

INDIA IN AFRICA

STRENGTHENING ENERGY TIES AND STRIDING TOWARDS A STRATEGIC PARTNERSHIP

Swati Ganeshan

Much has been written about India's interests in Africa's oil besides the mounting discourse on how India's presence in Africa is akin to China's strategy in Africa for seeking energy resources. While Africa figures security goals in India's energy, its ties with the region emerge from a historical legacy, a large Indian diaspora, common development goals and the South-South cooperation, an unwritten cooperation based on the decision of the joint 1955 Bandung Conference. These are factors that are barely recognized as the premise for the growing relationship between India and Africa. Consequently, India's current energy engagement within the continent is restricted to certain countries and is in the process of expanding its ties.



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INTRODUCTION: INDIA'S NEED FOR ENERGY TIES

In the 21st century, with the rise of developing countries in the global economic sphere, access to energy resources underscores the growth trajectory of the emerging economies. Fossil fuels will remain significant contributors to the energy mixes of all nations in near future, with coal followed by oil and gas dominant in India's energy profile.¹ However, India has a lack of oil and gas and limited coal resources² coupled with low grade uranium that necessitates an acquisition of resources from abroad. Africa has recently emerged in the energy map of India and is poised to gain further prominence. Nevertheless, its ties with the region are significantly built on a similar colonial history followed by

1 | Integrated Energy Policy, 2006, Government of India.

2 | "India's Coal reserves are vastly overstated: is anyone listening?", *TERI Policy Brief*, 03/2011. It states that "the country has inadequate extractable coal reserves to either meet the current demand or long term supply commitments".

After its independence, India played a major role as a strong supporter of independence struggles by various African nations in International political forums.

a struggle for independence by both of them. After its independence, India as the founder of the Non-aligned Movement played a major role as a strong supporter of independence

struggles by various African nations in International political forums. India-Africa relations were strengthened in the 1955 Bandung Conference and since then have remained amiable. India has significantly contributed to the UN peace-keeping missions in Africa, has been consistently engaged with the continent through G 77 and other blocks,³ has maintained defense cooperation⁴ and has aided many African nations in establishing electoral reforms and democratic institutions (e.g. by enhancing electoral institutions in Kenya).⁵

Though trade between India and Africa has been steady, the volume of trade has been negligible until recently in contrast to India's ties with other regions, especially in energy. The number of trade products was also diminutive with precious stones such as diamonds being the most significant natural resource to be traded. In the past decade Africa has not just shown promise in terms of resources, but also in other sectors such as telecommunications, pharmaceuticals and Fast Moving Consumer Goods (FMCG), among others – all of them significant for the booming Indian private sector. Africa is also home to considerable untapped human resource potential offering considerable prospects for mutual growth of both India and Africa.

India's projected oil dependence is forecasted to increase to 6.6 million barrels a day in 2030 from 2.1 million barrels a day in 2007.⁶ Such a demand and dependence require an intense foreign policy initiative for gaining resources that is being vigorously followed by China, with significant financial aid having flowed into the continent (without any conditions)

3 | E.g. through the Conference of Parties for climate change talks (COP); India, Brazil and South Africa (IBSA), India's engagement with the African Union and its full membership in African Capacity Building Foundation.

4 | India has been consistently engaging with Indian Ocean Rim States such as Egypt and South Africa, among others.

5 | Ministry of External Affairs (ed.), *Annual Report, 2009/2010*, <http://mea.gov.in/mystart.php?id=500415660> (accessed 27 Mar 2012).

6 | International Energy Agency (IEA) (ed.), *World Energy Outlook 2007. China and India Insights*, 2007, http://iea.org/textbase/npdf/free/2007/weo_2007.pdf (accessed 16 Mar 2012).

in the past decade. India's aid contributions, in comparison, are significantly less; however its initiatives in Africa have been directed towards enhancing capability and sharing technology as a South-South cooperation objective. After the India-Africa summit, India pledged to fund the continent with some 5 billion U.S. dollars by 2012, with emphasis on capacity building, provision of funds for infrastructure and social welfare, tele-medicine⁷ and other initiatives. Though its trade relations may be limited, its aid ties move beyond resource-rich countries. Coupled with this, most discourses on India-Africa relations neglect the primary factor that various developed nations are already well placed in the African energy sector, thus posing further challenges to India's so-called robust resource-led partnership with the continent. The presence of Western transnational corporations is considerably competing with the Indian companies (State-owned and private) which are new to the overseas acquisition domain.

