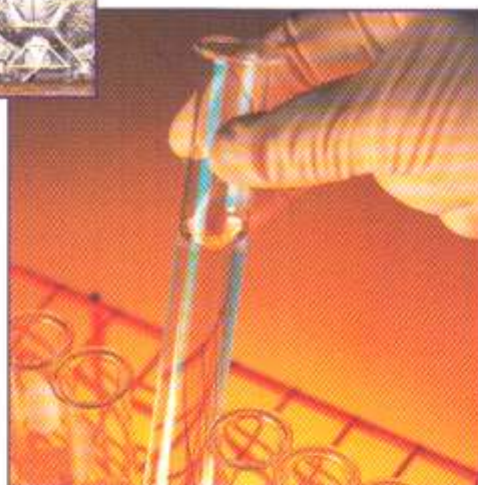
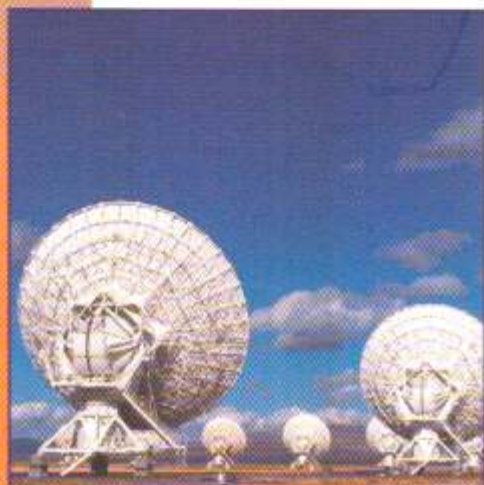


Focus Africa: Enhancing India's Engagements with Southern African Development Community (SADC)

Working Paper Series
Paper No. 50



 एक्विम बैंक
EXIM BANK
भारतीय निर्यात-आयात बैंक
EXPORT-IMPORT BANK OF INDIA

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As part of its endeavour in enriching the knowledge of Indian exporters and thereby to enhance their competitiveness, Exim Bank periodically conducts research studies. These research studies are broadly categorized into three segments, viz. sector studies, country studies and macro-economic related analysis. These studies are published in the form of Occasional Papers, Working Papers and Books. The research papers that are brought out in the form of Working Papers are done with swift analysis and data collation from various sources. The research papers under the series provide an analytical overview on various trade and investment related issues.

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EXPORT-IMPORT BANK OF INDIA

WORKING PAPER NO. 50

**FOCUS AFRICA: ENHANCING INDIA'S
ENGAGEMENTS WITH SOUTHERN AFRICAN
DEVELOPMENT COMMUNITY (SADC)**

EXIM Bank's Working Paper Series is an attempt to disseminate the findings of research studies carried out in the Bank. The results of research studies can interest exporters, policy makers, industrialists, export promotion agencies as well as researchers. However, views expressed do not necessarily reflect those of the Bank. While reasonable care has been taken to ensure authenticity of information and data, EXIM Bank accepts no responsibility for authenticity, accuracy or completeness of such items.

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Executive Summary

The Southern African Development Community (SADC) has been in existence since 1980, when it was formed as an alliance of seven states in Southern Africa [Angola, Botswana, Kingdom of Lesotho (Lesotho), Mozambique, Kingdom of Swaziland (Swaziland), United Republic of Tanzania (Tanzania), and Zambia] known as the Southern African Development Coordination Conference (SADCC), with the main aim of political liberation of Southern Africa.

The transformation of the organization from a Coordinating Conference into a Development Community (SADC) took place on August 17, 1992 in Windhoek, Namibia when the SADC Treaty and Declaration was signed at the Summit of Heads of State and Government thereby giving the organization a legal character. The objective also shifted to include economic integration following the independence of the Southern African countries. The treaty was amended on August 14, 2001 recognizing new challenges and need for institutional reforms.

SADC, currently comprising 15 member states namely Angola, Botswana, the Democratic Republic of the Congo (DR Congo), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, is an integral part of the African region comprising 32.5 per cent of total land area of Africa, 27.7 per cent of total population of Africa. SADC is the second-largest contributor (in terms of GDP) to the African region, after ECOWAS. It accounts for 37 per cent of nominal GDP of Sub-Saharan Africa; 27.9 per cent of GDP of Africa and 0.8 per cent of global GDP in 2014.

The average economic growth of SADC was at 4.6 per cent in 2014, lower than 5.4 per cent recorded in the previous year, mainly due to sluggish growth in two of its major economies, South Africa and Angola. While South Africa's growth was subdued due to frequent mining strikes and weakness of the rand during the year, fall in oil sector output affected that of Angola. DR Congo, Mozambique and Tanzania were among the fastest growing economies in the region in 2014.

Since mid-2014, major changes in the global economic environment have affected the region's growth. Oil prices have declined since June 2014, and supply and demand factors have both contributed to these developments.

SADC's combined GDP stood at US\$ 686.8 billion in 2014, as compared to US\$ 687.7 billion in 2013. SADC is largely dominated by oil exporting economies. South Africa is the largest economy in the region, accounting for 51 per cent of the region's economy, followed by Angola (18.8 per cent), and Tanzania (7 per cent).

Average per capita GDP, at current prices, of the region, was at US\$ 2,222.1 in 2014, a fall compared to US\$ 2,278.8 in 2013. Average consumer price inflation of the region on the other hand has moderated during the same period (**Table**).

The economies within the SADC region are at varying stages of development, and also differ significantly in terms of their sizes. For instance, the GDP of South Africa, which stood at US\$ 350.1 billion in 2014, was much larger than the combined GDP of the remaining fourteen SADC countries, viz. US\$ 336.7 billion. Positive growth rates of real

Table: Macroeconomic Snapshot of SADC Countries

Country/ Region	Nominal GDP (US\$ bn)			Real GDP Growth (%)			GDP Per capita (US\$)			Consumer Price Inflation (avg. %)			Population (mn)		Land Area ('000 sq km)		
	2013	2014 ^e	2015 ^f	2013	2014 ^e	2015 ^f	2013	2014 ^e	2015 ^f	2013	2014 ^e	2015 ^f	2013	2014 ^e	2015 ^f	2012	2012
Angola	124.2	129.3	102.0	6.8	4.8	3.5	5245.4	5303.9	4061.8	8.8	7.3	10.3	23.7	24.4	25.1	1246.7	
Botswana	15.1	15.2	13.1	9.3	4.4	2.6	7261.0	7233.1	6149.7	5.8	3.9	4.0	2.1	2.1	2.1	581.7	
DR Congo	32.7	35.9	39.1	8.5	9.2	8.4	424.4	452.9	478.2	0.8	1.0	1.0	77.0	79.3	81.7	2344.9	
Lesotho	2.3	2.2	2.0	3.6	3.4	2.6	1194.7	1161.7	1062.6	5.0	3.8	3.9	1.9	1.9	1.9	30.4	
Madagascar	10.6	10.7	9.5	2.3	3.3	3.4	462.5	452.8	392.6	5.8	6.1	7.6	22.9	23.6	24.2	587.3	
Malawi	5.4	6.1	6.4	5.2	5.7	4.0	317.5	344.0	352.7	28.3	23.8	20.1	17.1	17.6	18.1	118.5	
Mauritius	11.9	12.6	11.6	3.2	3.6	3.2	9476.5	9999.3	9186.5	3.5	3.2	2.0	1.3	1.3	1.3	2.0	
Mozambique	15.6	16.7	17.0	7.4	7.4	7.0	604.7	629.8	626.2	4.2	2.3	4.0	25.8	26.5	27.1	799.4	
Namibia	12.9	13.6	12.9	5.1	4.5	4.8	5955.3	6188.1	5787.2	5.6	5.3	4.8	2.2	2.2	2.2	824.3	
Seychelles	1.4	1.4	1.4	6.0	3.3	3.5	15187.0	15140.7	14466.2	4.3	1.4	4.3	0.1	0.1	0.1	0.5	
South Africa	366.2	350.1	317.3	2.2	1.5	1.4	6889.7	6482.8	5783.5	5.8	6.1	4.8	53.2	54.0	54.9	1219.1	
Swaziland	4.6	4.4	4.3	2.9	2.5	1.9	4178.0	3994.2	3847.7	5.6	5.7	5.2	1.1	1.1	1.1	17.4	
Tanzania	44.4	48.1	46.2	7.3	7.0	6.9	969.1	1028.8	968.8	7.9	6.1	5.6	45.8	46.7	47.7	947.3	
Zambia	26.8	26.6	24.5	6.7	5.6	4.3	1845.4	1771.6	1576.4	7.0	7.8	7.3	14.5	15.0	15.5	752.6	
Zimbabwe	13.5	13.8	13.9	4.5	3.3	1.4	1028.5	1043.1	1037.2	1.6	-0.2	-1.6	13.1	13.3	13.4	390.8	
SADC	687.7	686.8	621.0	5.4*	4.6*	3.9*	2278.8#	2222.1#	1962.4#	6.7*	5.6*	5.6*	301.8	309.1	316.5	9862.7	

Note: ^e-Estimate; ^f-Forecasts; * - Simple Average; # - Weighted average

Source: IMF, World Economic Outlook, October 2015; Food and Agriculture Organization of the United Nations (FAO); and Exim Bank Analysis

GDP were recorded in all the member countries in 2014, accompanied by moderate inflation in most of the countries.

International Trade of SADC Countries

Reflecting the increasing globalization of the SADC economies, SADC's global trade has witnessed significant upward trend in recent years. During the period 2004 to 2014, SADC's total trade has risen nearly three-fold, from US\$ 137 billion in 2004 to US\$ 410.7 billion in 2014, growing at a compound annual growth rate of 11 per cent over the period.

SADC as a bloc has shown stable performance in terms of its global trade. SADC's share in global trade has increased from 0.7 per cent in 2004 to 1.1 per cent in 2014. However, the share of SADC in Africa's total trade has decreased from 41 per cent in 2004 to 34.8 per cent in 2014.

In the case of exports, SADC's total exports have risen from US\$ 61 billion in 2004 to US\$ 208.3 billion in 2014, with a resultant rise in the share of SADC in global exports from 0.6 per cent to 1.1 per cent during the period. SADC's exports have been driven by exports of South Africa and Angola, the two giants in the bloc accounting for 74 per cent of the region's exports.

As regards imports, SADC's total imports rose to US\$ 202.4 billion (1.1 per cent of global imports) in 2014, up from US\$ 76 billion (0.8 per cent) in 2004.

During the decade, trade balance of SADC reversed from a deficit of US\$ 15 billion in 2004 to a surplus of US\$ 5.9 billion in 2014. The shift to surplus was mainly driven by Angola (maintaining a trade surplus of US\$ 37.2 billion in 2014), primarily due to large revenues from oil exports. Other economies in the region that

maintained a surplus during the year include DR Congo, Swaziland, Zambia and Botswana. In the SADC region, economies that maintained a trade deficit in 2014 include South Africa, Tanzania, Mozambique, Zimbabwe and Mauritius.

Among the countries in SADC, the largest exporters are South Africa and Angola, together accounting for 74 per cent of SADC's total exports in 2014. Other important exporters from SADC include Zambia, Botswana, DR Congo, Namibia and Tanzania. The major items exported by the region include mineral fuels (crude petroleum), the largest export item accounting for as much as 36 per cent of SADC's total exports in 2014, followed by pearls and precious stones, ores and slag, copper and its articles, vehicles, iron and steel and machinery. In 2014, major markets for exports from SADC include China, USA, India, South Africa, and Switzerland.

As regards imports, the leading importers in SADC are South Africa and Angola, together accounting for 62.5 per cent of SADC's total imports in 2014. Mineral fuels and machinery are the two largest import items, followed by electronic & electrical equipment, vehicles, plastics and articles, articles of iron or steel and pharmaceutical products. As regards SADC's global imports, China has emerged as the leading supplier to SADC, accounting for as much as 14.4 per cent of SADC's total imports in 2014, followed by South Africa and Germany. India is the fourth-largest source of SADC's imports, accounting for 5.3 per cent in 2014.

India's Bilateral Trade Relations with SADC Countries

SADC has emerged as important partner for India, both as an export destination as also an import source. The economic and trade linkages, which saw an expansion of trade volumes, stand testimony to the intensified economic engagement.

During the last ten years, India's total trade with the SADC countries has witnessed over eight-fold increase from US\$ 3.7 billion in 2004 to US\$ 29.6 billion in 2014.

While India's total exports to SADC has risen from US\$ 1.6 billion in 2004 to US\$ 15 billion in 2014, depicting a nine-fold rise during the period, India's total imports from SADC have also risen, although at a slower pace, from US\$ 2 billion to US\$ 14.6 billion, showing a seven-fold rise. India's trade balance with SADC turned into a surplus of US\$ 0.4 billion in 2014, after witnessing a deficit for six consecutive years.

The increasing importance of India as SADC's trading partner can be assessed from the fact that India accounts for a respectable 7.4 per cent of SADC's global imports in 2014, which was significant improvement compared to 2.1 per cent recorded in 2004. Further, India accounts for around 7 per cent of SADC's total exports, up from 3.3 per cent in 2004, depicting the rising importance of India in SADC's trade configuration.

The importance of the SADC region can also be gauged from the fact that the region accounted for 4.7 per cent of India's global exports in 2014, up from 2.2 per cent recorded in 2004. India's imports from SADC region, as a percentage share of India's global imports, accounted for 3.2 per cent in 2014. The period also witnesses a rise in the importance of SADC in India's global trade configuration.

Foreign Investment in SADC Countries

FDI flows to the SADC region have been mainly resource-based. According to the United Nations Conference on Trade and Development's (UNCTAD) World Investment Report 2015, FDI inflows to the SADC region stood at US\$ 16 billion in 2014, as compared to US\$ 5.6 billion in 2004.

FDI flows to a region account for a nearly 30 per cent of Africa's total FDI inflows in 2014.

South Africa and Mozambique continued to be major destinations for FDI inflows to SADC. Other destinations for FDI flows during the same year were Zambia, Tanzania and DR Congo.

Outward FDI flows from SADC declined to US\$ 9.2 billion in 2014, as compared to US\$ 13.2 billion recorded the preceding year. Outward FDI from SADC were primarily dominated by investments from South Africa and Angola.

India's Investment Relations with SADC Countries

In the SADC region, Indian multi-national enterprises (MNEs) have ventured into both Greenfield and Brownfield investments, spanning across various sectors including manufacturing, mining, construction, and energy, among others. According to data from the Ministry of Finance and Reserve Bank of India, India's approved cumulative investments in the SADC region during April 1996 to March 2015 amounted to US\$ 46.5 billion. Mauritius, Mozambique and South Africa were the top destinations of India's investments in the region. India's investments in the SADC region accounted for nearly 93 per cent of Indian investments in Africa.

Indian FDI in Africa has traditionally been concentrated in Mauritius, taking advantage of the latter country's offshore financial facilities and favourable tax conditions. Indian investors have, however, been investing in other countries in the region, too.

Indian banks are growing their partnerships with SADC countries largely based on their clients, who have increased demand for banking options in the region. Select Indian Banks in SADC region

include Bank of India, Bank of Baroda, State Bank of India, Canara Bank, and ICICI Bank Ltd. Joint ventures by Indian Banks in the SADC region include Indo-Zambia Bank Ltd. (Bank of Baroda, Bank of India and Central Bank of India).

FDI inflows to India from SADC region have been dominated by investments from Mauritius that accounts for 35.2 per cent of India's overall FDI inflow. During April 2000 to March 2015, FDI flows from the region into India stood at US\$ 88 billion. Mauritius is the largest investor in India in terms of cumulative FDI inflows, mainly due to the Double Taxation Avoidance Convention. Other countries from the region investing in India include South Africa, and Seychelles.

Exim Bank India's Endeavours to Harness Synergies with SADC Countries

The countries in the SADC region have always been a focus region for Exim India, and thus a critical component of its strategy to promote and support two-way trade and investment. As a partner institution to promote economic development in the Region, the commitment towards building relationships with the SADC Region is reflected in the various activities and programmes, which Exim India has set in place.

Exim India has representative offices in Johannesburg, South Africa and Addis Ababa, Ethiopia play a key role in facilitating economic cooperation with the SADC Region, and are closely associated with several of the Bank's initiatives. The representative office interface with multilateral institutions such as African Development Bank (AfDB), Afreximbank, regional financial institutions such as Eastern and Southern African Trade and Development Bank (PTA Bank), and developmental financial institutions such as Industrial Development Corporation of South Africa Ltd. (IDC), as well as Indian missions in the region

with the aim of increasing bilateral commercial engagements between the two regions.

A. Financing Programmes

- i. **Lines of Credit:** To enhance bilateral trade and investment relations, Exim India has in place several Lines of Credit (LOCs) extended to a number of institutions/agencies in the SADC region. These LOCs supplement the 'Focus Africa' programme of the Government of India (GOI) and are extended especially to priority sectors, identified by GOI for mutual cooperation and benefit. Besides these operating LOC extended at the behest of GOI, Exim India extends its own commercial LOCs to various financial institutions and other entities in Africa. As on January 31, 2016, the total number of operative LOCs to the SADC region stood at 46 extended to 12 countries and amounting to US\$ 2.4 billion. Of these, 43 LOCs aggregating to US\$ 2.3 billion, are guaranteed by GOI.
- ii. **Project Exports:** Exim India extends funded and non-funded facilities for overseas industrial turnkey projects, civil construction contracts, supplies as well as technical and consultancy service contracts. As on September 30, 2015, the value of ongoing 55 project contracts secured by Indian Project exporters in the SADC region amounted to ₹ 116.4 billion. Of these, 39 project contracts valued at ₹ 61.8 billion are under GOI-supported LOCs.
- iii. **Buyer's Credit under National Export Insurance Account (NEIA):** In order to provide further impetus to project exports from India on medium- or long-term basis, especially in the infrastructure sector, Exim India's Buyer's Credit under National Export Insurance Account (BC-NEIA) facilitates project exports from India by way of extending credit facility

to overseas sovereign governments and government owned entities for import of goods and services from India on deferred credit terms. As on December 31, 2015, Exim India has sanctioned an aggregate amount of US\$ 308.3 million under BC-NEIA for 8 projects in the SADC region (in four countries namely, Mozambique, Tanzania, Zambia and Zimbabwe) valued US\$ 323.3 million.

- iv. **Overseas Investment Finance:** Exim India supports overseas investments [joint ventures (JVs) or wholly owned subsidiaries (WOS)] by Indian companies through its Overseas Investment Finance programme. As on December 31, 2015, Exim India through its overseas investment finance programme has supported 26 Indian companies in four countries in the SADC region with an aggregate sanction of ₹ 38.5 billion.
- v. **Project Development Company (PDC) in Africa:** Addressing the limited institutional capacity in Africa on conceptualisation, management, execution and imparting project development initiatives, Indian institutions such as Exim India, IL&FS, and State Bank of India have joined hands with the AfDB, and promoted a Project Development Company (PDC) for infrastructure development in Africa.

The PDC, named Kukuza Project Development Company, has been incorporated in Mauritius in July 2015. 'Kukuza' in Swahili means 'a cause to growth'. Reflecting the name, the PDC is expected to provide specialist project development expertise to take the infrastructure project from concept to commissioning in the African Continent. PDC's project development expertise includes, among others, project identification, pre-feasibility/ feasibility studies, preparation of detailed project reports, and environmental and social impact assessment.

B. Institutional Linkages

- i. **Association with African Development Bank (AfDB):** India is a member of the African Development Bank (AfDB) Group. Many Indian companies participate in projects funded by the AfDB Group. Exim India works very closely with AfDB and has an active programme which offers a range of information, advisory and support services to Indian companies to enable more effective participation in projects funded by multilateral funding agencies, including AfDB. Exim India assists Indian companies in projects supported by AfDB by not only fund and non-fund based assistance, but also by providing advance alerts on upcoming opportunities. With support from Exim India, Indian project exporters have secured a number of overseas contracts in Africa in sectors such as power, telecommunications, transport, water supply & sanitation. Exim India and AfDB have also signed an agreement for co-financing projects in Africa. The agreement envisages joint financing of projects (priority being given to support projects of small and medium enterprises) in regional member countries of AfDB. Exim India also organizes Business Opportunities seminars in Projects funded by AfDB across various centres in India. Exim India together with FICCI (Federation of Indian Chambers of Commerce and Industry) organizes the Africa – India Partnership Day, on the sidelines of AfDB's Annual Meeting, with an objective of sharing India's developmental experiences with Africa, particularly in Public-Private Partnership model of financing infrastructure development.
- ii. **Exim India's engagements in ITC's SITA:** On March 09, 2014, Department for International Development (DFID) mandated the International Trade Centre (ITC), United Kingdom, to design and implement a project, called 'Supporting India's Trade Preferences

for Africa' now called 'Supporting Indian Trade and Investment for Africa' (SITA). SITA is a six-year (2014-2020) project that aims at promoting exports from five East African countries – Ethiopia, Kenya, Rwanda, the United Republic of Tanzania and Uganda – to India through investment and skills transfer from the Indian side. Exim India had entered into an MOU with ITC in Geneva on March 26, 2014, under which it was associated with ITC's SITA initiative. The Project was in its inception Phase during March 2014 to March 2015, where a roadmap for SITA, including the focus sectors, was defined. The implementation phase of SITA (March 2015-March 2020) was officially launched in New Delhi, India, during March 19-20, 2015.

iii. **Member of Association of African Development Finance Institutions (AADFI):**

Exim India is a member of Association of African Development Finance Institutions (AADFI), a forum of institutions/ banks with the objective of creating co-ordination and economic solidarity among the development finance institutions in the African continent. The membership of AADFI helps to provide a platform for building linkages with other institutions in Africa, which are members of AADFI. Further, Exim India's equity in Agricultural Finance Corporation, which offers consultancy support in development of agro-technology; promoter membership in 'Small Farmers' Agri-Business Consortium (SFAC)', an investment institution whose objectives include promoting small and medium agri-business ventures, places Exim India in a vantage position to share its expertise and support development related activities in Africa.

iv. **Global Network of Exim Banks and Development Finance Institutions (G-NEXID):** Exim India has entered into a Memorandum of Understanding (MOU) with

four Exim Banks and Development Financial Institutions (DFIs) to form Global Network of Exim Banks and Development Financial Institutions (G-NEXID). The five signatories are Export-Import Bank of India, Export-Import Bank of Malaysia, African Export-Import Bank, Andean Development Corporation and Export-Import Bank of Slovakia. G-NEXID was formally launched at its inaugural meeting at UNCTAD, Geneva on March 13, 2006. Annual Meetings are held to deliberate upon measures to foster long-term relationship, share experience and strengthen financial cooperation to promote trade and investment relations between developing countries. G-NEXID has been granted 'observer' status by UNCTAD. G-NEXID members in the African Region (particularly SADC region) include: African Export-Import Bank, Cairo; Development Bank of Namibia, Windhoek; Development Bank of Zambia, Lusaka; Development Bank of Southern Africa, Midrand; Industrial Development Corporation South Africa, Sandton; and PTA Bank, Nairobi.

C. **Exim Bank as Consultant**

i. **Partner in Institutional Building in Africa:**

As a partner institution in promoting economic development in Africa, Exim India shares its experience in the setting up of institutional infrastructure for enhancing international trade. In this regard, the Bank has taken active participation in the institutional building process in a number of countries in Africa. Besides being associated in the setting up of the Afreximbank, Exim India undertook an assignment to design, develop, and implement a programme on Film Financing for Nigerian Export-Import Bank (NEXIM Bank) for expanding its exposure in financing films (under Film Financing Programme). Exim India has also been involved in the design and implementation of Export Finance

Programmes for Industrial Development Corporation, South Africa; Consultancy Assignment for the Government of Mauritius on 'Projecting Mauritius as an investment hub for Indian Firms'; establishment of Export Credit Guarantee Company in Zimbabwe; and preparing a blue print for setting up of Export-Import Bank of Zimbabwe.

- ii. **GPCL as a Consultant:** Global Procurement Consultants Ltd. (GPCL) has been promoted by Exim India in association with leading public sector and private sector consultancy organizations. GPCL provides a unique platform for sharing of collective Indian experience in a partnership mode with developing countries and emerging economies, in the professional management of projects, with particular reference to procurement services. GPCL provides technical assistance in enhancing quality, transparency, efficiency and effectiveness of procurement and implementation services to help attain desired institutional and corporate objectives. GPCL supports, enhances and extends scope of project supervision, monitoring and evaluation as also strengthening of institutional capacity for effective programme/ project implementation.

D. Exim India's Country Mission

With a view to enhancing India's bilateral trade and investment relations and in order to support Indian entrepreneurs in their globalisation endeavours, Exim India has commissioned a country mission to select countries in Africa. The Mission endeavours to provide a framework for enhancing India's engagement in select countries in Africa by way of identifying key areas for commercial engagement while also assisting these countries in achieving their developmental

objectives. The Mission to Africa covered countries including Mozambique, Rwanda and Tanzania in November 2014. The Mission team closely coordinated with Indian Missions, and held various rounds of interactions with Government officials of partner countries, multilateral institutions, business community, exporters, banks, Indian business diaspora, and other stakeholders, with a view to identifying business, trade and investment opportunities for Indian entrepreneurs.

E. Research Studies

In the area of knowledge building and technology transfer, Exim India's research studies have focused on potential areas for boosting India's trade and investment relations with Africa, the Economic Community of West African States (ECOWAS), Southern African Customs Union (SACU), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Select West African and Southern African Countries, Least Developed Countries (LDCs), as also the member countries of Maghreb region.

Investment Opportunities for India in SADC Countries

SADC economies are one of the most resource-rich countries in the world. Areas of critical importance for SADC region include development of select sectors including infrastructure, agriculture and agro-processing, mining, manufacturing and ICT sectors, among others. The primary reason for low levels of development in the region stems from limited economic capacity to invest. Given these, select sectors which hold potential for Indian investments in the region have been identified in the study.

Strategies and Recommendations for Enhancing Bilateral Commercial Relations with SADC countries

Broad strategies for enhancing bilateral commercial relations with SADC countries include the following.

- **Development of a strong Private Sector**

An important challenge faced by African countries, especially SADC member states is a lack of clear delineation of the roles of state and market. After the independence, most of the African countries tried to solve their immediate problems of poverty and food security by creating a strong state. Although, this has helped these countries to improve their human development factors, economically resulted in poor performance and development. This has resulted in many of the SADC countries remain in a backward state compared to many other developing countries. Hence, development of a strong private sector in the region is important. For the development of private sector, many elements including a well functioning financial system coupled with stable macroeconomic fundamentals are necessary. India being an economy with almost a similar background is better suitable to help these nations in this respect than many developed countries. Indian investors can play a major role by way of transfer of technical knowhow and technology which is suitable for the conditions and needs of a developing nation. This could help SADC countries to enhance its competitiveness by building its human and physical capital.

- **Cooperation in Agriculture Sector Development**

Agriculture and related activities constitute the bedrock of most countries in the SADC Region, and exports from the sector are important foreign

exchange earners for these countries. Many countries in SADC are home to the world's richest agricultural resources. As a result, several Governments in the region view that foreign investments in agriculture cultivation would lead to possible benefits for rural poor, including the creation of a potentially significant number of farm and off-farm jobs development of rural infrastructure, and social improvements, leading to poverty reduction. Moreover, national Governments with a view to addressing the serious issue of food shortage have been framing policies towards attracting investors in the agricultural sector to tackle food, employment and sustainability crises. If these countries could frame and implement their agricultural policies in such a way that diversifies output, boosts productivity, and promotes strong linkages with other economic sectors and serves broad social policy objectives, then the region could easily overcome its underdevelopment and be on a path of development.

Indian companies can explore the possibilities of investment such as joint ventures or contract farming, setting up agro processing firms and investments in key stages of value chains. India's investment could result in improving the agricultural sector of the host country through skill development, job creation, technological upgradation, supply of quality inputs like seed, better supply chain management, and biotechnology. India's transfer of knowledge/ technology could help these countries to deal with the problem of food crisis. Indian scientific and agricultural research institutions have assisted many entrepreneurs for developing their business ideas in SADC countries. Indian investors could also focus on providing quality infrastructure to enhance the farm productivity in these countries.

Towards this end, the LOCs extended by the Exim Bank of India to SADC countries, which are earmarked for agriculture, irrigation and related projects, would also serve to contribute towards

development of the agricultural and related sectors in the region.

- **Development of Manufacturing Sector**

Development of manufacturing sector in SADC member states is very important for the development and growth of the region. The dependence of many of the SADC member states on primary commodity exports, combined with reliance on manufactured imports has negatively affected the growth of the region. Also the recent global economic crisis has reduced development assistance and private capital flows to the region. Hence, development of a strong manufacturing sector is necessary. At present, Africa's share in global manufacturing production and trade is very small. Furthermore, the manufacturing sector does not have strong links to the primary and service sectors. India could support SADC countries in creating productive capacity-building through various support and training programmes and technical cooperation. Government of India is helping these countries to build up on their manufacturing sectors through various policies and programmes, normally announced during India-Africa summits.

- **Natural Resource Development**

With many of the countries in SADC are endowed with mineral wealth and natural resources, enhanced bilateral cooperation for development/ exploration of natural resources in these countries could benefit both India and SADC. Mineral production and development constitute a significant part of many SADC countries, and remain a key factor in their future economic growth. The SADC region has a majority of the world's known resources of platinum, chromium and diamonds, as well as a large share of the world's bauxite, cobalt, gold, phosphate and uranium deposits. For instance, South Africa's mineral wealth is significant, with gold, platinum,

coal, iron and diamonds being some of its key exports; while in the case of D R Congo, besides rich deposits of copper, cobalt, zinc, and diamonds, there are vast deposits of gold, considered to be the richest undeveloped gold deposits in Africa; Namibia has large reserves of uranium and is a leading global producers. According to World Gold Council, despite challenges India's consumer demand for gold was the second-highest in the world (accounting for 27 per cent of the world gold demand), after China in 2015. In light of these, increased cooperation between India and the resource-rich countries in Africa and specifically SADC countries in developing/ exploring natural and mineral resources, with bilateral arrangements such as buy-back arrangements, could be an important strategy to enhance Indo-SADC commercial relations.

- **Cooperation in Infrastructure Development**

An important area of bilateral cooperation could be infrastructure development in African countries, especially SADC countries. Investment in infrastructure development, due to an increasing need for better infrastructural facilities, coupled with the endeavour of SADC countries for rapid economic growth, could prove to be a mutually rewarding area of bilateral cooperation. The lack of adequate infrastructure across Africa is currently holding back its GDP growth. Lack of forward and backward linkages between among different modes of transportation, declining air connectivity, poorly equipped ports, ageing rail networks, and inadequate access to all-season roads are key problems facing many of the SADC economies. Areas that hold immense investment opportunities include development of highways and roadways, development of railway networks and power systems, which would also help in regional integration, and the African continent at large, to a great extent. Large Indian construction companies could explore business opportunities

to meet the infrastructural requirements in SADC member states, also contributing largely to economic development in the host countries.

Further, India could intensify its ongoing cooperation in training, capacity building, consultancy and project implementation through concessional credit in infrastructure areas, including water supply management, maritime connectivity, road and railway construction and upgrading. Thus supporting Africa's Program for Infrastructure Development in Africa (PIDA) and enhancing cooperation in the Blue/Ocean Economy.

- **Cooperation in Energy and Power Generation**

Another area, which holds immense potential for investment and cooperation, is electricity generation and power transmission. While most Member States of SADC have abundant energy resources, insufficient use of existing energy systems has resulted in effective generation of electricity which is less than installed capacity due to drought, lack of maintenance and rehabilitation and also general system losses of electricity which includes transmission and distribution. As a result, energy production and consumption varies widely throughout the region. With industrial productivity steadily increasing in the region, the World Bank anticipates the demand for electricity to increase by 40 per cent over the next 10 years.

In this regard, the Southern African Power Pool is a key achievement of both Regional Integration and increased access to electricity. At present, nine SADC Member States have connected together their power grids, creating a rudimentary but competitive energy market. In doing so, the Southern African Power Pool has expanded trade in electricity, reduced costs, and improved energy stability throughout the region. Witnessing

the benefits to participating Member States, SADC's Regional Energy Sector Programme aims to incorporate the other outlying SADC Member States into the Southern African Power Pool, extending grid connections to encompass the whole region and furthering the benefits of a regional energy market.

To further enhance development of the energy infrastructure, SADC encourages investment in the region's electricity infrastructure, especially in electricity plants, transmission lines, coal depots, and nuclear demonstration plants. Towards this end, the LOCs extended by the Exim India to countries in SADC, which are earmarked for power generation and transmission projects, would also serve to contribute towards development of the energy sector and power generation and transmission.

- **Focus on Information Technology (IT) Development**

The use of various electronic marketing technologies is necessary to improve and develop different sectors, but it largely depends on Internet access and penetration rates in countries, which is still at a backward stage in most of the SADC countries. With the strength and capability that India possesses in the realm of Information Technology sector, Indian IT firms could explore the opportunities in SADC countries, and focus on investing in subsidiaries or joint ventures in the areas of e-governance, financial services and e-education. Indian companies could also share their expertise in providing software programmes and services for banks and financial institutions in the region. For instance, Indian companies, such as NIIT, Aptech, karROX which already have presence in SADC countries, could expand their network of training centers in other SADC countries. Designing specialized e-learning

courses on the web for providing technological assistance, manufacturing process know-how, troubleshooting and other technical areas also present opportunities. Such initiatives would help industry and commerce, promote education in remote areas, create employment opportunities and provide healthcare to remote areas in the region, thereby contributing to overall development of nations in the region.

- **Cooperation in MSME Sector**

At present MSMEs (micro, small and medium enterprises) make up the majority of businesses in Africa and especially in SADC and there is enormous scope for the development of this sector. SME sector development in the SADC region is constrained by a number of factors like lack of accessibility to modern technology, limited access to international markets, lack of management skills and training and lack of finance. Towards developing entrepreneurship and human capability, India could share its expertise and experience with countries in SADC, particularly in the SME sector wherein India has developed successful SME clusters. An important element in this direction could be for delegations from these countries to visit India to study success factor of SME clusters in India, and developing similar clusters in their countries based on resource and skill endowments. SME financing is another area where India could support this sector.

