

Africa-India Trading Relationship

By Hugh van Niekerk¹

This synopsis documents the trading relationship between India and Africa from 1999 to 2012. The analysis uses data sourced from the Global Trade Atlas (www.gtis.com/gta), with all values expressed as US Dollars (millions), unless stated otherwise.

The synopsis should be read in conjunction with the accompanying spreadsheet on **tralac**'s website (<http://www.tralac.org/2013/11/27/africa-india-trading-relationship/>). The spreadsheet contains data on the following:

- The value of Indian imports from, exports to and total trade and trade balance with all African countries, by country;
- Indian imports from and exports to Africa at the HS4 level
- India's top imports from and exports to every African country at the HS4 level; and
- India's top imports from and exports to SADC², SACU³, COMESA⁴ and the EAC⁵ at the HS4 level

Synopsis

- During the period 1999 to 2012, the value of total trade between India and Africa grew by 18.5% a year. Indian exports to Africa grew by 22.94% a year, while Indian imports from Africa grew by 16.46% a year.
- Between 2011 and 2012, the value of Indian exports to Africa grew 15.7%, from approximately US\$ 24 billion in 2011 to US\$ 28 billion in 2012.

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² The Southern Africa Development Community (SADC) consists of 15 member countries. These are Angola, Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

³ The South African Customs Union (SACU) consists of 5 member countries. These are South Africa, Botswana, Lesotho, Namibia and Swaziland.

⁴ The Common Market for East and Southern Africa (COMESA) consists of 19 member countries. These are Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

⁵ The East African Community (EAC) consists of 5 member countries. These are Burundi, Kenya, Rwanda, United Republic of Tanzania and Uganda.

- In 2012, the value of Indian imports from Africa exceeded the value of Indian exports to Africa by approximately US\$ 14 billion. India's trade deficit with Africa contributed to the country's overall trade deficit of US\$ 193 billion in the same year.
- India's top 20 imports from Africa in 2012 (at HS4 level) constituted 96.11% of India's total imports from Africa in that year. The top 5 imports accounted for 85.37% of all imports from Africa. This shows the high concentration of products which India imports from Africa.
- Breaking the products down further into commodity chapter groupings reveals that mineral products alone account for almost 74% of all Indian imports from African Countries. This shows the massive role oil and similar products play in India-Africa trade.
- The table below depicts the top 5 Indian imports from Africa in 2012 by commodity chapter groupings

Table 1: Top India imports from Africa by commodity chapter group (2012)

Import commodity group	Share of total India imports from Africa
Mineral products	73.94%
Precious stones and metals	12.71%
Chemical products	3.93%
Base metals	3.89%
Vegetable products	3.00%

Source: Global Trade Atlas (2013)

- India's top 20 exports to Africa in 2012 (at HS4 level) constituted 63.14% of all Indian exports to Africa in that year. Furthermore, the top 5 products made up 46.16% of Indian exports to Africa. This shows a lesser degree of concentration compared to Indian imports from Africa.
- Breaking the products down further into commodity chapter groupings reveals that mineral products are once again the most traded commodity. However, in terms of exports they account for only 25.05% of all Indian exports to African countries, a far smaller share than they account for in India's imports from Africa. The remaining top 5 product chapters in India's exports to Africa in 2012 were chemical products (12.45%), transport equipment (11.77%), machinery (10.78%) and vegetable products (9.46%).
- The table below depicts the top 5 Indian exports to Africa in 2012 by commodity chapter groupings

Table 2: Top India exports to Africa by commodity chapter group (2012)

Export commodity group	Share of total India exports to Africa
Mineral products	25.05%
Chemical products	12.45%
Transport equipment	11.77%
Machinery	10.78%
Vegetable products	9.46%

Source: Global Trade Atlas (2013)