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INDIA-AFRICA TRADE RELATIONS – LOCATING ENERGY

Indian-African trade relations have intensified in the past few years with resources emerging as significant items of trade. However, the role of Africa in India's trade dynamics is still minuscule with great prospects for deepening trade ties.

Nigeria and South Africa are the only two countries that appear in the top 25 trading partners of India. Both nations are major exporters to India with the value of imports of Nigeria and South Africa at INR 34,377 crores (5.24 million euros) and 26,900 crores (4.1 million euros) respectively in 2009-2010, according to the Indian Department of Commerce. While mineral fuels are the largest import content from the African region, followed by metals and precious stones, the imports of mineral fuels grew by 23 per cent from 2008-2009 to 2009-2010, and India's imports registered an overall growth of around 14 per cent in the same years⁸ – indicating a rise in energy imports. Consecutively,

7 | Tele-Medicine is provision of medical consultation through telecommunication facilities.

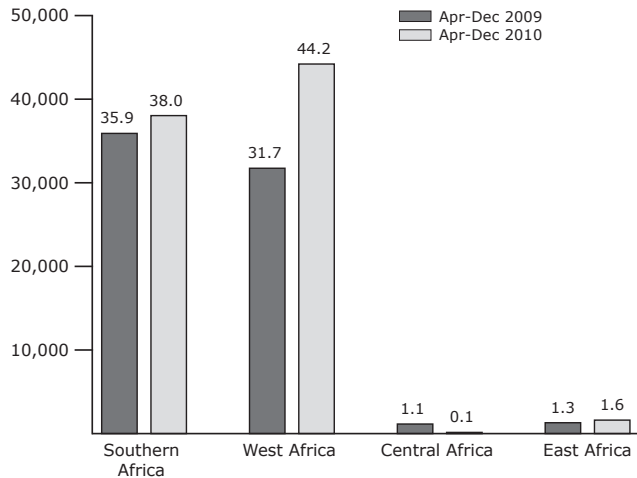
8 | Government of India, Department of Commerce (ed.), Export-Import Data Bank, 2011, <http://commerce.nic.in/eidb/irgncom.asp> (accessed 7 May 2011).

India's exports to Africa have also increased by 42.1 per cent between April-December 2009 and April-December 2010 with a share of 6.72 per cent in the country's total exports. On the other hand, Africa's share in India's total imports was 7.44 per cent in the same period.⁹ Thus, the current engagement within the continent reflects that India's trade ties with the continent are improving in spite of Africa's role in its import as well as the export basket being small.

According to the International Trade Center, Mineral fuels, oils and distillation products held a share of around 31 per cent in the total imports of India in 2009. Additionally, India's current imports from the region are mostly with Southern and Western African nations even though its export has increased relative to all the regions. The increase in export and import share is inclined towards two regions and predominantly to certain countries (Fig. 1 and 2).

Fig. 1

**India's imports from Africa¹⁰ region-wise 2009 and 2010
(in rupees, in crores¹¹)**



Source: Department of Commerce, Government of India, n. 9.

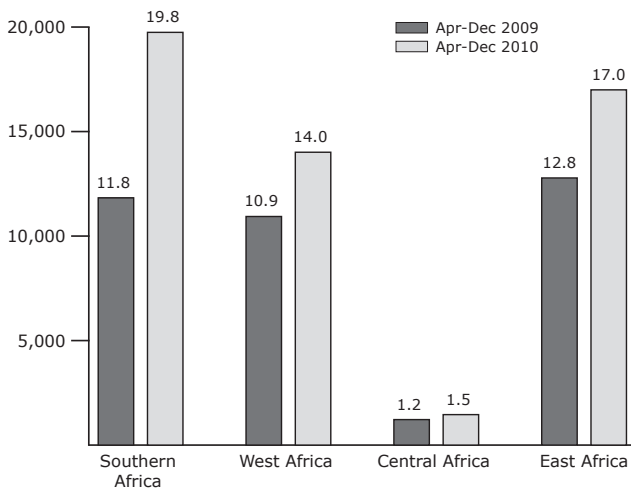
9 | Government of India, Department of Commerce (ed.), System for Foreign Trade Performance Analysis, "Import and Exports by Region and countries", 5 May 2011, <http://commerce.nic.in/ftp/default.asp> (accessed 7 May 2011).

