supported by India Exim Bank in health and pharmaceutical sector in Africa are provided in **Table 5.3**.

Table 5.3: Select LOC Projects Supported by India Exim Bank in Health and Pharmaceutical Sector in Africa

Sector/Country/Projects	Project Value (US$ million)
Health Facilities	
EBID	
Supply and Installation of Equipments for Health Facilities in Togo	19.9
Seychelles	
Implementation of Health System Solution (Hardware Component Lot 2)	1.5
Implementation of Health System Solution (Software Component)	2.5
Supply of 15 Ambulances	1.4
Zambia	
Pre-fabricated Health Posts	67.5
Hospitals	
Guinea	
Construction and Establishment of 130 Bedded Mother & Child Hospital at Kankan and N'Zerekore	55.5
Medical Equipment	
EBID	
Procurement of Medical Equipment and Rehabilitation of Health Establishment in Benin	10.0
Health Care Project in Côte d'Ivoire	20.0
Senegal	
Supply of Medical Equipments, Furniture and Other Accessories to Four Hospitals	5.0

Source: India Exim Bank

Digital Economy and Innovation

As Africa accelerates its digital transformation, the need for robust, scalable and inclusive digital infrastructure has never been more critical. Fragmented payment systems, limited interoperability, and high transaction costs continue to hinder financial inclusion across the continent. Yet, a compelling blueprint for overcoming these challenges can be found in India's pioneering Digital Public Infrastructure (DPI) model.

Over the past decade, India has harnessed technology to drive transformative change through initiatives such as Digital India and Skill India, underpinned by a powerful DPI ecosystem including Aadhaar (biometric digital ID), Unified Payments Interface (UPI), DigiLocker, DIKSHA and the Skill India Digital Hub (SIDH). These open-source, interoperable platforms have revolutionized identity verification, real-time payments, access to public services and financial inclusion, creating a digital foundation that is both citizen-centric and scalable.

Recognized globally, India's DPI model has not only driven inclusive growth in India but is now being seen as a replicable solution for other developing regions, especially Africa.

A Digital Playbook for Africa from India

India's fintech revolution was not just driven by innovation, it was built on infrastructure. Key lessons from India's experience are particularly relevant for Africa:

1. **Foundational Digital Identity Systems:** India's Aadhaar program has empowered over 1.4 billion people with biometric-based digital IDs, enabling access to banking, government services and digital platforms. In Africa, where millions lack formal identification, similar interoperable ID systems could unlock massive progress. Efforts are already underway, with startups like SmileID and government-led initiatives in Nigeria, Kenya and Ghana attempting to address these gaps. However, challenges around scale, data privacy and cross-border recognition remain.

2. **Interoperable, Low-Cost Payment Systems:** UPI's success enabling real-time, low-cost digital transactions presents a roadmap for Africa, where mobile money is widespread but often operates in isolated silos. A pan-African, interoperable payment system could reduce transaction costs and drive cross-border financial integration. Regional initiatives like SADC's TCPIP, WAEMU's PCR and the EAC's Instant Payments Framework are steps in the right direction, but regulatory harmonization and political alignment will be crucial.

3. **Open and Inclusive Financial Infrastructure:** The India Stack, an open API-based ecosystem demonstrates the power of shared digital tools in enabling innovation. Startups, banks and public agencies in India have built on this foundation to rapidly expand access to credit, insurance and financial planning tools. Africa can emulate this success by developing open banking frameworks and shared APIs, allowing its growing fintech sector to thrive across borders.

4. **Public-Private Partnerships as a Catalyst:** India's DPI success was catalysed by a collaborative approach, where the government laid the groundwork, while private sector innovated on top. Africa's experience with mobile money, particularly M-Pesa, shows the potential of fintech-led innovation. However, expanding from closed loop to interoperable systems will require deeper collaboration between governments, regulators and the private sector. For instance, South Africa's push toward a Faster Payments Network and eKYC reform signal promising momentum.

India's Strategic Support for Africa's Digital Future

India is actively engaging with African nations to share its DPI framework and co-develop digital ecosystems that are secure, inclusive and scalable. Through knowledge exchange and technology partnerships, India aims to support Africa in:

- Building foundational digital identity platforms
- Developing real-time, interoperable payment systems
- Creating open banking infrastructure and APIs
- Fostering digital skill development and cyber resilience
- Encouraging regulatory experimentation and regional collaboration

Such cooperation aligns with broader South-South collaboration goals and contributes to the realization of the AfCFTA vision where a harmonized digital ecosystem can serve as the backbone of economic integration and inclusive growth. The partnership between India and Africa on digital economy and fintech is not just about technology transfer, but is about co-creating resilient, future-ready societies. With shared values of inclusivity and sustainability, this collaboration holds the promise to shape a new digital development paradigm.