- **Investment in Human Resource Development**

An associated area of bilateral cooperation could also be investing in human resource development. Human resource development is recognised as the premiere need of most SADC member states. Businesses focusing on health, education and skill development are more likely stable businesses,

which are in increasingly high demand in many countries, due to their direct impact on improving the standard of life. Towards this end, SADC member countries could also tie up with Indian institutions such as the Central Food Technological Research Institute (CFTRI), Mysore and Entrepreneurship Development Institute of India (EDI), Ahmedabad and National Small Industries Corporation Ltd. (NSIC), New Delhi. Further, Indian institutions could also share their expertise in the fields of export capability creation in the region, institutional strengthening and export development in the form of technical assistance and sharing of expertise through site visits. In the third India- Africa Forum Summit in 2015, India announced US\$ 600 million grant assistance, including 50,000 scholarships for enhancing skills, training and learning. Indian investors could also help SADC governments in setting up various higher education institutes, universities and provide scholarships to students for various exchange programmes like Study India Programme, which could improve the quality of education in these countries. This type of academic arrangements between Indian and SADC universities will boost academic mobility between both regions.

- **Developing Linkages with Investment Promotion Agencies/ Chambers of Commerce**

Besides streamlining their investment regimes, many countries in the region have set up specialised investment promotion agencies/ Chambers of Commerce to promote and facilitate inflow of foreign investment into these countries, while also serving as one-stop-shop for investment related activities. In light of the key role of these institutions, building closer cooperation and linkages with these investment promotion agencies in SADC would serve to enhance access to information about investment opportunities in the region.

Such relationship would serve to enhance knowledge about potential areas for investments in the region.

- **Focus on Multilateral Funded Projects**

Besides participating in investment activities that are promoted by the respective governments of countries in SADC, Indian companies could also endeavor to participate in multilateral funded projects. Multilateral institutions such as the World Bank and the African Development Bank (AfDB) support and fund a number of projects in Africa and SADC. They broadly cover areas such as agriculture and related activities; infrastructure development such as roads, telecommunication,

postal services, electricity, water supply and sanitation; mining and quarrying; rural and urban development; environment and natural resource development; health care and education; financial market development; and tourism development.

Thus, for India, with countries in the SADC region emerging as important trade and investment partners, and the need of these countries for strategic partnership in their developmental and growth endeavours, sharing of experiences in capacity building, investments and endeavours in growth-inducing sectors in SADC member states could prove to be strategic in fostering and enhancing long term commercial relations as also presence in SADC member states.

1. Background and Economic Profile of SADC Countries

The Southern African Development Community (SADC) has been in existence since 1980, when it was formed as an alliance of seven states in Southern Africa known as the Southern African Development Coordination Conference (SADCC), with the main aim of political liberation of Southern Africa. SADCC was formed in Lusaka, Zambia on April 1, 1980, following the adoption of the Lusaka Declaration - Southern Africa: Towards Economic Liberation. The founding member states are: Angola, Botswana, Kingdom of Lesotho (Lesotho), Mozambique, Kingdom of Swaziland (Swaziland),

United Republic of Tanzania (Tanzania), and Zambia.

The transformation of the organization from a Coordinating Conference into a Development Community (SADC) took place on August 17, 1992 in Windhoek, Namibia when the SADC Treaty and Declaration was signed at the Summit of Heads of State and Government thereby giving the organization a legal character. The objective also shifted to include economic integration following the independence of Southern African

Exhibit 1.1: SADC Members



Source: SADC website (www.sadc.int)

countries. The treaty was amended on August 14, 2001 recognizing the new challenges and need for institutional reforms.

SADC was established under Article 2 of the SADC Treaty by its member states represented by their respective Heads of State and Government or duly authorised representatives to spearhead economic integration of Southern Africa.

SADC, currently comprising 15 member states namely Angola, Botswana, the Democratic Republic of the Congo (DR Congo), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, is an integral part of the African region comprising 32.5 per cent of total land area of Africa, 27.7 per cent of total population of Africa. SADC is the second-largest contributor (in terms of GDP) to the African region, after ECOWAS. It accounts for 37 per cent of nominal GDP of Sub-Saharan Africa; 27.9 per

cent of GDP of Africa and 0.8 per cent of global GDP in 2014 (**Table 1.1**).

The average economic growth of SADC was at 4.6 per cent in 2014, lower than 5.4 per cent recorded in the previous year, mainly due to sluggish growth in two of its major economies, South Africa and Angola. While South Africa's growth was subdued due to frequent mining strikes and weakness of the rand during the year, fall in oil sector output affected that of Angola. DR Congo, Mozambique and Tanzania were among the fastest growing economies in the region in 2014.

Since mid-2014, major changes in the global economic environment have affected the region's growth. Oil prices have declined since June 2014, and supply and demand factors have both contributed to these developments.

SADC's combined GDP stood at US\$ 686.8 billion in 2014, as compared to US\$ 687.7 billion in

Table 1.1: Nominal GDP of Trading Blocs in Africa (US\$ billion)

	2010	2011	2012	2013	2014 ^e	2015 ^f
SADC	607.0	692.9	695.1	687.7	686.8	621.0
SACU	406.2	452.7	432.5	401.1	385.6	349.6
ECOWAS	490.2	550.6	605.3	675.9	725.3	633.6
COMESA	542.2	540.0	637.9	654.3	674.4	705.9
EAC	99.0	105.4	123.9	135.2	147.6	145.7
CEMAC	75.4	90.8	89.9	92.3	94.7	74.5
UEMOA	72.8	79.8	82.4	90.5	96.4	87.5
Memo:						
Africa	1936.5	2149.4	2298.9	2388.0	2461.5	2264.8
World	65338.9	72422.5	73777.3	75467.1	77269.2	73506.8

Note: ^e-Estimate; ^f-Forecasts

SACU: Southern African Customs Union

ECOWAS: Economic Community of West African States

COMESA: Common Market for Eastern and Southern Africa

EAC: East African Community

CEMAC: Central African Economic and Monetary Community

UEMOA: West African Economic and Monetary Union

Source: IMF, World Economic Outlook, October 2015; and Exim Bank Analysis

2013. SADC is largely dominated by oil exporting economies. South Africa is the largest economy in the region, accounting for 51 per cent of the region's economy, followed by Angola (18.8 per cent), and Tanzania (7 per cent).

Average per capita GDP, at current prices, of the region, was at US\$ 2,222.1 in 2014, a fall compared to US\$ 2,278.8 in 2013. Average consumer price inflation of the region on the other hand has moderated during the same period (Table 1.2).

The economies within the SADC region are at varying stages of development, and also differ significantly in terms of their sizes. For instance, the GDP of South Africa, which stood at US\$ 350.1 billion in 2014, was larger than the combined GDP of the remaining fourteen SADC countries, viz. US\$ 336.7 billion (Table 1.3). Positive growth rates of real GDP were recorded by all the member countries in 2014, accompanied by moderate inflation in most of the countries.

The SADC region has great economic potential both, in terms of domestic production and regional and international trade. The region is one of the world's most mineral-rich regions. It is endowed

with numerous non-renewable resources such as coal, crude oil, natural gas and minerals. Southern Africa also has huge reserves of diamonds, uranium, platinum, coal and copper. For instance, South Africa has the world's largest reserves of manganese and platinum group metals (PGMs), and among the largest reserves of gold, diamonds, chromite ore and vanadium. Angola is the second-largest oil producer in Africa and the eighth-largest in the world. Namibia with an estimated 11 billion barrels of oil reserves is regarded as the next big player in Africa's oil industry. There have been new discoveries of oil, gas and other natural resources in Malawi, Mozambique, Namibia and Tanzania. Supported by its vast unexplored reserves, SADC region could develop into a new frontier for the international oil industry¹ (Table 1.4).

Service sector represent more-than half of SADC's GDP in 2014, and is the main driver of the regional growth (Table 1.5). However, in countries such as Malawi, Tanzania and Madagascar agriculture accounts for a significant share in the GDP; while industrial sector dominates the Angolan economy. Major industries and major agricultural products in SADC countries are presented in Table 1.6 and 1.7.

Table 1.2: Select Macroeconomic Indicators of SADC Region

Indicators	2010	2011	2012	2013	2014 ^e	2015 ^f
Real GDP Growth (%) [*]	5.9	5.5	5.1	5.4	4.6	3.9
Nominal GDP (US\$ bn)	607.0	692.9	695.1	687.7	686.8	621.0
Consumer Price Inflation (avg, %) [*]	7.4	8.1	7.5	6.7	5.6	5.6
Population (mn)	280.4	287.5	294.7	301.8	309.1	316.5
GDP Per capita (US\$) [#]	2164.5	2410.2	2358.4	2278.8	2222.1	1962.4

Note: ^e-Estimate; ^f-Forecasts; * - Simple Average; [#]- Weighted average
Source: IMF, World Economic Outlook, October 2015; and Exim Bank Analysis

¹Southern African Research and Documentation Centre

Table 1.3: Macroeconomic Snapshot of SADC Countries

Country/ Region	Nominal GDP (US\$ bn)			Real GDP Growth (%)			GDP Per capita (US\$)			Consumer Price Inflation (avg, %)			Population (mn)			Land Area ('000 sq km)	
	2013	2014 ^e	2015 ^f	2013	2014 ^e	2015 ^f	2013	2014 ^e	2015 ^f	2013	2014 ^e	2015 ^f	2013	2014 ^e	2015 ^f	2012	2012
Angola	124.2	129.3	102.0	6.8	4.8	3.5	5245.4	5303.9	4061.8	8.8	7.3	10.3	23.7	24.4	25.1	1246.7	
Botswana	15.1	15.2	13.1	9.3	4.4	2.6	7261.0	7233.1	6149.7	5.8	3.9	4.0	2.1	2.1	2.1	581.7	
DR Congo	32.7	35.9	39.1	8.5	9.2	8.4	424.4	452.9	478.2	0.8	1.0	1.0	77.0	79.3	81.7	2344.9	
Lesotho	2.3	2.2	2.0	3.6	3.4	2.6	1194.7	1161.7	1062.6	5.0	3.8	3.9	1.9	1.9	1.9	30.4	
Madagascar	10.6	10.7	9.5	2.3	3.3	3.4	462.5	452.8	392.6	5.8	6.1	7.6	22.9	23.6	24.2	587.3	
Malawi	5.4	6.1	6.4	5.2	5.7	4.0	317.5	344.0	352.7	28.3	23.8	20.1	17.1	17.6	18.1	118.5	
Mauritius	11.9	12.6	11.6	3.2	3.6	3.2	9476.5	9999.3	9186.5	3.5	3.2	2.0	1.3	1.3	1.3	2.0	
Mozambique	15.6	16.7	17.0	7.4	7.4	7.0	604.7	629.8	626.2	4.2	2.3	4.0	25.8	26.5	27.1	799.4	
Namibia	12.9	13.6	12.9	5.1	4.5	4.8	5955.3	6188.1	5787.2	5.6	5.3	4.8	2.2	2.2	2.2	824.3	
Seychelles	1.4	1.4	1.4	6.0	3.3	3.5	15187.0	15140.7	14466.2	4.3	1.4	4.3	0.1	0.1	0.1	0.5	
South Africa	366.2	350.1	317.3	2.2	1.5	1.4	6889.7	6482.8	5783.5	5.8	6.1	4.8	53.2	54.0	54.9	1219.1	
Swaziland	4.6	4.4	4.3	2.9	2.5	1.9	4178.0	3994.2	3847.7	5.6	5.7	5.2	1.1	1.1	1.1	17.4	
Tanzania	44.4	48.1	46.2	7.3	7.0	6.9	969.1	1028.8	968.8	7.9	6.1	5.6	45.8	46.7	47.7	947.3	
Zambia	26.8	26.6	24.5	6.7	5.6	4.3	1845.4	1771.6	1576.4	7.0	7.8	7.3	14.5	15.0	15.5	752.6	
Zimbabwe	13.5	13.8	13.9	4.5	3.3	1.4	1028.5	1043.1	1037.2	1.6	-0.2	-1.6	13.1	13.3	13.4	390.8	
SADC	687.7	686.8	621.0	5.4*	4.6*	3.9*	2278.8#	2222.1#	1962.4#	6.7*	5.6*	5.6*	301.8	309.1	316.5	9862.7	

Note: ^e-Estimate; ^f-Forecasts; * - Simple Average; # - Weighted average
 Source: IMF, World Economic Outlook, October 2015; Food and Agriculture Organization of the United Nations (FAO); and Exim Bank Analysis

Table 1.4: Major Resources of SADC Countries

Country	Resources
Angola	Petroleum, diamonds, iron ore, phosphates, copper, feldspar, gold, bauxite, uranium
Botswana	Diamonds, copper, nickel, salt, soda ash, potash, coal, iron ore, silver
DR Congo	Cobalt, copper, niobium, tantalum, petroleum, industrial and gem diamonds, gold, silver, zinc, manganese, tin, uranium, coal, hydropower, timber
Lesotho	Water, agricultural and grazing land, diamonds, sand, clay, building stone
Madagascar	Graphite, chromite, coal, bauxite, rare earth elements, salt, quartz, tar sands, semiprecious stones, mica, fish, hydropower
Malawi	Limestone, arable land, hydropower, unexploited deposits of uranium, coal, and bauxite
Mauritius	Arable land, fish
Mozambique	Coal, titanium, natural gas, hydropower, tantalum, graphite
Namibia	Diamonds, copper, uranium, gold, silver, lead, tin, lithium, cadmium, tungsten, zinc, salt, hydropower, fish (note: suspected deposits of oil, coal, and iron ore)
Seychelles	Fish, coconuts (copra), cinnamon trees
South Africa	Gold, chromium, antimony, coal, iron ore, manganese, nickel, phosphates, tin, rare earth elements, uranium, gem diamonds, platinum, copper, vanadium, salt, natural gas
Swaziland	Asbestos, coal, clay, cassiterite, hydropower, forests, small gold and diamond deposits, quarry stone, and talc
Tanzania	Hydropower, tin, phosphates, iron ore, coal, diamonds, gemstones, gold, natural gas, nickel
Zambia	Copper, cobalt, zinc, lead, coal, emeralds, gold, silver, uranium, hydropower
Zimbabwe	Coal, chromium ore, asbestos, gold, nickel, copper, iron ore, vanadium, lithium, tin, platinum group metals

Source: Central Intelligence Agency (CIA)

Table 1.5: Sector-wise GDP Contribution in SADC Countries (%)

Country	Agriculture	Industry	Services
Angola*	10.2	61.4	28.4
Botswana	2.4	39.2	58.4
DR Congo	21.2	33.2	45.6
Lesotho	8.0	31.9	60.1
Madagascar	26.5	15.9	57.6
Malawi	33.3	17.0	49.7
Mauritius	3.2	23.2	73.6
Mozambique	25.2	21.1	53.7
Namibia	7.0	31.8	61.2
Seychelles	2.3	12.3	85.4
South Africa	2.5	29.5	68.0
Swaziland	6.3	44.1	49.6
Tanzania	31.5	25.0	43.5
Zambia	9.6	33.9	56.5
Zimbabwe	14.0	29.4	56.6
SADC Average	13.5	29.9	56.6

* Sourced from Central Intelligence Agency (CIA)

Source: World Development Indicators Database (Accessed on February 29, 2016); Exim Bank Analysis

Table 1.6: Major Industries in SADC Countries

Country	Major Industries
Angola	Petroleum; diamonds, iron ore, phosphates, feldspar, bauxite, uranium, and gold; cement; basic metal products; fish processing; food processing, brewing, tobacco products, sugar; textiles; ship repair
Botswana	Diamonds, copper, nickel, salt, soda ash, potash, coal, iron ore, silver; livestock processing; textiles
DR Congo	Mining (copper, cobalt, gold, diamonds, coltan, zinc, tin, tungsten), mineral processing, consumer products (textiles, plastics, footwear, cigarettes), metal products, processed foods and beverages, timber, cement, commercial ship repair
Lesotho	Food, beverages, textiles, apparel assembly, handicrafts, construction, tourism
Madagascar	Meat processing, seafood, soap, beer, leather, sugar, textiles, glassware, cement, automobile assembly plant, paper, petroleum, tourism, mining
Malawi	Tobacco, tea, sugar, sawmill products, cement, consumer goods
Mauritius	Food processing (largely sugar milling), textiles, clothing, mining, chemicals, metal products, transport equipment, nonelectrical machinery, tourism
Mozambique	Aluminium, petroleum products, chemicals (fertilizer, soap, paints), textiles, cement, glass, asbestos, tobacco, food, beverages
Namibia	Meatpacking, fish processing, dairy products, pasta, beverages; mining (diamonds, lead, zinc, tin, silver, tungsten, uranium, copper)
Seychelles	Fishing, tourism, beverages
South Africa	Mining (world's largest producer of platinum, gold, chromium), automobile assembly, metalworking, machinery, textiles, iron and steel, chemicals, fertilizer, foodstuffs, commercial ship repair
Swaziland	Coal, forestry, sugar, soft drink concentrates, textiles and apparel
Tanzania	Agricultural processing (sugar, beer, cigarettes, sisal twine); mining (diamonds, gold, and iron), salt, soda ash; cement, oil refining, shoes, apparel, wood products, fertilizer
Zambia	Copper mining and processing, emerald mining, construction, foodstuffs, beverages, chemicals, textiles, fertilizer, horticulture
Zimbabwe	Mining (coal, gold, platinum, copper, nickel, tin, diamonds, clay, numerous metallic and non-metallic ores), steel; wood products, cement, chemicals, fertilizer, clothing and footwear, foodstuffs, beverages

Source: Central Intelligence Agency (CIA)

Table 1.7: Major Agriculture and Allied Products of SADC Countries

Country	Agricultural Products
Angola	Bananas, sugarcane, coffee, sisal, corn, cotton, cassava (manioc, tapioca), tobacco, vegetables, plantains; livestock; forest products; fish
Botswana	Livestock, sorghum, maize, millet, beans, sunflowers, groundnuts
DR Congo	Coffee, sugar, palm oil, rubber, tea, cotton, cocoa, quinine, cassava (manioc, tapioca), bananas, plantains, peanuts, root crops, corn, fruits; wood products
Lesotho	Corn, wheat, pulses, sorghum, barley; livestock
Madagascar	Coffee, vanilla, sugarcane, cloves, cocoa, rice, cassava (manioc, tapioca), beans, bananas, peanuts; livestock products
Malawi	Tobacco, sugarcane, cotton, tea, corn, potatoes, cassava (manioc, tapioca), sorghum, pulses, groundnuts, Macadamia nuts; cattle, goats
Mauritius	Sugarcane, tea, corn, potatoes, bananas, pulses; cattle, goats; fish
Mozambique	Cotton, cashew nuts, sugarcane, tea, cassava (manioc, tapioca), corn, coconuts, sisal, citrus and tropical fruits, potatoes, sunflowers; beef, poultry
Namibia	Millet, sorghum, peanuts, grapes; livestock; fish
Seychelles	Coconuts, cinnamon, vanilla, sweet potatoes, cassava (manioc, tapioca), copra, bananas; tuna
South Africa	Corn, wheat, sugarcane, fruits, vegetables; beef, poultry, mutton, wool, dairy products
Swaziland	Sugarcane, cotton, corn, tobacco, rice, citrus, pineapples, sorghum, peanuts; cattle, goats, sheep
Tanzania	Coffee, sisal, tea, cotton, pyrethrum (insecticide made from chrysanthemums), cashew nuts, tobacco, cloves, corn, wheat, cassava (manioc, tapioca), bananas, fruits, vegetables; cattle, sheep, goats
Zambia	Corn, sorghum, rice, peanuts, sunflower seeds, vegetables, flowers, tobacco, cotton, sugarcane, cassava (manioc, tapioca), coffee; cattle, goats, pigs, poultry, milk, eggs, hides
Zimbabwe	Tobacco, corn, cotton, wheat, coffee, sugarcane, peanuts; sheep, goats, pigs

Source: Central Intelligence Agency (CIA)

Profiles of SADC Countries

The following section provides a broad overview of the prevailing economic environment in SADC member countries.

South Africa

South Africa is the largest country in the SADC region and second-largest country in Africa, occupying a land area of 1.2 million square kilometers (sq. kms). Located at the Southern tip of Africa, Namibia, Botswana and Zimbabwe form the northern border; Mozambique and

South Africa: Basic Facts
Land area: 1,219,090 sq km
GDP: US\$ 350.1 bn (2014)
Population: 54.0 mn (2014)
Consumer Price Inflation (avg, %): 6.1% (2014)
Exports: US\$ 90.6 bn (2014)
Imports: US\$ 99.9 bn (2014)
Sovereign Rating: A2 (ECGC)/ BBB- (S&P)
Capital: Pretoria (administrative), Cape Town (legislative), Bloemfontein (judicial)
Language: Afrikaans, English, IsiNdebele, Sepedi, Sesotho, Swazi, Xitsonga, Setswana, Tshivenda, IsiXhosa and IsiZulu
Currency: Rand (R) = 100 cents; R 10.85: US\$ 1 (2014)

Swaziland are to the east; with Lesotho as an enclave surrounded by South Africa. It has one of the longest coastlines in the region of 2,798 kilometers on the Atlantic and Indian oceans.

In 2014, South Africa had an estimated population of 54 million, which is the second-highest in SADC and fifth-highest in Africa. South Africa is a federal state, comprising a national government and nine provincial governments (Eastern Cape, Gauteng, KwaZulu-Natal, Mpumalanga, Northern Cape, Limpopo, North West, Free State, and Western Cape). South Africa has eleven official languages; Afrikaans, English, IsiNdebele, Sepedi, Sesotho, Swazi, Xitsonga, Setswana, Tshivenda, IsiXhosa and IsiZulu.

Angola

Angola, an African energy giant, and is the second-largest country in the SADC region and fifth-largest country in Africa, occupying a land area of 1.2 million sq. kms. Angola has an estimated population of 24.4 million in 2014. Portuguese is the official language of the country. It is located in Southern Africa, bordered by Namibia on the

south, DR Congo on the north, Zambia on the east, and the Atlantic Ocean on the west.

Angola has large reserves of oil, gas and diamonds. It also has reserves of iron ore, copper and gold. The country has over 1,600 km of coastline and is rich in marine resources. The country has substantial water resources provided by the Kwanza, Cunene and Cuango rivers, and has only partially developed its agricultural and hydroelectric potential. Arable land as a percentage of total land area is roughly 4 per cent. The Angolan economy is dominated by the capital-intensive oil sector, which accounts for around 45 per cent of GDP and maximum of export revenue².

The current low oil-price environment is driving a slowdown across almost all sectors of the economy, and forcing fiscal consolidation. The government is pursuing a policy of import substitution across various products, facilitated by high import tariffs and protective import quotas or bans, which aim to protect domestic industries from cheaper imports and encourage national production and distribution. Angola is well endowed with agricultural natural resources and the area under cultivation is increasing, however harvests remain low. The farming sector suffers from limited competition and processing facilities, frequent droughts and a lack of co-operation among farmers; making Angola a net importer of staple foods. Mining is dominated by diamond production, and the government is encouraging foreign private investment in mining ventures. Manufacturing is another target growth area for the country, particularly food and beverage production, and textile manufacturing. The recent boom in the construction sector has been affected by low oil prices, as it has impacted the national finances and business activity³.

Angola: Basic Facts

Land area: 1,246,700 sq km

GDP: US\$ 129.3 bn (2014)

Population: 24.4 mn (2014)

Consumer Price Inflation (avg, %): 7.3% (2014)

Exports: US\$ 63.8 bn (2014)

Imports: US\$ 26.5 bn (2014)

Sovereign Rating: B1 (ECGC)/ B+ (S&P)

Capital: Luanda

Language: Portuguese (official), Umbundu, Kimbundu, Kikongo and other Bantu-group languages

Currency: Kwanza (Kz): Kz 98.30: US\$ 1 (2014)

² Source: OPEC

³ Source: Dun & Bradstreet

Tanzania

Tanzania is located in East Africa and is bordered by Kenya and Uganda to the north, Rwanda, Burundi, and DR Congo to the west, Zambia, Malawi, and Mozambique to the south, and Indian Ocean to the East. It is the fourth-largest among SADC countries, with a land area of 0.9 million sq. kms. Dar-es-Salaam is the largest city in Tanzania, which is also a major sea port of the country, serving as the gateway to East Africa and Central Africa.

Agriculture is the dominant economic activity, amounting to around one-third of total GDP and 80 per cent of employment. The productive capacity of the industrial sector is restricted by energy shortages, poor management and occasional liquidity concerns. Tourism and gold exports are key sources of foreign exchange earnings.

Tanzania has an estimated population of 46.7 million in 2014. Tanzania is recognized as a low income country by World Bank, and has also reached the completion point for Heavily Indebted Poor Countries (HIPC) initiative. Tanzania has made significant progress over the past two decades to achieve and maintain macro-

economic stability, and is considered as one of the best performers in Sub Saharan Africa. Tanzania has commercially exploitable deposits of a range of minerals including gold, diamonds and various gemstones, and has substantial reserves of uranium, nickel, platinum and natural gas. Tanzania also has deposits of tanzanite, a blue gemstone unique to the country. Total arable land as percentage of total land area in Tanzania is 16.3 per cent.

DR Congo

DR Congo is located at central Africa, with Central African Republic and South Sudan bordering the north; Uganda, Rwanda, and Burundi in the east; Zambia and Angola to the south; and the Republic of the Congo, the Angolan enclave of Cabinda, and the Atlantic Ocean to the west. DR Congo is a member of SADC and COMESA.

DR Congo covering a land area of 2.3 million sq. kms, is the second-largest country in Africa by area, after Algeria, and the eleventh-largest in the world. With a population of 79.3 million in 2014, DR Congo is the fourth most populous nation in Africa and seventeenth most populous nation in the world.

Tanzania: Basic Facts

Land area: 947,300 sq km
GDP: US\$ 48.1 bn (2014)
Population: 46.7 mn (2014)
Consumer Price Inflation (avg, %): 6.1% (2014)
Exports: US\$ 5.7 bn (2014)
Imports: US\$ 12.7 bn (2014)
Sovereign Rating: B2 (ECGC)
Capital: Dodoma
Language: Swahili and English
Currency: Tanzanian shilling (TSh); TSh 1,654: US\$ 1 (2014)

DR Congo: Basic Facts

Land area: 2,344,885 sq km
GDP: US\$ 35.9 bn (2014)
Population: 79.3 mn (2014)
Consumer Price Inflation (avg, %): 1.0% (2014)
Exports: US\$ 7 bn (2014)
Imports: US\$ 6.5 bn (2014)
Sovereign Rating: C1 in Restricted Cover –Group I Category (ECGC)/ B- (S&P)
Capital: Kinshasa
Language: French (official and business), Lingala, Swahili, Kikongo, Chiluba, other local
Currency: Congolese franc (FC) = 100 centimes; the currency trades on the parallel market at a slight discount; FC 925.2: US\$ 1 (2014)

In terms of resources, DR Congo is one of the richest in Africa. It has huge potential for mineral production, hydroelectricity and agriculture. The main minerals are copper, cobalt, zinc, diamonds and columbo-tantalite (coltan). Cadmium, cassiterite (tin ore), gold, silver, wolframite (tungsten ore) and uranium are mined on a smaller scale. Most mining of base metals takes place in Katanga. Most diamond production is in the Kasai provinces. There are vast gold deposits said to be the richest undeveloped gold deposits in Africa in the Kilomoto concessions of Orientale province and around Twangiza in South Kivu. DR Congo is considered as to have world's largest deposits of cobalt. Arable land covers only 3 per cent of the country's area.

Despite a vast array of natural resources, DR Congo is one of the poorest countries in the world, following many years of conflict. The economy has a very large informal sector that accounts for large share of employment, income and trade. While agriculture (including fishing and forestry) accounted for an estimated 21 per cent of GDP, and is the main employer in the country, commercial agricultural production or processing is limited, with most producers engaged in subsistence farming. Mining and related activities are important source of export earnings. The mining sector has established important linkages to the transportation, construction and security sectors.

Zambia

Zambia is a landlocked country located in Southern Africa; surrounded by DR Congo in north, Tanzania in north-east, Malawi in east, Mozambique, Zimbabwe, Botswana and Namibia in south, and Angola in west. Lusaka is the capital city of Zambia. Zambia has a total land area of 0.8 million sq. kms. and has an estimated population of 15 million in 2014.

Zambia: Basic Facts

Land area: 752,612 sq km
GDP: US\$ 26.6 bn (2014)
Population: 15.0 mn (2014)
Consumer Price Inflation (avg, %): 7.8% (2014)
Exports: US\$ 9.7 bn (2014)
Imports: US\$ 9.5 bn (2014)
Sovereign Rating: A2 (ECGC)/ B (S&P)
Capital: Lusaka
Language: English (official), Nyanja, Bemba, Tonga, Lozi and other local languages
Currency: Zambian Kwacha (ZK)=100 ngwee; ZK 6.15: US\$ 1 (2014)

Zambia is known for its high-quality copper and cobalt reserves. Zambia is Africa's top copper producer, and is the main export of the country. Zambia is internationally recognised as a major producer of various precious and semi-precious gems including emeralds, aquamarines, amethyst and tourmalines and the quality of these gems are highly competitive with world markets. There are also gold and coal reserves in the country. The country also has abundant hydroelectric potential. Total arable land amounts to only 5.1 per cent of total land area.

Zambia is a lower-middle income country, relies heavily on the mining sector, particularly copper. The Zambian government is committed to a process of economic diversification, as highlighted in successive five-year national development plans, and is attempting to attract foreign investment to non-mining sectors such as agriculture, manufacturing and tourism.

Mozambique

Mozambique is located in south-east Africa, with a land area of 0.8 million sq. kms. The country is bordered by the Indian Ocean to the east, Tanzania to the north, Malawi and Zambia to the northwest,

Mozambique: Basic Facts

Land area: 799,380 sq km
GDP: US\$ 16.7 bn (2014)
Population: 26.5 mn (2014)
Consumer Price Inflation (avg, %): 2.3% (2014)
Exports: US\$ 4.7 bn (2014)
Imports: US\$ 8.7 bn (2014)
Sovereign Rating: B1 (ECGC)/ B- (S&P)
Capital: Maputo
Language: Portuguese (official) and three main African language groups: Makua-Lomwe, Tsonga and Sena-Nyanja
Currency: Metical (MT); MT 31.4: US\$ 1 (2014)

Zimbabwe to the west and Swaziland and South Africa to the southwest. The capital city, Maputo, is located at the southern tip of the country.

Mozambique has an estimated population of 26.5 million in 2014; with majority of population living in rural areas.

Mozambique is following a new growth model based on extractive industries. An abundance of cheap hydroelectricity is the country's most significant resource and has helped in attracting foreign investment. Mozambique has hydroelectric generation potential of about 12,500 megawatt (mw), 80 per cent of which is concentrated in the Zambezi basin⁴. In addition, Mozambique, with a 2,500 km coastline, has significant marine resources; prawns were the country's main export until the development of the aluminium industry. Mineral resources (including reserves of aluminium, beryllium, gold, gemstones, titanium, coal and bauxite) are also substantial, although they have only recently begun to be exploited. Titanium deposits has been discovered in Moma district of the country has been estimated to be sufficient for 120 years of production. Natural gas has also been found in commercial quantities

⁴ Energy Security in Mozambique, International Institute for Sustainable Development (2010)

in the country, which is expected to improve the economic status of the country. Around 7 per cent of total land area is arable land.

Mozambique's economic growth (real GDP) has averaged around 7 per cent, which has been supported by large-scale foreign investment projects in the extractive sector (including oil, gas and solid minerals). The discovery of large natural gas fields off Mozambique's coastline in 2011 has the potential to make Mozambique one of the largest producers of natural gas in the world.

Botswana

Botswana is a landlocked country in the centre of Southern Africa. It is bordered by South Africa to the south and southeast, Namibia to the west and north, Zimbabwe to the northeast, and Zambia to the north. The country covers an area of about 0.6 million sq kms. Botswana has a total population size of 2.1 million, and the population is concentrated in the eastern parts of the country. Setswana is the national language, while English is the official language used in business and most Government affairs. There are also some indigenous languages which include several ethnic groups.

Botswana: Basic Facts

Land area: 581,730 sq km
GDP: US\$ 15.2 bn (2014)
Population: 2.1 mn (2014)
Consumer Price Inflation (avg, %): 3.9% (2014)
Exports: US\$ 7.9 bn (2014)
Imports: US\$ 7.8 bn (2014)
Sovereign Rating: A2 (ECGC)/ A- (S&P)
Capital: Gaborone
Language: Setswana and English
Currency: Pula (P) = 100 thebe; P 8.98: US\$ 1 (2014)

The mining sector, dominated by diamond mining, is a major contributor to the export base, and government policy endeavours to reduce the vulnerability arising from the heavy dependence on diamonds. The livestock industry contributes about 80 per cent of agriculture's share of GDP⁵.

Sound macroeconomic policies and the prudent use of diamond revenues have transformed Botswana from a largely informal subsistence economy with minimal infrastructure into one of the leading economies in Africa.

Zimbabwe

Zimbabwe is a land-locked country bounded by Mozambique to the east, Zambia to the north and north west, South Africa to the south, and to the south west by Botswana. Zimbabwe occupies 390,757 sq. kms of land in south central Africa.

Zimbabwe's economy is dependent on agricultural products including tobacco, cotton and sugar cane. Major export commodities are tobacco and

horticulture products. Smaller crops like sugar, tea, coffee, cotton, seeds, maize, small grains and oilseeds are also being exported. The agricultural sector is an important contributor to the country's export activities, with markets in America, Europe, Africa and the Far East. Zimbabwe is richly endowed with mineral resources, over 40 different types of minerals are mined in the country, including the major minerals gold, chrome, asbestos, coal, iron ore, nickel, copper, diamonds and platinum. Other contributors to the economy are industry and cattle farming. The principal manufactured exports include ferro-alloys, clothing, metal products, chemicals, plastics and cotton-lint. Livestock agriculture (cattle) is one of the country's foremost economic activities⁶.

Namibia

Namibia, with a total a total land area of 824,269 sq. kms, is bordered by Angola to the north, Botswana and Zimbabwe to the east and South Africa to the south. The country is bordered by the Atlantic Ocean in the west.