10 | North Africa has not been indicated in the figures as the regions' contribution is registered in West Asia North Africa (WANA region). However, its role has been discussed in the paper.

11 | Crore is a unit in the South Asian numbering system equal to 10 million.

Fig. 2

**India's exports to Africa region-wise 2009 and 2010
(in rupees, in crores)**



Source: Department of Commerce, Government of India, n. 9.

The region of Southern Africa, especially South Africa and Angola, accounted for almost all the imports by India as well as the exports. In West Africa a similar case is visible with Nigeria accounting for almost all the imports from the region with a miniscule share of People's Republic of Congo, Gabon and Cote d'Ivoire. On the other hand, India's exports are much more diversified in West Africa, even though Nigeria holds the lead position as an export destination here as well. Northern Africa is a significant trade partner for India with Algeria, followed by Egypt, Morocco, Sudan, Libya and Tunisia, appearing as its major import hubs. Algeria became the largest exporter to India in April-December 2010, according to the provisional figures provided by the Department of Commerce, while the imports from Egypt actually receded. India only appears in the top five lists of Angola, Cameroon, Democratic Republic of the Congo, Egypt, Nigeria, Côte d'Ivoire and the Republic of the Congo as a significant energy partner in comparison to countries such as the USA, who lead in most nations.¹²

12 | Devika Sharma and Swati Ganeshan, "Before and Beyond Energy: Contextualising the India-Africa Partnership", *Occasional Paper Series*, No. 77, South African Institute of International Affairs, 2/2011, http://saiia.org.za/images/stories/pubs/occasional_papers/saia_sop_77_sharma_ganeshan_20110224.pdf (accessed 20 Mar 2011).

Although India's headway into Central and Eastern Africa is negligible in terms of trade, the country in recent years has undertaken steps to address this aspect largely from the perspective of loans, aids, grants, capacity building and knowledge sharing. The Eastern African region is also significant from the perspective of sea lane security, as many of the countries would act as a window to the landlocked areas of Africa, and it is also strategically significant for India from the perspective of safeguarding the Indian Ocean. The sea lanes of the Indian Ocean are particularly important due to two main factors: India's trade with Africa and the Middle East and the geopolitical positioning of India as the key player maintaining peace and security in the ocean territory. Hence, resources are not the primary focus in all of India's bilateral relations within the continent.

Furthermore, the recent annual report of the Ministry of External Affairs 2010-2011 highlights India's consistent and intensive engagement, with both resource-rich as well

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as non-resource-rich countries of Africa, like Mali and Lesotho reflecting upon its inclusive approach in the region.¹³ During the India-Africa summit in 2008, India also announced the Duty Free Tariff Preference scheme for Least Developed Countries (LDC), 34 of them in Africa, and launched a Pan-African network to offer healthcare and higher education through information technology. The focus on capacity building, knowledge sharing and overall development was reiterated in the second summit held in May 2011, where India earmarked an additional 700 million U.S. dollars for training and higher education, the establishment of a virtual university and more scholarships. This was in addition to the formation of an India-Africa Business Council.¹⁴

India's focus on Africa includes energy but does not fixate on it, since the continent offers a new market for its growing

13 | Ministry of External Affairs (ed.), *Annual Report, 2011*, <http://mea.gov.in/mystart.php?id=500417371> (accessed 20 Mar 2012).

14 | Prime Minister's Address at the Plenary Session of 2nd Africa-India Forum Summit, 24 May 2011, Ministry of External Affairs, Government of India, <http://mea.gov.in/mystart.php?id=530117661> (accessed 7 Mar 2012).

industries as well as for its expanding private sector. The surge in private sector investments in various sectors in Africa, such as telecommunication, pharmaceuticals, horticulture, infrastructure and energy transmission, among others, is a significant indicator of its broadening ties with the continent. For instance, the most prominent private acquisition was made by the Indian telecommunication giant Bharati Airtel from Zain Communications for over 10 billion U.S. dollars with a network spanning over 15 countries in Africa.¹⁵

