

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:676

ANSWERED ON:09.12.2013

TRADE WITH AFRICAN COUNTRIES

Chavan Shri Harischandra Deoram;Thamaraiselvan Shri R.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government proposes to establish trade relations in new sectors/ areas with some of the countries for the first time and if so, the details thereof along with the steps taken by the Government in this regard;
- (b) the total revenue likely to be generated from the expansion of trade in the new areas and sectors;
- (c) whether India aims to increase the bilateral trade with the African nations in various sectors and if so, the details thereof along with the details of the present status of trade with the African nations;
- (d) whether India and African nations have agreed to chart out a course of action for food security for its population and also to take steps to enhance trade and economic cooperation in various sectors including infrastructure and energy; and
- (e) if so, the details thereof along with the benefits likely to be accrued to the domestic industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(a) & (b): Yes, Madam. Certain areas/sectors have been identified in some African countries where India's exports are presently quite low and the share of India's exports in those countries' global imports in these sectors is also low and thus India has the potential to export these identified commodities to these countries. In order to enhance India's exports in these sectors, trade promotion events such as the multi-sectoral 'India Show' events, comprising of a large exhibition showcasing the Indian products, technology and services and Business Seminar, participation in International Trade Fairs, Buyer Seller Meets and Reverse Buyer Sellers' Meets etc., Joint Trade Committee Meetings and bilateral meetings with Governments of various African countries have been held in recent years. 'India Show' events have been held in South Africa during 2010, in Ethiopia during 2011, in Ghana during 2012, and in Tanzania during 2013. In Financial Year 2012-13, India- Africa bilateral trade was US \$ 70.25 billion, which would increase considerably through expansion of trade in the new areas and sectors. The target for India-Africa bilateral trade has been set as US \$ 90 billion by the year 2015.

(c): Yes, Madam. India aims to increase bilateral trade with African countries in various sectors. The sectors identified as having considerable potential for growth in exports from India to Africa are namely, Transport Equipments, Pharmaceutical products, Machinery, Plastic & linoleum products, Textiles.

In the last two years, India-Africa bilateral trade has grown from US \$ 51.67 billion in FY 2010-11 to US \$ 70.25 billion in FY 2012-13, a growth of 35.96 %. During F.Y. 2012-13, India's exports to Africa were US \$ 29.14 billion and India's imports from Africa were \$ 41.11 billion. During F.Y. 2012-13, exports from India to Africa have registered an annual growth of 18.11 % over exports in FY 2011-12, whereas Imports from Africa to India have registered a decline of 6.79 % in FY 2012-13, as compared to FY 2011-12. In the current Financial Year 2013-14, during the 7-month period from April to October, 2013, India-Africa bilateral trade was US\$ 40.08 billion, as compared to bilateral trade of US \$ 39.72 billion in the corresponding 7-month period of April to October, 2012 i.e. a growth of 0.90 %. During the 7-month period from April to October, 2013 in current FY 2013-14, India's exports to Africa were US \$ 17.12 billion, registering a growth of 8.59 % as compared to the corresponding 7-month period of April to October, 2012, and India's imports from African countries were US \$ 29.96 billion, a decline of 4.13 % as compared to the corresponding 7-month period of April to October, 2012

(d) and (e): The issue of food security is extremely crucial for India as well as African countries. Under the framework of India Africa Forum Summit (IAFS), food security as well as energy security has been given high priority and provisions have been made for training, sharing of expertise and setting up of capacity building institutions in this regard. Trade and economic cooperation is another area where India and her African partners have been relentlessly pursuing growth and expansion. The quantum jump in trade figures of the last five years is an indicator of our enhanced efforts in this regard. During the 3rd Africa-India Trade Ministers Meeting held in South Africa on 1st October, 2013, the Indian and African Ministers agreed that there is a vast potential for accelerating investment flows in the potential sectors of cooperation, including in Agriculture and Agro-processing, Pharmaceuticals, Textiles, Mining, Petroleum and Natural Gas, Information Technology and Information Technology Enabled Services (IT & ITES), Gems and Jewellery, Core Infrastructure including Roads and Railways. An India-Africa Business Council (IABC) has also been set up in the year 2012 with the aim to have an institutional platform for sustained exchange of business communities between India and Africa. During the 2nd meeting of IABC held at Johannesburg, South Africa on 1st October, 2013, members from the five Working Groups from both the

sides met and have recommended concrete action plan to promote engagement at bilateral, sub-regional and PAN-African level to further trade, investment, technology transfer, skill development, capacity building, SME Development etc.