- While mineral products dominate Indian exports to and imports from Africa, the commodity group only became particularly significant in India-Africa trade in 2006. Before this time chemical products dominated India's exports to Africa, while precious stones and metals made up the majority of imports.
- From a regional point of view it is interesting to note that although COMESA is represented as the main trading region with India in terms of total trade, this is only due to India's imports from the region. It is seen from the data that SADC is the main region to which India exports commodities.
- All four African regions examined here experienced positive growth in their total trade with India between 2011 and 2012. The EAC (25.51%) experienced the greatest growth followed closely by SACU (16.42%) and COMESA (15.74%), while the growth in SADC's (0.63%) total trade over this period was insignificant.
- As shown in the table below, the shares of India's total trade with Africa accounted for by COMESA, SADC, SACU and the EAC were all higher in 2012 compared to 1999, indicating that India's trade with Africa is being increasingly conducted with countries from eastern and southern Africa.

Table 3: COMESA, SADC, SACU and EAC shares of total India trade with Africa (1999, 2012)

	Share of total India trade with Africa (1999)	Share of total India trade with Africa (2012)
COMESA	36.16%	40.09%
SADC	31.53%	26.89%
SACU	7.74%	15.4a%
EAC	5.53%	8.27%

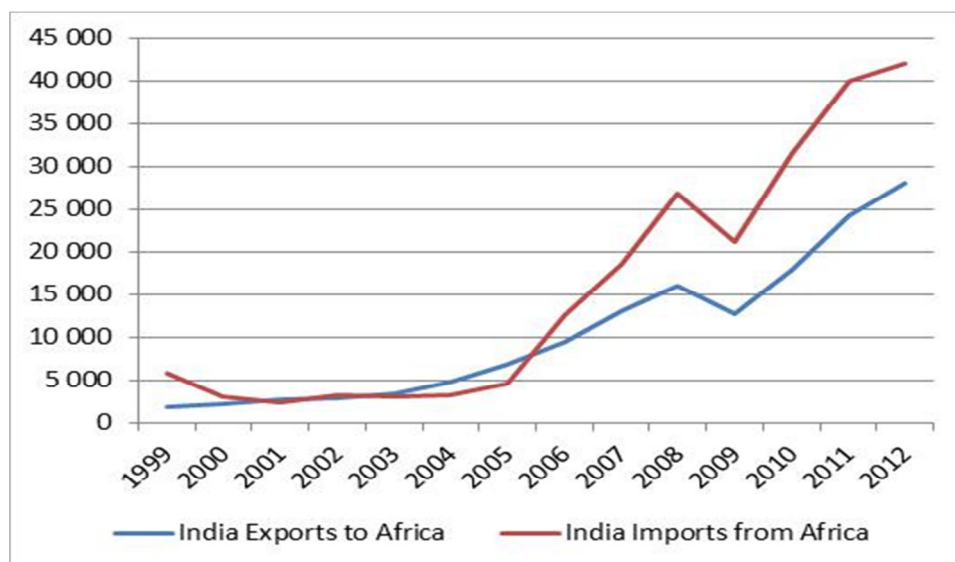
Source: Global Trade Atlas (2013)

- The increase (25.51%) in EAC trade with India between 2011 and 2012 was due largely to the growth in Indian imports from the region (62.03%) during the period.

- In 2012 India's main trading partners in Africa were Nigeria (which accounted for 23.12% of India's total trade with Africa), South Africa (19.41%), Angola (11.14%), Egypt (7.81%) and Kenya (5.55%). Thus the top five trading partners with India accounted for 67.04% of all Indian trade with Africa.
- Interesting to note, is Equatorial Guinea's growth in trade with India of 2610.49% during 2011-2012. Under closer inspection it is seen to be a result India importing 'Crude Oil from Petroleum and Bituminous Minerals'. While India did not record any imports of this product from Equatorial Guinea in 2011, it imported US\$ 448 million of the product from that country in 2012.

