Trade and Investment Relations Between India and Sub-Saharan African Countries In Recent Times

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ABSTRACT:

The expanding trade and investment between India and sub-Saharan African nations is driving this relationship in new ways. The last decade has witnessed a flurry of activity and initiatives - many of which have been sponsored by the business sector - that have revitalized their historical link. The extent and nature of their economic interactions vary greatly, as a result of the level of development of their respective domestic economies and the peculiarities of the foreign demand for the commodities produced. Sub-Saharan African nations continue to require an influx of foreign investment, especially given the significant lag that the bulk of these nations continue to exhibit in the growth of their own research and development sectors. Recent Trade and Investment Relations between India and Sub-Saharan African Countries are the focus of this article.

Keywords: ***Investment, trade, FDI, TATA group,OLV***

INTRODUCTION:

Historically, campaigns against colonialism and racial injustice laid the groundwork for India's connections with sub-Saharan Africa. Under the name of South-South Cooperation, India also sponsored development projects in African countries. During the 1960s and 1970s, however, commercial and investment links between India and Africa were restricted. Even in the 1960s, when domestic rules severely restricted the release of foreign cash required for local enterprises to venture overseas, there were big Indian companies that invested in East African countries. In 1956, the Birla Group was the first Indian corporation to invest in Ethiopia. In 1969, the Birla Group joined the Kenyan government and the World Bank in a cooperative venture called Pan-Paper. However, investments during that era were mainly spearheaded by a few

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number of significant Indian companies and were lower in scale compared to those of the present day. According to the majority of research, domestic enterprises who moved outside during this period did so either to defend the market for their export products or to dodge anti-monopoly legislation's limits on their home operations.

In the recent two decades, Indian investments in Sub-Saharan African countries have expanded dramatically. This expansion can be attributed to developments on both sides. First, as a country with limited capital and foreign exchange resources, India was extremely restricted in releasing the foreign exchange required for Indian enterprises to venture overseas. With the economic reforms of the 1990s, the regulations and processes for foreign investments were liberalized progressively. By 2003, the overall investment cap on Indian investments overseas had been eliminated, and Indian enterprises were largely free to invest abroad. Second, as India's growth rates climbed, so did its energy needs, placing energy security at the forefront of its foreign policy debate. Diversification of energy providers and participation in oil and gas projects abroad became crucial foreign policy objectives for India.

Additionally, significant changes occurred within Africa. Africa, formerly labeled as a "hopeless continent," started a period of rapid development in the 2000s. In constant 2010 prices, Sub-Saharan Africa's gross domestic product (GDP) increased by six percent each year between 2000 and 2010, compared to two percent and one percent, respectively, in the two prior decades. In the 2000s, the economies of several African nations, including Ethiopia, Kenya, Rwanda, the Democratic Republic of the Congo, and Angola, saw a reversal. The African continent has emerged as an attractive investment destination due to the rapid economic growth of several nations, the expansion of the middle class, and the abundance of natural resources, notably energy. In 2016, nations in Sub-Saharan Africa received FDI worth $54.1 billion. Sub-Saharan Africa's significance in the global energy market increased as turmoil in the Gulf area pushed several governments to look to the continent. Furthermore, technical advancements made it simpler to extract Africa's offshore oil deposits, and because African crude is lighter, sweeter, and contains less sulphur, it was less expensive to process than Middle Eastern petroleum.

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INDIAN INVESTMENTS IN SUB-SAHARANAFRICAN COUNTRIES

01. MAURITIUS:

Foreign direct investment (FDI) outflows from India to the rest of the globe are projected to have totaled $250.9 billion from 2008 to 2016. The African continent received around 21 percent of the overall Indian investment outflows, totaling $52.6 billion. From 2008 to 2016, Indian FDI inflows to Africa increased from US$ 3.2 billion to US$ 4.9 billion. FDI outflows to Mauritius increased fivefold from US$ 2.7 billion in 2009 to US$ 11.6 billion in 2010. The 2014 high was a result of OVL's investments in Mozambique's oil and gas industry.