Zimbabwe: Basic Facts

Land area: 390,757 sq km
GDP: US\$ 13.8 bn (2014)
Population: 13.3 mn (2014)
Consumer Price Inflation (avg, %): -0.2% (2014)
Exports: US\$ 3.1 bn (2014)
Imports: US\$ 6.4 bn (2014)
Sovereign Rating: C1 (ECGC)
Capital: Harare
Language: English (official), Shona, Ndebele and local dialects
Currency: Zimbabwe dollar (Z\$) = 100 cents; Following a period of rampant inflation the government moved to a multi-currency system, using nine currencies, including the US dollar and the South African rand, in preference to the Zimbabwe dollar (Z\$); the Zimbabwe dollar has in effect been demonetized

Namibia: Basic Facts

Land area: 824,269 sq km
GDP: US\$ 13.6 bn (2014)
Population: 2.2 mn (2014)
Consumer Price Inflation (avg, %): 5.3% (2014)
Exports: US\$ 6 bn (2014)
Imports: US\$ 8.5 bn (2014)
Sovereign Rating: B1 (ECGC)
Capital: Windhoek
Language: English (official), Oshivambo (various dialects), Nama-Damara, Afrikaans, Herero, Rukavango, Lozi, German, Tswana and several Bushman (San) dialects
Currency: Namibia dollar (N\$) = 100 cents; introduced in September 1993, pegged at parity with the South African rand; NS\$ 10.85: US\$ 1 (2014)

⁵www.sadc.int

⁶ ibid

The economy is heavily dependent on the extraction and processing of minerals for export; making mining the largest contributor to the country's GDP. Rich alluvial diamond deposits make Namibia a primary source for gem-quality diamonds. Marine diamond mining is becoming increasingly important as the terrestrial diamond supply has dwindled. The rising cost of mining diamonds, increasingly from the sea, however, has reduced profit margins. Namibia is the world's fifth-largest producer of uranium. It also produces zinc, gold and copper⁷.

Mauritius

Mauritius is situated in the south west Indian Ocean, approximately 2,400 kms from the south east coast of Africa. With a total land area of 2,040 sq kms, the island is home to a population of 1.3 million.

Mauritius has one of the most successful and competitive economies in Africa. It has developed from being a low-income, agriculturally-based economy to a middle-income, diversified economy. Financial services (particularly offshore companies), ICT, agriculture and textiles are presently the main drivers of growth. Mauritius

Mauritius: Basic Facts

Land area: 2,040 sq km
GDP: US\$ 12.6 bn (2014)
Population: 1.3 mn (2014)
Consumer Price Inflation (avg, %): 3.2% (2014)
Exports: US\$ 2.7 bn (2014)
Imports: US\$ 5.6 bn (2014)
Sovereign Rating: A2 (ECGC)
Capital: Port Louis
Language: French, English, Creole, Bhojpuri, Tamil, Hindi, Urdu
Currency: Mauritius rupee (MRs) = 100 cents; MRs 30.62: US\$ 1 (2014)

is among the world's ten largest exporters of sugar and the second-largest exporter of woollen knits. Mauritius offers a very conducive business environment to investors and is ranked first in Africa on the World Bank's Ease of Doing Business Ranking. The government aims to develop a larger and more dynamic 'ocean economy' focused on international trans-shipments, bunkering services, cruise ship stop-overs and fish sector processing.

Madagascar

Madagascar is an island situated off the east coast of Africa, and is separated from the mainland by the Mozambique Channel. Agriculture, including fishing and forestry, is a mainstay of the economy, accounting for more than one-fourth of GDP and employing roughly 80 per cent of the population⁸. Traditionally, Madagascar is a producer of tea and coffee but with low market prices this industry has declined over the years. Madagascar is a key producer of fish, crabs, prawns, mussels and other seafood. Other important industrial activities include processing of meat and seafood, soap, brewery products, tanneries, sugar, textiles, glassware, cement, automobile assembly, paper and petroleum. Madagascar's mineral potential is underexploited, and it is perceived as a key sector that can play an important role in the development of the country⁹.

Madagascar: Basic Facts

Land area: 587,300 sq km
GDP: US\$ 10.7 bn (2014)
Population: 23.6 mn (2014)
Consumer Price Inflation (avg, %): 6.1% (2014)
Exports: US\$ 2.2 bn (2014)
Imports: US\$ 3.4 bn (2014)
Sovereign Rating: B2 (ECGC)
Capital: Antananarivo
Language: Malagasy, French
Currency: Ariary (AR); AR 2414.8: US\$ 1 (2014)

⁷Central intelligence Agency (CIA)

⁸ ibid

⁹ www.sadc.int

Malawi

Malawi is a landlocked country located in southern central Africa, and is bordered by Tanzania to the north and north east, Mozambique to the east, south and south west, and Zambia to the west.

Malawi's relatively small economy is heavily reliant on agriculture, which comprises about 30 per cent of GDP, constitutes over 80 per cent of total export earnings and supports 85 per cent of the population¹⁰. The agricultural sector includes arable agriculture, forestry and fisheries. The economy is also a major producer of tobacco, especially of the burley variety, which typically accounts for 30-40 per cent of total export earnings, followed by tea and sugar.

The tourism industry is seen as a sector for economic growth and diversification, as well as for increasing foreign exchange earnings.

Malawi: Basic Facts

Land area: 118,484 sq km
GDP: US\$ 6.1 bn (2014)
Population: 17.6 mn (2014)
Consumer Price Inflation (avg, %): 23.8% (2014)
Exports: US\$ 1.4 bn (2014)
Imports: US\$ 2.8 bn (2014)
Sovereign Rating: C1 (ECGC)
Capital: Lilongwe
Language: Chichewa (national language), English (official language); Chichewa is increasingly understood throughout the country, but Chitumbuka is the lingua franca in Northern region
Currency: Malawi kwacha (MK) = 100 tambala; MK 424.90: US\$ 1 (2014)

Swaziland

Swaziland is a small, landlocked country covering a total area of 17,364 sq. kms. and is located in the southern part of Africa bordered by Mozambique to

Swaziland: Basic Facts

Land area: 17,364 sq km
GDP: US\$ 4.4 bn (2014)
Population: 1.1 mn (2014)
Consumer Price Inflation (avg, %): 5.7% (2014)
Exports: US\$ 1.9 bn (2014)
Imports: US\$ 1.7 bn (2014)
Sovereign Rating: B1 (ECGC)
Capital: Mbabane
Language: Siswati and English
Currency: Lilangeni = 100 cents; plural emalangeni (E); pegged at parity to the rand; E 10.8: US\$ 1 (2014)

the east and the rest by South Africa. Swaziland depends heavily on South Africa and for 60 per cent of its exports and for more than 90 per cent of its imports. Swaziland's currency is pegged to the South African rand, effectively relinquishing Swaziland's monetary policy to South Africa¹¹.

The country relies largely on agriculture, with sugar, coca-cola concentrate, cotton, citrus fruits and canned products and maize being the largest exports. The nearest harbour is at Maputo in Mozambique, which is about 235 kms from Mbabane, the administrative capital, and 200 kms from Matsapha, the country's main industrial area. It is from here that most of the country's export products are shipped¹².

Lesotho

Lesotho is situated in the south eastern region of Southern Africa, covering an area of 30,344 sq. kms. and is entirely surrounded by South Africa. Lesotho relies on South Africa for much of its economic activity; Lesotho imports 90 per cent of the goods it consumes from South Africa, including most agricultural inputs. The country's remittances are also mainly from South Africa.

¹⁰ Dun & Bradstreet

¹¹ Central Intelligence Agency (CIA)

¹² www.sadc.int

Lesotho: Basic Facts

Land area: 30,344 sq km
GDP: US\$ 2.2 bn (2014)
Population: 1.9 mn (2014)
Consumer Price Inflation (avg, %): 3.8% (2014)
Exports: US\$ 1 bn (2014)
Imports: US\$ 1.6 bn (2014)
Sovereign Rating: B2 (ECGC)
Capital: Maseru
Language: Sesotho and English
Currency: Loti, plural maloti (M) = 100 lisente; pegged at parity with the rand; M 10.8: US\$ 1 (2014)

Seychelles: Basic Facts

Land area: 455 sq km
GDP: US\$ 1.4 bn (2014)
Population: 0.1 mn (2014)
Consumer Price Inflation (avg, %): 1.4% (2014)
Exports: US\$ 0.6 bn (2014)
Imports: US\$ 0.7 bn (2014)
Sovereign Rating: B2 (ECGC)
Capital: Victoria
Language: Creole, English, French
Currency: Seychelles rupee (SRs) = 100 cents; SRs 12.75: US\$ 1 (2014)

Lesotho has a total population of 1.9 million. Lesotho's largest private employer is the textile and garment industry - approximately 36,000, mainly women, work in factories producing garments for export to South Africa and the US¹³. Diamond mining in Lesotho has grown in recent years and is expected to contribute 8.5 per cent to GDP by 2015, according to current forecasts.

Seychelles

Seychelles is an island located in the Indian Ocean, to northeast of Madagascar and east

of Kenya. The Seychelles economy is primarily dominated by the tourism industry, which employs about 30 per cent of the labor force and provides more than 70 per cent of hard currency earnings, followed by tuna fishing.

In recent years, the government has encouraged foreign investment to upgrade hotels and other services. At the same time, the government has moved to reduce the dependence on tourism by promoting the development of farming, fishing, and small-scale manufacturing¹⁴.

¹³ Central Intelligence Agency (CIA)

¹⁴ Ibid

2. International Trade of SADC Countries

Reflecting the increasing globalization of the SADC economies, SADC's global trade has witnessed significant upward trend in recent years. During the period 2004 to 2014, SADC's total trade has risen nearly three-fold, from US\$ 137 billion in 2004 to US\$ 410.7 billion in 2014, growing at a compound annual growth rate of 11 per cent over the period (**Chart 2.1**).

SADC as a bloc has shown stable performance in terms of its global trade. SADC's share in global trade has increased from 0.7 per cent in 2004 to 1.1 per cent in 2014. However, the share of SADC in Africa's total trade has decreased from 41 per cent in 2004 to 34.8 per cent in 2014.

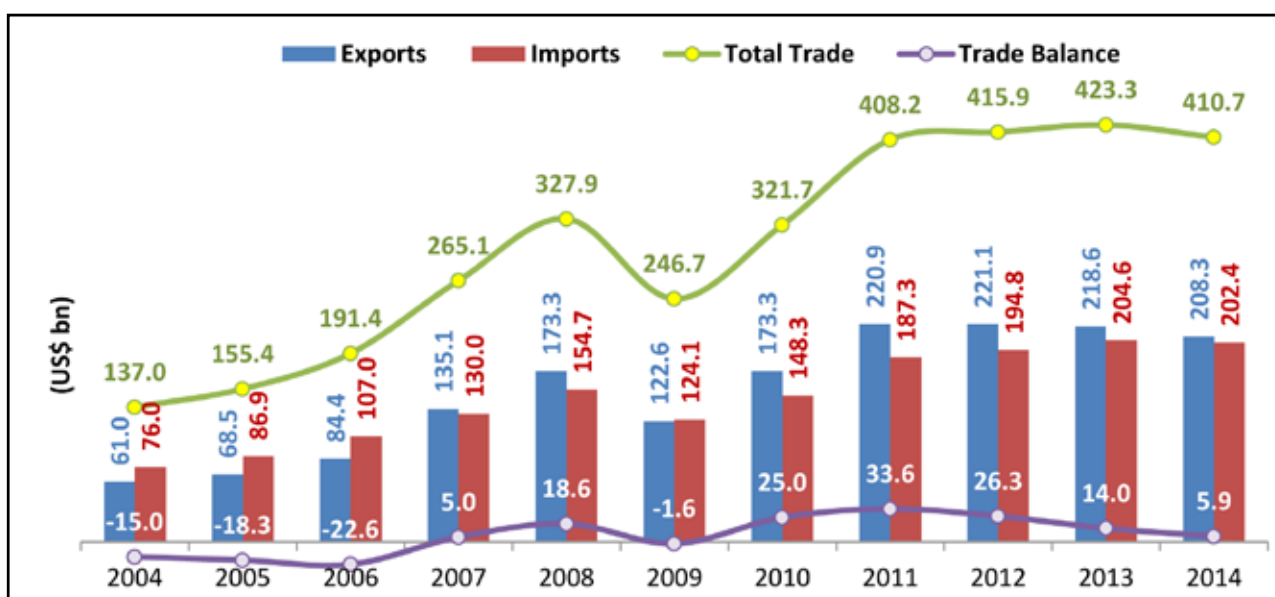
In the case of exports, SADC's total exports have risen from US\$ 61 billion in 2004 to US\$ 208.3 billion in 2014, with a resultant rise in the share of SADC in global exports from 0.6 per cent to 1.1 per cent during the period. SADC's exports

have been driven by exports of South Africa and Angola, the two giants in the bloc accounting for 74 per cent of the region's exports.

As regards imports, SADC's total imports rose to US\$ 202.4 billion (1.1 per cent of global imports) in 2014, up from US\$ 76 billion (0.8 per cent) in 2004.

During the decade, trade balance of SADC reversed from a deficit of US\$ 15 billion in 2004 to a surplus of US\$ 5.9 billion in 2014. The shift to surplus was mainly driven by Angola (maintaining a trade surplus of US\$ 37.2 billion in 2014), primarily due to large revenues from oil exports, despite registering a fall during the year. Other economies in the region that maintained a surplus during the year include DR Congo, Swaziland, Zambia and Botswana. In the SADC region, economies that maintained a trade deficit in 2014 include South Africa, Tanzania, Mozambique, Zimbabwe and Mauritius.

Chart 2.1: SADC's Foreign Trade, 2004-2014



Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

SADC — Exports

Major Exporters

Among the countries in SADC, the largest exporters are South Africa and Angola, together accounting for 74 per cent of SADC's total exports in 2014. Other important exporters from SADC include Zambia, Botswana, DR Congo, Namibia and Tanzania (Table 2.1).

Export Items

Reflecting the significant rise in exports of crude petroleum from SADC, mineral fuels are the largest export items, accounting for as much as 36 per cent of SADC's total exports in 2014, followed by pearls and precious stones, ores and

slag, copper and its articles, vehicles, iron and steel and machinery (Table 2.2).

Within the region, major exporters of mineral fuels include Angola, South Africa and Mozambique. SADC accounts for 2.4 per cent of the world exports of mineral fuels in 2014, of which Angola alone accounts for 2 per cent. Among mineral fuel exports, crude petroleum is a dominant export item.

Major exporters of pearls and precious stones in the SADC region include South Africa, Botswana, Namibia, and Tanzania. The region accounts for 3.8 per cent of the world exports of pearls and precious stones. Within this category, diamonds, gold and platinum are the major export items from the region.

Table 2.1: SADC's Major Exporters (US\$ mn)

Exporters	2012	2013	2014	Share (%)
SADC	221100.2	218621.5	208267.9	100.0%
South Africa	98872.2	95111.5	90612.1	43.5%
Angola	74214.6	71390.5	63755.9	30.6%
Zambia	9364.7	10594.1	9687.9	4.7%
Botswana	5971.2	7573.3	7915.5	3.8%
DR Congo	6873.8	7665.3	7044.6	3.4%
Namibia	5377.0	6337.2	5983.8	2.9%
Tanzania	5547.2	4412.5	5704.7	2.7%
Mozambique	3469.9	4023.7	4725.3	2.3%
Zimbabwe	3882.4	3507.3	3063.7	1.5%
Mauritius	2257.7	2341.3	2663.0	1.3%
Madagascar	1224.5	1626.9	2243.2	1.1%
Swaziland	1705.5	1861.8	1883.6	0.9%
Malawi	1182.9	1208.0	1421.6	0.7%
Lesotho	678.2	354.6	992.4	0.5%
Seychelles	478.3	613.5	570.5	0.3%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

Ores, slag and ash account for 7.7 per cent of the region's exports, with major exporters being South Africa and DR Congo.

Major Export Markets

While western developed countries such as the US, Switzerland, and Belgium continue to be major destinations for SADC's exports, developing countries such as China and India have emerged as major export destinations in recent years. In fact, in 2014, China and India have emerged as the first and third-largest destinations for SADC's global exports, accounting for 22 per cent and 6 per cent, respectively of SADC's total exports (Table 2.3).

Major suppliers to China from the SADC region include South Africa, Angola, Zambia, DR Congo and Mozambique. While major suppliers to the US were South Africa, Angola and Mauritius; South Africa, Angola, and Tanzania were the main suppliers to the Indian market.

SADC – Imports

Major Importers

As regards imports, the leading importers in SADC are South Africa and Angola, together accounting for 62.5 per cent of SADC's total imports in 2014 (Table 2.4).

Table 2.2: SADC's Major Export Items (US\$ mn)

HS Code	Product label	2012	2013	2014	Share (%)
TOTAL	All products	221100.2	218621.5	208267.9	100.0%
27	Mineral fuels, oils, distillation products	84576.4	81646.2	75052.5	36.0%
71	Pearls, precious stones, metals, coins	30280.9	29265.2	26588.6	12.8%
26	Ores, slag and ash	17135.0	18079.7	16049.6	7.7%
74	Copper and its articles	10658.2	10895.7	10709.5	5.1%
87	Vehicles other than railway, tramway	9400.0	8855.3	9261.6	4.4%
72	Iron and steel	7455.4	6841.4	7493.3	3.6%
84	Machinery and equipment	8014.0	7624.2	7446.2	3.6%
08	Edible fruit, nuts, peel of citrus fruit, melons	2684.2	2983.3	3406.8	1.6%
76	Aluminium and its articles	2939.1	3036.9	3363.6	1.6%
85	Electrical, electronic equipment	2718.1	2692.2	3235.5	1.6%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

Table 2.3: SADC's Major Export Destinations (US\$ mn)

Importers	2012	2013	2014	Share (%)
China	50851.9	49923.1	45761.0	22.0%
USA	18766.9	16753.6	13862.2	6.7%
India	12697.1	11710.4	12514.0	6.0%
South Africa	11594.0	11719.4	9946.7	4.8%
Switzerland	6959.8	7284.0	7141.2	3.4%
Belgium	4047.3	4510.3	6685.7	3.2%
Japan	6515.4	6426.3	6059.7	2.9%
Botswana	5538.2	5559.0	5865.3	2.8%
Netherlands	4810.7	5995.2	5767.7	2.8%
Namibia	4423.3	4580.2	5425.7	2.6%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

Table 2.4: SADC's Major Importers (US\$ mn)

Importers	2012	2013	2014	Share (%)
SADC	194829.8	204635.5	202408.8	100.0%
South Africa	104144.3	103441.3	99892.7	49.4%
Angola	20628.6	23395.2	26538.7	13.1%
Tanzania	11715.6	12525.4	12691.1	6.3%
Zambia	8805.2	10161.8	9539.0	4.7%
Mozambique	6177.2	10099.1	8743.1	4.3%
Namibia	7132.0	7574.5	8531.0	4.2%
Botswana	8025.3	7433.5	7830.5	3.9%
DR Congo	6018.5	6949.1	6545.0	3.2%
Zimbabwe	7362.5	7704.2	6379.8	3.2%
Mauritius	5772.0	5395.5	5607.2	2.8%
Madagascar	2659.0	2699.4	3354.8	1.7%
Malawi	2330.4	2844.6	2798.6	1.4%
Swaziland	1786.3	1752.5	1679.1	0.8%
Lesotho	1594.2	1836.9	1580.2	0.8%
Seychelles	678.6	822.3	698.0	0.3%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

Major Import Items

In contrast to SADC's export basket which is largely dominated by crude oil, SADC's import basket is relatively diversified. Mineral fuels and machinery are the two largest import items, followed by electronic and electrical equipment, vehicles, plastics and articles, articles of iron or steel and pharmaceutical products (**Table 2.5**).

While SADC is emerging as a major exporter of crude petroleum, petroleum products dominate imports of the region. These products include: large volumes of petroleum oils, not crude (HS 2710) mainly imported by South Africa, Tanzania, Zimbabwe and Mozambique; crude petroleum oils (HS-2709) mainly imported by South Africa, Zambia and Angola; and electrical energy (HS-2716) mainly imported by Mozambique, South Africa and Botswana.

Major importers of machinery and equipment, the second-largest import item of the region, include South Africa, Angola and Zambia. Among machinery and equipment, portable digital computers were the major import items.

Electrical and electronic equipment, the third-largest import item of the region, accounted for 8.3 per cent of the region's global imports. These items were mainly imported by South Africa, Angola and Tanzania.

Major Import Sources

As regards SADC's global imports, China has emerged as the leading supplier to SADC, accounting for as much as 14.4 per cent of SADC's total imports in 2014, followed by South Africa and Germany. India is the fourth-largest source of SADC's imports, accounting for 5.3 per cent in 2014 (**Table 2.6**).

Table 2.5: SADC's Major Import Items (US\$ mn)

HS Code	Product label	2012	2013	2014	Share (%)
TOTAL	All products	194829.8	204635.5	202408.8	100.0%
27	Mineral fuels, oils, distillation products	36996.8	39143.9	37487.7	18.5%
84	Machinery and equipment	26309.8	26209.7	25552.6	12.6%
85	Electrical, electronic equipment	15153.9	16472.9	16792.0	8.3%
87	Vehicles other than railway, tramway	17452.7	17293.6	16644.9	8.2%
39	Plastics and its articles	5151.2	5351.2	5598.0	2.8%
73	Articles of iron or steel	5021.4	5351.1	5571.8	2.8%
30	Pharmaceutical products	4205.5	4404.1	4518.6	2.2%
71	Pearls, precious stones, metals, coins	3741.8	4489.4	4288.4	2.1%
90	Optical, photo, technical, medical apparatus	3479.9	4651.6	3825.3	1.9%
72	Iron and steel	3398.7	3881.4	3453.0	1.7%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

China's main markets in the SADC region include South Africa, Angola and Tanzania. South Africa, the second - largest import source of the region, mainly exported to its neighbouring countries,

namely, Namibia, Botswana and Mozambique. In the case of India, its main markets in the SADC region comprise South Africa, Tanzania and Mozambique.

Table 2.6: SADC's Major Import Sources (US\$ mn)

Exporters	2012	2013	2014	Share (%)
China	24448.7	26525.1	29109.9	14.4%
South Africa	25980.8	27121.0	25523.4	12.6%
Germany	11788.1	12391.3	11842.7	5.9%
India	8610.7	11157.6	10786.5	5.3%
USA	11007.0	9631.8	10228.2	5.1%
Saudi Arabia	8266.9	8361.9	7423.8	3.7%
Japan	6279.3	5958.4	5733.2	2.8%
UK	8178.5	7410.9	5567.9	2.8%
Nigeria	3783.0	3639.3	5154.2	2.5%
Portugal	4415.0	4923.2	4945.4	2.4%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

3. India's Bilateral Trade Relations with SADC Countries

Towards developing extensive economic and strategic relations with SADC, the Government of India signed the Memorandum of Understanding (MOU) on economic cooperation with SADC on October 14, 1997. The broad areas of cooperation include agriculture, water resources management, human resource development, entrepreneurial development, promotion of small and medium scale industries, non-conventional energy sources, communication, commerce, banking, diplomacy and enterprises development through private sector involvement.

As a follow up to the MOU, the First India-SADC Forum meeting was held in Windhoek, Namibia, on April 28, 2006. The Forum agreed to focus cooperation in the sectors of trade, industry, finance and investment; food, agriculture and pharmaceuticals; water resource management; and information and communications technology.

Further, India has developed cooperation with the African continent through the traditional bilateral engagements with African states and multilateral engagements at the continental level through the African Union (AU), and at the regional level, India has engaged Regional Economic Communities (RECs). The India-Regional Economic Communities (RECs) Meetings, that include over 40 RECs from Africa (including SADC), have a significant role in strengthening India-Africa trade and investment relations.

With the increasing diversification of India's global trade towards other developing countries, SADC has emerged as important partner for India, both

as an export destination as also an import source. The economic and trade linkages, which saw an expansion of trade volumes, stand testimony to the intensified economic engagement. During the last ten years, India's total trade with the SADC countries witnessed over eight-fold increase from US\$ 3.7 billion in 2004 to US\$ 29.6 billion in 2014 (**Table 3.1**).

While India's total exports to SADC has risen from US\$ 1.6 billion in 2004 to US\$ 15 billion in 2014, depicting a nine-fold rise during the period, India's total imports from SADC have also risen, although at a slower pace, from US\$ 2 billion to US\$ 14.6 billion, showing a seven-fold rise. India's trade balance with SADC turned into a surplus of US\$ 0.4 billion in 2014, after witnessing a deficit for six consecutive years.

The increasing importance of India as SADC's trading partner can be assessed from the fact that India accounts for a respectable 7.4 per cent of SADC's global imports in 2014, which was a significant improvement compared to 2.1 per cent recorded in 2004. Further, India accounts for around 7 per cent of SADC's total exports, up from 3.3 per cent in 2004, depicting the rising importance of India in SADC's trade configuration.

The importance of the SADC region can also be gauged from the fact that the region accounted for 4.7 per cent of India's global exports in 2014, up from 2.2 per cent recorded in 2004. India's imports from SADC region, as a percentage share of India's global imports, accounted for 3.2 per cent in 2014. The period also witnesses a rise in the importance of SADC in India's global trade configuration.

Table 3.1: India's Trade with SADC, 2004-2014 (US\$ bn)

India's Exports to SADC (US\$ bn)	1.6	2.3	3.6	4.6	6.3	4.7	7.1	9.4	9.7	14.1	15.0
Share in India's exports to the world (%)	2.2%	2.3%	2.9%	3.2%	3.4%	2.6%	3.2%	3.1%	3.3%	4.2%	4.7%
Share in SADC's imports from the world (%)	2.1%	2.7%	3.3%	3.6%	4.0%	3.8%	4.8%	5.0%	5.0%	6.9%	7.4%
India's Imports from SADC (US\$ bn)	2.0	2.9	3.1	4.5	7.5	9.2	12.4	16.1	17.5	15.9	14.6
Share in India's imports from the world (%)	2.1%	2.1%	1.7%	2.0%	2.4%	3.5%	3.6%	3.5%	3.6%	3.4%	3.2%
Share in SADC's exports to the world (%)	3.3%	4.3%	3.7%	3.3%	4.3%	7.5%	7.2%	7.3%	7.9%	7.3%	7.0%
India's Total Trade with SADC (US\$ bn)	3.7	5.3	6.6	9.1	13.7	13.9	19.5	25.5	27.1	30.0	29.6
India's Trade Balance with SADC (US\$ bn)	-0.4	-0.6	0.5	0.2	-1.2	-4.5	-5.4	-6.7	-7.8	-1.7	0.4

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

India's Major Export Items to SADC

Table 3.2 presents trends in India's major export items to SADC. Mineral fuels and vehicles are the largest items in India's export basket to SADC, with a combined share of 48 per cent of India's total exports to SADC in 2014. Other important items of India's exports to SADC include pharmaceuticals, ships, boats and other floating structures, machinery, electrical & electronic equipment, and cereals.

The importance of India as a source for SADC imports of mineral fuel oils can be gauged from the fact that India accounts for 19.4 per cent of SADC's global import of this product. Likewise, SADC is an important market for India's export of mineral fuels, accounting for 11.6 per cent of India's global exports. At the disaggregated level, India's exports to SADC mainly comprise petroleum oils (HS-2710). Major markets for India within the

region for this commodity include Tanzania, South Africa, Mozambique, Mauritius and Namibia.

Vehicles other than railway and tramway are the second-largest item in India's export basket to the SADC region, accounting for 9.4 per cent of India's exports to the region in 2014. Among vehicles, India's major exports to the region include cars, trucks and motorcycles. South Africa is the leading market in SADC as well as Africa, followed by Tanzania, DR Congo, Zimbabwe and Mozambique.

As regards pharmaceuticals, SADC account for as much as 11.5 per cent of India's global exports of this commodity. The largest markets in the region are South Africa, Tanzania, Mozambique, Zimbabwe and Zambia. In fact, India accounts for nearly 30 per cent of SADC's global imports of pharmaceuticals. Medicament mixtures are the main items in India's export basket of pharmaceuticals to SADC.

Table 3.2: India's Major Export Items to SADC

HS code	Product label	India's exports to SADC			Share in India's exports to SADC in 2014	Share in SADC's imports from world in 2014	Share in India's exports to world in 2014
		2012 (US\$ mn)	2013 (US\$ mn)	2014 (US\$ mn)			
TOTAL	All products	9,651.3	14,121.1	15,019.8	100.0%	7.4%	4.7%
27	Mineral fuels, oils, distillation products	3,384.3	6,571.7	7,254.9	48.3%	19.4%	11.6%
87	Vehicles other than railway, tramway	1,333.3	1,479.1	1,352.4	9.0%	8.1%	9.3%
30	Pharmaceutical products	865.5	1,255.0	1,340.7	8.9%	29.7%	11.5%
89	Ships, boats and other floating structures	0.1	25.3	656.1	4.4%	19.5%	14.4%
84	Machinery and equipment	373.5	510.5	487.8	3.2%	1.9%	3.6%
85	Electrical, electronic equipment	439.7	498.0	328.4	2.2%	2.0%	3.6%
10	Cereals	375.2	418.9	312.1	2.1%	9.9%	3.1%
73	Articles of iron or steel	180.6	202.6	235.7	1.6%	4.2%	3.1%
39	Plastics and its articles	226.8	260.0	224.0	1.5%	4.0%	4.1%
62	Articles of apparel, accessories, not knit or crochet	115.8	186.6	195.5	1.3%	13.1%	2.2%
52	Cotton	139.6	158.8	178.4	1.2%	24.5%	2.0%
72	Iron and steel	195.8	307.0	159.5	1.1%	4.6%	1.8%
40	Rubber and its articles	103.4	96.9	151.8	1.0%	5.8%	5.5%
29	Organic chemicals	162.9	194.9	139.1	0.9%	7.1%	1.2%
02	Meat and edible meat offal	101.4	131.6	131.5	0.9%	6.8%	2.6%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

India's Major Export Destinations in SADC

South Africa is India's largest export destination in SADC, accounting for around 40 per cent of India's total exports to the region in 2014 (**Table 3.3**). Other major export markets in SADC include Tanzania, Mozambique, Mauritius and Angola.

South Africa is a leading market in Africa and SADC for India's exports of vehicles and pharmaceuticals. South Africa is also an important market for India's export of mineral fuels, oils, distillation products, machinery and equipment, electrical and electronic equipment.

Tanzania is India's second-largest export market in SADC with a share of 24.7 per cent in India's total exports in 2014. It is India's largest market in Africa for aluminium and its articles; fourth-largest market in Africa for mineral fuels, pharmaceuticals, electrical and electronic equipment, and sixth-largest market in Africa for export of vehicles and machinery and equipment.

In the case of Mozambique, it is the largest market for India's export of fertilizers to Africa and also a major market in SADC for India's export of mineral fuels, cotton and inorganic chemicals.

Table 3.3: India's Major Export Destinations in SADC (US\$ mn)

Importers	2012	2013	2014	Share in 2014 (%)
SADC	9651.3	14121.1	15019.8	100.0%
South Africa	4973.3	5742.5	5722.4	38.1%
Tanzania	1602.5	3665.5	3714.3	24.7%
Mozambique	888.4	1615.5	1957.9	13.0%
Mauritius	672.4	945.3	1504.5	10.0%
Angola	534.9	559.7	610.4	4.1%
Zambia	233.0	379.3	381.1	2.5%
Malawi	130.8	227.4	243.2	1.6%
DR Congo	120.8	145.2	220.7	1.5%
Zimbabwe	133.2	195.1	198.0	1.3%
Madagascar	155.7	240.8	196.9	1.3%
Namibia	56.8	230.1	116.5	0.8%
Botswana	54.1	59.3	50.5	0.3%
Lesotho	18.0	28.5	39.9	0.3%
Seychelles	31.0	59.5	37.4	0.2%
Swaziland	46.5	27.4	26.2	0.2%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

India's Major Import Items from SADC

Table 3.4 presents the major items in India's import basket from SADC, as per 2-digit HS commodity codes. Reflecting the increased importance of the SADC region as a source for India's crude oil imports, minerals fuels (HS-27) are the largest items in India's import basket from SADC, accounting for as much as 55 per cent of India's total imports from SADC in 2014.

India's imports of crude petroleum from SADC stood at US\$ 8.1 billion in 2014, and accounted for as much as 4.6 per cent of India's global imports of crude. Angola and South Africa are major sources for India's import of crude petroleum, cumulatively accounting for 19 per cent of India's total imports from Africa. Angola is the eleventh-largest source of India's global imports of crude petroleum and second-largest source from Africa.

Table 3.4: India's Major Import Items from SADC

HS Code	Product label	India's imports from SADC			Share in India's imports from SADC in 2014	Share in SADC's exports to world in 2014	Share in India's imports from world in 2014
		2012 (US\$ mn)	2013 (US\$ mn)	2014 (US\$ mn)			
TOTAL	All products	17469.5	15856.2	14584.9	100.0%	7.0%	3.2%
27	Mineral fuels, oils, distillation products	9862.9	8862.2	8072.3	55.3%	10.8%	4.6%
71	Pearls, precious stones, metals, coins	4890.0	4463.5	3531.2	24.2%	13.3%	5.9%
26	Ores, slag and ash	400.3	341.1	754.0	5.2%	4.7%	10.0%
72	Iron and steel	729.8	578.2	578.5	4.0%	7.7%	5.1%
74	Copper and its articles	291.4	305.5	257.0	1.8%	2.4%	8.0%
07	Edible vegetables and certain roots and tubers	183.8	180.0	223.6	1.5%	36.8%	8.3%
08	Edible fruit, nuts, peel of citrus fruit, melons	177.4	173.2	159.5	1.1%	4.7%	6.2%
84	Machinery and equipment	86.1	98.6	146.9	1.0%	2.0%	0.5%
29	Organic chemicals	84.0	92.3	112.7	0.8%	7.7%	0.6%
76	Aluminium and its articles	119.1	167.6	108.0	0.7%	3.2%	3.0%
09	Coffee, tea, mate and spices	67.9	54.1	86.2	0.6%	11.6%	13.0%
44	Wood and articles of wood, wood charcoal	12.9	28.3	65.1	0.4%	6.5%	2.4%
47	Pulp of wood, fibrous cellulosic material, waste	66.3	89.9	62.1	0.4%	7.4%	3.7%
28	Inorganic chemicals	113.6	109.4	47.0	0.3%	3.6%	0.9%
52	Cotton	80.5	24.8	41.4	0.3%	8.5%	5.5%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

Pearls and precious stones were the second-largest items in India's import from SADC, accounting for around 24 per cent of India's imports from SADC. The region is a major source for India's import of unwrought gold. The importance of India as a destination for SADC's exports can be gauged from India's significant share (13.3 per cent) in SADC's exports to the world. Likewise, SADC is a major source for India's import of pearls and precious stones, accounting for 5.9 per cent in its global imports. South Africa is the largest source for India's import of pearls and precious

stones and metals from SADC as well as Africa, followed by Botswana.

Other important items of import from SADC include: ores and slag, iron and steel, copper and articles, edible vegetables, certain roots and tubers, edible fruits and nuts, and machinery.

India's Major Import Sources in Africa

Table 3.5 lists the major import partners for India in the SADC region. South Africa is the largest

import source, followed by Angola, Botswana, Tanzania, Mozambique and Zambia.