Select LOC projects supported by India Exim Bank towards digital economy and innovation of Africa are provided in **Table 5.4**.

Table 5.4: Select LOC Projects Supported by India Exim Bank towards Digital Economy and Innovation in Africa

Sector/Country/ Projects	Project Value (US$ million)
IT Infrastructure	
Benin	
Feasibility Study for Setting up a Cyber City	0.5
Côte d'Ivoire	
Designing, Architectural Study, Technical Study and Construction to Accommodate the Enterprises of the Free Zone of Biotechnology and Information Technology and Communication (ZBTIC)	11.1
Eswatini (Swaziland)	
Construction of Disaster Recovery Site	10.4
Setting up of Information Technology Park Project	20.0
Mozambique	
IT Park Project comprising Construction of Building, Incubator Facility, Research and Learning Centre, Technology Park and Administrative Facility	25.0
Senegal	
IT Training Projects	10.0
Telecom Infrastructure	
EBID	
Expansion of Sierra Leone National Telecommunications Network	29.5

Sector/Country/ Projects	Project Value (US$ million)
Telecom Equipment - Supply	
Côte d'Ivoire	
Supply and Installation of Telecom Equipments	8.9

Source: India Exim Bank

Energy and Sustainability

India and Africa share a natural alignment in their developmental aspirations and in their respective journeys towards building secure, sustainable and inclusive energy systems. With Africa poised to account for a significant share of the global population and India rapidly scaling up its clean energy ambitions, the two regions are forging deeper partnerships across critical sectors, particularly in clean energy, energy transition minerals, green hydrogen and climate-smart infrastructure.

India's engagement with Africa in energy and sustainability is rooted in its broader vision of South-South cooperation, development partnership and climate leadership. It is also guided by the principles of mutual benefit, capacity building and demand-driven development.

A Natural Partnership: Critical Minerals and Renewables

Africa holds over 30% of the world's mineral reserves, including critical minerals like lithium, cobalt, manganese and rare earth elements, which are essential for the global clean energy transition. These resources are indispensable for the production of electric vehicles, solar panels, wind turbines and battery storage systems. However, Africa's mineral potential remains largely underutilized due to limited processing capacities, infrastructure gaps and fragmented value chains.

India, on the other hand, is an emerging global hub for renewable energy technology manufacturing. India is investing heavily in battery storage, electric mobility and grid modernization under its decarbonization efforts. Indian companies have also developed advanced capabilities in mineral processing, refining and manufacturing, making them ideal partners for African countries looking to capture more value from their mineral resources.

Partnerships between Indian and African public and private sectors can help develop local processing industries, improve logistics and transport infrastructure, and ensure responsible and transparent mining practices. Such collaborations can also contribute to local employment, technology transfer and industrial development across Africa.

Building Green Infrastructure: Solar Energy and Distributed Power

India has achieved remarkable success in scaling up solar energy, accounting for 47% of the total installed renewable energy capacity, driven by clear policy frameworks, public-private partnerships and cost-effective deployment. The year 2024 saw the installation of 18.5 GW of utility-scale solar capacity, a nearly 2.8 times increase compared to 2023. Through the ISA, India has expanded its solar cooperation with over 30 African countries. These include projects on solar water pumping, mini-grids and rural electrification. In countries like Mozambique, Uganda, Senegal and Tanzania, Indian-supported solar projects have helped expand energy access in remote communities. Through concessional financing, lines of credit and grants, India has played a catalytic role in building green infrastructure in Africa, aligned with SDG 7 on affordable and clean energy.

India's model of decentralized renewable energy, including solar-powered cold storage, irrigation pumps and microgrids, offers practical solutions for rural Africa, where centralized grid infrastructure may be limited. Training programs, skill development initiatives and local entrepreneurship support are also helping build capacity in Africa's clean energy workforce.

The Next Frontier: Green Hydrogen

As the world looks beyond fossil fuels, green hydrogen has emerged as a key pillar of future energy systems. Africa, with its vast renewable energy resources, high solar irradiation and access to coastal export infrastructure, is uniquely placed to become a major player in the green hydrogen economy. India, under its National Green Hydrogen Mission, is investing in large-scale hydrogen projects, electrolysers and ammonia production. Indian companies are exploring partnerships in countries like Namibia, Egypt and South Africa to jointly develop green hydrogen projects for export and domestic use.