India's FDI flows to Africa are centered in Mauritius, which accounts for around 19% of India's global FDI flows. Indian FDI outflows to Mauritius were US$ 47.6 billion from 2008 to 2016. Barely US$ 5 billion was invested in the remainder of Africa, representing only 2% of worldwide Indian FDI and 9.6% of Indian FDI flows to Africa. It is vital to remember that Mauritius is also India's greatest source of foreign direct investment. Between 2000 and 2015, over one-third of all investment into India came from Mauritius. A significant proportion of Indian FDI to Mauritius gets "round-tripped" back to India as a result of the tax haven status made possible by the double taxation avoidance agreement struck with India in 1983. The treaty was renegotiated in 2016, but investors will not pay taxes at the full rate on short-term capital gains until April 2019. The recent amendments to the treaty have no effect on the findings of this article. Although Mauritius acts as a gateway for Indian investment in other countries, it is not feasible to disaggregate the FDI statistics released by the RBI to determine the magnitude of Indian FDI outflows channeled through Mauritius to other African nations.

DOMINANCE OF A FEW LARGE INDIAN FIRMS IN SUB-SAHARAN AFRICA COUNTRIES:

Although 597 Indian firms spent a total of $5 billion in Sub-Saharan Africa between 2008 and 2016, the top 11 corporations account for about 80% of the entire Indian investment in Africa. Thus, Indian foreign investment in Africa is highly concentrated among a small number of multinational corporations. OVL ranks first

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with US$ 3,019.1 million in investments (59.8 percent), followed by Gujarat State Petroleum Corporation (6.3 percent), Inter-labels Industries (2.4 percent), Oil India Limited (2.1percent), and Coromandel (1.9 percent) with US$ 319.7 million, US$ 121.4 million, US$ 105.4 million, and US$ 97.5 million, respectively. Moreover, the majority of these significant Indian companies have not grown throughout the continent, and their investments are focused in a small number of nations. Table 1 reveals that, with the exception of OVL and the TATA Group (TATA Power, TATA Intl, TATA Steel), which has investments in a number of African nations (Congo, Egypt, Ivory Coast, Libya, Mozambique, and Sudan), all of the major Indian corporations have established a presence in only one or two African nations. This verifies Prahalathan's statement that Indian companies' foreign investment activities are primarily driven by a set of 13 firm-specific goals.

Company Name	**Sub-Saharan African countries where it has presence**
ONGC Videsh	Congo, Mozambique and Sudan
Interlabels Industries	Kenya
Oil India Limited	Gabon and Nigeria
Indian hotels Company	South Africa
Tata steel	South Africa
Tata International	South Africa
Tata Power	Zambia

Table 1: Geographical spread of major Indian companies in sub Saharan African countries

02. Mozambique

Mozambique ranks as the top destination for Indian FDI in Africa, with a 52.9 percent stake. From 2008 to 2016, the total amount of Indian FDI outflows to

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Mozambique was $2.6 billion. However, its leading position is due to a single extremely large investment by an Indian state-owned corporation, OVL, which accounts for approximately 99 percent of Indian FDI in Mozambique. In 2014, OVL paid US$ 2.6 billion for a 10 percent participation stake in Area 1 of the Rovuma gas field, which is believed to contain around 70 trillion cubic feet of gas. The location is optimal for supplying LNG to the Indian market. The final investment decision for the Mozambique LNG project is anticipated to be made between April and June of 2018, and the project is anticipated to begin operations in 2022-23 following a four-year construction phase. Coal India Limited, an Indian public-sector enterprise, is yet another Indian corporation with operations in Mozambique. The majority of Coal India's investments in Mozambique are facilitated through Coal India Africana Limitada (CIAL), a wholly-owned subsidiary of Coal India. From 2008 to 2016, CIAL invested around $5,1 million in Mozambique. Consequently, the vast majority of Indian investment in Mozambique is focused on the energy industry. However, not every Indian investment in the energy industry has been fruitful. CIAL, for instance, was forced to relinquish its coal blocks after failing to identify economically viable deposits in any of the fifteen blocks it was allotted in 2009. In addition to OVL and CIAL, only roughly 26 other Indian firms have invested in Mozambique, with each investment totaling less than US$ 5 million.

