

THE INDIA SHOW
Inaugural Session
11:00 – 12:15 hrs: 20 May, 2011:
Millennium Hall, Addis Ababa

Inaugural address by Hon'ble CIM

H.E. Mr Erastus Mwencha, Chairperson, Commission of the African Union
Deputy

Mr Abdurahman Sheik Mohamed, Hon'ble Minister of Trade, Republic of Ethiopia

Mr Mekonen Manyazwal, Minister for Industry, Republic of Ethiopia

Mr Adi Godrej, President Designate - CII & Chairman, Godrej Group

Mr Sanjay Kirloskar, Chairman, CII Africa Committee & Chairman & Managing Director,
Kirloskar Brothers Ltd

Mr Chandrajit Banerjee, Director General, Confederation of Indian Industry

Distinguished Delegates

Ladies and Gentlemen:

- I am very happy as well as feel privileged to be addressing this Inaugural ceremony of the 'India Show' in the buoyant backdrop of an emerging partnership between Africa and India. This is the second such mega 'India Show' after the one held in South Africa last year in August at Johannesburg and Durban. We plan to continue hosting such events in Africa, in order to realize the fullest potential of India-Africa economic partnership.
- India-Africa partnership has gathered unprecedented momentum in the last few years and I would consider myself very fortunate to have been actively involved in the collective effort to take our bilateral cooperation endeavour to a higher plane, which has also created an indelible trail of new landmarks in South-South Cooperation.
- India has historically played a significant part in Africa's development initiatives and Africa is deeply ingrained in India's consciousness. At the turn of the New Millennium the leadership in both regions decided to take bold steps to strengthen the bilateral economic relations through multiple cooperation endeavours. This has had a huge impact on our bilateral trade and investment flows, among a host of other bilateral exchanges.

Our political support for Africa has been augmented by closer economic cooperation including economic assistance, functional cooperation, soft loans and private sector investment.

- The economic partnership between India and Africa has taken giant leaps forward ever since the first India-Africa Forum Summit in 2008. It gives me great pleasure to note that Bilateral Trade between India and Africa which was at a meagre \$3 billion at the turn of the century, has now crossed the \$46 billion mark today. . We are well on our way to cross the threshold and achieve the target of \$70 billion in bilateral trade by 2015. India will continue with its efforts to expand trade with the African countries through a special focus, including steps like the ‘Duty Free Tariff Preference Scheme’ for certain countries in Africa to enable easier imports from them.
- In order to boost bilateral trade, investment and general economic cooperation, as well as to provide greater access to each other’s markets, India is already engaged in negotiations for a Preferential Trade Agreement (PTA) with a key trade grouping in the continent, the South Africa Customs Union (SACU), which comprises of South Africa, Botswana, Namibia, Lesotho and Swaziland. This, I believe will eventually create a huge free-trade zone among our two economies. Besides, we are looking forward to engaging with the ‘Common Market for Eastern and Southern Africa’ (COMESA) and the ‘Economic Community of West African States’ (ECOWAS) for such partnerships. Once all agreements are in place, our commitment of engaging with all the regional economic communities of Africa will fructify and we will be able to build a network which will facilitate further flowering of South-South Trade.
- India has also become one of the leading investors in African countries, with Indian investments in Africa in Joint Ventures and wholly owned subsidiaries touching US \$ 33 billion mark, covering diverse sectors like Oil & Gas, Pharmaceuticals, Petrochemicals, IT, Fertilizers, Infrastructure etc. And I am of the firm belief that this number will grow exponentially in the coming times.
- Indian private investments in Africa, traditionally were concentrated in areas like extractive sectors (Mining, Oil & Gas), infrastructure, real estate, etc. But, now a host of new generation Indian corporate majors are establishing their presence in Africa, in areas like IT & ITeS, Pharmaceuticals and Healthcare, Agro-processing, Education, Automobiles, chemicals, textiles, Banking & Financial Services, Steel, Telecommunication, Manufacturing. Companies like the Tata group, Mahindra and Mahindra, Kirloskar and several others have a vast and long presence on the African

continent. Bharti has acquired Zen Telecom which is one of the largest telecom companies in Africa.