South Africa is a major supplier of crude petroleum, unwrought gold, unmounted diamonds, ores and slag, and nickel to India. Angola is an important source for India's global import of crude petroleum,

while Tanzania is the largest source of India's import of edible vegetables and certain roots from Africa in 2014.

In a nutshell, India's major importers and exporters in SADC, with their respective import and export items are presented in **Table 3.6** and **3.7**.

Table 3.5: India's Major Import Sources from SADC (US\$ mn)

Exporters	2012	2013	2014	Share in 2014 (%)
SADC	17469.5	15856.2	14584.9	100.0%
South Africa	8034.7	7351.8	5993.8	41.1%
Angola	8020.4	6798.3	5641.7	38.7%
Botswana	65.4	190.6	1046.0	7.2%
Tanzania	492.3	818.7	927.2	6.4%
Mozambique	267.6	247.4	328.6	2.3%
Zambia	289.7	273.8	219.6	1.5%
Swaziland	65.9	30.2	121.7	0.8%
DR Congo	19.9	24.1	118.3	0.8%
Madagascar	91.7	51.0	71.1	0.5%
Malawi	42.5	19.8	31.7	0.2%
Namibia	8.0	14.3	31.5	0.2%
Zimbabwe	33.4	10.4	30.5	0.2%
Mauritius	31.8	20.7	21.2	0.1%
Lesotho	3.8	3.5	1.1	0.0%
Seychelles	2.4	1.6	0.9	0.0%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

Table 3.6: India's Major Export Destinations in SADC (2014) - An Overview

Country	Value in 2014 (US\$ mn)	HS Code	Commodity	Share in exports to respective country (%)
South Africa	5722.4	TOTAL	All products	100.0%
		27	Mineral fuels, oils, distillation products	34.2%
		87	Vehicles other than railway, tramway	15.5%
		89	Ships, boats and other floating structures	11.5%
		30	Pharmaceutical products	8.0%
		84	Machinery and equipment	3.5%
Tanzania	3714.3	TOTAL	All products	100.0%
		27	Mineral fuels, oils, distillation products	70.6%
		30	Pharmaceutical products	6.1%
		87	Vehicles other than railway, tramway	2.6%
		84	Machinery and equipment	2.2%
		85	Electrical, electronic equipment	2.2%
Mozambique	1957.9	TOTAL	All products	100.0%
		27	Mineral fuels, oils, distillation products	76.5%
		87	Vehicles other than railway, tramway	4.1%
		30	Pharmaceutical products	3.9%
		52	Cotton	2.2%
		39	Plastics and its articles	1.9%
Mauritius	1504.5	TOTAL	All products	100.0%
		27	Mineral fuels, oils, distillation products	76.2%
		62	Articles of apparel, accessories, not knit or crochet	4.2%
		10	Cereals	3.2%
		52	Cotton	2.4%
		30	Pharmaceutical products	2.4%
Angola	610.4	TOTAL	All products	100.0%
		87	Vehicles other than railway, tramway	30.0%
		02	Meat and edible meat offal	17.8%
		30	Pharmaceutical products	10.6%
		10	Cereals	5.9%
		22	Beverages, spirits and vinegar	5.7%

Country	Value in 2014 (US\$ mn)	HS Code	Commodity	Share in exports to respective country (%)
Zambia	381.1	TOTAL	All products	100.0%
		30	Pharmaceutical products	27.5%
		84	Machinery and equipment	14.3%
		85	Electrical, electronic equipment	11.2%
		73	Articles of iron or steel	8.8%
		87	Vehicles other than railway, tramway	6.6%
Malawi	243.2	TOTAL	All products	100.0%
		30	Pharmaceutical products	50.1%
		84	Machinery and equipment	14.8%
		87	Vehicles other than railway, tramway	5.8%
		72	Iron and steel	5.0%
		73	Articles of iron or steel	3.6%
DR Congo	220.7	TOTAL	All products	100.0%
		30	Pharmaceutical products	27.2%
		85	Electrical, electronic equipment	13.6%
		84	Machinery and equipment	8.0%
		87	Vehicles other than railway, tramway	7.3%
		52	Cotton	5.3%
Zimbabwe	198.0	TOTAL	All products	100.0%
		30	Pharmaceutical products	46.7%
		61	Articles of apparel, accessories, knit or crochet	15.0%
		84	Machinery and equipment	7.6%
		85	Electrical, electronic equipment	7.4%
		62	Articles of apparel, accessories, not knit or crochet	3.7%
Madagascar	196.9	TOTAL	All products	100.0%
		10	Cereals	23.5%
		62	Articles of apparel, accessories, not knit or crochet	13.5%
		52	Cotton	9.7%
		30	Pharmaceutical products	7.6%
		72	Iron and steel	7.3%

Country	Value in 2014 (US\$ mn)	HS Code	Commodity	Share in exports to respective country (%)
Namibia	116.5	TOTAL	All products	100.0%
		30	Pharmaceutical products	24.7%
		27	Mineral fuels, oils, distillation products	22.0%
		87	Vehicles other than railway, tramway	11.4%
		84	Machinery and equipment	7.1%
		61	Articles of apparel, accessories, knit or crochet	5.7%
Botswana	50.5	TOTAL	All products	100.0%
		30	Pharmaceutical products	42.9%
		71	Pearls, precious stones, metals, coins	20.3%
		84	Machinery and equipment	9.7%
		85	Electrical, electronic equipment	4.7%
		73	Articles of iron or steel	3.5%
Lesotho	39.9	TOTAL	All products	100.0%
		30	Pharmaceutical products	49.5%
		52	Cotton	30.0%
		84	Machinery and equipment	10.2%
		63	Other made textile articles, sets, worn clothing	4.2%
		62	Articles of apparel, accessories, not knit or crochet	2.2%
Seychelles	37.4	TOTAL	All products	100.0%
		10	Cereals	14.4%
		87	Vehicles other than railway, tramway	13.9%
		88	Aircraft, spacecraft, and parts	9.7%
		84	Machinery and equipment	8.5%
		25	Salt, sulphur, earth, stone, plaster, lime and cement	7.3%
Swaziland	26.2	TOTAL	All products	100.0%
		30	Pharmaceutical products	55.8%
		29	Organic chemicals	13.6%
		87	Vehicles other than railway, tramway	13.1%
		72	Iron and steel	3.2%
		71	Pearls, precious stones, metals, coins	2.4%

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

Table 3.7: India's Major Import Sources from SADC (2014) - An Overview

Country	Value in 2014 (US\$ mn)	HS Code	Commodity	Share in imports from respective country (%)
South Africa	5993.8	TOTAL	All products	100.0%
		27	Mineral fuels, oils, distillation products	38.5%
		71	Pearls, precious stones, metals, coins	30.1%
		26	Ores, slag and ash	11.3%
		72	Iron and steel	8.2%
		84	Machinery and equipment	2.4%
Angola	5641.7	TOTAL	All products	100.0%
		27	Mineral fuels, oils, distillation products	96.8%
		71	Pearls, precious stones, metals, coins	1.9%
		72	Iron and steel	0.9%
		76	Aluminium and its articles	0.2%
		74	Copper and its articles	0.1%
Botswana	1046.0	TOTAL	All products	100.0%
		71	Pearls, precious stones, metals, coins	93.2%
		26	Ores, slag and ash	6.7%
		28	Inorganic chemicals, precious metal compound, isotopes	0.1%
		74	Copper and its articles	-
		76	Aluminium and its articles	-
Tanzania	927.2	TOTAL	All products	100.0%
		71	Pearls, precious stones, metals, coins	54.8%
		08	Edible fruit, nuts, peel of citrus fruit, melons	15.0%
		07	Edible vegetables and certain roots and tubers	13.9%
		09	Coffee, tea, mate and spices	5.0%
		44	Wood and articles of wood, wood charcoal	2.2%
Mozambique	328.6	TOTAL	All products	100.0%
		27	Mineral fuels, oils, distillation products	71.7%
		07	Edible vegetables and certain roots and tubers	17.8%
		08	Edible fruit, nuts, peel of citrus fruit, melons	2.9%
		72	Iron and steel	2.5%
		26	Ores, slag and ash	1.9%

Country	Value in 2014 (US\$ mn)	HS Code	Commodity	Share in imports from respective country (%)
Zambia	219.6	TOTAL	All products	100.0%
		74	Copper and its articles	82.3%
		71	Pearls, precious stones, metals, coins	12.7%
		52	Cotton	3.8%
		26	Ores, slag and ash	0.6%
		81	Other base metals, cermets, articles	0.5%
Swaziland	121.7	TOTAL	All products	100.0%
		71	Pearls, precious stones, metals, coins	81.7%
		29	Organic chemicals	7.6%
		84	Machinery and equipment	3.3%
		90	Optical, photo, technical, medical apparatus	1.9%
		38	Miscellaneous chemical products	0.8%
DR Congo	118.3	TOTAL	All products	100.0%
		27	Mineral fuels, oils, distillation products	55.1%
		74	Copper and its articles	27.4%
		12	Oil seed, oleagic fruits, grain, seed, fruit	5.8%
		72	Iron and steel	3.8%
		71	Pearls, precious stones, metals, coins	3.6%
Madagascar	71.1	TOTAL	All products	100.0%
		09	Coffee, tea, mate and spices	54.3%
		07	Edible vegetables and certain roots and tubers	11.3%
		33	Essential oils, perfumes, cosmetics, toiletries	7.4%
		81	Other base metals, cermets, articles	4.6%
		29	Organic chemicals	3.3%
Malawi	31.7	TOTAL	All products	100.0%
		07	Edible vegetables and certain roots and tubers	89.4%
		52	Cotton	6.5%
		09	Coffee, tea, mate and spices	2.2%
		85	Electrical, electronic equipment	1.1%
		41	Raw hides and skins (other than furskins) and leather	0.4%

Country	Value in 2014 (US\$ mn)	HS Code	Commodity	Share in imports from respective country (%)
Namibia	31.5	TOTAL	All products	100.0%
		79	Zinc and its articles	79.9%
		72	Iron and steel	17.3%
		85	Electrical, electronic equipment	0.8%
		76	Aluminium and its articles	0.6%
		74	Copper and its articles	0.4%
Zimbabwe	30.5	TOTAL	All products	100.0%
		52	Cotton	37.6%
		24	Tobacco and manufactured tobacco substitutes	33.0%
		72	Iron and steel	11.0%
		71	Pearls, precious stones, metals, coins	9.4%
		32	Tanning, dyeing extracts, tannins, derivs,pigments	6.2%
Mauritius	21.2	TOTAL	All products	100.0%
		72	Iron and steel	30.3%
		90	Optical, photo, technical, medical apparatus	29.8%
		76	Aluminium and its articles	10.9%
		47	Pulp of wood, fibrous cellulosic material, waste	7.4%
		62	Articles of apparel, accessories, not knit or crochet	6.1%
Lesotho	1.1	TOTAL	All products	100.0%
		71	Pearls, precious stones, metals, coins	48.6%
		51	Wool, animal hair, horsehair yarn and fabric	21.1%
		32	Tanning, dyeing extracts, tannins, derivs,pigments	20.9%
		12	Oil seed, oleagic fruits, grain, seed, fruit	7.3%
		85	Electrical, electronic equipment	2.2%
Seychelles	0.9	TOTAL	All products	100.0%
		72	Iron and steel	75.0%
		76	Aluminium and its articles	17.5%
		39	Plastics and its articles	4.0%
		90	Optical, photo, technical, medical apparatus	1.3%
		84	Machinery and equipment	1.0%

- nil or negligible

Source: ITC Trademap, derived from UNcomtrade; and Exim Bank Analysis

4. Foreign Investment in SADC Countries

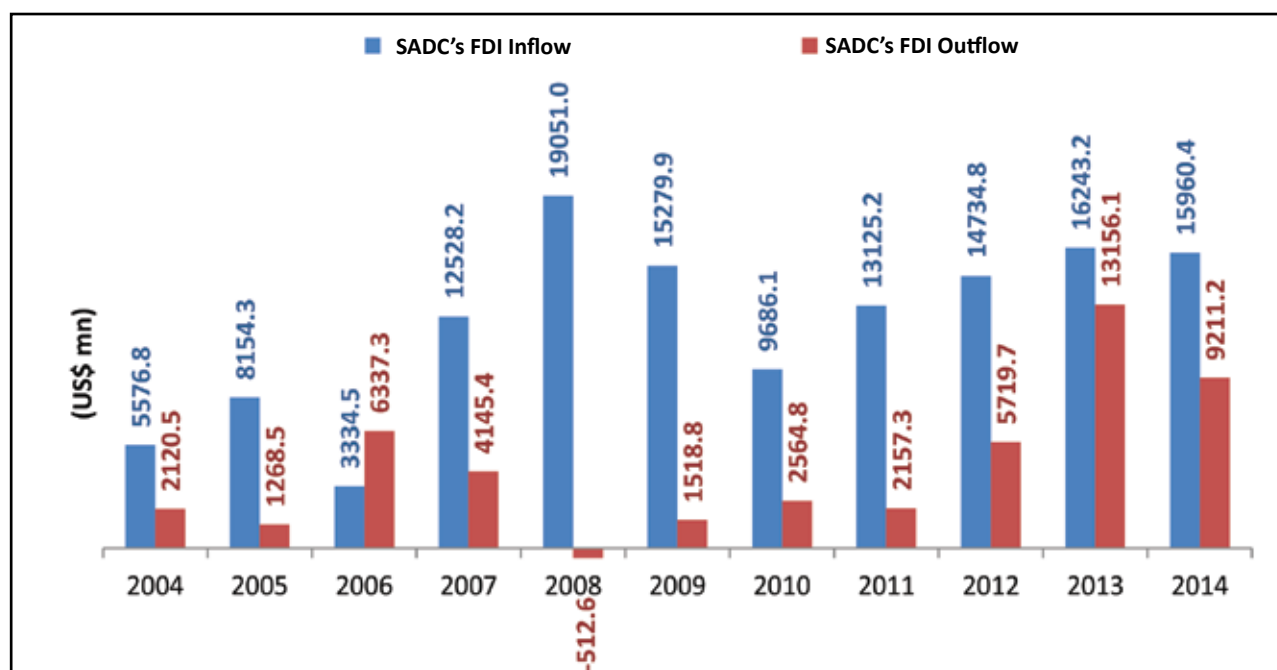
The SADC countries signed the Finance and Investment Protocol in 2006, acknowledging the need for accelerate growth, investment and employment in the Region through increased cooperation, coordination and management of macroeconomic, monetary and fiscal policies. The region also felt that sustained macroeconomic stability is a precondition for both, sustainable economic growth and creation of a monetary union.

SADC countries have encouraged foreign direct investment (FDIs) by developing various pro-investment policies. SADC is currently involved in the revision of the policy framework for investment adopted by the Organization for Economic Cooperation and Development (OECD) after 2002¹⁵.

The SADC Industrialization Strategy and Roadmap 2015 - 2063 during the Summit in Harare, Zimbabwe, on April 29, 2015, has provided a long-term perspective to sustainable and equitable development, and thus to poverty reduction. The Strategy primarily aims at technological and economic transformation of the SADC region through industrialization, modernization, skills development, science and technology, financial strengthening and deeper regional integration.

The current trend of FDI flows into SADC countries is a reflection of the region's improved overall economic performance and growing attractiveness. FDIs flows to the SADC region have been mainly resource-based. According to the United Nations Conference on Trade and Development's

Chart 4.1: FDI flows to SADC (US\$ mn)



Source: World Investment Report 2015, UNCTAD; and Exim Bank Analysis

¹⁵SADC, 'Investment Focus Group Meeting Strengthening the Policy Framework for Investment', Johannesburg, 3-4 July 2014' <http://www.sadc.int/news-events/events/investment-focus-group-meeting/>

(UNCTAD) World Investment Report 2015, FDI inflows to the SADC region stood at US\$ 16 billion in 2014, as compared to US\$ 5.6 billion in 2004 (**Chart 4.1**). FDI flows to a region account for a nearly 30 per cent of Africa's total FDI inflows in 2014.

On a year-on-year basis, FDI inflows to SADC declined by 1.7 per cent in 2014 as compared to US\$ 16.2 billion in the previous year, mainly due to the sharp fall in inflows to South Africa and Mozambique. South Africa received investments worth US\$ 5.7 billion in 2014, down by 31 per cent from 2013; and Mozambique saw its flows decline by 21 per cent to US\$ 4.9 billion in the same year.

Despite the fall in investments during the year, South Africa and Mozambique continued to be major destinations for FDI inflows to SADC. Other destinations for FDI flows during the same year were Zambia, Tanzania and DR Congo (**Table 4.1**).

In South Africa, the services sector received strong inflows, as companies plan to use it as a base to expand regionally. Select non-financial investments in South Africa include, multi-national enterprises (MNEs) setting up Africa-oriented information technology services and call centres (e.g. Wipro India's establishment of a software company in 2014) and investments in hospitality (e.g. Marriott's acquisition of the 116-hotel Protea Hotel Group, completed in 2014)¹⁶.

Table 4.1: FDI Inflows in SADC Countries (US\$ mn)

Country / Region	2004	2012	2013	2014
SADC Inflow	5576.8	14734.8	16243.2	15960.4
South Africa	798.0	4558.8	8300.1	5712.3
Mozambique	475.5	5629.4	6175.1	4901.8
Zambia	364.0	2433.4	1809.8	2483.8
Tanzania	330.6	1799.6	2130.9	2141.6
DR Congo	409.0	3312.1	2098.2	2063.2
Zimbabwe	8.7	399.5	400.0	544.8
Mauritius	11.2	589.0	258.6	418.4
Namibia	225.8	1133.4	800.5	413.7
Botswana	391.1	487.2	398.5	393.2
Madagascar	95.2	812.5	567.1	350.7
Seychelles	37.4	260.2	170.2	228.7
Malawi	107.8	129.5	119.5	130.0
Lesotho	55.6	56.6	50.3	46.4
Swaziland	69.6	31.5	84.4	12.7
Angola	2197.2	-6898.0	-7120.0	-3881.0

Negative FDI flows imply that new investments were offset by some large divestments
Source: World Investment Report 2015, UNCTAD; and Exim Bank Analysis

¹⁶World Investment Report 2015, UNCTAD

Outward FDI flows from SADC declined to US\$ 9.2 billion in 2014, as compared to US\$ 13.2 billion recorded the preceding year. Outward FDI from SADC were primarily dominated by investments from South Africa and Angola (**Table 4.2**).

South African MNEs invested in telecommunications, mining and retail. South Africa's MTN is one major investor, establishing data centres, sales offices and 4G projects in Côte d'Ivoire, Ghana, Swaziland and Uganda. Mauritian companies, Smile Telecoms and Liquid Telecom, established several greenfield FDI projects across Sub-Saharan Africa in order

to construct a cross-country 4G and fibre-optic network.

SADC's FDI inflow - Projects, Capex, Jobs Created

For the purpose of the following analysis, data from Financial Times' FDI Markets has been used. According to **Chart 4.2**, capital investments in SADC recovered since 2013, and stood at US\$ 34.4 billion in 2014¹⁷. However, the rise was primarily driven by few large deals. The number of incoming projects declined to 266 in 2014, as compared to 347 in the previous year. Likewise, the number of jobs created also declined.

Table 4.2: FDI Outflows from SADC Countries (US\$ mn)

Country / Region	2004	2012	2013	2014
SADC Outflow	2120.5	5719.7	13156.1	9211.2
South Africa	1350.1	2987.6	6648.9	6937.5
Angola	783.2	2740.8	6044.2	2131.0
DR Congo	7.6	420.5	400.7	343.6
Mauritius	31.7	180.4	134.6	90.8
Zimbabwe	0.0	49.0	27.0	72.0
Seychelles	7.6	8.5	7.9	8.1
Madagascar	-	-	-	-
Mozambique	-	3.2	-	-
Tanzania	-	0.0	-	-
Swaziland	-1.4	39.3	4.4	-0.7
Lesotho	0.9	-38.2	-34.0	-31.4
Namibia	-22.2	-11.3	-13.2	-34.2
Botswana	-38.7	-8.0	-84.6	-43.0
Malawi	1.8	49.8	-46.0	-50.0
Zambia	-	-701.9	66.2	-212.6

¹⁷ nil or negligible

Negative FDI flows imply that new investments were offset by some large divestments

Source: World Investment Report 2015, UNCTAD; and Exim Bank Analysis

¹⁷Data from FDI markets may differ from that of UNCTAD, as FDI Markets tracks the capital investment at the date of announcement of the investment, while official data tracks FDI at the date the capital effectively crosses borders. Further, UNCTAD receives data from national authorities, whereas FDI Markets collects data from media sources, industry organisations and investment agencies as well as information from market research.

Largest investments in the region during the decade have been in the coal, oil and natural gas, metals, real estate, alternative or renewable energy, and communication sectors. Major recipients to investment in the coal, oil and natural gas sector were Angola, Mozambique, South Africa, Tanzania and Zimbabwe.

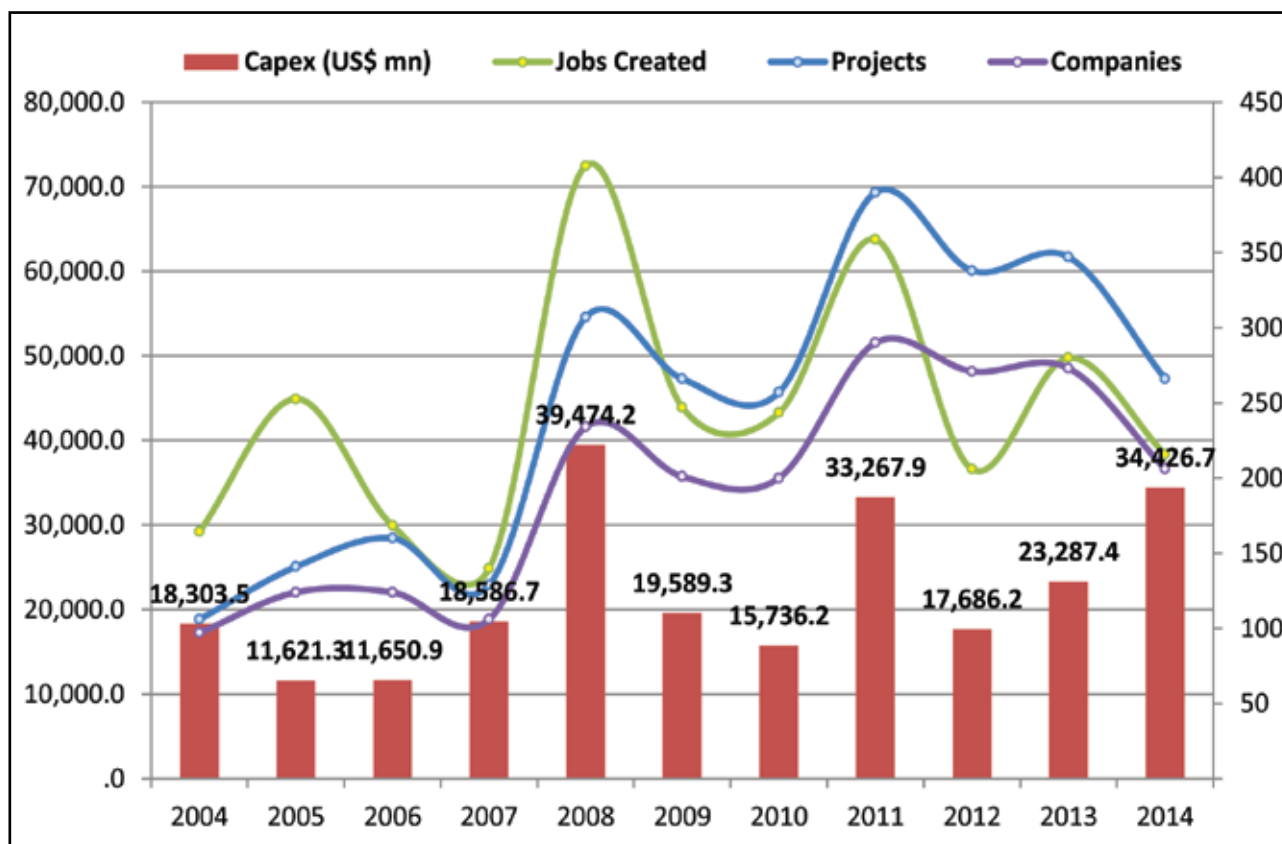
Investments in the region were mainly from the US, France, the UK, China, Brazil, and Portugal, among others.

Governments throughout the SADC region have been at the forefront to attract more investment. The region's FDI reforms aimed at removal of obstacles to FDI so that foreign investors can participate in development of most sectors of

national interest. The standards of treatment of FDI have been improved, with the principle of non-discrimination recognised across the region. If exceptions exist, they are primarily motivated by the aim of increasing local participation in investment projects and to provide special support to local enterprises¹⁸.

Limitations on profit remittances and repatriation of capital have been dropped or substantially relaxed. This has come together with constitutional provisions on the protection of property rights in most countries, which allow expropriations only in exceptional circumstances to be motivated by a public purpose. The need for compensation when a government expropriates property is also uncontested across the region.

Chart 4.2: Summary of Projects, Capex, Jobs Created in SADC



Source: FDI Markets; and EXIM Bank Analysis

¹⁸OECD-SADC Policy Brief, June 2015

There are also statutory guarantees for contract enforcement and recourse to legal systems for redress. Mechanisms for dispute settlement are on the rise with arbitration and mediation centres set up in several countries. Governments have also initiated reforms to improve access to land.

To further attract investors, all SADC countries have setup investment promotion agencies, even though their performance varies from one country to another. Some countries also have one-stop shops service centres. SADC countries offer generous tax incentives to make the FDI climate more attractive.

Further, the signing of bilateral investment treaties (BITs), as an affirmation of an open investment climate, has supplemented domestic regulations to liberalise and protect investments. Together, the 15 SADC Member States have signed over 250 BITs, of which over 100 are in force. Countries in the consolidating phase of their enabling environment for investment, like Mauritius, Mozambique, the Seychelles and Zambia have in particular been quite active in expanding their network of investment treaties. There is also an emerging trend towards conclusion of BITs with emerging economies and among SADC countries themselves. A number of countries have also joined international organisations and mechanisms related to investments such as the World Bank's Multilateral Investment Guarantee Agency (MIGA), the International Centre for Settlement of Investment Disputes (ICSID), the World Intellectual Property Organisation (WIPO), the African Regional Intellectual Property Association (ARIPO), and the World Trade Organisation (WTO).

Doing Business Rankings

Doing Business Rankings, conducted by the World Bank and International Finance Corporation (IFC), provides an aggregate ranking on the ease

of doing business based on indicator sets that measure and benchmark regulations applying to businesses through their life cycle. The Ease of Doing Business Rankings 2016, covers 189 economies across the world and are ranked from 1 – 189. A high ranking on the ease of doing business index means the regulatory environment is more conducive to the starting and operation of a local firm. The ranking is based on 10 topics, namely, starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency, and equal weight is given to each topic. Doing business rankings of SADC countries is presented in **Table 4.3**. Among SADC members, six countries, namely Angola, DR Congo, Madagascar, Malawi, Seychelles and Tanzania, witnessed an improvement in their doing business rankings over the previous year.

Angola

Angola, was ranked 181st in the Doing Business Rankings 2016, an improvement of two places from the previous year. Select initiatives that led to this improvement in rank include:

- Starting a Business: Angola made starting a business easier by improving registration procedures and reducing the fees to register a company.
- Paying Taxes: Paying taxes were made less costly for companies by reducing the corporate income tax rate.

DR Congo

DR Congo, was ranked 184th in the Doing Business Rankings 2016, an improvement of three places from the previous year. Select initiatives that led to this improvement include:

Table 4.3 Doing Business Rankings of SADC Countries

SADC Countries	DB2015	DB2016	Change over previous year	Rank in Sub-Saharan Africa Region in 2016*
Angola	183	181	↑	42
Botswana	72	72	-	3
DR Congo	187	184	↑	44
Lesotho	110	114	↓	10
Madagascar	166	164	↑	32
Malawi	144	141	↑	16
Mauritius	31	32	↓	1
Mozambique	128	133	↓	14
Namibia	101	101	-	7
Seychelles	104	95	↑	5
South Africa	69	73	↓	4
Swaziland	102	105	↓	8
Tanzania	140	139	↑	15
Zambia	91	97	↓	6
Zimbabwe	153	155	↓	27

*Total 47 countries in the Sub-Saharan Africa Region

Source: World Bank's Doing Business Report 2016

- **Starting a Business:** DR Congo made starting a business easier by simplifying registration procedures and reducing the minimum capital requirement.
- **Dealing with Construction Permits:** Dealing with construction permits was made less expensive by halving the cost to obtain a building permit.

Madagascar

Madagascar, was ranked 164th in the Doing Business Rankings 2016, an improvement of two

places from the previous year. Select initiatives that led to this improvement include:

- **Registering Property:** Madagascar made transferring property less costly by lowering the property transfer tax.
- **Getting Credit:** Access to credit was improved by broadening the range of assets that can be used as collateral (including future assets), by allowing a general description of assets granted as collateral and by allowing a general description of debts and obligations.

- Protecting Minority Investors: Madagascar strengthened minority investor protections by requiring that directors with a conflict of interest fully disclose the nature of their interest to the board of directors.
- Trading Across Borders: Time for border compliance for both exporting and importing was reduced by upgrading port infrastructure—and also reduced the time for documentary compliance for importing.

Malawi

Malawi, was ranked 141st in the Doing Business Rankings 2016, an improvement of three places from the previous year. Select initiatives that led to this improvement include:

- Getting Electricity: Malawi reduced the time required to get electricity by engaging subcontractors to carry out external connection works.
- Resolving Insolvency: New rules providing clear procedural requirements and time frames for winding up of a company were adopted.

Seychelles

Seychelles, was ranked 95th in the Doing Business Rankings 2016, an improvement of nine places from the previous year. Select initiatives that led to this improvement include:

- Getting Credit: Seychelles improved access to credit information by establishing a credit registry

Tanzania

Tanzania, was ranked 139th in the Doing Business Rankings 2016, an improvement of one place from the previous year. Select initiatives that led to this improvement include:

- Trading Across Borders: Tanzania reduced the time for both exporting and importing by implementing the Tanzania Customs Integrated System (TANCIS), an online system for downloading and processing customs documents.

5. India's Investment Relations with SADC Countries

In recent years, besides being major recipients of global FDI inflows, India is emerging as an important global investor with increasing overseas investments in target markets.

Though India had business interest and investment in Africa since very long, these were largely driven by small and medium enterprises and traders. But the recent wave of FDI from India to Africa is driven by the bigger Indian companies.

In the SADC region, most Indian companies have made significant investment in the extraction sector. Sustained increase in commodity prices coupled with increasing demand for energy and raw materials in the domestic economy are the major driving forces for these companies. Particularly for oil and energy companies, the quest for energy security in India is one of the major motivating factors for investing in the region.

In the SADC region, Indian MNEs have ventured into both Greenfield and Brownfield investments, spanning across various sectors including manufacturing, mining, construction, and energy, among others.

Indian banks are growing their partnerships with SADC countries largely based on their clients, who have increased demand for banking options in the region. Select Indian Banks in SADC region include Bank of India (South Africa, Tanzania and Botswana), Bank of Baroda (Mauritius, Seychelles, South Africa, Botswana and Tanzania), State Bank

of India (South Africa, Mauritius and Botswana), Canara Bank (South Africa), and ICICI Bank Ltd (South Africa). Joint ventures by Indian Banks in the SADC region include Indo-Zambia Bank Ltd. (Bank of Baroda, Bank of India and Central Bank of India).

According to data from the Ministry of Finance and Reserve Bank of India, India's approved cumulative investments in the SADC region¹⁹ during April 1996 to March 2015 amounted to US\$ 46.5 billion. Mauritius, Mozambique and South Africa were the top destinations of India's investments in the region. India's investments in the SADC region accounted for nearly 93 per cent of Indian investments in Africa (**Table 5.1**).

Indian FDI in Africa has traditionally been concentrated in Mauritius, taking advantage of the latter country's offshore financial facilities and favourable tax conditions. Indian investors have, however, been investing in other countries of the region, too.

Mauritius

India's approved FDI outflows to Mauritius amounted to US\$ 4.6 billion during 2014-15, and were mainly in the manufacturing sector, accounting for 65 per cent of total investments. Cumulative FDI outflow from India into Mauritius during April 1996 – March 2015 was US\$ 43.2 billion.

¹⁹ Approved Overseas Direct Investment implies RBI Approvals for Overseas Direct Investment in Equity, Loan and Guarantees

Table 5.1: India's Approved Overseas Direct Investment in SADC Region (US\$ mn)

S.No	Name of the country	April 1996 to March 2007	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	April 1996 to March 2015
1	Mauritius	2572.1	1506.3	2651.2	2351.8	13106.9	7421.1	4438.9	4581.9	4580.8	43211.0
2	Mozambique	10.1	3.2	4.9	-	3.0	1.0	0.6	2643.1	7.7	2673.5
3	South Africa	59.1	46.2	22.1	70.2	41.8	12.2	137.5	19.1	29.5	437.6
4	Zambia	2.5	-	0.5	0.1	0.9	2.8	4.5	12.0	41.7	64.8
5	Tanzania	4.5	10.5	0.1	21.3	6.6	7.4	7.4	3.8	1.6	63.2
6	Botswana	3.5	2.3	8.1	5.7	2.9	5.6	3.9	0.9	5.0	38.0
7	Seychelles	-	-	-	-	2.5	0.7	-	0.3	-	3.5
8	Zimbabwe	2.5	-	-	-	-	0.1	-	-	0.2	2.9
9	Madagascar	-	-	-	-	-	0.6	1.9	-	0.3	2.8
10	Namibia	0.1	-	0.1	-	0.6	1.3	-	0.2	-	2.3
11	Malawi	-	-	1.0	0.3	-	-	-	-	0.1	1.4
12	Swaziland	-	-	-	0.4	-	-	-	-	-	0.4
	SADC	2654.6	1568.5	2692.1	2449.7	13165.2	7453.4	4594.7	7261.3	4667.0	46501.3

Note: '-' nil or negligible

Source: Ministry of Commerce and Industry (MOCI), Government of India and RBI

Among Indian companies, eight Public Sector Enterprises are currently functioning in Mauritius. Bank of Baroda, Life Insurance Corporation (LIC), and New India Assurance Corporation (NIAC) were the first to establish operations, followed by other PSUs including India Handloom House, Telecommunications Consultant India Ltd. (TCIL), Indian Oil (Mauritius) Ltd., Mahanagar Telephone (Mauritius) Ltd. and State Bank of India (Mauritius) Ltd. Besides their core activities, the PSUs have also contributed to various activities in Mauritius under their Corporate Social Responsibility (CSR) schemes.

