CII-Exim Bank Conclave

Why in news?

Commerce and Industry Minister called for expansion and diversification of India-Africa economic relations and inclusion of emerging areas, such as solar energy, start-ups, and digital infrastructure for partnership.

What is the Summit about?

- High-level diplomats from several African nations are currently in New Delhi for a key two-day investment meet that was scheduled to be inaugurated by Vice President Venkaiah Naidu.
- Forty high-level ministers from 17 countries, including Cameroon, Burkina Faso, Eswatini, Republic of the Congo, Ethiopia, Gabon, Equatorial Guinea, Ghana, Niger, Malawi, Mauritius, Sudan, Namibia, Nigeria, and Sierra Leone, are participating in the two-day summit.
- The CII-EXIM Bank Conclave on India-Africa Growth Partnership was launched in 2005 with the support of India's Ministry of External Affairs and Ministry of Commerce & Industry.
- The conclave aims to encourage the development of private investment from India in African countries.
- This is the 17th edition of the conclave.
- Over the years, it has emerged as one of the largest congregations of senior ministers.
- Policymakers and business leaders from Africa and India cut across sectors and played a pivotal role in encouraging Indian companies to establish and grow their footprint in Africa.
- This year's conclave focuses on infrastructure development and trade finance, education and training, agriculture and food processing, consultancy services, and healthcare in addition to other areas where Indian companies have steadily increased their presence in Africa.

What is the significance of the conclave?

- Commerce and Industry Minister, called for expansion and diversification of India-Africa economic relations and inclusion of emerging areas, such as solar energy, start-ups, and digital infrastructure for partnership.

- The Commerce and Industry Minister identified four major focus areas for the India-Africa partnership: solar power, military exchanges in the context of the security of the Indian Ocean, physical and digital infrastructure, health care, pharma and vaccines, and start-up ecosystem.
- Trade between the African subcontinent and India increased from $7.2 billion in 2001 to $59.9 billion in 2017, making India the continent's fourth-largest national trading partner, according to Exim Bank and the African Export-Import Bank (Afriexim Bank).
- Trade with India accounted for more than 6.4 percent of total African trade in 2017.
- Data from the Ministry of Commerce and Industry show bilateral trade between India and the 48 countries of sub-Saharan Africa was valued at $46.82 billion in 2020-21, down from $55.70 billion in 2019-20.
- India has a negative trade balance with sub-Saharan Africa, the Ministry figures show.
- In a statement issued on Africa Day, the Ministry of External Affairs said that 38 African nations have benefited from India's Duty-Free Tariff Preference (DFTP) scheme which provides duty-free access to 98.2 percent of India's total tariff lines.
- Lines of Credit (LoCs) worth $12.26 billion have so far been extended to African countries, making them the second-largest recipient of India's concessional loans.

Which are the key countries in the conclave?

- Some sessions at the conference are country-specific, focusing on individual countries, for instance, Mauritius, Namibia, and Gabon.
- Mauritius, mainly, has emerged as a financial hub and a gateway to the African continent for India.
- Mauritius is the first and only African country so far to have a CECPA (Comprehensive Economic Cooperation and Partnership Agreement) with India, an agreement that aims at building trade ties between the two countries.
- Political stability and rapid economic recovery post-Covid-19 have made resource-rich Namibia in southern Africa attractive for foreign investment, the conclave's website says.
- The country has rich deposits of uranium, diamonds, copper, phosphates, and other minerals.
- African countries are exploring the possibility of exporting diamonds and semi-precious stones directly to India rather than through other countries.

What is the way forward?

- Over the years, Indian enterprises have invested in energy, healthcare, and agriculture sectors, as well as the diamond cutting and polishing business in Namibia.
- India is also ready to help African nations in areas of physical and digital infrastructure, whether it was information technology, setting up new infrastructure projects in the region, health care, and helping them manufacture vaccines and also analysts expect these sectors to grow over the next few years.
- Bridging the gaps in trade finance could unlock the latent export potential of India and Africa and could increase the share in global export participation of both regions.
- India needs to be dynamic in its engagements in Africa and address the changing needs of the Continent while emphasising the huge opportunity the African Continental Free Trade Area agreement presents for India.

Reference

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