

India's rising Africa bet: FDI outflows at \$14 bn

Total trade between African nations and India was almost \$100 billion in FY23

India is entwined with Africa in terms of trade and investments, having become one of the largest sources of investment in the continent, accounting for \$14 billion in foreign direct investment (FDI) outflows as of 2021, according to the latest United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2023.

The African Union – a continental union of 55 African countries – was formally inducted into the G20 last week. Additional data from the department of economic affairs reveals a skew in investments. The data is cumulative since 2000, and thus show different numbers from UNCTAD statistics, but can be considered indicative of the trend.

Mauritius, which has been a key centre for India investments on account of tax considerations, accounted for the bulk of overseas direct investment into Africa. The figure since 2000 is over \$40 billion. The major countries, outside of Mauritius which have received investments, include Mozambique (\$3.8 billion), Sudan (\$3 billion), and South Africa (\$1 billion). Other key destinations include Egypt, Kenya and Libya.

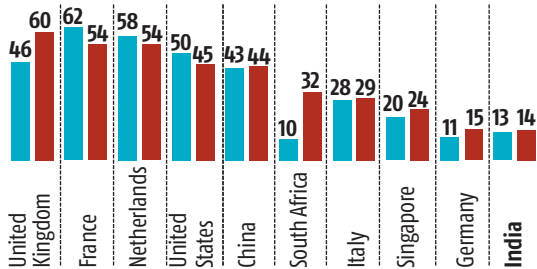
Economic inter-connectivity between the African nations and India has been on the rise in the last decade. Total trade between the African nations and India was almost \$100 billion in 2022–23, the highest in a decade. India now has a trade surplus with these nations, as exports have increased in recent years. Goods worth \$51 billion were exported from India in FY23 compared to under \$30 billion in FY19.

SAMREEN WANI



INDIA AMONG TOP 10 INVESTORS

FDI stock (in \$ billion) 2017 2021



Note: Shows top 10 investor economies by foreign direct investment (FDI) stock, 2017 and 2021. Number may be different from the cumulative overseas direct investment figures because these are as of a given year, while the countrywise data is cumulative since 2000 Source: UNCTAD World Investment Report 2023

TOP COUNTRIES ACCOUNT FOR BULK OF INVESTMENTS

Country	Overseas direct investment (in \$ billion)
Mauritius	40.0
Mozambique	3.8
Sudan	3.0
South Africa	1.0
Egypt	0.6
Kenya	0.3
Libya	0.3

Note: Shows key African countries in terms of overseas direct investment between April 2000 and March 2023 Sources: Department of Economic Affairs, Ministry of Finance, Government of India

ANNUAL TRADE NEARING \$100 BILLION



Source: Centre for Monitoring Indian Economy