Some high-visibility Indian-assisted projects in Mauritius include the Mahatma Gandhi Institute, the Upadhyay Training Centre, the Jawaharlal

Nehru Hospital, the Subramania Bharati Eye Centre, the Rajiv Gandhi Science Centre and the Rabindranath Tagore Institute. Prestigious symbols of recent Indian assistance include the Cyber Tower at Ebene and the Swami Vivekananda International Conference Centre (SVICC).

The Offshore Patrol Vessel Barracuda, built by an Indian shipyard under a Government of India's (GOIs) Line of Credit, was commissioned into the Mauritian National Coast Guard in March 2015. India also provides extensive capacity building and training inputs to the Mauritian armed forces, besides carrying out regular joint patrolling/surveillance exercises in the Mauritian Exclusive Economic Zone (EEZ). India has also provided assistance in the setting up of Mauritius's National Hydrographic Unit.

A three-year Agreement between the Mangalore Refinery and Petrochemicals Ltd. (MRPL) and the State Trading Corporation of Mauritius for supply of all petroleum requirements of Mauritius was renewed in July 2013²⁰.

India and Mauritius have signed several bilateral agreements some of which include:

- Double Taxation Avoidance Convention (1982);
- Air Services Agreement (1972; amended in 1995);
- Bilateral Investment Promotion and Protection Agreement (1998);
- Agreement for Cooperation in Information Technology (2000);
- Memorandum of Understanding (MOU) on Cooperation in Biotechnology (2002);
- Extradition Treaty (2003);
- MOU on Cooperation in the field of Environment (2005);
- MOU for Cooperation in the field of Hydrography (2005);
- MOU for setting up a Preferential Trade Agreement (2005);
- Supply Contract of one Dhruv Advanced Light Helicopter;
- MOU on the setting up of Public Key Infrastructure (PKI) in Mauritius based on Indian PKI model;

- MOU on Science and Technology Cooperation (2012);
- Educational Exchange Programme (2012);
- MOU on Textiles (2012);
- MOU between Rajiv Gandhi Science Center (RGSC) Trust Fund, Mauritius and National Council of Science Museums (NCSM), India, for setting up a hybrid planetarium (2012);
- MOU on cooperation in MSME Sector (2013);
- MOU on cooperation in Communication and Broadcasting between Mauritius Broadcasting Corporation and Prasar Bharti (2014);
- MOU on Cooperation in Ocean Economy (2015); and
- MOU in the field of Traditional Systems of Medicine (2015)

Mozambique

India's approved FDI outflows to Mozambique amounted to US\$ 7.7 million during 2014-15. India's investment in Mozambique is mainly in mining and transportation sectors. Cumulative FDI outflow into Mozambique, during April 1996 - March 2015 stood at US\$ 2.7 billion.

Some of the Indian companies present in Mozambique include Tata Steel, Jindal Steel & Power Ltd. (JSPL), JSW, Essar, Midwest Africa, Coal India Ltd. in coal mining; Damodar Ferro in iron ore mining; Essar in port development; and Pure Diets, Rajarambapu Group, HK Jalan Group and Asian Tea company in agriculture²¹.

²⁰Ministry of External Affairs (MEA), Government of India

²¹ibid

ONGC Videsh Ltd. and Oil India Ltd. completed the acquisition of 20 per cent already held by another Indian oil company, Bharat Petro Resources Ltd. (BPRL). Most recently, International Coal Ventures Pvt. Ltd. – a special venture set up by Steel Authority of India Ltd., Coal India Ltd., Rashtriya Ispat Nigam Ltd., National Mineral Development Corporation Ltd. (NMDC) and National Thermal Power Corporation Ltd. acquired coal assets in Tete from Rio Tinto.

India and Mozambique signed a Bilateral Investment participating stake in Area 1 of the Rovuma gas block. This is in addition to 10 per cent already held by another national oil company, BPRL.

India and Mozambique signed a double taxation avoidance agreement on May 31, 2011 and a Bilateral Investment Promotion and Protection Agreement on February 19, 2009, which came into effect on September 23, 2009.

South Africa

India's approved direct investments in South Africa stood at US\$ 437 million during April 1996-March 2015. Major Indian companies in South Africa include Tata (automobiles, IT, hospitality, and ferrochrome plant), UB Group (breweries and hotels), Mahindra (automobiles) and a number of pharmaceutical companies, including Ranbaxy, Cipla, among others, as well as IT companies and some investments in the mining sector.

According to the Ministry of External Affairs (MEA), GOI, select areas of cooperation between India and South Africa include:

- The India-South Africa Joint Commission at the level of Foreign Ministers was set up in 1994.

- On June 6, 2003, the Foreign Ministers of India, Brazil and South Africa (IBSA) met in Brasilia and agreed to set up a Dialogue Forum as a part of the IBSA initiative, which was further upgraded to a Summit level in 2006. Under the IBSA initiative, 16 Sectoral Working Groups have been established in areas such as health, agriculture, education, human settlements, science and technology and defence.

- South Africa was also admitted as a member of the BRICS grouping and attended the 3rd BRICS meeting held in April 2011 at Sanya, China. The 4th Summit was held in New Delhi, India, following which South Africa hosted the 5th Summit at Durban in March 2013. Thereafter, 6th BRICS Summit was held in Fortaleza, Brazil in July 2014 and 7th BRICS Summit was held in the Russian city of Ufa in July 2015.

Zambia

India's approved direct investments in Zambia amounted to US\$ 64.8 million during April 1996-March 2015. Indian companies have invested mainly in mining, manufacturing and banking sectors in Zambia.

Some of the Indian companies that have invested in Zambia include Vedanta Resources, Tata Group (including Tata Africa Holdings, Tata Consultancy Engineering, Taj Pamodzi, and Tata Motors), RJ Corporation, Nava Bharat Ventures Ltd., Dharni Sampada Pvt. Ltd., and Bharti Airtel.

Indo-Zambia Bank Ltd. is a registered commercial bank in Zambia formed as a joint venture (JV) between the Government of Zambia (GoZ) and three Indian banks namely, Bank of Baroda, Bank of India and Central Bank of India.

RJ Corporation is the authorized bottlers of PepsiCo in Zambia. Nava Bharat Singapore Ltd., a subsidiary of Nava Bharat Ventures Ltd., Hyderabad, purchased 65 per cent equity shares in Mamba Collieries Ltd. (GoZ holds the remaining 35 per cent shares through Zambia Consolidated Copper Mine Investment Holdings).

Taurian Manganese Ltd., part of Dharni Sampada Pvt. Ltd., invested in manganese mining in Zambia and plans to invest in construction of a manganese processing plant in Serenje district in Central Province.

NRB Pharma Ltd. started construction of a pharmaceutical plant in Lusaka South Multi-Facility Economic Zone (MFEZ) in June 2013. Bharti Airtel launched its brand, Airtel Zambia, in November 2010 and is now the leading mobile service provider in Zambia. Investments by Tata include a five-star hotel the Taj Pamodzi, managed by the Taj Hotels group; a joint venture between Zambia Electricity Supply Company (ZESCO) and Tata Africa Holdings called "Itezhi Tezhi Power Corporation Ltd." (ITPC).

Further, Indian companies have signed various agreements for the development of various sectors in Zambia. Mylon Laboratories Ltd. of India signed an Agreement with Zambian Authorities to construct a state of the art oral solid dosage pharmaceutical facility in Lusaka South MFZE. Cooperation Agreement between BLK Super Specialty Hospital, New Delhi, and the University Teaching Hospital of Zambia in July 2015; MOU between Apollo Group of Hospitals and Zambian Health Ministry in October 2015 are few examples of collaborations in the health sector.

Select areas of cooperation between India and Zambia include:

- India and Zambia have set up a Joint Permanent Commission at the Ministerial level.

- The two countries signed an Agreement for Cooperation in Trade and an MOU for Cooperation in Agriculture (2003).
- In April 2012, Zambia was notified as one of the beneficiary of India's Duty Free Tariff Preference Scheme (DFTP). The Scheme grants duty free access on about 85 per cent of India's total tariff lines and preferential access (Positive List) on about 9 per cent of tariff lines. Only 6 per cent tariff lines are under the Exclusion List. Duty free and Positive List cover about 92.5 per cent of global exports of Least Development Countries (LDCs).

Tanzania

Approved Indian investments in Tanzania stood at US\$ 63.2 million during April 1996 -March 2015. Major Indian companies and brands operating in Tanzania include Bank of Baroda, Bank of India, Tata International Ltd., NMDC, insurance companies (LIC, NIC, United India), Reliance Industries Ltd., Kamal Group of Industries, Bharti Airtel, Escorts, Ashok Leyland, Eicher, Bajaj, TVS, Kirloskar and Godrej. All major Indian pharmaceutical companies have their distributors and representatives in Tanzania.

Tanzania is one of the largest beneficiaries of training slots allocated under the Indian Technical and Economic Cooperation Programme (ITEC) and Special Commonwealth Assistance for Africa Programme (SCAAP) programmes, and also avails number of such training slots offered under India-Africa Forum Summit (IAFS). The two countries signed an Agreement on Friendship and Technical, Economic and Scientific Cooperation, within the framework of ITEC cooperation. Starting with 24 trainees annually, it has gradually increased to 330 slots in 2014-15. 285 slots for civilian officers and 39 for defence officers were utilized in the year 2014-15.

Some of the important bilateral agreements between India and Tanzania include:

- Agreement on Friendship and Technical, Economic and Scientific Cooperation (1966);
- Trade Agreement (2000), following which a Joint Trade Committee was established;
- MOU for Co-operation in the field of Agriculture and Allied Sectors (2002);
- Agreement on Cooperation in Information Technology and Services (2004);
- MOU on JV between National Social Security Fund, Tanzania, Ministry of Health and Social Welfare and Apollo Hospitals Ltd. (2011);
- Agreement on Double Taxation and Prevention of Fiscal Evasion (2011);
- Joint Action Plan between National Small Industries Corporation Ltd. and Small Industries Development Organisation (2011); and
- Letter of Intent between Ministry of Steel, India, and Ministry of Energy and Minerals, Tanzania (2013).

Other Areas of Cooperation include:

- An IT Resource Centre at Arusha, project for establishing Incubation Centres at Small Industry Development Organization (SIDO), and a Vocational Training Centre (VTC) at Zanzibar are being funded under GOI grants.
- SIDO of Tanzania was established with the assistance of the National Small Industries

Corporation Ltd. (NSIC), India, in November 2007.

- Two Indian funded IT/ Communication projects have been established: A Centre of Excellence in ICT by C-DAC; and the PanAfrican e-Network Project by TCIL. The Centre is named "India-Tanzania Centre for Excellence in Information and Communication Technology" (ITCoEICT). The ITCoEICT was set up at Dar-es-Salaam Institute of Technology.

Botswana

India's approved direct investments in Botswana stood at US\$ 38 billion during April 1996 to March 2015.

Botswana is mineral-rich country and offers great potential for investment in the mining sector. Indian diamond companies and businessmen, especially from Gujarat (Surat) have always shown keen interest in buying rough diamonds as well as in investment in the downstream industries in the diamond sector, mainly in the cutting and polishing of the rough diamonds. At present three major Indian companies, Shrenuj, Blue Star and KGK Diamonds have offices and factories in Botswana.

Besides, diamonds, Botswana also has huge deposits of coal, copper, nickel, soda ash, salt, and uranium. JSPL took over CIC Energy (a Canadian company) for beneficiation of coal mining and power production. JSPL has plans to set up two coal-fired 300 MW power in the Mamambula coal blocks areas where huge coal deposits have been found.

According to MEA, select Bilateral Agreements between India and Botswana include:

- Bilateral Trade Agreement (2001);

- Protocol for Foreign office consultations (2002);
 - Agreement on Bilateral Cooperation (2006);
 - Agreement on the Avoidance of Double Taxation (2006);
 - Programme for Cultural Cooperation (2007);
 - Pan African E-Network Project (2008), inaugurated in 2010;
 - MOU on Cooperation in Agriculture (2010);
 - Educational Exchange Programme (2010);
 - MOU on MSME / SMME (2010);
 - MOU on Science and Technology (2010);
 - MOUs between NSIC of India and Local Enterprises Authority of Botswana (2010);
 - Agreement on the Establishment of Joint Ministerial Commission (2011); and
 - Memorandum of Agreement (MOA) between India and Botswana for Secondment of Indian Army personnel for training BDF personnel (2014).
- between its capital city Victoria and other regions of Mahé Island.
- Select Agreements between India and Seychelles include:
- Trade Agreement (2000);
 - Joint Business Council (2000);
 - Bilateral co-operation in various fields is governed by the Joint Commission (JCM) on Economic and Technical Co-operation;
 - India and Seychelles signed a Bilateral Investment Promotion and Protection Agreement (BIPA) on June 02, 2010, which is yet to come into force;
 - MOU on Renewable Energy Cooperation (2015);
 - MOU for Cooperation in the field of Hydrography (2015);
 - Protocol on Sale of Navigational Charts / Electronic Navigational Charts (2015); and
 - Agreement on the Development of Facilities on Assumption Island (2015).

Seychelles

India's approved direct investments in Seychelles during April 1996-March 2015 stood at US\$ 3.5 million. India's Bharti Airtel Telecom group has set up its mobile telephone and internet services in Seychelles since 1998. Tata has so far supplied most of the fleet of buses for Seychelles to ply

Zimbabwe

During April 1996 to March 2015, the cumulative Indian FDI in Zimbabwe stood at US\$ 2.9 million. Indian public sector companies like Indian Railway Construction Company (IRCON), Rail India Technical & Economic Services (RITES), Water and Power Consultancy Services (WAPCOS) and TCIL have in the past executed infrastructure projects in Zimbabwe.

Indian companies, Kirlosker and Jain Irrigation have supplied pumps and irrigation equipment.

Indian pharmaceutical companies in Zimbabwe include Ranbaxy, Cipla, among others.

Chadha Power of India has been awarded a contract to refurbish four units at the Hwange Thermal Power Station near Victoria Falls.

Surface Investment has set up a multi-seed edible oil producing plant near Harare capable of producing 100,000 bottles of edible oil daily. The project is a joint venture between Midex Global Pvt. Ltd., Indore and Industrial Development Corporation of Zimbabwe.

PM Electronics, India, is exporting transformers to Zimbabwe Electricity Supply Authority (ZESA). The company has also signed a technology transfer agreement with ZESA Enterprises – a subsidiary of ZESA – for a transformer manufacturing project in Harare.

Technofab Engineering Ltd., Delhi won three orders for rehabilitation of water supply and sewage systems in Mutare, Harare, Chitungwiza, Kwekwe, Chegutu and Masvingo. The project is funded by Crown Agents on behalf of Ministry of Finance, Government of Zimbabwe.

Angelique International Ltd., Delhi were awarded contract for works “Emergency Power Infrastructure Rehabilitation Project” by the Government of Zimbabwe in 2013. The project was completed in July, 2014.

Tata International has acquired Blackwood Hodge (Zimbabwe) Pvt. Ltd., and is the authorized and sole distributor of Tata Vehicles in Zimbabwe.

India and Zimbabwe signed the Joint Commission Agreement in January 1987.

Madagascar

Indian companies have invested in the mining, oil and gas sectors, telecom sector and health sectors. Select Indian companies investing in Madagascar include Airtel (telecom), Dr. Aggarwal's Eye Hospital (healthcare), among others.

Namibia

Some of the major Indian investors in Namibia include Vedanta Resources of India, which acquired Skorpion Zinc Mine (Namibia) from Anglo American Zinc. A Tsumeb-based joint venture between Indian GPT Group of Companies and Trans-Namib, GPT-Trans Namibia Concrete Sleepers (Pty), was formed for producing concrete railway sleepers for local use.

India and Namibia established a Joint Trade Committee in 1995.

Malawi

Indian companies in Malawi are engaged in agro-processing, chemicals, energy, financial service and insurance, food processing, information technology and software development, logistics, textile, cosmetics and pharmaceuticals, mining, manufacturing, hotel and hospitality, among others.

Indian companies that have invested in Malawi include, among others, Bharti Airtel, Mahindra Infotech, Hi Tos Linear Agency Pvt. Ltd., Weismann Ltd., Tata, Mahindra, Godrej, Kirloskar, Ashok Leyland, and TVS. In 2012, Dhunseri Petrochem and Tea Ltd. (DPTL) invested in Tea Estates in

Malawi. To promote trade and investment from India, the Malawi High Commission has opened a business centre in Surat, Gujarat in October 2013.

Select bilateral agreements India has entered into with Malawi include:

- General Cooperation Agreement (2010);
- MOU on Cooperation in the field of Mineral Resources Development (2010);
- MOU on Cooperation in the field of Rural Development (2010);
- MOU on Cooperation in the field of Health and Medicine (2010);
- MOU on Cooperation in the field of Agriculture and Allied Sectors (2010);
- Protocol for Consultations between Ministry of Foreign Affairs of Malawi and Ministry of External Affairs of India (2010); and
- National Small Industries Corporation of India and One Village One Product of Malawi for cooperation in the development of small scale enterprises in Malawi.

Swaziland

Indian companies have invested mainly in the mining sector of Swaziland. Indian investors in Swaziland include Ekasilaa Mining Pvt. Ltd., JSW Group and Indian Immunologicals Ltd.

DR Congo

There are a few Indian companies engaged in the mining of copper, cobalt and diamond in DR Congo. In 2010, a contract to lay down power transmission lines of 400 KV over a distance of 260 kms from Inga in Bas Congo province to the

capital Kinshasa was signed between Kalpataru Power Transmission Ltd., India and the Congolese National Electricity Company, SNEL. KEC International signed an agreement with SNEL for supply and installation of 2,200 kms optical power ground wire, on the existing 220 KV and 500 KV transmission lines. Bharti Airtel has acquired Zain Communications Network in the country in 2010. Tata Motors have a distribution centre in DR Congo.

Select bilateral agreements between India and DR Congo include:

- Joint Commission for Political, Economic, Scientific, Technical and Sociocultural (2008);
- Cultural Cooperation Agreement (2009);
- Foreign Office Consultations (2010);
- Agreement on Mutual Promotion and Protection of Investments (2010); and
- India and DR Congo signed a Bilateral Investment Promotion and Protection Agreement (BIPA) on April 13, 2010, which is yet to be ratified.

Angola

Among Indian companies in Angola, RITES undertook a Rehabilitation study for the Angola Railway system, as a part of Africa Fund initiatives.

Lesotho

According to MEA, select Agreements signed between India and Lesotho include:

- Bilateral MOU on Rural Development was signed with the Government of Lesotho in July 2011; and

- National Small Industries Corporation and Basotho Enterprises Development Corporation (BEDCO) have signed MOU for Mutual Cooperation for the Development of Small Industries in Lesotho. This envisages strengthening the capacity of BEDCO for development sustenance and growth of small enterprises in Lesotho, facilitating transfer of technologies from India to Lesotho, assistance in setting up a Common Facility-cum-Training Centre to meet the skill and technology needs of small enterprises in Lesotho and facilitating enterprise-to-enterprise contacts with a view to promote Indian investment and industrial partnerships in Lesotho.

FDI inflows to India from SADC

FDI inflows to India from SADC region have been dominated by investments from Mauritius that accounts for 35.2 per cent of India's overall FDI inflow. Mauritius is the largest investor in India in

terms of cumulative FDI inflows, mainly due to the Double Taxation Avoidance Convention. Others countries from the region investing in India include South Africa, and Seychelles (**Table 5.2**).

Table 5.2: FDI Equity Inflows to India from SADC Region (US\$ mn)

Country	FDI Inflow during April 2000 to March 2015	
	(US\$ mn)	Share in India's FDI inflow (%)
SADC	88,028.23	35.40
Mauritius	87,555.00	35.2
South Africa	289.6	0.1
Seychelles	181.3	0.1
Tanzania	1.6	-
DR Congo	0.5	-
Others	0.2	-

'-' nil or negligible

Source: Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India

6. Export-Import Bank of India in SADC Region

Export-Import Bank of India (Exim India) commenced operations in 1982. The Bank was set up under an Act of Parliament (Export-Import Bank of India Act 1981), for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade. In its endeavour to promote India's international trade, Exim India's vision has evolved from financing, facilitating and promoting trade and investment, to a conscious and systematic effort at creating export capabilities; Exim India today seeks to develop commercially viable business relationships with externally oriented companies.

The countries in the SADC region have always been a focus region for Exim India, and thus a critical component of its strategy to promote and support two-way trade and investment. As a partner institution to promote economic development in the Region, the commitment towards building relationships with the SADC Region is reflected in the various activities and programmes, which Exim India has set in place.

Exim India has representative offices in Johannesburg, South Africa, and Addis Ababa, Ethiopia, play a key role in facilitating economic cooperation with the SADC Region, and are closely associated with several of the Bank's initiatives. The representative offices interface with multilateral institutions such as African Development Bank (AfDB), Afreximbank, regional

financial institutions such as Eastern and Southern African Trade and Development Bank (PTA Bank), and developmental financial institutions such as Industrial Development Corporation of South Africa Ltd. (IDC), as well as Indian missions in the region with the aim of increasing bilateral commercial engagements between the two regions.

Lines of Credit

To enhance bilateral trade and investment relations, Exim India has in place several Lines of Credit (LOCs) extended to a number of institutions/agencies in the SADC region. These LOCs supplement the 'Focus Africa' programme of the Government of India (GOI) and are extended especially to priority sectors, identified by GOI for mutual cooperation and benefit. Besides these operating LOC extended at the behest of GOI, Exim India extends its own commercial LOCs to various financial institutions and other entities in Africa, such as, PTA Bank (covering 17 countries in the eastern and southern African region), Indo-Zambia Bank and Afreximbank. These LOCs facilitate import of project-related equipments and services from India on deferred credit terms. At the same time, many of these LOCs are earmarked for infrastructure and related projects. As on January 31, 2016, the total number of operative LOCs to the SADC region stood at 46 extended to 12 countries and amounting to US\$ 2.4 billion. Of these, 43 LOCs aggregating to US\$ 2.3 billion, are guaranteed by GOI. A list of LOCs extended to African countries is given at **Annexure 2** and select examples include:

- **Angola** – Railway rehabilitation project; industrial park; and textile project;
 - **DR Congo** – Hydroelectric project; setting up a cement factory, acquisition of buses, rehabilitation of manganese mine and acquisition of equipment; transmission and distribution project; and installation of pumps;
 - **Lesotho** – Export of tractors, pump sets, consultancy services and irrigation equipment; and vocational training centre project;
 - **Madagascar** – Rice productivity and fertilizer production project;
 - **Malawi** – Cotton processing; one-village one-project; green belt initiative; irrigation and threshing plant; procurement of design, supply, installation and commissioning of fuel storage facilities; irrigation network; and commissioning of sugar processing facility;
 - **Mauritius** – Supply of offshore patrol vessel; purchase of specialised equipment and vehicles; and acquisition of Waterjet Fast Attack Craft;
 - **Mozambique** – Gaza Electrification Project; water drilling project; IT park project; agricultural productivity enhancing programme; housing project; road rehabilitation project; rural drinking water and electrification project; and solar photovoltaic module manufacturing plant;
 - **Seychelles** – Export of vehicles, spare parts, automobile tyres, cables, medicine etc.; and import of goods and services from India for specific projects;
 - **Swaziland** – IT project; and agricultural development and mechanization of agriculture;
 - **Tanzania** – Export of tractors, pumps and vehicles; water supply schemes; and extension of pipeline;
 - **Zambia** – Hydroelectric project; and Pre-fabricated Health Posts; and
 - **Zimbabwe** – Up-gradation of pumping station and river water intake system; and renovation/upgradation of thermal power plant.
- Institutions:**
- **Afreximbank** – General purpose;
 - **Eastern and Southern African Trade and Development Bank (PTA Bank)** – General purpose;
 - **Indo-Zambia Bank** – General purpose.
- Project Exports**
- Exim India plays a pivotal role in promoting and financing Indian companies in execution of projects. Towards this end, the institution extends funded and non-funded facilities for overseas industrial turnkey projects, civil construction contracts, supplies as well as technical and consultancy service contracts. In the African Region, Indian companies have implemented numerous projects, spanning various sectors, with support from Exim India. These projects, in turn, facilitate and support infrastructure development in host countries, thereby contributing to the overall development process in the region.
- As on September 30, 2015, the value of ongoing 55 project contracts secured by Indian Project

exporters in the SADC region amounted to ₹ 116.4 billion. Of these, 39 project contracts valued at ₹ 61.8 billion are under GOI-supported LOCs. Such projects include, besides others: setting up of industrial park project and textile project in Angola; upgrading road project in Tanzania; and power (generation and transmission) projects in DR Congo, Mauritius, Mozambique, Tanzania and Zambia.

Buyer's Credit under National Export Insurance Account (NEIA)

In order to provide further impetus to project exports from India on medium- or long-term basis, especially in the infrastructure sector, in April 2011, a product called Buyer's Credit under National Export Insurance Account (BC-NEIA) was introduced. Under this programme, Exim India facilitates project exports from India by way of extending credit facility to overseas sovereign governments and government owned entities for import of goods and services from India on deferred credit terms. Indian exporters can obtain payment of eligible value from Exim India, without recourse to them, against negotiation of shipping documents. NEIA is a Trust, set up by Ministry of Commerce and administered by ECGC.

As on December 31, 2015, Exim India has sanctioned an aggregate amount of US\$ 308.3 million under BC-NEIA for 8 projects in the SADC Region (in four countries namely Mozambique, Tanzania, Zambia and Zimbabwe) valued US\$ 323.3 million.

Overseas Investment Finance

Further, Exim India supports Indian companies in their endeavour to globalise their operations, through overseas joint ventures (JVs) and wholly owned subsidiaries (WOS). Such support includes loans and guarantees, equity finance and in select cases direct participation in equity along with Indian

promoters to set up such ventures overseas. In the SADC Region, Exim India has supported several such ventures in countries such as South Africa, Mauritius and Tanzania, across a range of sectors like agriculture and food processing, agro-based products, auto and auto components, chemicals, construction, electronics, engineering goods, EPC services, mining and minerals, plastics products, packaging, software and IT enabled services, and textiles. These ventures serve to promote value addition, as also contribute to capacity building and capacity creation in host countries. As on December 31, 2015, Exim India through its overseas investment finance programme has supported 26 Indian companies in four countries in the SADC region with an aggregate sanction of ₹ 38.5 billion.

Project Development Company (PDC) in Africa

Africa is a region of opportunities, as the continent is receiving plenty of investments in the infrastructure space. The PPP structure is slowly getting popularised by the national governments, increasing the interest of the private sector in infrastructure development. However, institutional capacity in several African nations is in a nascent stage.

Addressing the limited institutional capacity in Africa on conceptualisation, management, execution and imparting project development initiatives, Indian institutions such as Exim India, IL&FS, and State Bank of India have joined hands with the AfDB, and promoted a Project Development Company (PDC) for infrastructure development in Africa.

The PDC, named Kukuza Project Development Company, has been incorporated in Mauritius in July 2015. 'Kukuza' in Swahili means 'a cause to growth'. Reflecting the name, the PDC is expected to provide specialist project development expertise to take the infrastructure project from concept to

commissioning in the African Continent. The PDC will provide the entire gamut of project development expertise to various infrastructure projects, such as project identification, pre-feasibility/ feasibility studies, preparation of detailed project reports, environmental and social impact assessment, etc.

The PDC shall utilise the domain expertise of each partner during the project development process to establish a bankable and sustainable implementation format based on an in-depth understanding of the concerns of all the stake holders - public authority, users community, developers/ investors and lenders.

Association with African Development Bank (AfDB)

India is a member of the African Development Bank (AfDB) Group. Many Indian companies participate in projects funded by the AfDB Group. Exim India works very closely with AfDB and has an active programme which offers a range of information, advisory and support services to Indian companies to enable more effective participation in projects funded by multilateral funding agencies, including AfDB. Exim India assists Indian companies in projects supported by AfDB by not only fund and non-fund based assistance, but also by providing advance alerts on upcoming opportunities. With support from Exim India, Indian project exporters have secured a number of overseas contracts in Africa in sectors such as power, telecommunications, transport, water supply & sanitation. Exim India and AfDB have also signed an agreement for co-financing projects in Africa. The agreement envisages joint financing of projects (priority being given to support projects of small and medium enterprises) in regional member countries of AfDB. Exim India also organizes Business Opportunities seminars in Projects funded by AfDB across various centres in India.

Africa – India Partnership Day

Exim India together with FICCI (Federation of Indian Chambers of Commerce and Industry) organizes the Africa – India Partnership Day, on the sidelines of AfDB's Annual Meeting, with an objective of sharing India's developmental experiences with Africa, particularly in Public-Private Partnership model of financing infrastructure development. Exim India, along with FICCI, has so far hosted three such events; first being on May 30, 2013 in Marrakech, Morocco; followed by Kigali, Rwanda, on May 22, 2014, and Abidjan, Côte d'Ivoire, on May 27, 2015. The Africa-India Partnership Day has become a regular feature of the AfDB Annual Meeting, and showcases the immense scope for expanding the mutually enriching partnership between Africa-India.

Exim India's engagements in ITC's SITA

On March 09, 2014, Department for International Development (DFID) mandated the International Trade Centre (ITC), United Kingdom, to design and implement a project, called 'Supporting India's Trade Preferences for Africa' now called 'Supporting Indian Trade and Investment for Africa' (SITA). SITA is a six-year (2014-2020) project that aims at promoting exports from five East African countries – Ethiopia, Kenya, Rwanda, the United Republic of Tanzania and Uganda – to India through investment and skills transfer from the Indian side. Exim India had entered into an MOU with ITC in Geneva on March 26, 2014, under which it was associated with ITC's SITA initiative. The Project was in its inception Phase during March 2014 to March 2015, where a roadmap for SITA, including the focus sectors, was defined. The implementation phase of SITA (March 2015-March 2020) was officially launched in New Delhi, India, during March 19-20, 2015.

Member of Association of African Development Finance Institutions (AADFI)

Exim India is a member of Association of African Development Finance Institutions (AADFI), a forum of institutions/ banks with the objective of creating co-ordination and economic solidarity among the development finance institutions in the African continent. The membership of AADFI helps to provide a platform for building linkages with other institutions in Africa, which are members of AADFI.

Further, Exim India's equity in Agricultural Finance Corporation, which offers consultancy support in development of agro-technology; promoter membership in 'Small Farmers' Agri-Business Consortium (SFAC)', an investment institution whose objectives include promoting small and medium agri-business ventures, places Exim India in a vantage position to share its expertise and support development related activities in Africa.

Global Network of Exim Banks and Development Finance Institutions (G-NEXID)

Exim India has entered into a Memorandum of Understanding (MOU) with four Exim Banks and Development Financial Institutions (DFIs) to form Global Network of Exim Banks and Development Financial Institutions (G-NEXID). The five signatories are Export-Import Bank of India, Export-Import Bank of Malaysia, African Export-Import Bank, Andean Development Corporation and Export-Import Bank of Slovakia. G-NEXID was formally launched at its inaugural meeting at UNCTAD, Geneva on March 13, 2006. Annual Meetings are held to deliberate upon measures to foster long-term relationship, share experience and strengthen financial cooperation to promote trade and investment relations between developing countries. G-NEXID has been granted 'observer' status by UNCTAD.

G-NEXID members in the African Region include: African Export-Import Bank, Cairo; Banque Nationale d' Investissement, Côte d'Ivoire; Banque Pour Le Financement De Petites Et Moyennes Entreprises, Tunis; Central African States Development Bank, Brazza Ville; Development Bank of Mali, Bamako; Development Bank of Namibia, Windhoek; Development Bank of Zambia, Lusaka; Development Bank of Southern Africa, Midrand; East African Development Bank, Kampala; Economic Community of Western African States, Lome; Industrial Development Bank of Kenya, Nairobi; Industrial Development Corporation South Africa, Sandton; Nigerian Export-Import Bank, Nigeria; and PTA Bank, Nairobi.

Exim India's Country Mission

With a view to enhancing India's bilateral trade and investment relations and in order to support Indian entrepreneurs in their globalisation endeavours, Exim India has commissioned a country mission to select countries in Africa. The Mission endeavours to provide a framework for enhancing India's engagement in select countries in Africa by way of identifying key areas for commercial engagement while also assisting these countries in achieving their developmental objectives. This initiative is backed by Exim India's longstanding strategic and commercial relations with various institutions, bodies and organisations in Africa through its various capacity building programmes in various sectors in these countries.

The Mission to Africa covered countries including Mozambique, Rwanda and Tanzania in November 2014. The Mission team closely coordinated with Indian Missions, and held various rounds of interactions with Government officials of partner countries, multilateral institutions, business community, exporters, banks, Indian business diaspora, and other stakeholders, with a view to identifying business, trade and investment opportunities for Indian entrepreneurs.

GPCL as a Consultant

Global Procurement Consultants Ltd. (GPCL) has been promoted by Exim India in association with leading public sector and private sector consultancy organizations. GPCL's shareholding pattern creates a synergetic fusion of expertise, thereby providing a unique platform for sharing of collective Indian experience in a partnership mode with developing countries and emerging economies, in the professional management of projects, with particular reference to procurement services. GPCL synthesizes India's consultancy expertise in project management and procurement across varied sectors of the economy including finance, infrastructure, energy, transportation, environment, information and communication technology, industry, agriculture, mining, water resources, health and education. GPCL provides technical assistance in enhancing quality, transparency, efficiency and effectiveness of procurement and implementation services to help attain desired institutional and corporate objectives. GPCL supports, enhances and extends scope of project supervision, monitoring and evaluation as also strengthening of institutional capacity for effective programme/ project implementation. In doing so, GPCL leverages upon its demonstrated strengths derived from its core staff, panel of specialists, and resources of its shareholders to assist funding and project executing agencies.

GPCL has a demonstrated track record spanning all stages of the procurement cycle covering procurement advisory services, procurement management, procurement review, performance review, provision of support services, valuations, financial advisory services, overall procurement audit and governance, as also associated services related to training and capacity building. GPCL has undertaken a number of assignments, in India and numerous countries abroad, directly for

multilateral funding agencies or in projects funded by them. GPCL also has the distinction of being selected in some instances by the World Bank on a sole source basis, both in India and abroad.