Investments in the energy sector have also seen a rise with Indian public sector enterprises such as ONGC Videsh Limited (OVL) leading in acquisitions. However, public sector enterprises are facing stiff competition from state-led companies from China and have recorded an average performance, as the companies face two distinct disadvantages – inadequate implementation of acquisition strategies and financial constraints. The Indian public enterprises do not have an adequate set-up to evaluate oil opportunities across the globe which is leading to the acquisition of very risky category blocks.¹⁶ On the contrary, its Chinese counterparts have access to significant financial resources and deal with a one-point agenda of “gaining access to resources”. However, India has certain advantages: valued trust, owing to its commitment to development through South-South cooperation efforts of capacity building, knowledge sharing and infrastructure development, coupled with goodwill gained on the part of the Indian Diaspora in Africa. The Indian diaspora had moved to the continent during the colonial period and has emerged as a strong and influential group in many countries, especially in Southern Africa which is home to a significant number of Indian-origin inhabitants. Africa has one of the largest Indian

India has certain advantages: valued trust, owing to its commitment to development and the goodwill gained on part of the Indian Diaspora in Africa.

15 | “Bharti seals deal with Zain telecom for \$ 10.7 bn”, *NDTV*, 24 Mar 2010, <http://www.ndtv.com/article/business/bharti-seals-deal-with-zain-telecom-for-10-7-bn-18354> (accessed 20 Mar 2012).

16 | Uttam Kumar Sinha and Shebonti Ray Dadwal, “Equity Oil and India’s Energy Security”, *Strategic Analysis*, Vol. 29, 7/2005, http://idsa.in/strategicanalysis/EquityOilandIndiasEnergySecurity_srdadwal,%20uksinha_0705 (accessed 20 Apr 2011).

diaspora in the world with 11 per cent (26 million) of them living in Africa.¹⁷

After the 2008 India-Africa Summit was held in Delhi, thrust on bilateral talks has resulted in numerous important visits by dignitaries from both sides, leading to conclusive economic as well as development-based engagement. For instance, with investments of some 64 million U.S. dollars, India appeared in the top five investors in Mozambique in 2009 is set to invest 1 billion U.S. dollars into the Southern African nations by 2013.¹⁸ Additionally TATA, an Indian company, has made a foray into Tete province of Mozambique through its coal acquisitions.

THE AFRICAN ENERGY SECTOR

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Though Africa is on the way to rapid social and economic development, the role of energy resources is still significant and determines the contours of the governance architecture of many resource-rich nations. According to the World Bank,¹⁹ oil-exporting countries have grown three times faster than non-oil-exporting countries in Sub-Saharan Africa. Most countries appear in the Least Developed Country list, hence the main challenge that Africa faces is the achievement of the Millennium Development Goals – an aim that requires financial impetus from other nations.

Most African nations are either in the post-conflict transformation phase or working towards socio-economic development. However, the presence of resources has historically

17 | United Nations Conference on Trade and Development, "South-South Cooperation: Africa and the new forms of Development Partnership", *Economic Development in Africa Report*, 2010, <http://unctad.org/en/pages/PublicationArchive.aspx?publicationid=75> (accessed 20 Mar 2012).

18 | Dattagupta Ishani, "Indian investment is important for us", *Economic Times*, 18 Apr 2011, http://articles.economictimes.indiatimes.com/2011-04-18/news/29443717_1_mozambique-government-bilateral-trade-partner-country (accessed 5 May 2011).

19 | World Bank (ed.), "50 Factoids about Sub-Saharan Africa", <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/EXTPUBREP/EXTSTATINAFR/0,,contentMDK:21106218~menuPK:3094759~pagePK:64168445~piPK:64168309~theSitePK:824043,00.html> (accessed 10 Mar 2011).

been a significant reason for the reign of colonialism in the region and still has an impact on the overall governance structure of the continent. During the colonial period, the resources were exploited by former regimes without financial gains for the region. However, after the independence there has been an emergence of resource-led economies in the continent reaping economic benefits from the rising global demand for resources. Resource-centric economies with lack of or no infrastructure pose a challenge to India, who seeks to invest in these countries and may need to strategize for partnerships that move beyond the sector.