SOUTH AFRICA:

Between 2008 and 2016, around 119 Indian firms invested $442,500,000 in the South African market, representing 8.8% of Indian investments in Africa. In contrast to Mozambique and Egypt, Indian investments in South Africa are neither spearheaded by state-owned firms nor are they focused in the energy sector. The TATA Group is one of the most prominent Indian firms in South Africa. TATA International and TATA Steel have invested 63 and 65,3 million dollars, respectively. Indian Hotels, the hospitality subsidiary of the TATA Group, has spent a total of $93.8 million in South Africa. Between 2008 and 2011, Larsen and Toubro Infotech, the sixth biggest Indian IT services provider worldwide, invested $36.5 million.

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FMCG company Marico Industries entered the South African market by acquiring local brands such as Caivil and Black Chic. Between 2008 and 2011, the company invested a total of $34.3 million in South Africa.

03. KENYA:

It is projected that Indian firms invested a total of US$ 154.6 million in Kenya (the earliest location for Indian investments) between 2008 and 2016, accounting for around 3.1% of Indian investments to Africa during the same time. Interlabels Industries, an Indian private sector business that develops self-adhesive labels and labelling solutions, is the largest investor in Kenya, accounting for 79 percent of all Indian investments in Kenya. Between 2008 and 2016, 82 Indian firms invested in Kenya, with 80 of them investing less than US$ 10 million. Additionally, the majority of these investments were made in the industrial sector. This is partly attributable to the fact that Kenyans of Indian descent comprise a significant proportion of the population and serve as a powerful magnet for Indian investment.

04. ZAMBIA:

In all, Indian firms spent $145.3 million in Zambia between 2008 and 2017. Although a few studies have concentrated on Indian investments in Zambia's agriculture sector, this analysis demonstrates that the Indian private sector's participation in sectors such as manufacturing, construction, and finance, insurance, and banking is far more significant. The top five Indian firms in Zambia are TATA Power (33.6%), Varun Beverages (18.7%), PLR Projects (8.6%), Chetak Enterprises (6.3%), and Manjeet Cotton Private Limited (5.6%).

TATA Power holds fifty percent of Itezhi Tezhi Power Corporation, a joint venture with the Zambian utility ZESCO. It is anticipated that the 120 MW Itezhi Tezhi power plant, which is being constructed under the Build-Own-Operate-Transfer model, would play a significant part in alleviating Zambia's severe electricity shortfall. Varun Beverages, the second-largest bottler of PepsiCo. PLR Projects is an additional important Indian private firm that has spent $12.5 million in Zambia's building

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industry. Chetak Enterprises, another important participant in the building industry, has committed $9.2 million. Indian public-sector banks have played a significant influence in the banking system of Zambia. In 2015, three Indian public-sector banks, Bank of Baroda, Bank of India, and Central Bank of India, invested in Zambia.

05. ETHIOPIA:

Approximately 64 Indian firms spent a total of $96.4 million in Ethiopia between 2008 and 2016. In contrast to Mozambique, Zambia, and Libya, around 92% of Indian investments in Ethiopia are directed toward the industrial sector. Kanoria Africa Textiles, a wholly-owned subsidiary of Kanoria Chemicals and Industries, has established a denim factory in Addis Ababa at a cost of around US$ 36,1 million. India and Ethiopia both benefit greatly from this unit: The project will generate approximately 500 direct jobs and 192,000 indirect jobs, as well as advance the 'Made in Africa' initiative; concurrently, the Indian company will gain duty-free, quota-free access to the U.S. and European Union markets via the African Growth and Opportunity Act (AGOA) and Everything But Arms (EBA).

In Ethiopia, food processing corporations like Indagro Foods and Frigerio Conserva Allana Limited have also made substantial investments. The Allana Group, the largest exporter of buffalo meat from India, has constructed a meat processing factory in the town of Zeway, close to Addis Ababa. The meat processing factory will be able to produce 75 tonnes of meat each day.