GPCL has extensive experience supporting projects in Africa, and assignments undertaken include:

1. **Procurement Audit** of contracts in World Bank funded projects in Eritrea, Ghana, Malawi, Nigeria and Uganda covering Health, Education, Agriculture, Infrastructure, Power, Privatization and Emergency rehabilitation.
2. **Comprehensive re-appraisal** of Water Supply Projects in Nigeria funded by AfDB.
3. **Country Procurement Assessment Review (CPAR)** in the Kingdom of Swaziland for AfDB in order to examine the existing public procurement framework, benchmark them with good procurement practices, and provide recommendations to revamp the system for better governance.
4. **Procurement Monitoring Agent** for a World Bank funded health project in Kenya calling for review of the procurement of goods, services and minor works including an audit of the procurement processes of the institutions and procurement units supported by the project.

Partner in Institutional Building in Africa

As a partner institution in promoting economic development in Africa, Exim India shares its experience in the setting up of institutional infrastructure for enhancing international trade. In this regard, the Bank has taken active participation in the institutional building process in a number of countries in Africa. Besides being associated

in the setting up of the Afreximbank, Exim India undertook an assignment to design, develop, and implement a programme on Film Financing for Nigerian Export-Import Bank (NEXIM Bank) for expanding its exposure in financing films (under Film Financing Programme). Exim India has also been involved in the design and implementation of Export Finance Programmes for Industrial Development Corporation, South Africa; Consultancy Assignment for the Government of Mauritius on 'Projecting Mauritius as an investment hub for Indian Firms'; establishment of Export Credit Guarantee Company in Zimbabwe; and preparing a blue print for setting up of Export-Import Bank of Zimbabwe.

In 2015, International Trade Centre (ITC), Geneva, under its 'Supporting Indian Trade and Investment for Africa (SITA)' Project, awarded Exim India with Phase - 1 of an assignment for 'Institution Capacity Building for Export Credit and Insurance' to enhance trade competitiveness in Rwanda. The objective of the assignment is to establish a rationale and suggest a broad framework for establishing an Export Credit Insurance Corporation in Rwanda.

Institutional Linkages

Exim India has been consciously forging a network of alliances and institutional linkages to help further economic co-operation with the SADC Region. Towards this end, Exim India has taken up equity in Afreximbank, and Development Bank of Zambia. These endeavours are supplemented by the various Memoranda of Cooperation (MOCs) / Memoranda of Understanding (MOUs), the Bank has in place, with key institutions in the African Region including: AfDB; Eastern and Southern African Trade and Development Bank (PTA Bank); Afreximbank; Board of Investment, Mauritius;

ECO Bank (Pan African Bank); and Industrial Development Corporation of South Africa Ltd. (IDC)

Knowledge Building and Technology Transfer

In the area of knowledge building and technology transfer, Exim India's research studies have focused on potential areas for boosting India's trade and investment relations with Africa, the Economic Community of West African States (ECOWAS), Southern African Customs Union (SACU), Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Select West African and Southern African Countries, Least Developed Countries (LDCs), as also the member countries of Maghreb region. The recent research publications relating to Africa include:

- Enhancing India's Trade Relations with Africa: A Brief Analysis
- SADC : A Study of India's Trade and Investment Potential
- IBSA : Enhancing Economic Co-operation across Continents
- COMESA: A Study of India's Trade and Investment Potential
- Select Southern African Countries; and
- Southern African Customs Union (SACU).

Representative Office

Exim India has representative offices in Addis Ababa, Ethiopia; Johannesburg, South Africa; and Dakar, Senegal, which play a key role in

facilitating economic cooperation with the African region. Exim India's Johannesburg representative office has jurisdiction over all SADC member countries except Tanzania. Tanzania falls under the jurisdiction of Exim India's Addis Ababa representative office.

The representative offices interface with various institutions such as Industrial Development Corporation of South Africa Ltd., African Development Bank, regional financial institutions such as Eastern and Southern African Trade and Development Bank (PTA Bank), AfrExim India, and West African Development Bank (BOAD) as well as Indian missions in the region, thereby

being closely associated with the Bank's initiatives in the African region.

In a Nutshell

In sum, Exim India, with its comprehensive range of financing, advisory and support services, seeks to create an enabling environment for enhancing two-way flow of trade, investment and technology between India and the SADC Region. While promoting infrastructure development and facilitating private sector development in host countries, the various efforts of Exim India, ensconced in its range of activities, also contribute towards institutional building in the African Region.

7. Investment Opportunities for India in SADC Countries

The SADC member countries encourage investment from other nations to be their partner in achieving their long-term economic goals. For this reason, SADC has developed policies and procedures encouraging foreign direct investment (FDI), placing funding directly into production, which in turn contributes towards job creation, development of infrastructure and industry and economic progress in the region.

As the guiding financial policy for SADC, the Protocol on Finance and Investment highlights the importance of FDI. Article 3 of Annex 1 indicates that Member States of SADC should promote entrepreneurship in industries that specifically attract FDI. Similarly, Article 4 of Annex 3 directs Member States to collaboratively develop a framework for Tax Incentives that will draw foreign direct investment into the region.

Restrictions on Foreign Investment

While all SADC Member States encourage investment, each Member State still currently operates its own regulatory framework with its own level of economic liberalisation. Although many Member States are fully open to foreign investment in several sectors, certain strategic sectors still have limits on foreign investment. These sectors fall under special policies and programmes aimed at economically empowering the people in the region and protecting sovereignty.

According to SADC Secretariat, five SADC countries restrict foreign investment in telecommunications, with only Mauritius and

Zambia allowing 100 per cent foreign ownership; Madagascar and Mozambique only restrict fixed line telecommunications, allowing foreign ownership of mobile services; Angola restricts foreign ownership to 10 per cent in banking, 50 per cent in insurance, and 80 per cent in transportation; Tanzania restricts foreign investment in insurance to 66 per cent; and most SADC countries restrict media ownership by foreign investors, especially television broadcasting and only Madagascar and Zambia permit 100 per cent foreign ownership in the media sector.

Focus investment sectors in SADC Countries are stated in the following section.

ANGOLA

On August 11, 2015, the Angolan Government published and enforced a new Private Investment Law (Law no. 14/15). This law aims to reduce the bureaucracy surrounding the procedures for the acceptance of eligible investments, as well as to match the incentive and benefit mechanisms with Angola's current economic framework, thereby increasing the level of attractiveness for investors.

The new Law is applicable for foreign investments, regardless of their amount, as well as for internal investments with a global amount equal to or greater than KZ 50 million.

Incentives and tax benefits are now analyzed objectively, in accordance with specific criteria included in the Law, allowing for a gradual reduction of:

- Industrial Tax;
- Investment Income Tax; and
- Urban Property Transfer Tax.

This Law is, however, is not applicable for investment projects approved prior to its entrance into force. Accordingly, such projects are regulated by the Laws and the investment contracts under which the original investment was authorized. Any benefits and facilities granted under previous laws remain valid, in accordance to their original terms, although these may not be extended.

For the purpose of this present Law, a private investment is defined as (i) the use in national territory of capital, technologies and know-how, capital goods and others in specific economic projects, or as (ii) the use of funds intended to create new companies, groups of companies or any other form of corporate representation of domestic or foreign private companies, as well as the acquisition of the whole or part of the capital of existing Angolan companies, with a view to implementing or continuing a specific economic activity according to their corporate objects.

The Government of Angola is focused on economic diversification and innovation of new technologies. Major non-oil growth sectors in the country are infrastructure, technology, agriculture, fisheries, hospitality, forestry & timber, mining and minerals. Of these, infrastructure is perhaps the most significant in terms of size and socio-economic impact. Reflecting the need of the economy, infrastructure is attracting the majority share in FDI, which in critical sectors such as railways, ports, bridges, roads and buildings (factories, manufacturing plants) and new technologies in utilities and energy.

The hospitality market is also attracting significant investments from the public and private sectors and the government is providing tax exemptions

and incentives for companies setting up hotels and other hospitality facilities in the country.

Innovation in technology is also a major focus for investors. With young population, with around half of the population below the age of 20, and they have a huge appetite for technology. Foreign firms that can invest in growing technology businesses in Angola can do well in the consumer technology sector.

Technology in business – from engineering to farming or energy (particularly off-the-grid and renewables) is witnessing interest from foreign companies. Organizations that are pioneering new technologies in areas of sustainable energy are of particular interest to many African nations.

The sectors which provide the best business opportunities in Angola would include oil, minerals, civil construction and road, rail, port and airport infrastructure, water projects, agriculture, telecommunications, banking, tourism and energy. A brief highlight of select sectors are presented below.

Agriculture and related activities

The Republic of Angola is one of the largest countries of Africa south of the Sahara. The primary sector provides employment and food to the majority of the Angolan population (60-70 per cent).

Opportunities exist in activities such as -

- Seed production for cereals
- Fertilizer industries
- Agri-industries for processing maize, palm oil, sugar, soybeans, cassava etc
- Storage and silos

- Plants producing tools and other agricultural equipment;
- Agricultural mechanization;
- Fruit production and processing;
- Cattle production;
- Industrial poultry breeding;
- Animal feed production; and
- Fisheries.

Water Sector

Angola has a total water project portfolio of US\$ 6 billion during the period 2013-2017. The investment requirement of the country is given in the following **table 7.1**.

Mining Sector

The mining goals of the Angola Government, with a production target of US\$ 405 million, which is to be implemented in the period 2013-2017, include the following:

- Diversification of mining production (diamonds, iron, copper, gold, phosphates and dimension stones) and revenue sources;
- Control and surveillance of geological and mining activities;
- Investment across the row diamond: exploration, mining and jewellery;
- Partnerships with global groups in the area of stoning;
- Geophysical, geological and geochemical;
- Ensuring greater geological and mining base as new projects support; and
- Generate employment.

Areas of interest for Private investment are presented in the table alongside.

The diamond exploration activity is further broadening on traditional areas, and non-traditional, where prospecting projects are in place. Key sectors include Lunda South, Lunda North, Cuanza South, Cunene, Bié, Uíge, Malange, Huila, Kwanza South, Zaire, Huambo, Namibe, Cunene, Moxico and Kuando Kubango.

Table 7.1: Investment Requirement of Water Sector in Angola – 2013-2017 (US\$)

WATER SECTOR (AMOUNTS IN USD)	2013/2017	Years Following	Total
Water Supply in Luanda	1,211,079,180	14,511,820	1,225,591,000
Construction of system 4 bita wtp/distrib Syst.	500,000,000	0	500,000,000
Construction of system for piping/distrib wtp quilon ga grande	711,079,180	14,511,820	725,591,000
Expansion of Provincial Water Supply and Sanitation System	4,684,545,000	138,000,000	5,172,545,000
Provincial Capitals	2,710,000,000	0	2,710,000,000
Municipal Centers	1,412,545,000	0	1,412,545,000
Rural Systems-PAT	562,000,000	138,000,000	1,050,000,000
Water Resources	53,400,000	0	53,400,000
Total - Water Sector	5,949,024,180	152,511,820	6,451,536,000

Source: National Private Investment Agency of Angola

Diamond Exploration Areas in Angola

Sector	Number of Projects
Lunda Norte	16
Lunda Sul / Moxico	17
Malange / Cuanza Sul	23
Uige / Bengo / Zaire	12
Moxico	17
Planalto Central	24
Total	108

Most of the projects identified relate to gold (18 projects), basic metal (18 projects), copper (8 projects), iron (6 projects), semi-precious (6 projects) and barita (6 projects). Others include platinum, sodium, rock salt, uranium, nickel, fluorite, magnesium, molybdenite and mica.

Manufacturing Sector

Angola's priority industries include:

- Agro-industry;
- Food industries (sugar, coffee and palm oil);
- Grinding industry;
- Beverage industry (juices, milk);
- Packaging industry;
- Leather industry and cork;
- Textile Industry (rehabilitation Textang II, Textile Africa and SATEC);
- Pulp and paper industry;
- Construction of 23 and ceramic industries of paints and varnishes;
- Manufacture of rubber products;
- Industry electrical equipment;
- Chemical industry (ethanol, fertilizer and soil);
- Pharmaceutical industry;
- Light metal and metal products (aluminum);

- Industry of building materials (cement); and
- Automotive industry.

Oil & Gas

Along with oil production, around 1.2 BSCFD of associated gas is produced of which, 60 per cent is flared. The flaring of associated gas represents a significant economic loss. Aside from which, combustion products make a major contribution to environmental damage. But the Angolan government is now seeking to make more productive use of the resource. Converting some of it into Liquefied Natural Gas (LNG) for export and using some for domestic electricity production.

The Angolan LNG Project will:

- Facilitate development of fields without flaring the associated gas.
- Generate revenues from a resource that used to be considered as a by-product in oil-related operations.
- Allow Sonangol to move into a new business area.
- Be an anchor project for future opportunities in gas utilization and industrial development.
- Generate new jobs opportunities for nationals.

BOTSWANA²²

Key Priority areas for investment in Botswana include mining, energy, agriculture, livestock value chain investment, financial and business services, Transport and logistics, ICT, and Health Sector. Investment Opportunities in Botswana are given below.

Mining

Opportunities for investment in the mining sector include prospecting, expansion of existing mining projects, new mining projects, beneficiation of minerals and business opportunities resulting from links with other sectors. Projected production of mining activities is given in **table 7.2**.

Beneficiation and Value-Added Production: Coal

Several authorities have pointed out that Botswana is home to (unproven) reserve of over 200 billion tons of estimated coal resources, the majority of which remains untapped. recognizing this potential, and that the coal sector could be the most propitious new export sector and a potential substitute for Botswana's diamond revenue in time, development of the coal sector has become a key priority (**Chart 7.5**).

Beneficiation and Value-Added Production: Copper/Nickel

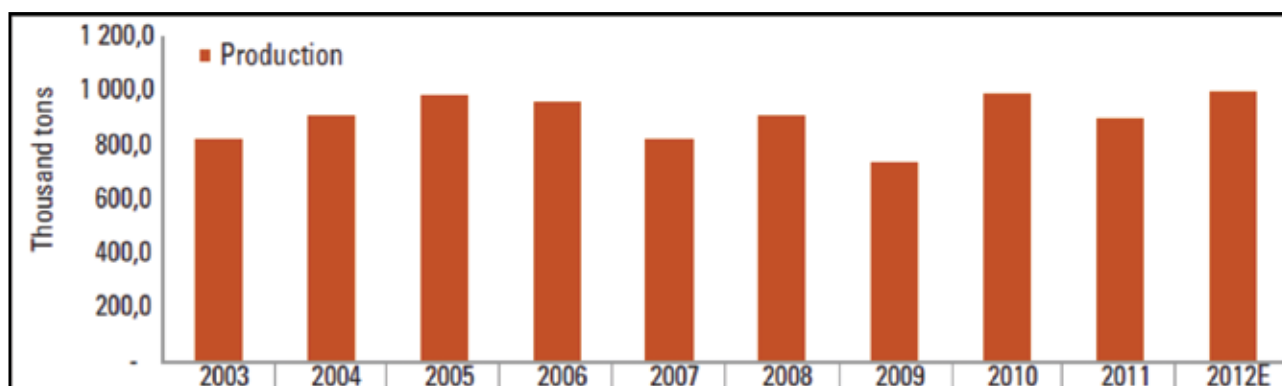
According to the United States Geological Survey (USGS), Botswana's mines produced an average

Table 7.2: Projected Mining Production in Botswana

Commodity	2016 ^f	2017 ^f
Coal ('000 tons)	7,600.00	15,800.00
Copper ('000 tons)	62.4	65.8
Diamond ('000 carats)	25,700.00	26,200.00

f - forecast
Source: KPMG (2014)

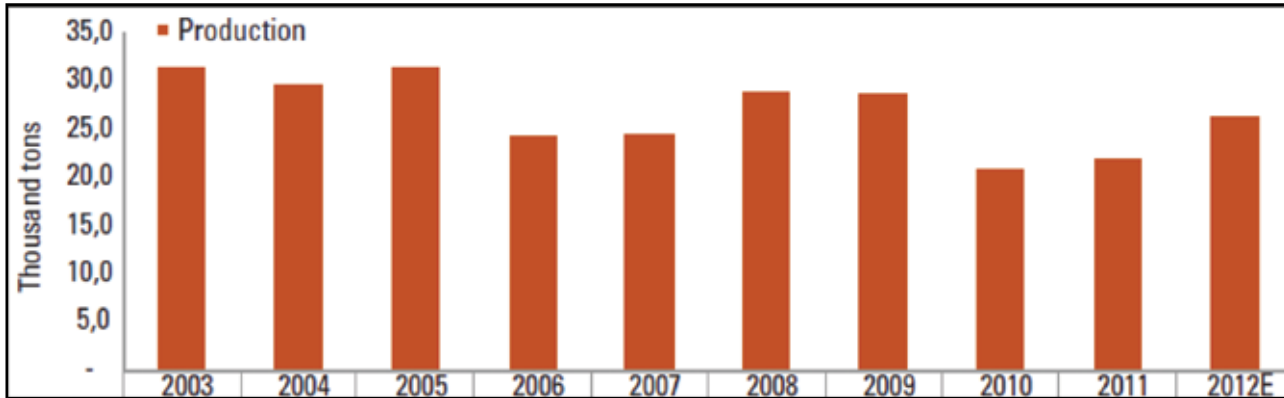
Chart 7.1: Botswana Coal Production, 2003–12



Source: KPMG, 2014

²²Botswana Investment and Trade Centre

Chart 7.2: Botswana Copper Production, 2003–12



Source: KPMG, 2014

of 27,140 tons p.a. of copper over 2006–10, while averaging 23,156 tons per annum of copper smelter production over the corresponding period (Chart 7.2).

Nickel is another material receiving much interest in Botswana. According to the United States Geological Survey (USGS), an estimated 26,000 tons of nickel were mined in 2012, which translates to around 1.2 percent of global production (Chart 7.3).

Beneficiation and Value-Added Production: Diamonds

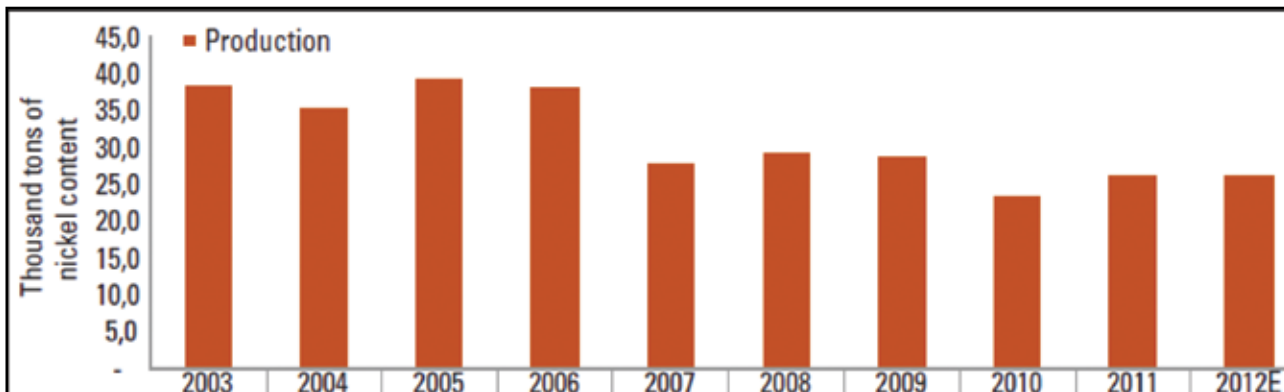
Beneficiation of diamonds is a particularly promising avenue for adding value to natural resources.

Botswana Diamond Hub has been established to develop a sustainable secondary diamond industry in Botswana. In the continuing expansion of diamond ancillary businesses, significant number of cutting and polishing companies have been licensed and are in operation. Although a significant proportion of these companies are located in and around Gaborone, there is also scope for establishing operations in other parts of the country.

Opportunities in the diamond sector present themselves in the following forms:

- *Direct Opportunities:* These involve areas such as diamond trading, cutting and polishing.

Chart 7.3: Botswana Nickel Production, 2003–12

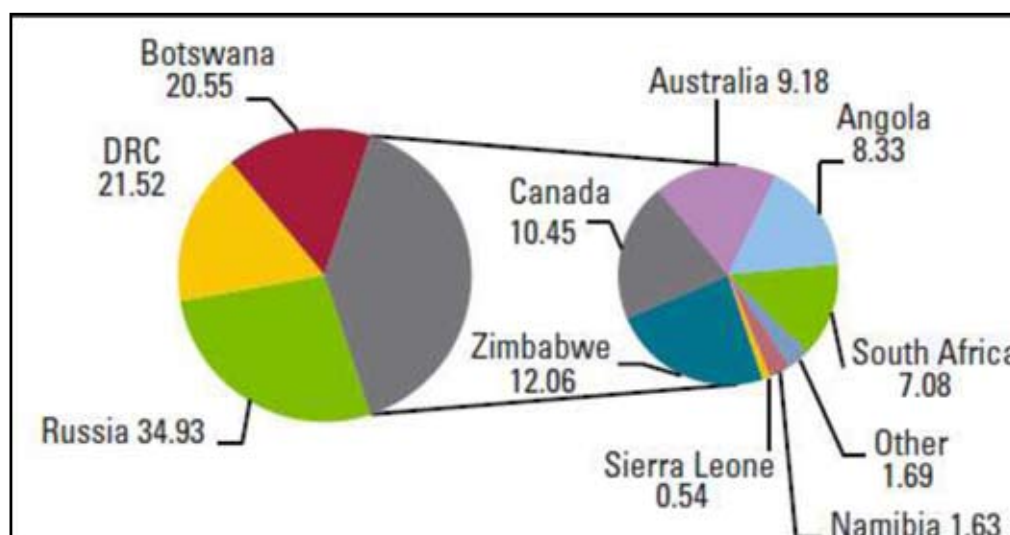


Source: KPMG, 2014

- **Ancillary Support Services:** These encompass the provision of specifically tailored services to the diamond sector such as banking, security, insurance, certification and brokerage services.
- **Support and Outsourcing:** Provision of general services which are not unique to the diamond industry, such as general security services, information technology and support, accounting and human resources services.
- **Economic Spin-offs:** Industries that will benefit from the growth and activity in the diamond sector such as hotels, restaurants and transportation services.

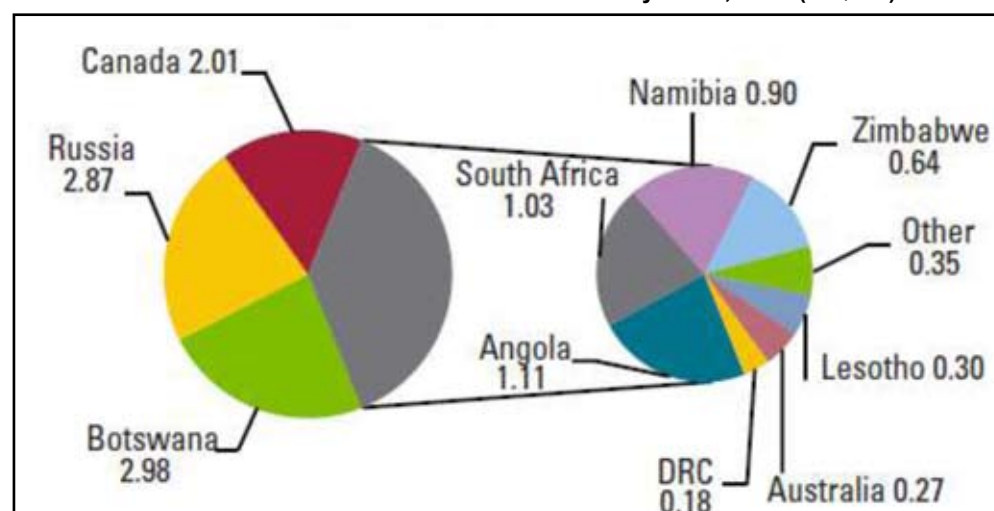
Botswana is the largest producer of diamond in the world in terms of value, and a third largest producer in terms of volume, after Russia and DR Congo (Chart 7.4 and 7.5).

Chart 7.4: Botswana's Diamond Production by Volume, 2012 (mn of carats)



Source: KPMG (2014)

Chart 7.5: Botswana's Diamond Production by Value, 2012 (US\$ bn)



Source: KPMG (2014)

Energy

Botswana currently has limited energy resources and therefore still relies on imported energy sources, especially petroleum products and electricity. At present, access to electricity remains limited to a relatively low percentage of the population. Urban households have a higher electricity connection rate at 43 per cent, compared to 18 per cent for rural households. This could be attributed to the high connection costs in the rural areas. The number of villages electrified as of January 2014 was 350 out of a total number of 494 villages. Energy resources available in Botswana include coal, solar and bio-energy (biomass and bio-fuels). Botswana has indicated reserves of some 212 billion tonnes of coal countrywide. The Morupule deposit is the only one being mined currently to supply Morupule power station, BCL smelter and Botswana Ash. The vast majority of Botswana's coal resources are unexploited.

Table 7.3 shows that domestic coal is the least costly option and given the relatively short construction periods for small and standard-sized projects, there is potential for investment in coal-to-power projects to replace electricity imports from Eskom and ensure domestic energy power security.

The Electricity Supply Act was amended in 2008 to enable Independent Power Producers (IPPs) in Botswana to generate and sell power.

Health Sector

The Botswana health system comprises both government (public-sector) and private-sector service providers. Public-sector healthcare services are provided at minimal fees for citizens while foreign nationals pay reasonable and subsidised fees. Private-sector healthcare services are mostly used by patients who opt not to use public-sector health services. Healthcare delivery is decentralised, with primary healthcare being the pillar. Botswana has an extensive network of health facilities: hospitals, clinics, health posts and mobile stops.

The opening of a 450-bed Medical Teaching Hospital in 2014/15, providing both undergraduate and postgraduate tuition in addition to healthcare and research capability, will improve personnel availability and quality of healthcare. There is huge shortage of hospitals and a large portion of services have been outsourced and most of pharmaceutical products and medical equipments are being imported. Some of the investment

Table 7.3: Cost Options for Electricity Generation in Botswana

Options	Cost US\$/kWh	Availability	Remarks
Existing coal (Morupule A)	5+	90 MW net	Decommissioned by 2020
Diesel units	50+	160MW	Short term gap fill only
Concentrating solar power	20	Up to 200 MW by 2020	50 MW targeted by 2016: needs donor support
CBM	7-22	200MW by 2020;50 MW likely by 2015/6	Exploration yet to commence; costs timing and capacity based on the availability of CBM
New coal plants	5+	Up to 3000 MW as per SAPP	4-year construction feasible for small units

Source: Botswana Investment and Trade Centre

opportunities identified by Botswana Investment and Trade Centre are highlighted below.

Public Sector Investment Opportunities

- Two acute care referral hospitals: Southern (+500 beds); Northern (435 beds);
- One referral psychiatric hospital (300 beds);
- Seven District hospitals (bed capacity of 270 – 330);
- Sixteen Primary hospitals and three mine hospitals (50 to 90 beds); and
- Several clinics of different sizes across the country (some with 20–30 bed capacity).

Private Sector Investment Opportunities

- Two hospitals in Gaborone (up to 300 beds) and a smaller private hospital in Francistown;
- Several private practices offering medical and allied health services around the country; and
- Outsourced services or in partnership with Government in areas of special need in the public sector (e.g. haemodialysis and cardiology services).

Specialised Medical Services Investment Opportunities

- Diagnostic Facilities (Imaging and Laboratory);
- Pharmaceutical Manufacturing Industries; and
- Manufacturing of Biomedical Equipment.

Agriculture

Since Botswana is a Net Food Importing Developing Country (NFIDC), there is an opportunity in domestic production of basic foodstuffs, particularly cereals (grain sorghum and maize) and pulses. Cereal national demand stands at 200 000 tons per year, of which only 17 per cent is supplied through local production. Investments in arable agriculture will stimulate private sector development, create employment, create value-addition opportunities, and enhance food security and ultimately exports²³.

The Pandamatenga agricultural Infrastructure development project, located in an area receiving the highest average annual rainfall, could create spin-offs in sunflower processing instead of exporting sunflower production for processing.

The Zambezi Agro-commercial Development Project presents another investment opportunity. The Zambezi River will supply irrigation to will help increase 20 000 hectares of agricultural development.

National Master Plan for Arable Agricultural and Dairy Development (NAMPAAADD) report also identify projected irrigation in Mmadinare-Tobane (750 hectares), supplied by Shashe Dam, and in Selebi-Phikwe (1,019 hectares) supplied by Letsibogo Dam. Spin off investment opportunities of these projects include horticulture packaging and gross sales to domestic and international markets at standardized rates. Tomato paste production is another opportunity, utilizing surplus tomato production, and opens the possibility to other food packing opportunities.

²³Source: Botswana Investment and Trade Centre, <http://www.bitc.co.bw/sector/agriculture?page=1>

DR CONGO²⁴

Key Priority areas for investment in DR Congo include the following.

Tourism

DR Congo has huge potential for investment in tourism sector. Around 12 per cent of the territory has been established as protected areas. The country has 7 national parks and 57 reservations areas. The country also has the presence of four endemic species: Mountain Gorilla, Okapi, Bonobo and Congolese Peacock. The ecosystem varieties covers almost 145 million ha.

Identified Investment opportunities include –

- Rehabilitation and construction of hotels, restaurants, protected areas and other touristic infrastructure;
- Designing new touristic sites;
- Modernisation of national parks and joint management opportunity;
- Development of eco-tourism;
- Construction of hotel in the Virugna park and a tourist site;
- Rehabilitation of the botanical EALE garden in Equateur;
- Creation of fluvial boating touristic transportation;
- Creation of both a marina, lakeside transportation and hiking;
- Setting up of a cable car in the Virunga mountains and in the volcanic site with accommodation and catering; and

- Creation of seaside resorts with beaches, shoreline access camping equipment

Telecommunication

DR Congo has the advantage of being a hub in the heart of Africa. The country has a market of nearly 70 million users and a penetration rate of 37 per cent for mobile telephone and 6 per cent for the internet. In order to build a national modern facility for telecommunication the country has offered various opportunities for investment, which include –

- Setting up of public phones;
- Development of companies for telecommunication construction of facilities;
- Computerisation of both public and private services and financial authorities; and
- Creation of a national network of fiber optics cable.

Power

DR Congo has identified its potential in generating electricity through hydroelectricity, biofuels and renewable energy

- *Hydroelectric Potential:* 100 000 Megawatts;
 - o 23 per cent of the global potential;
 - o 37 per cent of the African potential;
 - o 52 per cent of African reserves;
- *Biofuels:* possibility of huge production
- *Renewable energy:* solar, wind, turbine, biomass and geothermal

²⁴DR Congo Investment Promotion Agency

Investment Opportunities exist in the following:

- Construction of hydroelectric dams;
- Construction of 4 Pan African energy highways:
 - Inga-Cabinda (Angola) - Pointe-Noire
 - Gabon -Cameroon-Nigeria;
 - Inga-Kolwezi-Zambia Zimbabwe-RSA;
 - Inga-Angola-Namibia-Botswana-RSA
 - Inga - South Sudan - Egypt.
- Construction of hydroelectric plants Wanie of Rukula (688 MW) of Sombwe (186 MW) of Kalengwe (204 MW) and Kamimbi / FUTA (53 MW);
- Rehabilitation and modernisation of G16 and G13 groups of INGA I and G24 Inga II;
- Construction of Inga III low head (4800 MW) ;
- Construction of Inga III high head (3000MW);
- 217 hydroelectric sites identified for construction of hydroelectric power plants;
- Production Potential estimated at 44000 MW; and
- Transportation, Distribution and Marketing.

Agro-Industrial Sector

DR Congo is endowed with 80 million ha. of arable land and 4 million ha of irrigable lands of which only 10 per cent is currently exploited. It has a vast area of pasture for raising more than 40 million large heads livestock. The country also has a fish potential of 700000 tons per year, a varied climate and abundant rainfall (1000 mm per year) and a large reserves of fresh water.

Investment opportunities identified include:

- Development of fishing industry; fish farming, processing and preservation;
- Development of the Special Economic Zone(SEZ) Maluku aimed among others to the implementation of the agribusiness industry sector;
- Development of perennial crops industries: coffee, cocoa, tea, cinchona, hevea, sugar and palm oil;
- Development of food crops industries: maize, cassava, rice and soya;
- Development of economic activities in the agro industrial parks organised by the state, including that of Bukanga-Lonzo which is already operational;
- 22 agro-industrial parks have already been identified, including some with feasibility studies; and
- Creation of an international market in Kinshasa.

Hydrocarbon Sector

Potential for investments include:

- Coastal basin: (5992 sq. km, Province of Kongo Central);
- The sedimentary basin of the central basin;
- (800,000 sq. km) with 32 blocks which are not yet allocated; and
- The basin of the western branch of East Africa Rift :
 - o The Albertine Graben (5 blocks, 1 open for exploration);

- o The Tanganyika Graben (11 blocks)
- o Lake Kivu (open for exploration of methane gas)
- o Lake Upemba

Investment Opportunities exists in the following activities:

- Certification of oil and gas reserves;
- Prospection and exploration of sedimentary basins;
- Exploitation of Lake Kivu methane gas;
- Construction of a pipeline crossing the basin;
- Construction of storage facilities;
- Construction of a refinery;
- Production of road bitumen in Kongo Central Province; and
- Storage, transportation and Pipelines.

Mining

Potential exists in the following industries:

- Copper- cobalt-Zinc industry;
- Diamond industry;
- Chromium-Nickel industry;
- Tin industry;
- Auriferous: current mineral resources estimated at around 750 tons of Gold;
- Bauxite and phosphate industry; and

- Iron and manganese industry.

Investment Opportunities exists in the following activities:

- Setting up of processing units of the transformation of mining products;
- Setting up of diamond hewing, gold refinery and of smelting ores of tin accompanying;
- Existence of geological research zones for exploration works and development of deposits and convincing indices of cassiterites, wolfram, coltan, gold, diamond, copper; and
- Installation of cable manufacturing industries, etc.

Infrastructure

Potential exists in the following segments:

- Road network of 145,000 km, with only 3,000 km covered roads;
- 5,033 km rail road network to rehabilitate completely;
- Maritime, river and Lake network of 16,238 km to tag, dredge and exploit;
- 270 airport Platforms to reconstruct;
- 2 maritime international ports to modernise;
- To equip and dredge several ports in the country; and
- Interconnection roads of economic pools.

Investment Opportunities exists in the following activities:

- Construction of a deep water port at Banana;

- Construction of railroads, including the Banana-Matadi-Kinshasa-Ilebo railway;
- Modernisation of SNCC and SCTP railroads;
- Modernisation of the maritime ports of Matadi and Boma; and
- Modernisation of SCTP ports in the country.

LESOTHO²⁵

Potential sectors for investment in Lesotho include the following.