The main challenge for Africa is to shift from the resource sector and to diversify for a stable economic future. In recent years, resource-rich countries have placed an emphasis on pushing for development through resource-based investments streaming into the region, with India being one of the major countries investing in development. Infrastructure development, technology sharing and the setting up of allied industries within the continent are some trade-offs pursued by Africa for allowing access to resources within their territories. These arrangements with countries and companies would have a positive impact on the economic growth of Africa if political stability endured in the region. Additionally, these economies are tied to the highly unstable global oil prices that pose challenges for stable growth. Oil price shocks as well as contentions in resource-rich areas are concerns that India must take into consideration in its investments. While globally, the role of Africa is being recognized with the continent itself discovering its potential, the journey to economic and social development is arduous.

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RESOURCE POTENTIAL AND POLITICAL LANDSCAPE – PAST AND PRESENT

Though Africa is blessed with bountiful resources, years of civil war in many countries have left the continent with seriously weak and fragile governance systems. Most African countries show fairly poor political stability, and the presence of resources has been considered a major source

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of conflict.²⁰ While India is significantly engaging in Africa's energy sector, its engagements have been limited to certain countries with the changing political landscape being a major concern. Though a few large Indian companies have entered the African market, consistent political instability in certain countries would probably limit and concentrate India's engagement at least in the short term.

Africa's resource curse is also its boon, as the energy sector could act as its core to establish other industrial activities and growth opportunities to maximize development and minimize problems of a resource led-economy, as oil reserves of many countries are receding. In addition, the geographical distance between India and Africa has been a major factor for the emerging country to look more towards Asia-Pacific countries such as Australia and Indonesia for Coal and Middle East for oil.

**TRANSNATIONAL CORPORATIONS:
OTHER NATIONS AND THEIR INFLUENCE**

In the 1960s and 1970s there was a race for oil acquisitions largely steered by companies from developed nations. Africa was a natural destination due to the existence of colonial regimes that paved the way for significant investments by multinationals. Transnational corporations have been at the helm of oil and gas explorations in the African region. Exxon Mobil, Total, Shell, British Petroleum and Areva are a few of the corporations that have strong roots in the continent along with significant experience in the sector and influence on the host country governments.

20 | Michael L. Ross, "How Do Natural Resources Influence Civil War? Evidence from Thirteen Cases", *International Organization*, Vol. 58, No. 1, Cambridge University Press, 2004, 35-67; idem, "Mineral Wealth and Equitable Development", Background Paper, Equity and Development, *World Development Report*, 2006; Michael T. Klare, *Resource Wars: The New Landscape of Global Conflict*, New York, 2002; P. Collier and A. Hoeffler, "Resource rents, governance and conflict: paradigm in distress? Primary Commodities and civil war", *The Journal of Conflict Resolution*, 49, 4, 2005, 625-633; Heinz Welsch, "Resource abundance and internal armed conflict: Types of natural resources and the incidence of 'new wars'", *Ecological Economics*, 67, 2008, 503-513.

Additionally, while the focus has largely been on China and India versus Africa, the role of other “smaller players”²¹ such as Brazil, Turkey, Japan and South Korea, among others, has been heavily discussed. The increasing energy relationship of China and India has gained considerable limelight due to the size of the economies, concurrent energy demand and high investments in the continent. As a new entrant in the energy sector, India needs to factor in the influence of existing transnational companies and the presence of developed countries such as the US, who still hold the top position as the primary exporter of oil, and the EU – a key provider of Overseas Development Assistance. With the increasing number of players in Africa, India faces high competition and needs to exercise caution so as not to be considered only as a resource seeker. As Africa spreads its wings, the role of new players including India will be significant with many of them emerging as large donors as well as investors in the continent. India has emerged as a strong South-South partner for Africa and has engaged by exercising soft power.

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ENERGY INSECURITY

A common challenge that both Africa and India face is the issue of energy poverty. Both rank poorly in the Human Development Index and a considerable number of their population is not supplied. While India has significantly enhanced its energy sector, especially renewable energies, India’s energy engagement with Africa should focus on an exchange and capacity for the development of the African renewable energies sector. The New Partnership for Africa’s Development (NEPAD) has set a target of providing energy access to modern energy services to 35 per cent of the African population by 2015 in addition to the provision of cook stoves and gas to half the population. Regional organisations have drawn out plans to achieve this target that requires significant financial resources.²² India could

21 | Emma Mawdsley and Gerard McCann, “The Elephant in the corner? Reviewing India-Africa relations in the new millennium”, *Geography Compass*, 4/2, 2010, 82.