India and Africa can collaborate on pilot projects, joint R&D, electrolyser manufacturing and policy frameworks to support hydrogen value chains. Regional corridors and industrial clusters anchored in green hydrogen could also promote cross-border infrastructure and trade.

Financing, Technology and Institutional Cooperation

Scaling energy and sustainability cooperation will require robust enabling frameworks. India has extended over US$ 10 billion in LOCs to African countries, including for energy and infrastructure projects. India's concessional financing, grant assistance and capacity-building programs have played a central role in creating bankable projects across Africa.

Multilateral platforms such as the ISA, International Renewable Energy Agency (IRENA) and African Union frameworks provide additional avenues for engagement. Initiatives like the Africa Renewable Energy Initiative (AREI), AfCFTA and the India-Africa Forum Summit can be leveraged to promote integrated energy markets, harmonized standards and blended finance mechanisms. Technology partnerships in smart grids, energy efficiency and digital tools (e.g., AI for energy planning, geospatial mapping) can further strengthen India-Africa cooperation.

The India-Africa partnership in energy and sustainability stands at a transformative moment. By leveraging their complementarities—Africa's natural resource wealth and India's technological know-how and policy experience—both regions can shape a greener, more equitable global energy future. This cooperation would not only contribute to economic growth and industrialization but also aligns with the broader goals of climate justice, resilience and sustainable development. Select LOC projects supported by India Exim Bank towards energy and sustainability of Africa are provided in **Table 5.5**.

Table 5.5: Select LOC Projects Supported by India Exim Bank towards Energy and Sustainability in Africa

Sector/Country/Project	Project Value (US$ million)
Hydro Power Equipment - Supply	
Zambia	
Itezhi-Tezhi Hydro Power Project	29.0
Hydro Power Plant Construction	
Burundi	
20MW Hydroelectric Project	79.7
DR Congo	
Execution of Kakobola Hydroelectric Power Project	42.0
Katende Hydroelectric Project	168.0
Rwanda	
Engineering, Procurement and Construction of 28 MW Nyabarongo Hydroelectric Project	80.0
Solar - Infrastructure	
EBID	
Rural Electrification of 50 Villages through Solar Photovoltaic System in Niger	10.0
Malawi	
Construction of a 30 MW Solar Power Plant	71.9
Mauritius	
8MW Solar PV Farms at Tamarind Falls, Heneritta	7.5
Mozambique	
Solar Photo Voltaic Module Manufacturing Plant	13.0
Niger	
Solar Electrification of 30 Villages and Solar Photovoltaic System of 5 MW; Electrification of 40 Villages through Solar System and Extension of the Malabaza Solar Power Station	34.5
Nigeria	
132/33 KV Substation, Solar Mini Grid Electrification and Solar Street Lighting Project in the Kaduna State	26.3
Togo	
Electrification of 350 villages through Solar Photovoltaic Systems	40.0
Solar Power - Supply	
EBID	
Solar Street Lighting Project in Sierra Leone	20.0
Guinea	
Solar Projects	20.2

Source: India Exim Bank

Conclusion

Africa's journey towards sustainable and inclusive growth is at a critical inflection point. With its abundant natural and human capital, the continent is poised to emerge as a global growth engine, provided it can mobilize the necessary investments, technology and institutional support. India, as a natural development partner rooted in South-South cooperation, has steadily expanded its footprint in Africa across key sectors including infrastructure, agriculture and agro-processing, digital innovation, healthcare and pharmaceuticals, and energy sustainability. These five pillars of India-Africa partnership are not only driving bilateral trade and investment but are also helping to catalyze local development outcomes in alignment with Africa's Agenda 2063 and the UN Sustainable Development Goals.

Through its innovative and development-focused initiatives, including concessional financing and LOCs facilitated by India Exim Bank, India is contributing to Africa's transformation story. The AfCFTA and the AfDB's Ten-Year Strategy (2024–2033) provide a vital roadmap for integrated and resilient growth. India's experience with digital public infrastructure, scalable healthcare models, green finance instruments and MSME development offers valuable lessons and replicable solutions.

Going forward, there is immense scope to institutionalize and deepen this partnership through enhanced policy dialogues, co-financing mechanisms, technology transfers and capacity-building collaborations. Strengthening trade facilitation, promoting sustainable financing and fostering inclusive innovation ecosystems will be critical for delivering tangible outcomes. A future-ready India-Africa partnership must therefore be built on mutual trust, co-creation and long-term commitment, unlocking Africa's growth potential while advancing shared prosperity and global development.