Renewable Energy

Lesotho produces 80 megawatts of electricity and the demand in winter goes as high as 120 megawatts. Opportunities lie in the generation of solar energy, wind energy and hydro power to generate electricity and meet the current supply gap. Excess power can be sold to neighbouring countries.

(a) Hydro power

The Lesotho Highlands Water project offers opportunities for mid to large scale hydropower development and several studies have been conducted on possible pumped-storage plants as well. It is estimated that the large-scale hydropower generation potential for Lesotho is approximately 450 MW.

Additionally, there is significant potential for small scale hydro as well as wind and solar energy. As to small scale hydro, there are currently four mini hydro-power stations in the mountains at Semonkong, Tlokoeng, Tsoelike and Mants'onyane. It is estimated that there are roughly other 20-40 sites available for exploitation with a combined potential of more than 20 MW.

²⁵Lesotho National Development Corporation

The situation in Lesotho is conducive to developing small hydropower systems due to adequate existing hydropower resources and a settlement pattern in rural areas that favours decentralised energy systems. The current legislation that allows independent power producers to generate electricity for the national grid and the creation of a National Rural Electrification Fund by the government is seen by the authors as facilitating the uptake of small hydropower technology. Feasibility studies have been completed on three preferred sites: Tlokoeng, Motete and Qacha's Nek.

(b) Wind energy

As regards wind energy, it has been estimated that Lesotho has the potential to generate over 6,000 MW of wind power in the future. Opportunities abound for investors in this area. Current projects include the 35MW Letseng Wind project and the Semonkong Wind project.

(c) Solar energy

As regards solar energy, the Lesotho Energy Master Plan estimated solar energy at an annual average of 7,520 MJ/sq. m per day on horizontal surface. As part of the national sustainable development policy, one of the main objectives of the government in the energy sector is to promote the adoption of solar energy technologies. The draft paper on renewable energy policy enlists solar PV applications and solar thermal technologies.

Manufacturing

(a) Textile and garments

Lesotho's garment industry produces approximately 90 million knitted garments a year. It is estimated that Lesotho consumes between 22,000 and 26,000 metric tons of knitted fabric

per year. A wide range of (mainly cotton) knitted garments is produced from single/double jersey, pique, interlock and rib fabrics. A number of factories are now beginning to produce fleece knitwear made from synthetics. An opportunity exists for establishment of higher value added garments as well as for establishment of knit mills to support the local garment industry.

(b) Consumer electrical and electronic appliances

Opportunities exist in the production of a wide range of finished goods from manufactured parts or sub-assemblies. These could involve assembly of intricate manufactured products such as engines, computers, electrical and electronic components, radio or test equipment, machine tool controls and prototypes of different types of products to meet the domestic and international markets. Currently only four companies assemble electronic and electrical products such as television sets and circuit breakers for international and regional brands.

(c) Leather and footwear

The leather industry in Lesotho is in its infancy stage. The country has two shoe manufacturing factories despite the fact that shoes qualify for all benefits under African Growth and Opportunity Act (AGOA). The two companies produce mainly for export while a large share of the domestic market has to rely on imports from South Africa.

Investment opportunities in this sector would include leather tanning and finishing, footwear and footwear components, leather garments, leather goods including bags, car seat covers, wallets, belts, gloves and other accessories.

²⁶Economic Development Board of Madagascar

MADAGASCAR²⁶

Six priority sectors have been identified: tourism, agribusiness, light manufacturing industry, Information and Communication Technology (ICT), infrastructure and mining

Agribusiness

Agribusiness is the key sector in Madagascar. Some of the potential products are given below:

- Oilseeds - including soya, palm oil
- Sugar – Sugar, ethanol, rum
- Fresh vegetables, fruits and beverages

Light Manufacturing Industry

Madagascar is endowed with highly qualified labour in textile industry. It is the largest exporter of garments in the Sub Saharan region

Mining

Mining products which have opportunities for investment include

- Gemstone: Diamond, emerald, ruby, sapphire, beryl, garnet and tourmaline;
- Ornamental and Industrial Stone: Quartz, crystal, graphite, gypsum, labradorite, marble and jasper
- Metals: Gold, iron, chrome, uranium, titanium, copper and nickel

Tourism

- Discovery tourism, sports, adventure, culture tourism and ecotourism

Information and Communication Technology (ICT)

- The country is connected to the world through two major fibres: the Eastern Africa Submarine Cable System (EASSy), in the south of the island and Lower Indian Ocean Network (LION) in the east. The sector has been liberalised in 2005.

MALAWI²⁷

The Government, through the Malawi Growth and Development Strategy (MGDS), has identified the promotion of local and foreign direct investment as a tool for achieving sustainable economic growth, reducing poverty, increasing exports and improving infrastructure development. The Government recognizes that the private sector is the engine for sustainable economic growth. The prioritized sectors identified by the Government offer the optimum returns to local and foreign investors. These targeted priority areas are:

Agriculture and Agro-processing

There are various investment opportunities in agriculture, including livestock production (for dairy and beef), aquaculture, horticulture, agro-processing, sugar, piggery, honey production, integrated cotton development, cassava production, and mushroom growing. These agricultural products can be processed and exported under trading arrangements encompassing SADC, COMESA, and GSP SCHEMES of the EU's EBA Initiative, AGOA, China General Tariff Preferential Treatment, the India Preferential Trade Arrangement Benefiting LDCs, and the Japan Preferential Trade Arrangement Benefiting LDCs. Investment opportunities as been identified in the following segments:

- a) Soya beans: Processing factory for turning soya into yogurt, cheese, tofu, miso, candles, cattle feeds, bio diesel, cooking oil, meat substitutes, and margarine for local and international markets.
- b) Fruits and Vegetables: Cold room and relevant transportation infrastructure; Processing factories for value addition to make purée, spices, pastes and juices; Storage, cleaning and grading facilities; Large-scale commercial farming; Market development; and Contract farming.
- c) Pigeon Peas/Pulses: Large scale commercial production of pigeon peas for household and industrial use; Processing pigeon peas into Dahl for the Asian market; Production factory for food supplements.
- d) Tea: Large-scale commercial production; Export trade to South Africa, Asia, Kenya and Europe ; Setting-up a tea processing factory for local and international markets.
- e) Sugar Production: Malawi is home to a tall tropical South East Asian grass (*Saccharum officinarum*) which has thick, solid, tough stems that are a chief commercial source of sugar. Sugar cane products include table sugar, falernum, molasses, rum, bagasse and ethanol. Malawi produces enough sugar for its internal consumption and for export. Investment Opportunities include:
 - Large scale production of sugarcane in the areas under the Green Belt Initiative (GBI)
 - Sugarcane processing facilities for export markets
 - Ethanol factories.

²⁷ Malawi Investment and Trade Centre (MITC)

f) Integrated Cotton Development: The Malawi government would like to develop an integrated cotton industry as a future potential diversification strategy away from tobacco, particularly given the growing global anti-smoking lobby. This strategy involves developing the industry across the value chain from seed multiplication to textile manufacturing. Investment Opportunities include:

- Selling certified seeds, chemicals and fumigants, and sprayers; and contract farming
- Large scale commercial farming
- Setting up ginning, yarn and textile factories
- Exporting processed cotton and textile products to the USA under the AGOA Trade Agreement

g) Other opportunities in agri- and agro-processing industry include:

- Livestock Production
- Cassava production
- Mushroom Production
- Fisheries/Aquaculture

Tourism Development

Malawi is endowed with beautiful and unique tourist sports including Lake Malawi, national parks and game reserves, Mulanje Mountain, wild game (the big five), forest reserves, and cultural and historical sites such as missionary graves and slave trade villages. Investment Opportunities identified by the Government of Malawi include:

- Eco-tourism
- Hotels, camps and lodges
- Water and lake sports
- Cultural and traditional troupes (community based tourism)
- Wilderness safari, travel and tours
- Game and forest lodges
- Casinos and entertainment centre

Mining

Malawi is naturally endowed with vast unexploited mineral resources. Government expects the increase in the contribution of the mining sector to GDP by at least 10 per cent annually. Currently mining is limited to: coal mining, quarrying, limestone production, and gemstone mining. Gemstone exports are dominated by aquamarine, amethyst, red and rhodolite garnets, quartz, aegerine and feldspar. Investments opportunities in industries related to the following:

- Gold
- Uranium
- Platinum group of minerals (pgms)
- Base metals
- Nickel and copper
- Dimension stone
- Phosphates
- Heavy mineral sands

- Graphite
- Coal

Manufacturing

Manufacturing accounts for about 17 per cent of Malawi's GDP. As most of the traditional agricultural crops such as tobacco and tea are exported in a semi-processed state, there are great opportunities for investors to convert these agricultural products into high-value finished products. Investors may venture into the manufacture of any of the products listed below:

- (a) Textile and Garment manufacturing: With market opportunities under AGOA and preferential bilateral agreements between Malawi and South Africa, investing in the garment/textile industry would be a smart choice for foreign investors.
- (b) Light manufacturing: Malawi imports most of its required household electrical fittings (e.g. cables, plugs, switches) and engineering materials, e.g. steel-based products. Investors are therefore invited to invest in this sector to reduce current imports and save foreign exchange.
- (c) Forestry: Malawi's large forest plantations are Viphya Plateau (Lusangazi, Chikangawa) Nyika Plateau at Chelinda, Dedza, Mulanje mountains and Zomba Plateau. Investment Opportunities include - Value addition to the country's vast forest resources via the manufacturing of timber and timber-based products such as blackboards, cheap boards, plywood etc.; Replanting of the forest; Possible concession of the forest areas; Log and logging supply agreements for harvesting and cutting of existing timber.

Energy Development

Energy development is crucial as it supports other industries for sustainable economic growth and infrastructure development. Huge private investment is required to meet increasing energy demand for both household and industry use. Hydro electricity, fossil fuels and biomass are the most used energy sources in Malawi. The Government is inviting local and foreign investors to invest in the following areas:

- Hydro generation, distribution and transmission;
- Solar energy;
- Wind energy;
- Fuel storage and oil pipeline facilities;
- Thermal power plant;
- Biomass stoves;
- Biogas and RPG; and
- Conduct feasibility studies for possible hydro generation sites.

The Greenbelt Initiative

This is a government initiative aimed at contributing towards the attainment of sustainable economic growth and development in line with the MGDS. It targets coverage of 1 million ha. of land aimed at reducing poverty, improving livelihoods and sustainable food security at both household and national level through increased production and productivity of agricultural crops, livestock and fisheries. Investment Opportunities exist in Irrigation Canals, Factories, Warehouses, Banks, Schools etc.

Nsanje World inland Freeport

Malawi's status as a land-locked country affects the cost of production as the landed cost of raw materials is high. Government of Malawi has initiated this project to provide a least cost access to the Indian Ocean port of Chinde in Mozambique. The waterway covers a distance of 238 km and is expected to reduce transportation costs by almost 60 per cent. Investment Opportunities exist in the following activities:

- Construction of oil pipeline and refinery;
- Storage facilities and warehouses;
- Hotels, shopping complexes, boats and barges; and
- Real estate developments.

MAURITIUS²⁸

Mauritius is gradually transforming itself into a hub and an international jurisdiction for investors in search of security, transparent regulation and high value-addition. Over the years, the economy has been successfully made a shift from a agro-based economy to a diversified, innovation-driven and knowledge-based economy, underpinned by a broad spectrum of business activities. According to the Board of Investment (BOI), Mauritius offers excellent business opportunities in the following industry sectors:

Agro-Industry

The agro-industry sector offers investment opportunities in the following areas:

- Agricultural biotechnology;
- Agro-processing;

²⁸ Board of Investment, Mauritius

- Bio farming;
- Dairy farming;
- Seed production; and
- Technology-based farming.

The Government has been actively encouraging agricultural and agro-industrial development to diversify the industry. Today, investments in this sector are oriented towards technology-driven and high-value activities.

Aquaculture

Situated in one of the world's cleanest oceans, Mauritius offers investment opportunities in:

- Lagoon cage culture with a production range of 300 to 500 tonnes per production unit,
- Offshore lagoon cage culture with an approximate production capacity of 2,000 tonnes per production unit,
- Inland aquaculture farms,
- Tuna ranching and fattening in cages and hi-tech production techniques such as aqua pods.

Education

Mauritius has emerged as a provider of quality education in the region. Investment opportunities exist for the setting up of:

- World-class pre-primary, primary and secondary schools;
- Pre-vocational and vocational schools;
- University campuses, Business and Professional Schools

Banking

Mauritius offers a well-capitalized sophisticated banking sector comprising local and international banks which are actively servicing a wide range of retail, corporate, institutional and private client base. Services offered include traditional retail and corporate banking services, international remittance, internet banking, trade and loan finance, global business, investment banking, custodian services, treasury services and ecommerce among others. International names operating in Mauritius include HSBC, Barclays and Standard Chartered, among others.

Opportunities exist in setting up of:

- Private Banking;
- Investment and cross border investment/global business Banking; and
- Islamic Banking.

Healthcare

The healthcare sector in Mauritius has metamorphosed itself into an integrated cluster underpinned by a core group of high-value activities such as hi-tech medicine, medical tourism, medical education and wellness. Global healthcare companies have invested in multi-specialty and super-specialty centres of excellence to cater for the growing healthcare needs of both national and international patients.

There are opportunities for the setting up of:

- Multispecialty and super-specialty centres;
- Specialised diabetes research and treatment centres;

- Specialised centres for elderly care & rehabilitative medicine;
- Specialised centres for novel treatments stem-cell therapies;
- Plastic reconstructive surgery clinics;
- Clinics for dental surgery and dento-facial orthopaedics;
- Convalescence and pain clinics providing specialised care to patients suffering from acute and chronic conditions; and
- Wellness centres and health resorts.

ICT-BPO

The sector has developed distinctive strengths in Telecoms, BFSI, IT Application Development as well as Maintenance support. Business opportunities exist in the following segments:

- BPO Voice - Call Centres;
- BPO Non-Voice - Back Office, Payroll, Finance and accounting outsourcing, Legal Process Outsourcing;
- Information Technology Outsourcing - software development, Mobile apps development, Web development, E-commerce, Multimedia;
- IT Services - Data Centres, Disaster Recovery, Training, Consultancy;
- Telecommunication; and
- ICT Trade - retail and wholesale.

Logistics

The logistics and distribution sector offers the following investment opportunities:

- Warehousing and storage;
- Breaking bulk, sorting, grading, cleaning and mixing;
- Labelling, packing, re-packing and repackaging;
- Manufacturing;
- Minor processing and Light assembly;
- Storage, maintenance and repairs of empty containers;
- Ship building, repairs and maintenance of ships and aircrafts;
- Freight forwarding services; and
- Quality control and inspection services.
- Preferential market access the USA through the AGOA; the EU through the partial EPA; and Africa through SADC and COMESA memberships;
- Competitive factor costs;
- Modern infrastructure for setting up factories;
- Modern Freeport and logistics facilities;
- Bilateral agreements for free and preferential trade with Turkey and Pakistan, respectively;
- Sea and air connectivity through major shipping lines and airlines, respectively;
- Highly skilled, adaptable and bilingual work force;
- Streamlined procedures for the recruitment of expatriates and foreign labour; and
- To give a further impetus to the manufacturing sector, Government has introduced a measure allowing manufacturing factories to set up in the Freeport for the production of goods aimed primarily at the African market.

Manufacturing

The manufacturing sector of Mauritius has evolved into a technology intensive sector and offers investment opportunities in:

- Textiles and garment;
- Non-textiles comprising light engineering;
- Food and seafood processing; and
- High-precision engineering comprising products such as watch & jewellery, medical devices, pharmaceuticals, electronic components and products, parts for the aerospace and automotive industries, amongst others.

Mauritius offers a number of benefits to international manufacturing companies to set up production units locally. These benefits include:

Film Industry

The Film Rebate Scheme, a new cash rebate of 30 per cent on local Qualifying Production Expenditures (QPEs), was introduced at the beginning of 2013 which makes Mauritius attractive to international film producers. The rebate applies to a wide variety of projects comprising feature films, television dramas, documentaries and high-end commercials.

Ocean Economy

The Government Programme 2015 reflects the vision of the Government to transform Mauritius

into an ocean state by promoting the ocean economy as one of its main pillars of development. A Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Island dedicated to ocean related activities has been created. In addition, the legal and regulatory frameworks to monitor ocean economy operators will be established.

Mauritius has a total maritime zone of 2.3 million square kilometres with an Exclusive Economic Zone of 1.96 million square kilometres and a continental shelf of 396,000 square kilometres co-managed with the Republic of Seychelles. Further submissions for an Extended Continental Shelf of 303,000 square kilometres on seabed and subsoil will be made to the Commission on the Limits of the Continental Shelf in respect of Rodrigues and Chagos Archipelago.

The key investment opportunities identified under the ocean economy are as follows:

- Seabed exploration for hydrocarbons and minerals;
- Fishing, Seafood processing and aquaculture;
- Deep Ocean Water Applications (DOWA);
- Marine Services;
- Seaport-related activities;
- Marine Renewable Energies; and
- Ocean Knowledge.

Renewable Energy

According to Statistics Mauritius, 2575 GWh of electricity were generated for sales in 2013 representing a 3.2 per cent increase in consumption compared to 2012. Peak power demand capacity increased from 430.1 MW to

441.1 MW for the same period and renewable energies (R.E) accounted for 20.6 per cent of total production. While bagasse remains the key source of renewable energy (16.4 per cent), the remaining 4.2 per cent of electricity generation came from hydro, wind, landfill gas and solar PV in 2013. In 2014, some 18 Gwh of electricity were produced from solar energy.

Although the country welcomes all types of renewable energy projects, in line with international best practices in the sector and a policy decision from Government in 2014, all renewable energy projects would only be considered under a tender exercise.

Third Party Providers: Nevertheless, private sector initiatives which do not require Government intervention can be immediately considered. The National Budget 2014 announced regulations to liberalise sale of electricity to third party within well-defined developments. This measure enables the generation of electricity from renewable energy sources by private promoters for direct sales to third-party occupiers (including tenants). Moreover, opportunities exist for Energy Efficiency Projects targeting Large Energy Consumers and Energy Audit, Management and Advisory Services.

Waste to Energy: Waste to energy projects in Mauritius require a secured regular supply of waste prior to any negotiations with the CEB. Presently, the near totality of waste in Mauritius has already been committed for composting and waste to energy projects.

R&D in renewable energy: The micro-climate generated by Mauritius' unique topology, its attractive investment climate and existing research institutions working on renewable energy projects, are the key assets of Mauritius as a test base for R&D projects that can be replicated on a regional scale. Moreover opportunities for collaboration exist for the use of the waters of Mauritius as a test base for marine renewable energies.

Transformational Energy Projects: Deep Ocean Water Applications (DOWA) that exploit deep sea water currents for cooling and other uses. Geothermal energy, currently under study, taps into the potential of heat generated by the earth. Offshore wind farms which, following preliminary results by the Mauritius Research Council, demonstrate the potential for large scale developments in the waters of both Mauritius and Rodrigues. Offshore wave farms for which preliminary studies from the Mauritius Research Council have demonstrated conclusive results.

Seafood

The rational exploitation of fish has enabled the local seafood industry to be founded on the development of value-added fisheries and seafood-related activities. The sector offers opportunities in:

- Fishing;
- Transshipment;
- Storage and warehousing; and
- Light processing such as sorting, grading, cleaning, filleting, loining and canning.

MOZAMBIQUE²⁹

Select sectors that offer investment potential in Mozambique include:

Agriculture and Agro-Processing

The agricultural sector is a key priority for the country. According to Mozambique Investment Promotion Centre, only 14 per cent of arable land has been utilised. The national strategy aims at achieving a profitable and productive agriculture sector, which contribute to food security and

producer income in a competitive and sustainable manner. However, the sector faces some major challenges, which include, among others, low productivity, small size landholdings, limited use of improved technology, fertilizers, pesticides, and improved seeds. Key opportunities identified include rice development, potato seed, sugarcane, cashew and huge irrigation potential as only 50,000 ha. of land are under irrigation, as compared to 3 million ha. potential for irrigation.

Given the agricultural potential of the region in which Nacala is located (North of the Country), the area of agro-processing also constitutes a huge opportunity for investment, highlighting the need for processing products such as: (i) Maize (ii) Peanuts, (iii) Sesame (iv) Cassava (v) Beans, (vi) Vegetables, (vii) Cashew nuts, (viii) Cotton, (ix) Tobacco, (x) Wood, (xi) Tropical fruits, especially bananas and mangoes, among others

Gas

Growth in medium term is expected to be bolstered by the launch of construction works on liquefied natural gas (LNG) facilities, following discovery of large reserves of natural gas in the Rovuma Basin in 2012. Natural gas in the long term is expected to emerge as the major driver of export.

Mining and Mineral Resources

The diversity and vastness of unexploited mineral resources in the country represent major investment opportunities for the exploration, extraction, processing and utilization of various types of resources. Key resources include coal, gold, titanium, ilmenite, zircon, rutile, tantalite, marbles, and precious stones.

In the medium term, besides agricultural commodities, Mozambique's exports will be dominated by raw mining and aluminium. Coal

²⁹Investment Promotion Centre (CPI), Mozambique

also emerged as one of the key drivers of export growth, and is poised to overtake aluminium as the country's main export. However coal mining currently faces few challenges including depressed prices and infrastructure constraints.

Some of the potential projects highlighted by the Investment Promotion Centre include:

- Manica Gold Project, Manica Province: Project Size: US\$ 28 million; and
- Exploration of Limestone Deposit, Zambézia Province: Project Size: US\$ 1 million.

Transport Infrastructure

Developing road and rail transport networks to link the country's huge coal reserves to the main corridors is a key focus area, as is expanding port facilities. Transport projects, including increased rail links to ports and expanding port capacities to allow for greater exports, are in the pipeline. There are three major corridors in Mozambique's rail network: The Nacala railroad (CFM Norte); Beira railroad (CFM Centro); Maputo railroad (CFM Sul).

Manufacturing

One of the country's biggest challenges is adding value to its primary products and thus maximizing its natural resources. This sector offers investment opportunities almost all over the country. Key opportunities identified include cement, coking coal plant, aluminium, textile industry, packaging, agro-industry, bio-diesel and iron and steel.

Tourism

Investment opportunities exist in national parks and reserves, benefiting from fauna and flora, combined with beach tourism along the 2,700

km coast, and on islands and archipelagos. The historic and cultural tourism, and business tourism has been growing in recent years representing a very viable option in many regions of the country.

Energy

With the start of commercial extraction of natural gas, rehabilitation and construction of new hydroelectric dams, start of the exploitation and foment of alternative and renewable energies such as solar and biofuels (bioethanol, biodiesel and biogas), the country has expanded its energy generation capacity potential to more than 16,000 mw. Taking into account the total liberalization of energy sector thus allowing private participation, including in the form of public-private partnership (PPP), the sector represents a major investment and growth opportunity. Most of Mozambique's electricity capacity is exported to South Africa with less than a quarter of Mozambicans being connected to the local grid. *Electricidade de Moçambique* (EdM), the national electricity provider, expects electricity demand in the country to grow by around 15-20 per cent per annum over the next few years on the back of a boom in the coal and natural gas industries. At the same time the energy sector is expected to continue its expansion of nearly 10 per cent a year.

NAMIBIA³⁰

Investments potential by industry / sector are highlighted below:

Agribusiness

- Hungorob project;
- Industrialization of Wood from Invasive Trees project;
- Cultivation of potatoes and onions project;

³⁰ Ministry of Industrialization, Trade and SME Development

- Nkurenkuru Irrigation Project;
- Production of vegetables and cereal crops project;
- Fruit and Vegetable Production project;
- Integrated Farming Project;
- Fish farming and vegetable planting project;
- Combined agricultural project;
- Mahangu production plant project; and
- Crop Development Project.

Aquaculture

- Marine and fresh water algae project;
- Omaheke aquaculture project;
- Aquaculture Project; and
- Establishment of fish ponds and vegetable garden project.

Energy

- Energy generation from biomass project;
- Manufacturing of photovoltaic cells and solar panels;
- Production of Energy from Solid Waste;
- Electricity Generation from Landfill Gas;
- Solar Photovoltaic (PV) Project; and
- Biomass Gasification (BMG).

Infrastructure

- Construction of Accommodation Apartments for rental services in Windhoek;
- Servicing of Municipal Land;
- Construction of Mixed Infrastructure Development in Tsumeb;
- Construction of low cost houses and commercial properties;
- Construction of District Road DR 3609 Oshakati-Omungwelum-Ongenga Road Infrastructure Development;
- Upgrading of the Railway Line Network in Namibia;
- Establishing a Private Hospital in Rundu;
- Construction of private accommodation complex for students;
- Construction of Namibia Trade Houses in the Democratic Republic of Congo; and
- Walvis Bay Marina Facility.

Manufacturing

Investment opportunities in the sector would include:

- Bricks, Tiles and Stone Crushing Plant;
- Production of Fertilizers and Chemicals;
- Chlorine and Caustic Soda Factory;
- Computer manufacturing assembly line plant;

- Production of diapers and sanitary pads;
- Processing, dehydration, packaging of general food products and production of fuel briquettes;
- Safety equipment manufacturing plant;
- Manufacturing of Toilet Rolls;
- Mining and Exploration Equipment Plant;
- Namibia Food Development Centre;
- Corn processing plant;
- Ink and Cartridge manufacturing plant;
- Detergent, soap and washing powder manufacturing plant;
- Roofing sheets and gutter manufacturing plant;
- Industrial tools manufacturing plant; and
- Harvesting and processing.

Mining

Opportunities exist in the following sectors

- Mineral exploration;
- Copper Mining;
- Mineral Prospecting and Exploration;
- Small scale mining project;
- Sodalite processing plant;
- Sandstone and quartzite processing;
- Mining of base and rare metals; and
- Sharpshoot Mining.

Services

- Ambulance and Rescue Service Project;
- Establishment of a Mobile Computer Literacy Center;
- Establishing a communication and marketing company;
- Establishment of Private School in the Caprivi Region;
- Establishment of Business and Conferencing Facilities;
- Establishment of Secondary Education School in the Kavango Region;
- Import and Export of finished fuel and oil products;
- Establishment of a Neurological Rehabilitation Unit;
- Establishment of Micro Medi-Clinics in Okakarara and Otjinene;
- Establishment of a construction company;
- Mobile vending and payment services project; and
- Tourist Helicopter Service.

Tourism

- Establishment of wellness centre;
- Establishment of a tourist park lodge;
- Lodge Development at Okongo;
- Construction of tourist lodge;
- Development of Conference and Accommodation Centre;

- Establishment of private resorts company;
- Tourist Resort Development;
- Shipanga Bungalows, Campsite & Caravan Park;
- Establishment of waterfront rest camp;
- Lodge establishment in Windhoek;
- Establishment of Lodge and Tourism facility;
- Establishment of tourist facilities near Spitzkoppe Mountains;
- Establishment of lodge at Ruacana; and
- Construction of lodge in Dordabis.

SEYCHELLES³¹

Select sectors that offer investment opportunities in Seychelles are highlighted below.

Agriculture

- Environmentally-friendly agriculture Agro-processing and
- Crop cultivation and rearing of livestock (poultry, pigs, cattle, goats and rabbits).

Energy

The vast majority of Seychelles' electricity demand is met by the state-owned oil-fuelled power station at Roche Caiman on Mahé's east coast. Experienced managerial and technical staff, combined with regular spending on equipment updates, ensures a constant supply of power. In order to reduce the dependency on fossil fuel the Government has invested into wind farms providing 7 per cent of the energy requirements.

³¹Seychelles Investment Board

The Seychelles Energy Commission is the regulator for the production of energy and have also been mandated to set the tariff for selling extra units to the grid by independent power producers.

Investment opportunities

- (a) Oil Exploration: Seychelles vast Exclusive Economic Zone (EEZ), which encompasses 1.3 million sq. kms. of the western Indian Ocean is being increasingly viewed as a potential source of as yet unexploited oil and gas reserves. Initial exploration in some areas has already begun, and there is potential for further exploration in other, still unexplored areas. The acreage being prospected for oil is 21,426 sq. kms. and an additional 205,000 sq. kms. is still available for prospecting.
- (b) Oil Support Services: Through SEPEC, Seychelles also presently owns and operates six double-hull oil tankers transporting oil to and from countries all over the world.
- (c) Renewal Energy Support and Technical Services Project: A number of the country's outer islands, resort owners and environmentalists are pioneering sustainable energy sources, most notably, in the use of solar energy.
- (d) Photo Voltaic Systems and System Maintenance: Photovoltaic energy systems are another very popular solar option, especially for hotels and remote outer islands. Such an investment would greatly reduce the peak demand for electricity and would simultaneously showcase this environmentally-benign technology in an appeal to the environmentally-conscious tourist.
- (e) Water Solar Heaters: While outer island hotels would likely be the primary market for such

a product, the environmental awareness of many Seychellois home owners would make private residences a promising secondary target group.

International Financial Services

Over the last decade, Seychelles has seen significant success in establishing itself as a well-known and respected international financial services jurisdiction. This journey started with the establishment of the International Business Companies Act in 1994 now the Financial Services Authority (FSA) and since then the Seychelles has swiftly been acknowledged by the global financial community as one of the most competitive and recognized jurisdictions for International business company incorporations.

Products include the following:

- (a) International business Companies (IBC): IBCs are limited companies that carry out business activities outside of Seychelles. They are incorporated by the Registrar of International Business Companies which is the Financial Services Authority (FSA). These companies are created for conducting international business outside of Seychelles and are exempt from all forms of taxation. IBCs are ideal for a wide variety of uses such as holding companies, asset protection, patents and copyright holding companies.
- (b) International trusts: Trusts set up under the International Trust Act 1994, provide an efficient, sensible and legitimate means of protecting investor's assets depending on requirements. There are various purposes for trusts and these include property-holding trusts, charitable trusts or purpose trusts which are not used for the benefit of individuals, but for some specific purpose.
- (c) Foundations: The Seychelles Foundation Act 2009 encompasses many of the best provisions found in other foundation jurisdictions yet provides more precision on essential legal issues in addition to more flexibility and better asset protection.
- (d) Companies Special License (CSL): The Seychelles CSL is a local tax resident company specially licensed under the Companies (Special Licences) Act, 2003 by the Financial Services Authority (FSA) and is subject to a tax rate of 1.5 per cent of its worldwide (gross) income. It is incorporated as a domestic company under the Companies Act 1972 but awarded a special license by FSA which grants the company a special status as it benefits from access to the Seychelles' growing network of Double Taxation Avoidance Agreements (DTAAs) and can also operate part of its business within Seychelles.
- (e) Protected Cell Companies (PCC): Under the Protected Cell Companies Act, 2003 a company incorporated under the Companies Act 1972 can be authorized to divide into identifiable cells without having to assume a separate legal entity. Cells within a PCC are protected against liabilities incurred by cells of the same company making it an attractive solution for many business activities such as captive insurance or mutual funds businesses.
- (f) Limited Partnerships: Limited Partnerships are registered under the Limited Partnership Act 2003 and are subject to the Seychelles Commercial Code. Under the Act limited partnerships must carry out its business activities outside the Seychelles and enjoys benefits such as exemptions from stamp duty, exchange controls, trades tax (custom duties) on capital goods for use in its office, social security contributions and work permit fees in respect of foreign employees.

(g) Mutual and Hedge Funds: Under the Mutual Fund and Hedge Fund Act 2008, Seychelles' licensed funds may be administered in Seychelles or in a recognized jurisdiction and can be incorporated as a company, partnership or unit trust. Various types of mutual funds are available such as private funds, professional funds, and public funds. The Act also caters for exempt foreign funds which are funds licensed outside of Seychelles that may obtain authorization to be administered by a Seychelles licensed Fund Administrator. Funds offer increased diversification of investments, that is managed and administered by professionals, as well as the ability to participate in investments that is available to various classes of investors.

Tourism

The opening of the country's international airport in 1971 paved the way for the growth of the Seychelles tourism industry. Since the beginning, Seychelles has been the preferred island destination. Visitor arrivals have steadily grown from a mere 37,000 in 1975 to around 200,000 visitors in 2011, with most visitors staying an average of 10 nights.

Over the years the tourism industry has contributed to more than 20 per cent of the country's GDP and 60 per cent of total foreign exchange receipts making it the single largest earner of foreign exchange in the economy. Over 15 per cent of the total work force is directly employed in tourism related businesses including accommodation, restaurants, car hire businesses, airlines, tour operator, dive centres etc.

Investment opportunities:

(a) Eco Tourism Villa: One of the many niche markets ripe for development in Seychelles is ecotourism. This market offers the perfect opportunity to unite tourism development with

the local community and the country's pristine natural environment, while helping to maintain local traditions and culture and to foster sustainable development.

(b) Integrated Tourism Projects: This integrates a mix of tourism and residential accommodation and range of activities to capture the diversity that the Seychelles Islands have to offer, and indeed transport traveller to 'another world...' especially on outer islands.

(c) Niche Hotels: Seychelles focus on broadening the variety and number of hotels on offer, ranging from niche hotels, eco tourism villas, guesthouses and self-catering establishments to deluxe 5-star properties and magnificent island resorts. There are around 25 large hotels in Seychelles with the number of beds in each ranging from 50 to 300.

(d) Mini Cruises: This would target over 115 islands to sail to, each with their own distinctive features: granite sculptures, coral formations, reefs teeming with life and vibrant colours, exotic birds, beautiful sunsets and sunrises.

(e) Yacht Marinas: Mega-Yachts and Super Yachts, of the rich and famous often make their way to our shores, increasing the prospects to develop and offer infrastructural and logistical services to such clients. Investment opportunities include sea based dive operations, live-aboard yachting experiences, mini-cruises, excursions, water-sports (in designated areas only) and other leisure marine activities.

Policies and Legislations

Government policy for tourism development will continue to encourage the attainment of the highest standards in the industry and the distribution of the benefits of the industry for the optimum social and economic benefit of the people

of Seychelles. However, it would not be allowed to compromise the country's natural environment and biodiversity and its international reputation as an environmental leader. The policy will reflect the dependence of a successful tourism industry upon a clean, protected environment and happy, prosperous society.

Fisheries

Seychelles lies at the centre of the western Indian Ocean tuna migratory routes, making it the region's most efficient hub from which to fish tuna and tuna-like species. Further, Seychelles, is the shortest distance to and from 90 per cent of the tuna fishing grounds in the Indian Ocean. It is strategically located for fuel efficiency and the Seychelles port provides 24 hour services with a very low turnaround time.