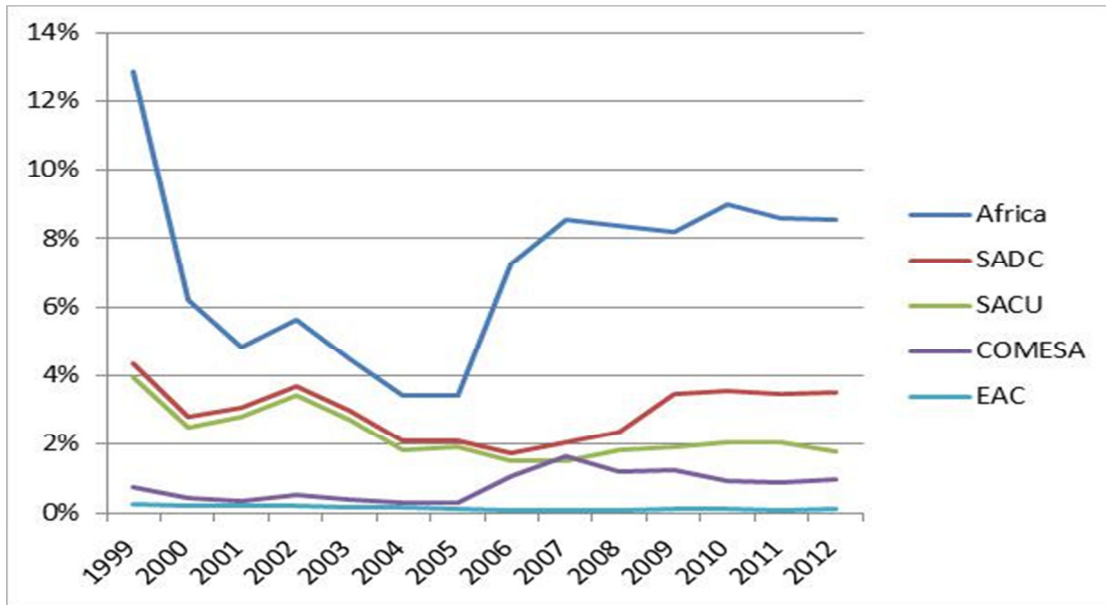
Graphical Representation of Trade Flows

Figure 1: India trade with Africa, 1999-2012 (US\$ millions)



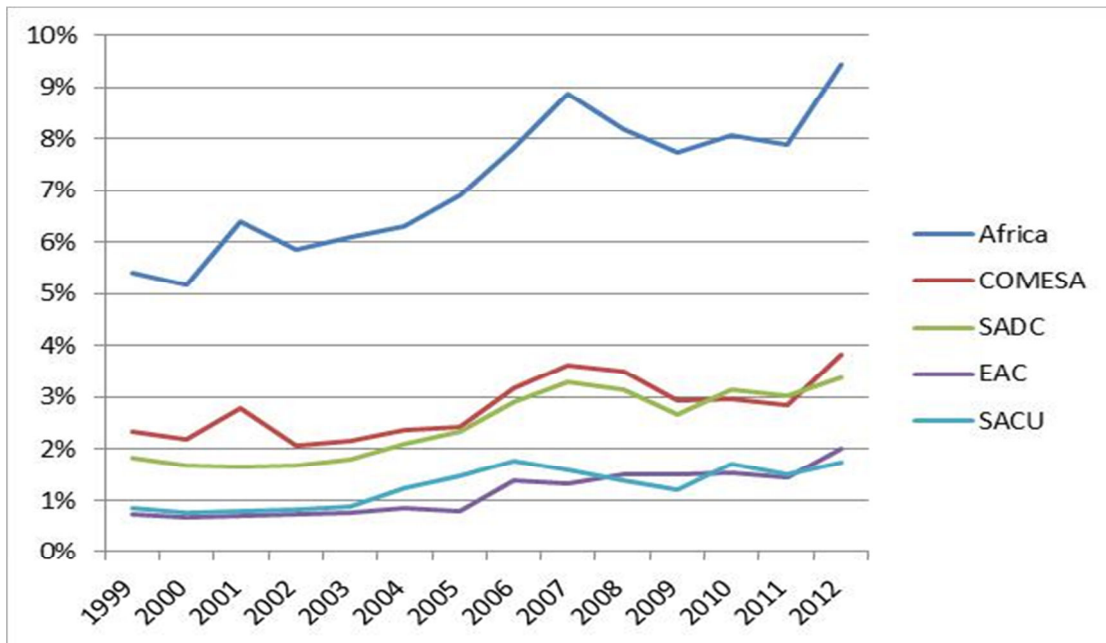
Source: Global Trade Atlas (2013)