22 | African Development Bank and African Union (eds.), *Oil and Gas in Africa*, Oxford University Press, 2009, 73, <http://afdb.org/fileadmin/uploads/afdb/Documents/Publications/Full%20Document%20-%20Oil%20and%20Gas%20in%20Africa.pdf> (accessed 25 May 2011).

aid in enhancing the continent's off-grid energy sector that would act as an exchange within the energy domain.

RISING EXPECTATIONS AND DEALING WITH DIVERSITY

Africa is a group of 54 nations with different political ideologies, varied levels of development and diverse cultures. Hence, a single policy approach for the African energy sector may not be feasible. As African countries realise their potential in the energy sector, the expectations in terms of trade-off would increase and thus require a strategic approach that views these countries not as recipients but as partners. All the sub-regions in Africa have their economic communities and have different priorities depending upon their socio-economic status that should be factored into India's engagement.

Within these challenges and prospects of the African energy sector, India has been jostling for its own space – experiencing both successes and failures. However, India's robust private sector and the foreign policy thrust to vigorously

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engage Africa should take into consideration the above factors and push for engagements that would address the challenges of the African energy sector to aid in its development. African countries have emerged as a strong group in the geopolitical domain and are currently in the "driver's seat"²³ with significant political and economic objectives – a factor that should be the premise for India to engage in a long term partnership.

Economic growth is slow in certain countries giving the appearance of stagnancy but political as well as economic transformations in the continent are occurring. While the energy sector is booming, there are numerous complexities such as resource-led economies with short life span of the resource boom, the continuously changing political and social landscape and the existing structure of the resource sector that is largely influenced by transnational corporations. The scenario does pose significant challenges and prospects for India as well as for Africa that needs

23 | George Jedrzej Frynas and Manuel Paulo, "A new scramble for African oil? Historical, Political and Business perspectives", *African Affairs*, 106/423, 2007, 250.

to experience development at all levels and in all regions equivalently.

INDIA'S CURRENT BILATERAL ENERGY PARTNERSHIPS – FOCUS ON SADC COUNTRIES

The countries of Southern Africa are India's largest trading partners and continue to dominate Indian-African ties. India and the South African Development Community (SADC) held their first forum in 2006, which focused on a broad range of sectors from food, healthcare and natural resources to water resource management and Information Communication Technologies ICT. During the India-Africa Summit, the decision to establish two coal institutes and a diamond institute in Mozambique and Botswana was announced, highlighting the significance of the region for India's energy security.

Indian private entities have entered into Mozambique for coal and natural gas resources – TATA's and Arcelor Mittal have entered into Joint Ventures (JVs) in the Tete Province Coal fields, while Gas Authority of India Limited was stated to be in discussions for accessing gas. Additionally, Indian companies, RITES and IRCON have also forayed into the country to build its Sena railway lines (destroyed during the civil war in the 1980s) vital to establish a vibrant coal industry.²⁴ However, delays in the completion of the project have raised concerns regarding the Indian companies' efficiency and may raise apprehensions in other sectors if not addressed appropriately.²⁵

Concurrently, South Africa figures as a prominent trading partner in India's coal imports. India's relationship with South Africa has been cordial, with both nations being part of economic alliances such as the India-Brazil-South Africa Dialogue Forum (IBSA) and the BRICS states (Brazil, Russia,

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24 | "Mozambique coal rail line ready 2010-World Bank", *Reuters*, 21 Apr 2009, <http://uk.reuters.com/article/oilRpt/idUKLL57863820090421> (accessed 19 Mar 2012).

25 | "Mozambique rail woes to delay coal exports-report", *The Citizen Daily*, 17 Apr 2011, <http://thecitizen.co.tz/sunday-citizen/41-sunday-citizen-business/10035-mozambique-rail-woes-to-delay-coal-exports--report.html> (accessed 5 May 2011).

Indian, China, South Africa) that have strengthened their ties. After India's Nuclear Suppliers Group waiver, South Africa offered to sell uranium to India – a much-needed resource to establish a robust nuclear industry in India. In recent years, many Indian multinational enterprises have also entered into various sectors of South Africa ranging from IT to hospitality, automobile, mining and the pharmaceutical industry. The success of India's ties with South Africa is broad-based with defense cooperation, education and tourism also emerging as major fields of cooperation.