Chapter 6

India Exim Bank in Africa

The deep-rooted ties between India and Africa, forged through shared histories, common struggles, and mutual aspirations for a just, equitable and progressive future, form the foundation of a natural and increasingly robust partnership. Over the years, this bond has evolved into a comprehensive engagement covering infrastructure development, capacity building, trade, defence, technology and global governance.

The dynamic rise of both India and Africa can act as a powerful catalyst for South-South Cooperation. Areas such as clean technology, climate-resilient agriculture, maritime security, connectivity and the blue economy present immense collaborative opportunities.

India Exim Bank in Africa

The Export-Import Bank of India (India Exim Bank) was set up under an Act of Parliament in 1981 and commenced operations in 1982. The Bank was set up 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 investments, 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.

In line with the Government of India's focus, India Exim Bank has been pivotal in advancing and deepening the India-Africa partnership. Acting as a catalyst for economic cooperation, the Bank has played a critical role in facilitating trade, investment and development collaborations between India and African nations. These efforts align closely with India's broader commitment to strengthening South-South cooperation and supporting Africa's growth journey.

India Exim Bank's commitment towards building relationships with Africa is reflected in the various activities and programmes, which India Exim Bank has set in place. Through a range of financial instruments, including Lines of Credit (LOCs), project financing, Buyer's Credit under the National Export Insurance Account (BC-NEIA) scheme and capacity-building initiatives, the Bank has enabled Indian companies to participate in Africa's developmental priorities across infrastructure, energy, agriculture, healthcare and manufacturing sectors. These interventions not only contribute to Africa's economic advancement but also open up new avenues for India's trade and investment, creating a mutually beneficial growth model.

Representative Offices

India Exim Bank has established representative offices in Johannesburg (South Africa), Abidjan (Côte d'Ivoire) and Nairobi (Kenya) which serve as vital conduits for strengthening economic cooperation with the African region. These offices actively engage with a range of local institutions and maintain close coordination with Indian diplomatic missions across Africa to support bilateral initiatives.

India Exim Bank plays a crucial role as a coordinator and facilitator for the promotion of project exports, encompassing overseas industrial turnkey projects, civil construction contracts, supply contracts and technical and consultancy services. Through a suite of financing, advisory and support programs, the Bank consistently works to enhance and deepen India's trade and investment engagement with Africa, in alignment with the broader initiatives of the Government of India (GOI).

Lines of Credit to Africa

To enhance bilateral trade and investment relations with partner countries, and as a part of its financing programmes, India Exim Bank has extended several LOCs to overseas sovereign governments or their nominated agencies, national or regional development banks, overseas financial institutions, commercial banks abroad and other select overseas entities, to enable buyers in those countries to implement developmental and infrastructure projects and import equipments, goods and services from India, on medium and long term credit basis.

These LOCs offer a risk-free financing option to the Indian exporting companies, while helping them penetrate new markets, enhance their export volumes in the overseas market and demonstrate project execution capabilities. The LOCs are aimed at financing and catalysing Indian exports by way of financing key projects of national importance to the borrower countries, such as agriculture and irrigation development, development of various small and medium enterprises, upgradation of factories, development of railways and related infrastructure, projects for transmission lines and substations, and rehabilitation and improvement of water supply system, among others.

To promote India's trade and economic relations with developing countries, the GOI launched the Indian Development and Economic Assistance Scheme (IDEAS), with the objective of sharing India's development experience through capacity building and skill transfer, trade and infrastructure development, by extending concessional LOCs routed through India Exim Bank, to developing partner countries, towards creating socio-economic benefits in the partner country. The LOC programme has gained considerable recognition abroad, as it enables the LOC recipient countries access to much needed large scale developmental and infrastructure projects, on concessional and deferred credit terms.

India Exim Bank's LOCs extended to Africa supplements GOI's focus on priority sectors, aiding in developing mutual cooperation and benefit. Besides these operating LOCs extended at the behest of GOI, India Exim Bank also extends its own commercial LOCs to various financial institutions and other entities in Africa.

As on March 31, 2025, the total number of LOCs extended to Africa stood at 192 extended to 41 countries and a credit commitment of US$ 10.7 billion. These LOCs have been utilized for priority sectors in Africa, such as railway rehabilitation, setting up of industrial & IT parks, cement factories, vocational training centres, irrigation projects, cotton processing plants, sugarcane crushing plants, fertilizer plants, rural electrification projects, hydro-power projects, exports of tractors and agricultural equipment, and power transmission.