Figure 2: India imports from Africa, SADC, SACU, COMESA and the EAC (as share of total India imports)



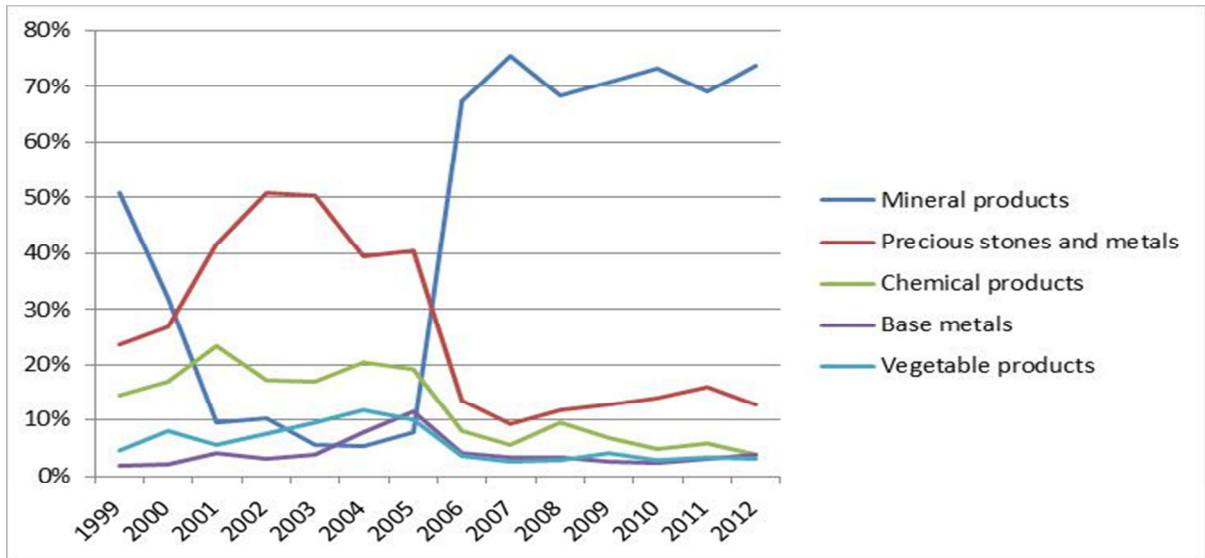
Source: Global Trade Atlas (2013)

Figure 3: India exports to Africa, SADC, SACU, COMESA and the EAC (as share of total India exports)