- Indian Public Sector companies like RITES, TCIL and BHEL have also been helping African countries in the fields of Railways and related infrastructure, ICT and Energy/Power. This is a strong indicator of the increasing interest of Indian companies in the region, the increasing acceptance of Indian products and technologies and most importantly the huge potential that the region has to offer to Indian companies.
- The India-Africa partnership is not just about bilateral trade and empowering businesses in both our countries. It is as much about poverty alleviation and wealth creation for our people. Not only have our two countries been close historical allies in the struggle for independence, equality and democracy, but today, that historical connect is reinforced by our burgeoning economic ties, democratization of international institutions, non-proliferation and the pursuit of sustainable development.
- Emerging economies have done well in 2010 on the whole in their pursuit of development. India has grown at 8.6% in the last financial year and has planned to grow at 9 to 9.5% in the coming 5 years. Africa's economy expanded by 4.7 per cent in 2010 and is expected to grow at more than 5% in the coming years. Both regions have exhibited resilience after the downturn caused by the global crisis. Indian and African economies have emerged stronger in the global economic arena post the global economic meltdown primarily due to the similarities between the economic management and priorities of both nations. Like India, many African countries ran discretionary economic policies like minimising debt burdens, controlling inflation, and strengthening fiscal deficits before the crisis and found themselves cushioned in the face of a severe downturn.
- The African continent has been growing uninterrupted over the last decade. Growth in the last five years particularly has hovered in the range of 5% per annum. Foreign investment grew many-fold to \$53 billion in 2009 as opposed to \$7 billion in 2002 and many African nations are working doubly hard to attract more foreign investment by improving infrastructure, securing their environment, ensuring peace and connecting with the global economy.
- The African dynamism correlates quite remarkably with the growth experience of the Indian economy over the last decade. India has consistently recorded over 7% GDP growth in the last ten years and there is a clear expectation that the country will achieve close to 9% GDP growth in the current fiscal. Both Government and industry are making

concerted efforts to bring about double digit GDP growth, which will further bolster India's rise to pre-eminence as a global economic powerhouse.

- But please be aware that our ambitions for prosperity are based on the ideal of inclusiveness, India does not want to follow trajectories of economic extraction and economic development at the expense of others. For us African countries represent partners for sustainable development, not geographies from where we seek to extract mineral resources or land for commercial agriculture. India's participation in Africa will follow a model where our investments will create employment and skill development for Africans, and our prosperity will offer opportunities for Africa's value added exports that go much beyond natural resources.
- Now, as we put the worst behind us and move stronger and healthier into a new decade, it's my belief that a new era of economic prosperity awaits both India and many African nations. While India is well on its way to soon overtake China as the fastest growing economy in the world; Africa is already being viewed by the world as the next economic frontier in the making.
- We envision an Africa that is self-reliant and economically vibrant, and that we seek to become a close partner in Africa's resurgence. In April 2008, India hosted the First India-Africa Forum Summit (IAFS). This summit built upon the foundations of the historical relationship that existed between India and Africa, and designed a new architecture for a structured engagement, interaction and cooperation between India and our African partners, in the 2^{1st} century. The Summit celebrated our friendship and renewed our commitment to Africa. Two historic documents, the Delhi Declaration and the India-Africa Framework for Cooperation adopted at the end of the Summit now serve as the contours for our systematic engagement with Africa in the coming years.
- Following the IAFS in April 2008, nearly \$ 6 billion in new funds have been committed for economic engagement with Africa, including a significant proportion committed to capacity building and human resource development. The Indian government also decided to double the financial credit through Lines of Credit (LoC) to Africa to \$5.4 billion in the following five years, keeping in view the development aspirations of the African states. A Joint Action Plan was drawn up in early 2010 to implement the decisions taken at the first Forum Summit in 2008. The Action Plan talked about the creation of training programmes and the establishment of 19 institutions in Africa, paid for by the Indian government. As it stands now, the India Africa Institute of Foreign Trade (IAIFT) in Uganda, the India-Africa Institute of Information Technology (IAIIT) in Ghana, the India Africa Diamond Institute in Botswana, and the India-Africa Institute of Education,

Planning and Administration (IAIEPA) in Burundi are some of the flagship projects that are being set up to further Africa's human resource development.

- India is presently engaged in numerous capacity building and infrastructure development activities and initiatives with African countries. The Indian Technical and Economic Cooperation Programme in various disciplines, is helping educate and train several thousand African nationals in Indian universities. The National Small Industries Corporation (NSIC) of India has agreed to build vocational training institutes in 10 African countries to help empower unemployed youth in the continent. The NSIC will additionally construct three other institutes on the lines of its Rapid Incubation Centers to prepare youth to set up their own small enterprises. Not only will this facilitate a system for the African youth to learn marketing, accounting and sourcing credit skills, but also encourage them to set up their own micro businesses.
- The Indian government's recent Pan-African e-project for telemedicine and distance education for example is a vital link to bridge the digital divide in Africa. Towards the same, India has already invested hugely in building a vast Pan-African e-Network to connect nations of the African Union through satellite and fibre optic network. The network will connect 5 universities, 53 learning centres, 10 super specialty hospitals and 53 remote hospitals in India and Africa.
- Capacity building and institutional development aside, India and Africa see commonality of interests in tackling some of the most pressing global challenges, namely, poverty alleviation, food security and energy security. The three challenges are all intertwined and need to be addressed on a war footing.
- With regard to the issue of food security, India's 'Green Revolution' could well be the growth model for many African economies that are shoring up their respective food self-sufficiency. Over the years, Indian and African agriculture institutions have established multiple channels of information flows and knowledge transfer. Further, as India looks to enhance its food production and distribution, there is an emerging opportunity for Indian farm-based entities to invest here in Africa where there are vast tracts of arable land available. The Ethiopian Government's policy initiative to draw overseas farmers to take large tracts of land on lease to cultivate is an example of the emerging business collaborations in the African farm sector.
- In the realm of energy security, while Indian energy companies are actively involved in developing conventional energy sources in Africa, I see a great opportunity for our governments and industry to strengthen the partnership in the development and

promotion of green energy, such as, solar, wind, geo-thermal, biomass, etc. In the long term India has to cooperate with other nations to find viable alternative sources of energy and cooperation with Africa towards this goal is high on priority including infusing consistent investments in Africa to unlock new supplies of oil and natural gas.