Project Exports

Under its Project Exports assistance, India Exim Bank extends both funded and non-funded facilities for overseas turnkey projects, civil construction, supplies as well as technical and consultancy service contracts across various sectors of the economy. 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. Such projects executed by assistance received from India Exim Bank, have contributed to the host country's developmental endeavours and have assisted in narrowing developmental gaps in such countries.

Buyer's Credit

In order to provide further impetus to project exports from India on medium or long-term basis, especially in the infrastructure sector, in April 2011, a product called Buyer's Credit under National Export Insurance Account (BC-NEIA) was introduced. 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 obtained payment of eligible value from India Exim Bank, without recourse to them, against negotiation of shipping documents.

As on March 31, 2025, India Exim Bank has sanctioned an aggregate loan amount of around US$ 2 billion under BC-NEIA for 21 projects in several African countries including Tanzania (purchase of police motor vehicles and spares), Cameroon (construction of transmission line), Côte d'Ivoire (supply of vehicles and spares), Ghana (railway line and road construction), Mauritania (transmission line), Mozambique (integrated LPG & Bitumen Storage Facility), Senegal (construction, installation of overhead transmission line and supply of vehicles spare parts), Uganda (water supply project), Zambia (construction transmission line) and Zimbabwe (supply of vehicles and spares).

Overseas Investment Finance

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. These ventures serve to promote value addition, as also contribute to capacity building and capacity creation in host countries. As on March 31, 2025, India Exim Bank through its overseas investment finance programme has supported over 50 such ventures, set up by Indian companies in African countries namely, Egypt, Ethiopia, Ghana, Kenya, Mauritius, Morocco, Nigeria, Senegal, South Africa, Sudan, Tanzania, Uganda and Zambia, with an aggregate sanction amount of ₹ 6,517.2 crore.

Trade Assistance Programme

The trade finance funding gap remains a significant challenge for businesses engaged in international trade. According to the Asian Development Bank's (ADB) latest Trade Finance Survey as of September 2023, the global trade finance gap is estimated at US$ 2.5 trillion in 2022, marking an increase of 47% from US$ 1.7 trillion in 2020. As per the AfDB estimates, Africa had a trade finance gap of US$ 81 billion in 2019. As per various reports, existing trade finance gap in the region has oscillated between US$ 100 billion and US$ 120 billion over the last 3 years. Recognising the need to increase the availability of both traditional and new trade finance instruments, India Exim Bank has developed its trade facilitation initiative, the 'Trade Assistance Programme (TAP)' in 2022 to address the growing trade finance gap, particularly in the MSME sector.

The Bank provides credit enhancement to trade instruments under the programme, thereby enhancing the capacity of commercial banks to support cross-border trade transactions. Under TAP, the Bank has facilitated 124 transactions in Africa, amounting to over US$ 30 million in countries including Angola, Benin, Burkina Faso, Burundi, Cameroon, DR Congo, Egypt, Ethiopia, Ghana, Côte d'Ivoire, Kenya, Liberia, Mauritania, Mauritius, Rwanda, Sierra Leone, Tanzania, Togo, Uganda and Zambia. India Exim Bank has also extended credit lines aggregating US$ 769 million to the Eastern and Southern African Trade & Development Bank (TDB), Africa Export-Import Bank (Afreximbank), Africa Finance Corporation, Bank of Industry Nigeria, Ecowas Bank for Investment and Development (EBID) and Uganda Development Bank Ltd.

Consultancy Assignments

In the dynamic environment over the past four decades, India Exim Bank has continuously evolved its programmes and services to meet the needs of its stakeholders. This experience of evolving as a principal financial institution in a developing country context has been found to be of particular relevance in other developing countries that seek to set up institutions and strengthen institutional structure for supporting international trade and investment. The Bank has leveraged its vast experience in setting up of institutional infrastructure for enhancing international trade to render assistance to several institutions in Africa through its well-knitted advisory and consultancy services backed by a strong in-house research team. Besides being associated in the setting up of the Afreximbank, India Exim Bank undertook assignments to design, develop and implement programme on Film Financing for Nigerian Export-Import Bank; technical assistance across various operational areas of Ghana Export-Import Bank; institutional capacity building for export credit and insurance to enhance trade competitiveness in Rwanda; design and implementation of Export Finance Programmes for Industrial Development Corporation, South Africa; 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 blue print for setting up of Export-Import Bank of Zimbabwe.

Capacity Building and Institutional Linkages

Further, to address the limited institutional capacity in Africa on conceptualisation, management, execution and imparting project development initiatives, India Exim Bank has also been consciously forging a network of alliances and institutional linkages to help further economic co-operation with the Africa region. Towards this end, India Exim Bank has taken up equity in Afreximbank and West African Development Bank (BOAD). These endeavours are supplemented by the various Memoranda of Cooperation/ Memoranda of Understanding, the Bank has in place, with key institutions in Africa.