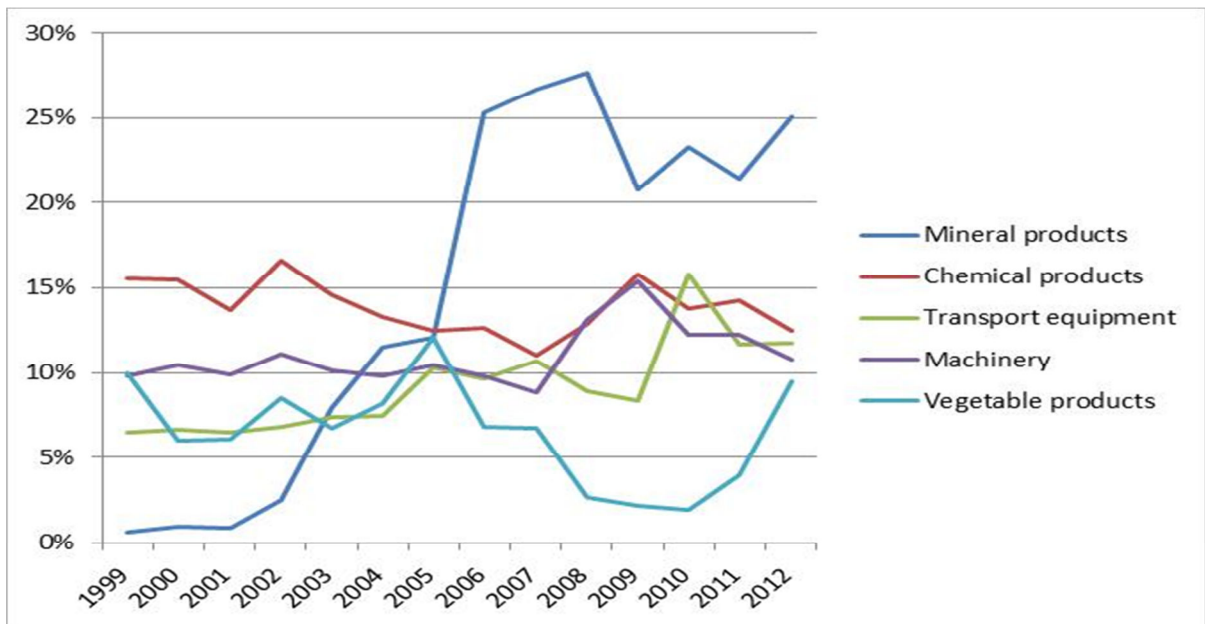
Source: Global Trade Atlas (2013)

Figure 4: Top India imports from Africa, by commodity group (as share of total India imports from Africa)



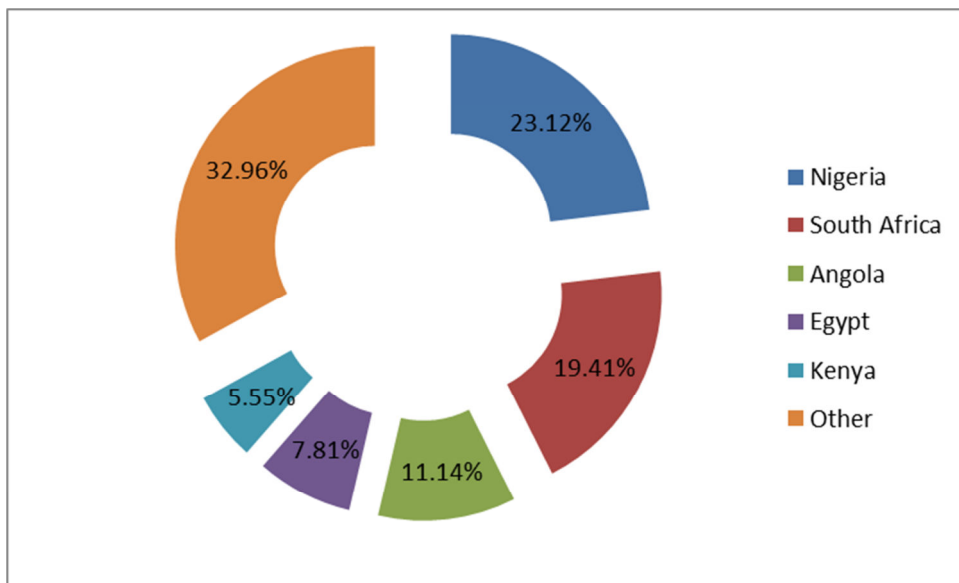
Source: Global Trade Atlas (2013)

Figure 5: Top India exports to Africa, by commodity group (as share of total India exports to Africa)



Source: Global Trade Atlas (2013)

Figure 6: India's top trading partners in Africa in 2012 (as share of total India trade with Africa)



Source: Global Trade Atlas (2013)