06. SUDAN:

From 2008 to 2016, Indian investment in Sudan is projected at $85.7 million. Indian investments in Sudan are restricted to the oil industry, with ONGC Videsh accounting for 99 percent of Indian investments. Bhola Shri Marketing Private Limited, BLS International Services Limited, RAMCO Systems, Shivalik view Steel Trading, Titanic Steel Trading, and Vintage Steel are the other six Indian enterprises active in Sudan. Each of these has invested less than $500,000 USD.

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BILATERAL TRADE BETWEEN INDIA AND AFRICA

Over the years, bilateral commerce between India and Africa has continuously increased, as both India and Africa have increased their respective economic activity. Figure 2.1 displays the bilateral trade trend from 2001 to 2017. The volume of bilateral commerce has climbed from barely US$7.2 billion in 2001 to a record of US$78 billion in 2014, before decreasing to US$59.9 billion in 2017. The fall in trade recorded after 2014 is mostly attributable to the lingering impact of plunging commodity prices and the synchronized slowdown in global economic activity following the mid-2014 conclusion of the commodities super-cycle. Despite these trends, bilateral commerce has experienced an average compound annual growth rate (CAGR) of 14.2% during the period, with India-Africa trade accounting for 8% of India's overall trade and 6.4% of Africa's in 2017, compared to 7.6% and 2.7%, respectively, in 2001.

Since the early 2000s, the composition of India's export basket to Africa has shifted due to the increase in India-Africa commerce. In 2017, petroleum products, medicines and pharmaceuticals, and automobiles constituted 38.8 percent of India's exports to Africa. The percentage of textile yarns, which dominated India's exports to Africa in the early 2000s, has decreased, whilst the share of petroleum products has increased. Concurrently, traded components in the non-oil and non-pharmaceutical divisions have become more diverse. In 2017, South Africa, Mozambique, Mauritius, Kenya, and Tanzania accounted for more than 82% of India's petroleum exports to Africa. In addition, the proportion of textile yarn and associated items has significantly decreased.

Indicative of India's dependence on Africa's natural resources is the proportion of its imports from the area. The proportion of petroleum (mainly crude) in India's imports from Africa rose from almost one-third in 2001 to more than two-thirds in 2011, but subsequently declined due to the decline in oil prices. In 2017, 61.6 percent and 20.3 percent of India's total petroleum imports from Africa came from Nigeria and Angola, respectively. The proportion of gold, the second-largest import from Africa, remains elevated. In 2001, India relied completely on South

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Africa for its gold imports; by 2017, South Africa's share had dropped to 22.8 percent, with Ghana (48.4 percent) and Tanzania (12.3%) emerging as India's new main gold suppliers. While the percentage of these two commodities has been high since 2001, the share of inorganic chemicals and metalliferous ores and metal scrap has decreased. In 2017, these two categories accounted for around 7.1% of India's imports from Africa, down from over 28.5% in 2001. During the year under review, exports of commodities such as coal, coke, and briquettes, non-metallic manufactured goods, and natural and produced gas to India increased. In 2017, South Africa and Mozambique supplied more than 98 percent of India's imports of coal, coke, and briquettes from Africa, whilst Botswana, Angola, and South Africa contributed more than 84 percent of India's imports of non-metallic mineral products from Africa. During the same time frame, Nigeria, Angola, and Guinea accounted for almost ninety percent of natural and synthetic gas sourced from Africa.

INDIA: A COURSE TOWARDS EXPANDING ECONOMIC TIES WITH SUB-SAHARAN AFRICAN COUNTRIES

Globalization creates qualitatively new opportunities for the global economy's actors for accelerating their economic growth via mastering new technologies. The substance and forms of foreign economic ties between groups of countries that are different by their level of economic development are changing. These processes involve, with varying success, all African countries. As to India, it occupies a prominent position in the global turnover of goods, and seeks to further expand its influence.