About India Exim Bank's Working Paper Series

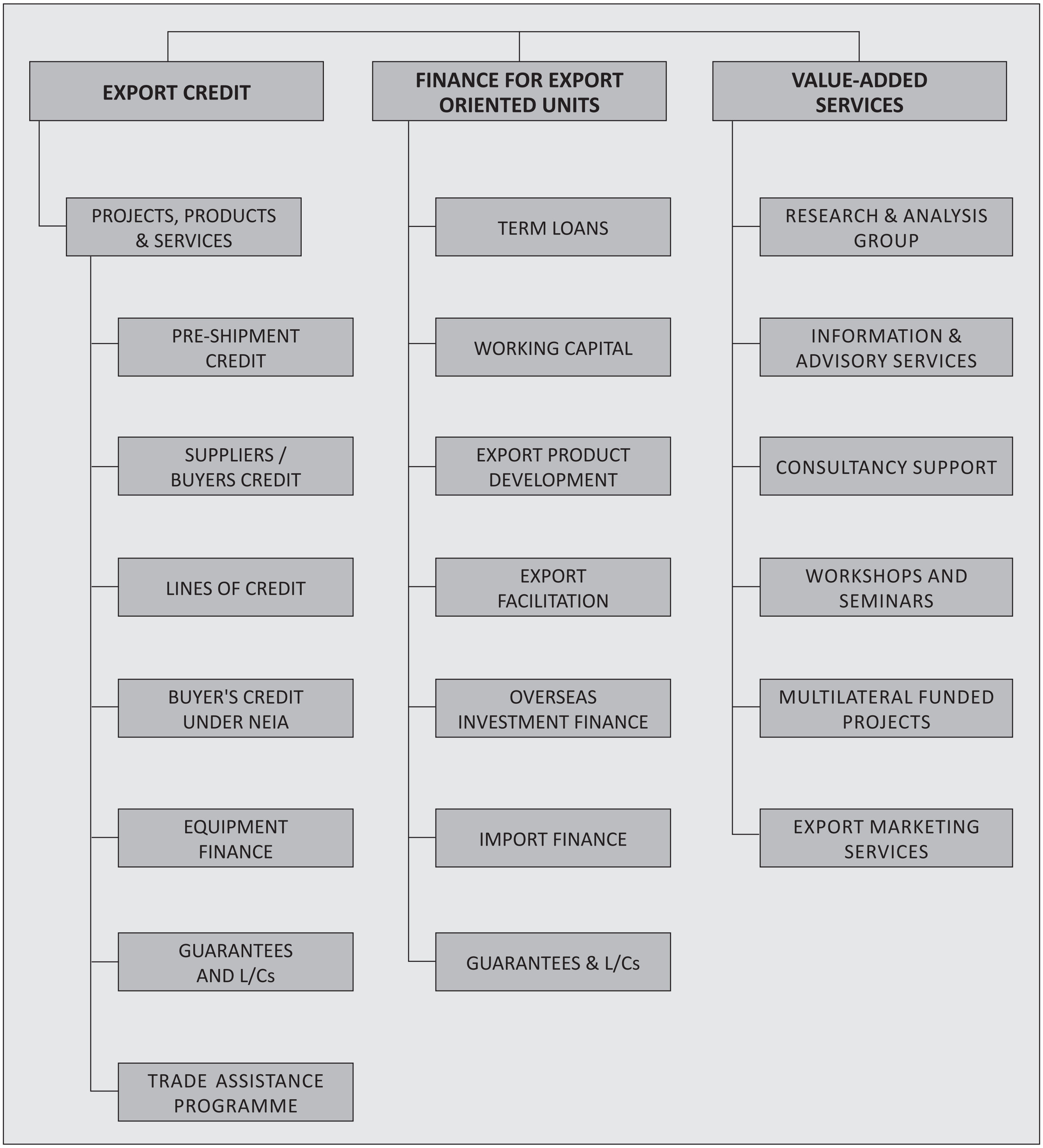
As part of its endeavour in enriching the knowledge of Indian exporters and thereby to enhance their competitiveness, India Exim Bank periodically conducts research studies. These research studies are broadly categorized into three segments, viz. sector studies, country studies and macro-economic related analysis. These studies are published in the form of Occasional Papers, Working Papers and Special Publications. The research papers that are brought out in the form of Working Papers are done with swift analysis and data collation from various sources. The research papers under the series provide an analytical overview on various trade and investment related issues.