India's presence in Angola for oil resources has largely been overshadowed by the Chinese presence in addition to a lack of understanding of Angolan politics that led to ONGC Videsh Limited losing a lucrative oil concession to the Chinese in 2004. Additionally, the line of credits and loans that India offered to Angola has also been marginal in comparison to China's 2 billion U.S. dollars. Though India has been vying for Joint Ventures (JVs) with Sonangol and bid for more oil blocks, its efforts have hit a roadblock due to China's strong presence.²⁶ Recently India was said to lose a bid to secure a 25 per cent stake in Exxon Mobil's Angolan oil field,²⁷ raising concerns over its strategy in Angola.

Recently India was said to lose a bid to secure a 25 per cent stake in Exxon Mobil's Angolan oil field, raising concerns over its strategy in Angola.

Namibia is another uranium-producing country that India has begun to engage with in the South Africa Development Community (SADC). Both nations signed the agreement on cooperation for peaceful uses of nuclear energy in 2009. However, the access to uranium should be viewed in consonance to the recent announcement by the Namibian Government that the state-owned utility would have exclusive control over a strategic minerals development that may make mining propositions difficult. Additionally, various multinationals such as Rio Tinto already have had a strong

26 | Alex Vines et al., "Thirst for African Oil: Asian National Oil Companies in Nigeria and Angola", *Chatham House Report*, Royal Institute of International Affairs, 8/2009, http://voltaire.net.org/IMG/pdf/Thirst_for_African_Oil.pdf (accessed 25 Nov 2010).

27 | George Smith Alexander and Rakteem Katakey, "ONGC Said to Lose Bid for Exxon's Stake in Angolan Oil Field", *Bloomberg*, 14 Mar 2011, <http://bloomberg.com/news/2011-03-14/india-s-ongc-said-to-lose-battle-for-exxon-s-25-stake-in-angola-oil-field.html> (accessed 25 Apr 2011).

hold in the country's uranium mining industry for decades.²⁸ Hence, India should also factor in the influence of multinationals in the country during its talks for uranium. Nevertheless, Namibia is particularly keen on tapping into India's potential, including IT, the training and skills sector, pharmaceuticals and the energy sector. India has reciprocated by offering to establish mining engineering schools and an IT University, among other higher learning centers. India's bilateral cooperation beyond acquiring resources is evident with two companies winning a project valued at 105 million U.S. dollars in 2008 to lay a mega power transmission line.²⁹

India's engagement with South Africa is the most successful, although it is still trying to gain ground in Mozambique and Angola. Concerning Namibia, if the government formally decides to retain uranium within the purview of the state utility, then India will probably be only trading uranium instead of acquiring mining concessions or equity stakes. Hence, Indian-African energy ties are transforming but intermingled with complexities due to the varied expectations and approaches and pertinent to engage individual nations.

ENHANCING INDIA'S ENERGY PARTNERSHIP AND STRENGTHENING STRATEGIC TIES

Though India's partnership with African countries is progressing slowly, it has shown significant developments after the India-Africa Summit. The second summit held in Ethiopia in May 2011 is an evidence of this improving relationship. However, it should be noted that most of the success stories have emerged in the private sector with various Indian multinationals bagging prestigious projects in various sectors including energy. Whilst the oil sector is largely dominated by the national oil companies like Oil and Natural Gas Corporation (ONGC) Videsh or by JVs such as ONGC Mittal, the success in oil concession does not seem to have spread beyond Nigeria and Sudan.

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28 | World Nuclear Association, "Uranium in Namibia", last update 5/2011, <http://world-nuclear.org/info/inf23.html> (accessed 20 Mar 2012).

29 | "Indo-Namibian Relations Fact Sheet", last update 2/2011, Ministry of External Affairs, Government of India.

India's current engagement is still limited and focused on SADC due to strong historical ties. The emerging country would do well to diversify its ties and consistently engage with other regions in Africa. India's strength lies in its human resources and the vast higher learning and education framework – currently a requirement for developing Africa – a soft power that India needs to consistently exercise.

The views expressed are the author's alone.