- Ladies and Gentlemen, The India Show, which will be shortly declared open in this enchanting city of Addis Ababa, is a single window to the myriad opportunities for African businesses to engage with Indian industry. The India Show, as you would know, has been held in several other world capitals with great success. This is indeed a singular opportunity for Indian and African businesses to identify new areas of collaboration and collectively contribute toward the expansion of India-Africa trade and investment flows.
- Notably, this Show also sets the tone for the all-important Second India-Africa Forum Summit which will begin in this city on the 24th of this month, an event which will be watched and monitored by the world with great interest. The Indian Government is deeply appreciative of the unstinted support extended by the African Union in holding the Summit. Your Excellency, Dr Jean Ping, is a great friend of India and I am so glad that you are here amidst us on this special occasion. I feel privileged to be addressing this gathering in this buoyant backdrop of an emerging economic partnership between Africa and India. There is fresh optimism in the air for both our economies which have effectively weathered the recent global meltdown and depicted their resilience, maturity and potential to the entire world.
- This Summit, coming 3 years after the New Delhi Summit, will further build upon the initiatives taken during the first Summit. Our approach to assistance is based on a consultative and responsive mechanism focusing on human resource development and capacity building in Africa and our own capabilities. Assistance is envisaged at Pan-Africa, regional and bilateral levels, and would contribute to the socio-economic development in Africa. Our endeavour is to take India Africa cooperation to a new height by adopting a mutually beneficial agenda. In the 1st Summit we had focused on educational institutions, now we would focus also on capacity building for industrial and commercial sectors, which would be mutually beneficial to both India and Africa.
- I would also like to record our deep appreciation of the Ethiopian Government's cooperation in hosting the events leading up to the Summit.

- The Second India Africa Forum Summit is a momentous occasion for the Indian and African leadership to review the journey undertaken thus far and set new milestones toward strengthening the India-Africa partnership. Our partnership is underpinned by strong political understanding and deep economic engagements. Along the way, we have succeeded in creating a lasting impression on the emerging global economic order.
- I am happy to state that India's engagement with Africa is not limited to the pockets of affluence, concentration of natural resources or cultural contiguity and familiarity of language. Rather, India's trade ties with all key parts of sub-Saharan Africa have grown steadily, and at times, quite spectacularly.
- India has pursued an inclusive approach from the very beginning of its engagement with the African governments, translating into enormous goodwill for Indian public and private corporate presence on the continent.
- While it were the political and economic linkages that steered the bilateral engagements down the decades, I believe the future course will be determined also by the 1.2 billion people of India and the near 1 billion people of Africa through people-to-people initiatives. Of key importance will be the joint efforts to promote human excellence in both regions. Human assets will determine the future growth trajectory.
- Ladies and Gentlemen, by 2015, India and Africa together will account for 43% of world's youth, almost half the world's young population that will chart the future of this planet. Our two regions need a firm commitment to skill development and education that will turn this repository of youth into a global force for positive change.
- Indeed, it is the dynamism of the young people, their entrepreneurship that is the driving force the economic development for both India and Africa. In that context, I am glad to point out to you that our India show brings to Africa's shores not just large firms, but small and medium entrepreneurs who their ability to create niches for themselves embody the power of creative destruction. Like in many African countries, SME represent the backbone of India's manufacturing economy, and we hope that the India show will create a platform for greater cooperation between the SME sectors of India and Africa
- The emerging global economic scenario and the inherent strengths of India and Africa would make any partnership between the two regions a formidable combine. The India-Africa partnership would also lend great strength to the G20 bloc which is counterbalancing the G7 nations on the global economic plane.

- At this juncture I would like make a special mention of CII's sustained efforts to build bridges between Indian and African decision makers in different spheres of activity. The India Show is another example of how CII has assiduously worked to bring different stakeholders of India-Africa partnership on a common platform.
- Over the years, events like this have also encouraged business chambers and industry bodies in Africa and India to create new opportunities for Indian and African governments, businesses and people to interact much more.
- I believe the India-Africa partnership has once again reached a crucial juncture. The decisions taken and the collaborative arrangements entered into at this stage will determine the long-term sustainability of our cooperation endeavours. As I said at the outset, the impact of India-Africa engagements would be felt not only in the Indian and African societies but all across the global landscape.
- On this note, let me extend a warm welcome you to this India Show and I wish every one of you great success in your endeavor.
- Thank you!