In 2002, India's government adopted the "Focus Africa" program, further energized by Narendra Modi's assumption of the office of Prime-Minister. It purported to increase the commodity turnover, investments and other forms of economic cooperation with the participation of Indian public and private businesses. As an important part of this policy, the leaders of India and African countries have met on an annual basis. The October 2015 Third India – Africa Forum Summit held in Delhi became a certain landmark: India's government welcomed top officials of 54 African states, as well as the representatives of businesses. During the Forum's work,

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the parties noted the growth of India's bilateral trade with African countries in the last 10 years and the need to revitalize reciprocal economic contacts. An agreement was reached on implementing over 150 projects in Africa, including in the sphere of energy, to be funded with India's involvement. The least developed countries that make the majority on the African continent received additional benefits on exports to India. The Forum confirmed the principle of "soft power" in India's policy towards African countries – that is, humanitarian cooperation in education, healthcare, and culture. The participants announced the grant of 50,000 scholarships to educate students from Africa in India and a loan of USD 600 million to the "India – Africa" Foundation. This area is especially important for the majority of states in the Central and Southern Africa, since their human capital is defined as "low viability" capital, given the short life span, poor health and low levels of education [Bulatov 2017, p. 626]. They also discussed the problem of "blue economy", important for many African countries, since the safe use and protection of ocean basins are urgent issues, and those countries are waiting for assistance on such issues, including from the Indian navy.

The final meeting of the Third Forum affirmed India's suggested mantra of three 'S's – Skill, Scale, Speed, to characterize the relations between participating countries. The Forum adopted comprehensive final documents: the India-Africa Framework for Strategic Cooperation and the Delhi Declaration of the Third India Africa Forum Summit 2015. However, these were largely declarative in nature and turned out much less valuable than the specific economic proposals made to a number of African countries in December 2015 at the meeting of Chinese and African officials. That marked a new stage of competition of two of the largest states in the world for a foothold on the African continent.

In 2016, the policy of cooperation with African countries was supported by the formal visits of Indian officials who had primarily political aims before them. The country's President Pranab Mukherjee visited Ghana, Côte d'Ivoire and Namibia; Vice-President Hamid Ansari met the heads of Morocco and Tunisia, rarely visited by the Indian government. A communiqué issued as a result of those visits highlighted an aspiration towards intensifying contacts and developing cooperation. The same

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year was also marked by the first state visit of N. Modi to Mozambique in 34 years. India's capital holds important positions in that country's production of steel and coal, which occupies a vital place within India's energy balance. An Indian state oil company that owns one third of the shares in the local large oil deposit, aims to increase its share to expand exports to India. Its investments rank 8th in the foreign capital invested into Mozambique's economy. In order to multiply mutual financial proceeds, the countries entered into intergovernmental double taxation agreements. A deficit of grain in India due to the 2016 crop failure was overcome through agreements on Mozambique's supplies of beans, which serves as a nutritional base for India's poorest social groups, and doubling Indian procurement of bread grain by 2020.

N. Modi's African tour continued in Tanzania, where he signed an agreement on cooperation in the agricultural sector and an agreement on the possible creation of joint ventures in order to exploit that country's natural resources. Of notice is India's involvement in the functioning of the agricultural sector of a number of African states, since the continent as a whole is a pure importer of food due to adverse climate, preponderance of backward forms of economic management and, consequently, frequent harvest failures. N. Modi's visit to Kenya ended in the signing of an agreement on cooperation in the sphere of defence; the country's government received a gift of 30 field ambulance vehicles. In the context of India's "soft power" policy, a grant of USD 1 million was made to the Mahatma Gandhi Library of the University of Nairobi. There was an endorsement of N. Modi's government-funded practice of inviting young Africans to study in India, greatly appreciated by countries South of Sahara. The reason is simple enough: "Sub-Saharan Africa is the only part of the world where "massification" [mass education] is not much in evidence yet" [Excellence v Equity 2015, p. 4].

