India Africa trade relations

Why in news?

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PM Modi at the inauguration of annual meeting of African Development Bank spoke in detail about the ever increasing relations between India and Africa.

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How are the ties improving?

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- **Africa-India trade has multiplied in the last 15 years.**
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- It has doubled in the last five years to reach nearly $72 billion in 2014-15.
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- India’s commodity trade with Africa in 2015-16 was higher than our commodity trade with the United States of America.
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- India’s private sector is also at the forefront of driving this impetus.
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- From 1996 to 2016, Africa accounted for nearly one-fifth of Indian overseas direct investments.
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- India is the fifth-largest country investing in the continent, with investments over the past 20 years amounting to $54 billion, creating jobs for Africans.
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- African countries are also the partners of International Solar Alliance initiative, which was launched at the UN Climate Change Conference in Paris in November 2015.
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- The alliance is conceived as a coalition of countries rich in solar resources to address their special energy needs.
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- As a founder of the New Development Bank (NDB), popularly called the

BRICS bank, India has consistently supported establishment of a regional centre in South Africa.
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- This will provide a platform to promote collaboration between NDB and other development partners including the African Development Bank.
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- India joined the African Development Fund in 1982 and the African Development Bank in 1983.
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- India has contributed to all of the bank's general capital increases.
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- For the most recent African Development Fund replenishment, India pledged $29 million with contribution to the highly indebted poor countries and multilateral debt reduction initiatives.
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What are the similarities between both India and Africa?

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- Both nations require uplifting our farmers and the poor, empowering women, ensuring rural communities have access to finance, building infrastructure.
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- There is a necessity to maintain macroeconomic stability so that inflation is controlled and balance of payments is stable.
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Source: Indian Express

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