Previous Working Papers brought out by India Exim Bank

Working Paper No. 108	Re-Connecting India and Central Asia: Prospects for Trade and Investment
Working Paper No. 109	India-United Arab Emirates Bilateral Relations: Trends, Opportunities and Way Ahead
Working Paper No. 110	Building a Resilient Africa: Enhanced Role of India
Working Paper No. 111	Reflection & Development of India's Creative Economy
Working Paper No. 112	Reinvigorating India's Economic Engagements with Southern Africa
Working Paper No. 113	Unlocking Assam's Export Potential
Working Paper No. 114	A New Era of India-European Union Strategic Partnership
Working Paper No. 115	Indian Chemical Industry: Exploring its Growth Potential
Working Paper No. 116	Prospects for Enhancing India-Canada Economic Relations: Trends and Potential
Working Paper No. 117	Building Bridges: An Economic Analysis of India-Australia Trade Relations
Working Paper No. 118	India's Engagement with the Lithium Triangle Nations: Securing India's Lithium Needs
Working Paper No. 119	Enhancing Trade and Investment Relations between India and Central America
Working Paper No. 120	India's Investment Potential in Africa
Working Paper No. 121	Transitioning to Circular Economy: A Possible Approach for India
Working Paper No. 122	Forging Sustainable India-Africa Partnership through Green Transition
Working Paper No. 123	Investing in LAC: Unlocking Opportunities for Indian Investors
Working Paper No. 124	Evaluating India's Middle-Export Districts: Opportunities under ODOP-DEH
Working Paper No. 125	Connecting Continents: Enhancing India-Eurasian Economic Union Trade and Investment Relations
Working Paper No. 126	India-Bangladesh: A New Age Partnership
Working Paper No. 127	Enhancing Production and Exports of Millets from India
Working Paper No. 128	India and Southern African Customs Union: Building a Stronger Economic Partnership
Working Paper No. 129	Strengthening Ties: Evolving Dynamics in India-Oman Bilateral Relation
Working Paper No. 130	Fostering Collaboration: A Roadmap for Enhancing India-Saudi Arabia Bilateral Relations
Working Paper No. 131	Charting the Course for Telangana's Export Growth: Strategies and Policy Recommendations
Working Paper No. 132	Unraveling the Dynamics of India-ASEAN Economic Relations
Working Paper No. 133	Exploring New Frontiers in India-US Bilateral Relations
Working Paper No. 134	Exploring Economic Opportunities for India in East Africa
Working Paper No. 135	India's Defence Equipment Industry: Exploring New Frontiers
Working Paper No. 136	Accelerating Uttar Pradesh's Export Growth: Insights and Strategies
Working Paper No. 137	India-Qatar Trade and Investment: Strengthening Global Synergies
Working Paper No. 138	A New Era of Cooperation: India's Relationship with EFTA
Working Paper No. 139	Towards a Viksit Madhya Pradesh: A Possible Export Strategy & Policy Perspective
Working Paper No. 140	Strengthening India-Brazil Economic Relations through Sustainable Cooperation
Working Paper No. 141	Forging Strategic Links: Advancing India-New Zealand Partnership
Working Paper No. 142	Building Exports from Jammu & Kashmir
Working Paper No. 143	Navigating Opportunities: Strengthening India's Economic Engagements with Peru
Working Paper No. 144	Deepening India Nepal Economic Ties: From Trade to Development Cooperation
Working Paper No. 145	Strengthening Exports from Uttarakhand

INDIA EXIM BANK'S MAJOR PROGRAMMES

Bank's Major Programmes



EXPORT-IMPORT BANK OF INDIA

HEAD OFFICE

Centre One Building, 21st Floor, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005.
Phone: (91 22) 22172600 ● Fax : (91 22) 22182572
E-mail : ccg@eximbankindia.in ● Website: www.eximbankindia.in

LONDON BRANCH

5th Floor, 35 King Street, London EC2V 888 United Kingdom
Phone : (0044) 20 77969040 ● Fax : (0044) 20 76000936 ● E-Mail : eximlondon@eximbankindia.in

DOMESTIC OFFICES

Ahmedabad
Sakar II, 1st Floor,
Next to Ellisbridge Shopping Centre,
Ellisbridge P. O., Ahmedabad 380 006
Phone : (91 79) 26576843
Fax : (91 79) 26577696
E-mail : eximahro@eximbankindia.in

Bengaluru
Ramanashree Arcade, 4th Floor,
18, M. G. Road, Bengaluru 560 001
Phone : (91 80) 25585755
Fax : (91 80) 25589107
E-mail : eximbro@eximbankindia.in