N. Modi's 2016 African tour ended with his visit to South Africa, which accounts for most of India's exports to Africa. That country is where Indian largest companies operate along with small and medium-sized businesses, working predominantly in the sphere of services. During his visit, N. Modi also mentioned that South Africa's President J. Zuma supported India's intention to join the suppliers for the

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implementation of the South African nuclear power plant construction program. He has not, however, expressly endorsed that agreement.

In 2017, N. Modi, as a guest of honour at the meeting of the African Development Bank, called Africa India's top priority in terms of economic policy and foreign trade. Annual India – South Africa Summits became not only a form of activating their cooperation, but also an avenue for expanding contacts with other African states. During the negotiations at the Summit in January 2018, India's and South Africa's officials discussed opportunities for increasing commodity circulation by way of expanding contacts in the spheres of defence, energy and agro-processing. The participants noted that the volume of reciprocal trade between the two countries is growing, but with apparent fluctuations, and that they have failed to achieve a substantial revision of the commodity structure. Practical measures to rectify the situation were not sufficiently thought through. It seems, the imminent resignation of South Africa's President J. Zuma under the pressure of public opinion, enraged by the enormous scale of his corruption, has exacted its toll on the negotiations.

An increasing role of large Indian businesses in the foreign economic ties of India and South Africa was confirmed at the India South Africa Business Summit in Johannesburg on April 29–30, 2018 (the term "Business" was added for the first time) under the slogan "United by Legacy, Unified for Prosperity". The Summit was hosted by South Africa's new President Cyril Ramaphosa, who took this office on February 2, 2018 after the resignation of J. Zuma. Its distinctive feature was the wide attendance of representatives of large businesses advocating for maximization of the economic partnership of South Africa and India and mutual improvement of the investment climate. The Indian party suggested increasing its exports to South Africa, but the Summit hosts stressed that that would require introduction of concessive prices to Indian goods. As regards exports to India from other countries of the continent, according to trade statistics, in 2016 and 2017, the number of African countries actively exporting goods to India did not exceed six. South Africa's businessmen were also interested in Indian methods of developing startups in pharmaceutics, medicine, banking and insurance. Delegates from India and South Africa held a business meeting with the involvement of representatives of Lesotho,

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Botswana, Mozambique and Zambia, to signify an intention to expand economic interaction with these countries. Their representatives once again spoke in favour of liberalization of India's foreign trade.

FOREIGN TRADE IN INDIA – AFRICA INTERACTION

Contracts for international commerce will continue to be the primary form of economic linkages between Asian and African nations. For the majority of states, the beginning of the 21st century has been distinguished by a series of economic growth slumps and revivals, dominated by rising trends and a special role of India with economic growth of up to 6.5-7.5% in some years of the 21st century. In recent publications, this percentage has been increased to 8% from 7.4% in the IMF's 2019 World Economic Outlook report. However, 2018 has revealed ominous signs, such as the continued rise in global oil prices and the precipitous decline of the Indian rupee.

In terms of the volume of commodity turnover in their respective areas, India and South Africa are dominant. India's trade with South Africa (USD 6.9 billion imports and USD 4.1 billion exports) and Nigeria reached the greatest levels in 2017. (USD 8.3 billion imports and USD 2.1 billion exports). Indicators for India's commerce with 43 African nations in 2017 indicate that the continent still does not account for the majority of the country's trade flows, with African trade accounting for little more than 8% of its worldwide turnover.

In 2017, the top 10 positions in the commodity structure of South Africa's imports from India were occupied by mineral fuel, including oil – 927.3; transportation vehicles – 640.4; pharmaceutical goods – 493.3; machinery – 203.0; organic chemistry products – 158.2; grain – 125.8; electronics – 110.0; plastic goods – 7.4; rolled steel – 62.3; and steel – 55.4.4. South Africa's top 10 exports to India in 2017 were (in USD million): mineral fuel, including oil - 2,400; steel production stock - 604.7; cellulose - 258.0; machinery - 160.4; steel - 132.1; inorganic chemistry products - 106.6; jewelry and precious metals - 102.8; organic chemistry products - 50.7; aluminium - 44.8; and timber - 28.0.