Chandigarh
C- 213, Elante offices, Plot No. 178-178A,
Industrial Area phase 1,
Chandigarh 160 002
Phone : (91 172) 4629171
Fax : (91 172) 4629175
E-mail : eximcro@eximbankindia.in

Chennai
Overseas Towers, 4th and 5th Floor,
756-L, Anna Salai, Chennai 600 002
Phone : (91 44) 28522830/31
Fax : (91 44) 28522832
E-mail : eximchro@eximbankindia.in

Guwahati
NEDFi House, 4th Floor, GS Road,
Dispur, Guwahati 781 006
Phone : (91 361) 2237607 /609
Fax : (91 361) 2237701
E-mail : eximgro@eximbankindia.in

Hyderabad
Golden Edifice, 2nd Floor,
6-3-639/640, Raj Bhavan Road,
Khairatabad Circle, Hyderabad 500 004
Phone : (91 40) 23307816
Fax : (91 40) 23317843
E-mail : eximhro@eximbankindia.in

Kolkata
Vanijya Bhawan, 4th Floor,
(International Trade Facilitation Centre),
1/1 Wood Street, Kolkata 700 016
Phone : (91 33) 68261301
Fax : (91 33) 68261302
E-mail : eximkro@eximbankindia.in

Lucknow
Unit No. 101, 102 and 103, 1st Floor,
Shalimar Iridium Vibhuti Khand,
Gomti Nagar, Lucknow 226010
Phone: (91 522) 6188035
Email: LRO@eximbankindia.in

Mumbai
8th Floor, Maker Chamber IV,
Nariman Point,
Mumbai 400 021
Phone : (91 22) 22861300
Fax : (91 22) 22182572
E-mail : eximmro@eximbankindia.in

New Delhi
Office Block, Tower 1, 7th Floor,
Adjacent Ring Road,
Kidwai Nagar (E)
New Delhi - 110 023
Phone : (91 11) 61242600 / 24607700
Fax : (91 11) 20815029
E-mail : eximndo@eximbankindia.in

Pune
No. 402 & 402(B), 4th floor,
Signature Building,
Bhamburda,
Bhandarkar Rd.,
Shivajinagar,
Pune - 411 004
Phone : (91 20) 26403000
Fax : (91 20) 25648846
E-mail : eximpro@eximbankindia.in

OVERSEAS OFFICES

Abidjan
5th Floor, Azur Building,
18-Docteur Crozet Road,
Plateau, Abidjan, Côte d'Ivoire.
Phone : (225) 2720242951
Fax : (225) 2720242950
Email : eximabidjan@eximbankindia.in

Dhaka
Madhumita Plaza, 12th Floor, Plot No. 11,
Road No. 11, Block G,Banani,
Dhaka, Bangladesh - 1213.
Phone : (88) 01708520444
E-mail : eximdhaka@eximbankindia.in

Dubai
Level 5, Tenancy IB,
Gate Precinct Building No. 3,
Dubai International Financial Centre,
PO Box No. 506541, Dubai, UAE.
Phone : (971) 43637462
Fax : (971) 43637461
E-mail : eximdubai@eximbankindia.in

Johannesburg
2nd Floor, Sandton City Twin Towers East,
Sandhurst Ext. 3,
Sandton 2196,
Johannesburg,
South Africa.
Phone : (27) 113265103
Fax : (27) 117844511
E-mail : eximjro@eximbankindia.in

Nairobi
Unit 1.3, The Oval,
Jalaram Road,
Westlands,
Nairobi, Kenya.
Phone : (254) 741757567
E-mail : eximnairobi@eximbankindia.in

São Paulo
Unit - 1603, World Trade Center,
Avenida das Nações Unidas 12.551,
São Paulo 04578-903, Brazil
E-mail : eximsaopaulo@eximbankindia.in

Singapore
20, Collyer Quay, #10-02,
Singapore 049319.
Phone : (65) 65326464
Fax : (65) 65352131
E-mail : eximsingapore@eximbankindia.in

Washington D.C.
1750 Pennsylvania Avenue NW, Suite 1202,
Washington D.C. 20006,
United States of America.
Phone : (1) 2022233238
Fax : (1) 2027858487
E-mail : eximwashington@eximbankindia.in

Centre One Building, 21st Floor, World Trade Centre Complex, Cuffe Parade,
Mumbai - 400005 | Ph.: (91 22) 22172600
E-mail: ccg@eximbankindia.in | Website: www.eximbankindia.in
Follow us on