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According to a resolution made by the majority of African governments in March 2018 at a summit in Kigali, Rwanda's capital, India's economic connections with African countries may expand in the distant but bright future. They decided to establish the African Continental Free Trade Area (AfCFTA) on the basis of four freedoms: the free flow of individuals, products, services, and capital. The majority of African governments have already signed the pact, however South Africa has yet to do so. Obviously, its execution will take time, and the practical engagement of different nations will vary considerably, but the trend of their contact on a continental scale may take root. As a result, one might anticipate a rise in competitiveness among the major foreign partners of African nations to build economic connections with their association rather than with individual nations. Economists have swiftly determined that the potential of the future African common market will surpass $1.2 billion. Possible outcomes of the establishment of the African Free Trade Area include the strengthening of the economic positions of the continent's countries with access to the sea routes around the continent. This possibility significantly stimulates China's efforts to expand its footprint in Africa.

INVESTMENT POLICY: INDIA – SUB-SAHARAN AFRICAN COUNTRIES

Against the backdrop of a rising trend, a window of opportunity is forming in the global economy for expanding investment flows destined for developing nations in dire need of such assistance. According to Jim Yong Kim, president of the World Bank, this is an excellent chance to invest in people and physical capital. His Major Economic Prospects report for January 2018 estimates growth rates for six global areas. South Asia is anticipated to have the greatest rate, at 6.5% by the end of 2017 and 69% in 2018.

During the period from 2007 to 2016, foreign investments in African states totaled $789.3 billion, or 9.3% of the world total for that time. The United Arab Emirates, the United Kingdom, and China are the principal investors in this region. With USD 37,1 billion invested in Africa, India placed sixth in terms of investments. The practice of the Export-Import Bank of India giving credit facilities to its governmental agencies has contributed to the flow of funds into African governments

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via official channels in the past decade. By the end of 2016, 44 African nations have obtained 154 loans totaling $7.7 billion USD. Consistent participation by India's major corporations, including oil, construction, car, and telecommunications firms, is a defining characteristic of India's investments in Africa. Additionally, there is a certain localization of Indian investments, the majority of which have been made in Mauritius, India's traditional "overseas wallet." It is followed by Mozambique, Egypt, South Africa, and a few more major investment destinations for India. Foreign investment into African countries is volatile and substantially fluctuates each year due to the global economic climate and the unique circumstances of both investors and host states. Due to the building of new oil, gas, and coal generating facilities, Mozambique had a significant rise in investment in 2014.

At the first India South Africa Business Summit, held in Johannesburg on April 29–30, 2018, the South African Minister of Trade stated that South Africa's investments in India increased sevenfold between 2003 and 2017, but that the two countries must continue to expand them, including in order to create jobs.

As a significant component of international economic ties, foreign direct investments are increasingly related with the irregular digitization of the economy in diverse groupings of governments. International industrial chains based on digital technologies primarily target nations with a sufficient scientific and technology basis. In addition, an influx of foreign capital, a prerequisite for such a change, is unstable. Only India and Angola are among the top 20 FDI host economies in the aforementioned areas, according to the 2017 UNCTAD study [UNCTAD 2017, p. 7].

CONCLUSION:

The trade and investment relationship between India and sub-Saharan African nations is characterized by massive public-sector investments in the oil, gas, and mining industries. The significant role India and sub-Saharan African nations play in the global economy, which is defined in part by their economic relationships abroad. Foreign commerce, as a traditional form of international economic cooperation, and the introduction to the use of contemporary technologies now have a unique significance for this large group of nations with varying degrees of

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development. Due to the restricted commodity nomenclature, the variety and number of commodities involved in reciprocal commerce fluctuate slowly. The amount of India's and sub-Saharan African nations' engagement in commercial relations between the two continents varies substantially based on their economic growth and, to some extent, political orientation. India consistently occupies the leading position in their bilateral trade. The volume of India's international commerce with sub-Saharan African nations does not even exceed one tenth of its worldwide commodities turnover and invariably results in a significant deficit. Unpredictability and inadequacy define investment flows.

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