There are opportunities for investment in the followed activities:

- Mari and Aqua Culture
- Processing/Value Addition
- Tuna Fishing Fleet
- Retail/Distribution Centre for Marine Equipment's
- Marine/Electronic Repair Shop

SOUTH AFRICA³²

The potential of the South African economy is evident in the diverse sectors and industries that exist in the country, the following are some of the sectors which have high growth and investment potential:

Agro-Processing

The following are investment opportunities in the Agro-Processing sector:

- Fisheries and aquaculture, i.e. freshwater aquaculture and mariculture;
- Food processing in the milling and baking industries;
- Beverages viz, namely fruit juices, and the local beneficiation, packaging and export of indigenous teas;
- High-value natural fibres viz, organic cotton and downstream mohair production;
- High-value organic food for the local and export market;
- Biofuels production viz, biodiesel, bioethanol and biogas;
- Processing of seed oils, tea extracts, including buchu, honeybush, and other oil derivatives (avocado, amarula etc.); and
- Diversification / beneficiation of biomass sources, i.e. sugar, maize.

Business Process Outsourcing and IT-Enabled Services

The following are investment opportunities in the Business Process Outsourcing & IT Enabled Services sector:

- Call Centres;
- Back/Office Processing;

³²Department of Trade and Industry, Republic of South Africa

- Shared Corporate Services;
- Enterprise solutions, e.g. fleet management and asset management; and
- Legal process outsourcing.

Capital / Transport equipment, metals & electrical machinery and apparatus

The following are investment opportunities in capital/transport equipment, metals & electrical machinery & apparatus sector:

- Basic iron and steel;
- Basic precious and non-ferrous metals;
- Casting of metals;
- Other fabricated metal products; metalwork service activities;
- General purpose machinery;
- Special purpose machinery;
- Tooling manufacturing ;
- Foundries;
- Electric motors, generators and transformers;
- Electricity distribution and control apparatus;
- Insulated wire and cable;
- Accumulators, primary cells and batteries; and
- White goods and associated components.

Electro-Technical

The following are investment opportunities in the electro-technical sector:

- Advanced telecommunications;
- Software development;
- Software and mobile applications;
- Smart metering;
- Embedded software;
- Radio frequency identification;
- Process control, measurement and instrumentation;
- Security and monitoring solutions;
- Financial software;
- Manufacturing sensors; and
- Digital TV and Set-Top Boxes due to migration to full digital television as Analogue.

Textile, Clothing and Leather

The following are investment opportunities in the textile, clothing and leather sector:

- Spinning, weaving and finishing of textiles;
- Knitted and crocheted fabrics and articles;
- Wearing apparel, except fur apparel;
- Dressing and dying of fur; and
- Leather skins and hides beneficiation.

Consumer Goods

The following are investment opportunities in the Consumer Goods sector:

- White Goods and associated components

Boatbuilding

The following are investment opportunities in the boatbuilding sector:

- Boatbuilding and associated services industry
 - Engines and engine systems
 - Marine equipment and accessories

Pulp, Paper and Furniture

The following are investment opportunities in the pulp, paper and furniture sector:

- Manufacture of wood and products of wood and cork, except furniture;
- Manufacture of articles of straw and plaiting materials;
- Manufacture of paper products; publishing, printing and reproduction of recorded
 - Paper and paper products
 - Furniture

Automotives and Components

The following are investment opportunities in the automotives and Components sector:

- Engines, radiators, filters and components thereof;
- Air Conditioners/Climate Control systems;
- Alarms and Tracking devices;
- Axles, transmission shafts;
- Body parts and panels;

- Catalytic converters, silencers and exhaust systems and components;
- Seats and parts thereof, seatbelts, leather covers;
- Suspension and shock absorbers, springs and parts thereof;
- Steering wheels, columns and boxes;
- Ignition, starting equipment, gauges and instrument parts;
- Lighting equipment;
- Wiring harnesses, instrument panels vehicle interiors, electronic drive train components, body parts; and
- Advanced robotics.

Green Economy Industries

The following are investment opportunities in the green economy industry sector:

- Power generation:
 - Independent power generation, energy infrastructure and alternative energy
 - NuclearBuildProgramme, i.e. joint ventures, consortiums and the establishment of new companies to grow South Africa's nuclear manufacturing capability and nuclear supply industry to supply into the nuclear build programme
- Renewable energy:
 - Onshore wind power - manufacturing of turbines/blades
 - Solar PV and Concentrated Solar Power - manufacturing/assembly

- o Biomass
- o Small hydro
- Energy-efficiency and energy-saving industries:
 - o Solar water heaters
 - o National Cleaner Production Centre (CSIR)
- Waste Management:
 - o Reducing landfill
- Lowering greenhouse gas emissions from landfill sites

Advanced Manufacturing

The following are investment opportunities in the advanced manufacturing sector:

- Advanced materials manufacturing viz, Nano-materials
 - o High-performance materials based on natural resources (advanced bio-composites)
 - o Composites (intelligent textiles used in medical, building and construction industries)
 - o Continuous fibre reinforced thermoform composites
 - o Biochemical and Biologics for applications in agriculture, industry and health/medical sectors
- Digital TV and Set-Top Boxes due to migration to full digital television as Analogue, to be completed by 2015

- Electricity Demand Side Management Solutions to improve electricity efficiency usage

Laser technology

- Lasers and laser-based additive manufacturing
- Various applications

Advanced Robotics

- Mobile Intelligent Autonomous Systems
- Applications in the mining industry, data collection and analysis, agriculture - tested

Bio-manufacturing

- Biochemical and biologics for applications in agriculture, industry and health/medical.

Tourism

The following are investment opportunities in the tourism sector:

- Accommodation - hotels, boutique hotels, lodges and resorts;
- Urban integrated tourism/entertainment precincts;
- Adventure, eco, sport, conference and cultural tourism;
- Infrastructure development;
- Leisure complexes and world-class golf courses;
- Harbour and waterfront developments;
- Transfrontier conservation areas;

- Tourism transport - aviation, rail, cruise liners;
- Green building and green technologies for tourism;
- Attractions and activity-based tourism; and
- Museums and heritage, cultural, music, arts festivals and events.

Chemicals, Plastic Fabrication and Pharmaceuticals

The following are investment opportunities in the chemicals, plastic fabrication and pharmaceuticals sector:

- Basic chemicals;
- Water treatment chemical products;
- Man-made fibres;
- Plastic products: polypropylene and polyvinylchloride;
- Medical (drips and syringes), manufacture of active pharmaceutical ingredient;
- (APIs) for key anti-retrovirals (ARVs);
- Manufacture of reagents for AIDS/HIV diagnostics; and
- Production of vaccines and biological medicines.

Creative and Design Industry

The following are investment opportunities in the creative and design industry:

- Film and Media
 - Film studios, treaty film co-production ventures, distribution infrastructure
 - Servicing of foreign productions
 - Production of film and documentaries, commercials, stills photography and multimedia
 - Post-production
- Design
 - Jewellery manufacturing and design
 - Fashion design

Infrastructure Development

The South African government has identified 18 strategic integrated projects (SIPs) covering more than 150 specific infrastructure interventions, ranging across rail, road, ports, dams, irrigation systems, sanitation and energy.

Oil and Gas

The following are investment opportunities in Oil and Gas which forms part of the services sector.

- Marine Repair engineering
- Logistics services
- Fabrication services
- Communal services

SWAZILAND³³

The Swaziland Investment Promotion Authority (SIPA) was created through an Act of Parliament, the Swaziland Investment Promotion Act 1998 and was formally launched in April of the same year. SIPA is a Category A Public Enterprise and is wholly funded by the Government of Swaziland, with initial assistance from the European Union. Some of the focus sectors and investment potential highlighted by the SIPA are presented below:

Agriculture

Agriculture has traditionally been the backbone of Swaziland's economy, with a sizable share in the GPP both directly and indirectly, as industry inputs. The sector is a major source of employment for over 70 per cent of the rural population. The diverse agricultural activities that take place in the country include sugar cane, citrus fruit, cotton, maize and other cereal production, as well as forestry, livestock and other undertakings which generate foreign exchange earnings.

Areas of potential investment exist in various segments including baby vegetables, vegetable drying, frozen vegetables, tomato sauce production, peanut butter production, processed meat, dairy products, cassava processing and starch, aquaculture, floriculture and cotton.

Manufacturing

Swaziland offers immense opportunities in the manufacturing sector. The country's strategic location further enhances Swaziland's export potential, which is anchored by the Government's focus on value addition to a wide range of locally available unprocessed resources. Manufacturing operations range from small factories to large concerns employing thousands of people and utilising the latest technology. This sector accounts

for around 65 per cent of total FDI and as an employer is second only to agriculture, providing jobs for about 26 per cent of the workforce.

Investment Opportunities in the manufacturing sector are highlighted below.

(a) Engineering, Steel, Refrigeration and Assembly

- Electronic components manufacture and assembly
- Manufacture of automobile spare parts
- Processing of hides and skins (Leather goods and footwear)
- Pharmaceuticals
- Biotechnology,
- Furniture and other timber-related manufacturing.

(b) Food, Confectionary and Beverage

- Fruit , vegetable preservation and bottling
- Bottling (preservation) of pickles and chutneys
- Bottling of jams and jellies
- Processing of beans and other legumes
- Dairy products (e.g. Yoghurts, custards) and ice bottling of spring-water and flavored spring water
- Juice squeezing (fresh juice from oranges, grapefruits guavas etc) for sale to restaurants and public

³³Swaziland Investment Promotion Authority (SIPA), Swaziland Investment Guide

Mining

Swaziland has identified rich deposits of a number of precious stones and gems. Though these minerals are only present in small volumes, they have not been exhaustively extracted from the ground. In a number of mines, specifically the diamond and gold mines, operations have been suspended due to mining protocols and regulations awaiting review by the appropriate mining regulations body. The host of minerals in the country includes: asbestos, coal, quarried stone, soapstone, kaolin, talc, silica and others. Such wealth illustrates the potential of mining in Swaziland. Development in the mining sector is expected to have a trickle-down effect on the whole Swaziland's economy.

Tourism

Swaziland's tourism industry remains one of the fastest growing industries and a large generator of income. The country's stability and low crime rate compare well with neighbouring countries South Africa and Mozambique. Unique attractions and close proximity to the world-famous Kruger National Park make Swaziland a popular place to visit.

Investment Opportunities include:

- Development of a state-of-the-art government owned ICC;
- Development of a golf estate, casino and supporting facilities; and
- A holiday housing estate to cater for (mainly foreign) holidaymakers mostly foreign.

Textiles

Textile and garment production plays a significant role in Swaziland's manufacturing sector. In

recent years, the textile and garment industry has grown to offer a wide range of services, including spinning, weaving, knitting, dyeing, and finishing. Introducing such labour intensive processes locally has increased employment opportunities and the industry currently provides jobs for over 15,000 Swazis.

TANZANIA³⁴

With Tanzania gearing up to become a middle income country (MIC) by 2025, the various priority sectors envisaged by the Government of Tanzania include the following:

Agricultural Sector

Agriculture sector accounts for around 50 per cent of GDP, 70 per cent of rural household income, and provides employment for 80 per cent of the entire workforce. The sector remains critical for achieving sustained growth, poverty reduction, and rural development. Potential irrigable farmland in Tanzania is approximately 29 million ha., out of which only 0.28 million ha. are under irrigation farming. Investment opportunities available in segments such as importing of modern-and-efficient farming equipment, for instance tractors and power tillers; providing training of modern farming, including application and know-how of irrigation technology. In the sugar cane sector, the current sugar supply gap is approximately 300,000 tons; additional 400,000 tons sugar supply gap is observed in the EAC common market. As regards Rice, Tanzania has to import rice to meet part of the local demand which is rising especially among the growing middle income class. Further, current rice yields are low, creating opportunity for investors ready to introduce latest techniques and inputs to enhance rice productivity.

³⁴Tanzania Investment Centre

Natural Resources

Opportunities existing in segments such as fishing and related activities like fish processing, cold chain, boat building, construction of a fish harbor; industrial establishments to utilize forests to produce timber, chipboards, plywood, fiberboard, furniture; supporting transportation network; and new and efficient technology. Mainly due to outdated technology, only 30 - 40 per cent of the raw material contributes towards the final product and the rest is wasted.

Tourism

The tourist industry supports 27,000 jobs and generates around a quarter of Tanzania's foreign exchange. Opportunities for investment include establishment of tourist attractions like theme parks and gambling resorts, which are still untapped. Others include establishing amusement parks, deep-sea fishing and sea and lake cruising. There around 170 registered and licensed tourist class hotels, offering 11,568 rooms in Tanzania. Investment is, however, required for additional hotel capacity in existing tourist locations and new investment in untapped areas.

Manufacturing

The sector contributes around 8 per cent to the GDP, and employs around 140,000 workers. The sector generates around one-fifth of foreign exchange earnings - third largest after agriculture and tourism. With the "Sustainable Industrial Development Policy" envisaging industrialization of Tanzania during the first quarter of 21st century to become a semi industrialized country to the tune of contributing 40 per cent of GDP, the potential for investment in this sector is great. Potential sectors for investment as suggested to Tanzania Investment Centre (TIC) include: fruit/vegetable processing, cashew nut processing, textile and apparel, and leather. Export Processing Zone

(EPZ) and Special Economic Zone (SEZ) provide for a wide range of investment opportunities within the zones, where multiple incentives are being offered for investors.

Oil & Gas

There have been several gas discoveries on the coastal shore of the Indian Ocean at Songosongo, Mnazi bay and Mkuranga, which act as catalyst for development of natural gas sector. There are around 22 Oil Companies undertaking exploration activities for oil and gas in Tanzania. There are still numerous deep-sea blocks that are yet to be explored, for which the Tanzania Petroleum Development Corporation (TPDC), the National Oil Company invites participation of oil and gas companies and other specialized investors.

Mining

Government of Tanzania's plan is to increase the mining sector's contribution to GDP to 10 per cent by 2025. Government has a special focus on coal to make it one of key drivers of Tanzania, mainly because the country planned to deploy coal-fired power to offset the shortage of energy. Investment opportunities exist in activities such as establishment of gold refinery; gemstone cutting and polishing; rock and mineral carvings; mineral processing industry; and mineral exploration (Over 800,000 sq. km of varied geological terrains with potential mineral resources).

Transportation

Transportation segment's contribution to GDP is over 5 per cent. Investment opportunities exist in areas such as railway, roads, maritime transport and air transport.

Information and Communication (ICT)

The goals and targets discussed in Vision 2025 that are especially relevant to competitiveness

include promotions of science & technology, education, and ICTs. Opportunities for investment exists in E-Business, provision of media services, supply of digitization equipment, software development, business process outsourcing, and rural communication, among others.

Energy

Petroleum and electricity account for about 8 per cent and 1.2 per cent, respectively, of the primary energy used, while coal, solar and wind account for less than 1 per cent. Tanzania has per capita electricity consumption at 46/KWh per annum, and is among the lowest in the region. Further, at present, only 21 per cent of the population (with about 7.4 per cent in the rural areas) have access to electricity. The government of Tanzania is, therefore, encouraging investments to expand generating capacity, distribution system and developing indigenous sources of energy.

ZAMBIA³⁵

Investment opportunities have been identified by Zambia Development Authority (ZDA), in collaboration with United Nations Conference on Trade and Development (UNCTAD), the International Chamber of Commerce (ICC), Ministry of Commerce and Trade and Industry. Focus sectors are highlighted below.

Agriculture and Agro-Processing

Zambia is endowed with a large land resource base of 42 million ha. of which only 1.5 million ha. is cultivated every year. There are abundant water resources for irrigation and the country has 40 percent of the water in Central and Southern Africa.

The main priority crops for investment in the country are; wheat, sugar, cotton, tobacco, coffee,

tea and maize. There are also other crops such as cow peas, groundnuts, cassava, rice, sorghum, soya beans, sunflower, wheat, and dry beans with enormous investment potential.

Agro processing opportunities in Zambia include:

- Peanut butter production
- Cashew nut processing
- Animal or stock feed production
- Cassava processing (food and other industrial products)
- Cashew nut processing
- Grain milling (rice, maize, wheat)
- Edible oil production
- Fruit canning and juice extraction
- Meat, dairy, leather and leather products
- Fish canning and fish meal production
- Cotton spinning and textiles
- Bio-diesel production and ethanol production
- Honey processing

Tourism Sector

Zambia's tourism sector is currently one of the country's growth potential areas. It has been given the non-traditional export status and is receiving a lot of support from the Government by way of infrastructure development, promotion of increased private sector participation, as well as attractive tax incentives for all investments in the

³⁵Zambia Development Agency

sector. In the 'Industrialization and Job Creation Strategy' (2013), published by the Government of Zambia, tourism has been defined as priority sector, with the target to create 300,000 jobs by 2016. This represents significant growth from the 57,337 jobs in the Tourism sector counted in 2013.

- (a) Hotel Industry: Investment opportunities in hotel development are evidenced in the substantial number of operators already established in the country. Zambia has a wide range of standards when it comes to places to stay – from five-star hotels and first class luxury lodges, to rustic bush camps, guesthouses and campsites. Additionally, the majority of visitors who entered into the country travelled for business purposes, this illustrates the abundant investment opportunities in Zambia.
- (b) Eco-tourism: Investment opportunities exist in safaris, canoeing, game drives, nature walks, bungi jumping, micro light flights, sport fishing, rock-climbing and orienteering.
- (c) Cultural tourism: Investment opportunities include packaging cultural ceremonies to local and foreign tourists; and community/ethno/rural tourism where tourists visit model villages to learn about the Zambian way of living.
- (d) Movie tourism: Tax concessions are provided to movie production companies and other film makers for shooting the movies on location in the country.

Mining and Related Sector

Zambia possesses the world's highest-grade deposits of copper and is ranked 7th largest copper producer in the world for producing copper. In 2013, Zambia was the sixth largest producer of copper with 800,000 tons increasing from 572,793

tons production in 2008. It has been projected that copper production in Zambia will reach 1,500,000 tons by the year 2018 due to new projects.

Lead and zinc are next important commodities produced by Zambia. With a total of 11 metric tons of ore containing zinc and lead combined in 40 per cent proportion, Kabwe is one of the highest-grade lead and zinc deposits in the world. Although Zambia is currently the smallest coal producer in the region, their coal output is estimated to grow from 281,000 tons in 2014 to more than 2 million tons by 2017.

Investment prospects in the mining sector of Zambia include:

- (a) Uranium: In Zambia, there are various uranium deposits available in different areas. Many companies have carried out uranium explorations in Zambia with a special focus on potential mineralization in the Copper belt, Karoo Age sediments and the Domes region of the Northwest Province.
- (b) Coal: coal is mined at the Maamba mine that has 20 million metric tons of reserve. The coal found in this region is sub-bituminous durain-fusain with relatively high ash content.
- (c) Carbonaceous shales and thin coal seams have also been identified in the eastern part of the Bartose Basin and lower Karoo of the Luangaw and Luano-Lukusashi.

Infrastructure

- (a) Energy Infrastructure

Zambia is endowed with a wide range of energy resources, particularly woodlands and forests, hydropower, coal and renewable sources of energy. Petroleum is the only energy source that

is currently wholly imported. Hydro power is the most important energy source in the country after wood fuel contributing about 10 percent to the national energy supply and is generated by three major hydroelectric power stations. Other energy resources are petroleum, coal and wood.

There have not been any major additions to the country's generation capacity in the last 20-30 years despite the huge potential in hydro resources. It is estimated that Zambia possesses 40 per cent of the water resources in the Southern African Development Community. Zambia has about 6,000 MW unexploited hydro power potential, while only about 2,434.3 MW is the current installed capacity.

Demand for electricity is likely to increase, creating a deficit of more than 550MW in Zambia alone. The SADC region has been facing power deficit since 2007, 73 power generation projects are required to increase generation from the current 56,000 MW and surpass projected demand of 96,000 MW by 2027.

Opportunities in the power sector include:

- Electricity Generation and transmission;
- Refineries, storage facilities and pipelines for petroleum and gas;
- Renewable energy facilities; and
- Transport facilities for coal distribution and exports.

(b) Transport infrastructure

Transport infrastructure covers: roads and bridges, railways, airports and aerodromes and maritime and inland waterways. The state of transport

infrastructure, however, remains inadequate to sustain and match the desired levels of growth due to weak structural and management capacity resulting in over commitments, high cost of construction and low investment.

Airport - Government has embarked on a program to improve the infrastructure at all the international airports. This is being done in collaboration with private sector participation. The developments include the runways, terminals and auxiliary facilities in and around the airports such as hotels, shopping malls, Conference facilities etc. Scope for private sector participation in development of airports also exists in the identified airfield at Chipata, Kitwe, Kasama, Mongu, Solwezi and Mansa.

Roads- Government of Zambia has embarked on the Link Zambia 8,000 project (Accelerated National Roads Construction Programme) aimed at rehabilitating and constructing the road network. The aim is to construct an efficient road network and international highways linking Zambia to South Africa, Zimbabwe, Mozambique, Malawi, Tanzania, DR Congo and Namibia. This project also aims at contributing to the reduction of road user costs and transit times across Zambia. As the second largest copper producer in Africa, Zambia relies heavily on its road network to ship mine inputs and exports overseas through its eight neighbouring countries. Zambia's neighbours also heavily use Zambian roads to provide a reliable and shorter path to African ports.

Railways- Government is seeking private sector participation in the development and rehabilitation of the railway infrastructure. Some of the opportunities include Chingola to Jimbe (Border with Angolan); Kafue (Zambia) – Zawi in Zimbabwe; TAZARA Nseluka – Mpulungu port; Extension of the Mchinji/Chipata Railway line to

TAZARA; Railway link with Zambia and Namibia (Livingstone –Sesheke).

(c) Telecom

The Zambian telecom sector has seen positive and significant development over the last decade with reforms in 1994 which opening the Zambian telecom market to new entrants. One of the significant measures includes the establishment of national ICT policy for regulating the telecom sector of Zambia. The Zambia National Information and Communications Technology ICT policy has been developed based on thirteen pillars and three core thematic areas: capacity building, effective regulatory and legal framework and efficient and competitive ICT sector. Further, to regulate the information and communication sector, the Zambia Information and Communications Authority (ZICTA) was developed. In addition, implementation of the Information and Communications Act in 2009 and partial privatization of the Zambia Telecommunications Company Limited (ZAMTEL), along with liberalization of the international gateway (a telephone number through which calls are routed to get cheaper rates on international long distance calls) have helped in making the telecom sector of Zambia a profitable investment area.

Investment Opportunities: Zambia is looking for a fourth major mobile service provider for covering the entire country. It has also launched Public Private Partnerships (PPPs) to accelerate investment in telecom sector by local and international investors. Zambia is getting a strategic equity partner for ZAMTEL in order to increase the competitiveness of the company. The government is also providing fiscal and other incentives via the Zambia Development Authority (ZDA).

Manufacturing Sector

The Government of Zambia has put in place measures to support manufacturing activities, such as the establishment of Multi-Facility Economic Zones (MFEZs) and Industrial Parks (these are industrial areas for both export orientated and domestic orientated industries, with the necessary support infrastructure installed), and provision of sector-specific investment incentives. Government also promotes small and medium enterprises in rural and urban areas so as to enhance labour intensive light manufacturing activities in these areas.

- (a) Textile and Clothing: Cotton is grown, ginned and spun in Zambia at industrial sites with state of the art spinning, weaving and processing factories as well as warehouses. Products include cotton yarn and grey cloth of world class of world class quality. The European Union is a major export market for the textile products from Zambia, with South Africa and Mauritius being other potential markets. In addition Zambia qualifies for the USA Africa Growth Opportunity Act (AGOA), and Zambian textiles already enter the United States market.
- (b) Mineral Processing: There is scope for investment in the manufacture of copper wire and other copper products, such as copper plate and tubing, and also for increased copper rod and cables manufacturing activities which are already being undertaken in the country (and account for a significant proportion of Zambia's non-traditional exports. The cutting and polishing of gemstones for export also has great potential value, as does the manufacturing of jewelry.
- (c) Chemical Products: Zambia currently imports about US\$ 200 million worth of fertilizers annually, most of this is imported by the

government in order to subsidise the small scale farmers in rural areas. The limited government subsidies on agriculture inputs and the high cost of conventional water soluble P fertilizers increases the cost of agriculture production. Major investment opportunities exist in the production of fertilizers due to the presence of feasible sources of P fertilizers in the following areas:

- the Chilembwe deposits near Petauke district estimated at 1.6 million tonnes;
 - Mumbwa deposits at 500,000 tonnes;
 - Nkombwe (near Isoka district) at 500 million tonnes; and
 - Kaluwe (near Luangwa) estimated at 207 million tonnes.
- (d) Engineering and Metal Works: Engineering products have a ready local market from the mines (for the supply of mining equipment), construction companies, and other industries. Furthermore Zambia imports all major spare parts required for machinery and therefore investment opportunities also exist in the local manufacture of spare parts for various industrial machines.
- (e) Leather Products: Leather products have a ready market in the international and regional markets. In fact Zambian leather products also qualify to enter the United States market under the USA - Africa Growth Opportunity Act (AGOA).
- (f) Electrical Appliances: This potential for manufacture of electrical appliances is evident from the high demand for imports of electronic goods in the country.

- (g) Pharmaceutical Products: Currently most packaging materials used by manufacturing companies in the country are imported from the Republic of South Africa, China, India and Europe. The companies spend about US\$ 30 million annually for importing packaging materials – which is an indication for the huge local demand for these materials in the country and the investment opportunities arising out of this demand.

Multi-facility Economic Zone

The Multi- Facility Economic Zone (MFEZ) is a Government programme, introduced to Zambia in 2005 by the Japanese Government through Japan International Corporation Agency (JICA). The aim is to create a platform for Zambia to achieve economic development by attracting significant domestic and foreign direct investment (FDI) through a strengthened policy and legislative environment. The initiative emphasises on political will and integrity, private sector dynamism and integrity and civil service efficiency and integrity as key forces that enable the economy to attain accelerated economic development.

The MFEZ incentives are non discriminatory and applies fairly to all eligible investors be it from Zambia or outside Zambia.

The Ministry has to date declared six areas as MFEZs and /or Industrial Parks vis-à-vis: Chambishi, Lusaka East, Lusaka South, Lumwana; and Ndola (Sub Saharan gemstones exchange) and Roma as an Industrial Parks.

ZIMBABWE³⁶

Select investment sectors in Zimbabwe are highlighted below.

³⁶Zimbabwe Investment Authority

Energy

Zimbabwe has several investment opportunities in the sector and it is advocating for PPPs as an alternative model for Investment in Zimbabwe. Some of the opportunities for investment include:

- Investment in current electricity plants;
- Investment in to new power generation plants which include Hwange power station;
- Extension of the Kariba Power Station;
- Extension of the Gairezi Power station;
- Develop Lupane Gas fields as an alternative source of energy; and
- Transmission and integration project.

Manufacturing

The manufacturing sector produces in excess of 6,000 products or commodities ranging from food and clothing to fertilizers and chemicals, metal products of all kinds, electrical machinery and equipment and motor vehicle assembly. The manufacturing industry is closely linked to agriculture with an excess of 60 per cent of manufacturing value added either related to agro-industry or to the provision of inputs to the agricultural sector.

- Clothing and Textiles
 - Only a small number – less than 10 per cent manufacture for export despite the growing regional market and inroads in past years into new markets mainly in Europe.
 - There is a great deal of opportunities to develop this side of the industry through investment in CMT work with a sound marketing base.
 - There are opportunities for investment on a joint venture basis into textile design which will enable the industry to attract customers from a wider market base.
 - Within the industry there is under-utilized capacity, which could be developed with external partners into more, specialised manufacture through an improved marketing strategy.
- Food
 - Opportunities for investment are available within the various sub-sectors of the food manufacturing industry.
 - The processing of meat products for both local and export markets is encouraged.
 - There are also investment opportunities

PROJECT	OUTPUT (MW)	COST (Million US\$)	PROJECTED COMPLETION DATE
Kariba South Extension	300	506	2017
Hwange Expansion	600	2148	2017
Hwange Life Extension	124	500	2019
Munyati Repowering	90	90	2016
Solar	100	600	2017
Batoka Gorge	800	2200	2020

to further develop the dairy processing industry through modern packaging and design.

- Oil Processing and Milling
 - A large area for joint venture investment lies within the oil processing industry where an influx of small-scale indigenous producers would benefit from new technology and the establishment of regional or international marketing organizations.
 - Further opportunity exists in the growing demand for cereals and snack-type products to service not only supermarket requirements but there are many new franchise outlets.
- Timber and Furniture
 - Opportunities for investment in manufacturing are within the sub-sectors such as the timber industry which comprises timber producer; saw millers, timber processors, material manufacturers and timber traders.
 - Opportunities for the investor exist within some of the smaller and older established business where there is a need for the injection of finance, technology and development of new markets.
- Chemicals
 - The local market for fertilizers and pesticides offers opportunity for further development to provide additional manufacturing capacity for local demand and export within the region.
 - There is potential for investors to increase production of ethanol and opportunity to

the investor for increased production for new export markets, the introduction of new technology and licence to produce new products.

- Pharmaceuticals
 - Opportunity exists for the development of medical products from locally grown, natural raw materials including the controlled growth of prescribed drugs for the industry.
- Metals and Minerals
 - Metals such as nickel, chrome, copper and platinum are products of the Zimbabwean mining industry but most of these are exported in a raw state. In recent years processing plants have been developed but there is opportunity for conversion of raw materials into processed or semi processed products for export.
 - The utilisation of regional natural resources and development of transport corridors on a build Operate and transfer basis will provide opportunities for the investor to participate in such development or trade at more competitive prices.
 - In this instance most metals are traded through the mineral Marketing Corporation of Zimbabwe but this does not preclude investors working in partnership with this organisation.

ICT

Opportunities in ICT and related areas are available in the following areas:

- Installation of Fibre Optic transmission cables in the North- South trade Corridor: Beitbridge- Masvingo- Gweru- Harare- Kariba;

- Multimedia development;
- Installation of fibre Optic transmission in the East West trade Telecom Corridor : Mutare-Harare - Gweru-Bulawayo-Plumtree;
- Bulawayo - Victoria Falls Fibre Optic Installation;
- E-Government initiatives;
- I.C.T software development, local manufacture of hardware, circuit boards and micro-chips;
- Provision of Postal Services, Telecommunication Services, Private Broadcasting Services, and Media Services;
- Supply of digitalisation equipment;
- Business process outsourcing;
- Rural communication (internet villages);
- Data storage area networks;

- Call centres;
- Integrated solution planning; and
- Film industry and graphics.

Tourism

Opportunities exist in the following areas:

- Development of Tourism Infrastructure that include resort towns such as Victoria Falls and Kariba.
- Refurbishment of Airport Infrastructure in resort towns such as Victoria Falls and Kariba.
- Tourism Development Zones which are in and around major centres of attraction such as Gonarezhou, Great Limpopo Trans-Frontier Park (GLTP)/Chiredzi and surroundings, Great Zimbabwe National Monument like Lake Mtirikwi and surroundings.
- Partnerships with local hotels for refurbishment of existing infrastructure.

8. Strategies and Recommendations for Enhancing Bilateral Commercial Relations with SADC Countries

The study, in the previous chapters, provided a broad overview of economic environment, trade patterns and investment climate of countries in SADC, besides analyzing India's bilateral trade and investment relations and identifying potential areas for mutual cooperation. Exim India's key initiatives endeavours to foster closer economic cooperation between India and Africa, and specifically SADC were also highlighted in the previous chapter.

The concluding chapter endeavours to provide broad strategies and recommendations which could serve to facilitate and enhance two-way trade and investment between India and SADC member states, based upon the analysis and findings of the study.

Strategy to enhance trade and investment relations with countries in SADC would entail an integrated approach comprising, among others: development of a strong private sector; cooperation in agricultural development, development of manufacturing sector; natural resource development, cooperation in hotel and tourism industry, focus on IT development, human resource development especially SME sector, cooperation in infrastructure development, besides broadening linkages with trade promotion institutions and investment promotion agencies in the region. Such endeavours could also be supplemented by measures such as: increased participation in multilateral funded projects; entrepreneurship development and institutional

building; cooperation in banking / financial sector; setting up business hub (s) in the region, and cooperation with chambers of commerce and industry in the region.

- **Development of a strong Private Sector**

An important challenge faced by African countries, especially SADC member states is a lack of clear delineation of the roles of state and market. After the independence, most of the African countries tried to solve their immediate problems of poverty and food security by creating a strong state. Although, this has helped these countries to improve their human development factors, economically resulted in poor performance and development. This has resulted in many of the SADC countries to remain in a backward state compared to many other developing countries. Hence, development of a strong private sector in the region is important. For the development of private sector, many elements including a well functioning financial system coupled with stable macroeconomic fundamentals are necessary. India being an economy with almost a similar background is better suitable to help these nations in this respect than many developed countries. Indian investors can play a major role by way of transfer of technical knowhow and technology which is suitable for the conditions and needs of a developing nation. This could help SADC countries to enhance its competitiveness by building its human and physical capital.

• **Cooperation in Agriculture Sector Development**

Agriculture and related activities constitute the bedrock of most countries in the SADC Region, and exports from the sector are important foreign exchange earners for these countries. Many countries in SADC are home to the world's richest agricultural resources. As a result, several Governments in the region, view that foreign investments in agriculture cultivation would lead to possible benefits for rural poor, including the creation of a potentially significant number of farm and off-farm jobs, development of rural infrastructure, and social improvements, leading to poverty reduction. Moreover, national Governments with a view to addressing the serious issue of food shortage have been framing policies towards attracting investors in the agricultural sector to tackle food, employment and sustainability crises. If these countries could frame and implement their agricultural policies in such a way that diversifies output, boosts productivity, and promotes strong linkages with other economic sectors and serves broad social policy objectives, then the region could easily overcome its underdevelopment and be on a path of development.

Indian companies can explore the possibilities of investment such as joint ventures or contract farming, setting up agro processing firms and investments in key stages of value chains. India's investment could result in improving the agricultural sector of the host country through skill development, job creation, technological upgradation, supply of quality inputs like seed, better supply chain management, and biotechnology. India's transfer of knowledge/technology could help these countries to deal with the problem of food crisis. Indian scientific and agricultural research institutions have assisted many entrepreneurs for developing their business ideas in SADC countries. Indian investors could

also focus on providing quality infrastructure to enhance the farm productivity in these countries.

Towards this end, the LOCs extended by the Exim Bank of India to SADC countries, which are earmarked for agriculture, irrigation and related projects, would also serve to contribute towards development of the agricultural and related sectors in the region. For instance:

- LOC to the Government of DR Congo for installation of hand pumps and submersible pumps;
- LOC to the Government of Lesotho for supply of pump sets and irrigation equipment;
- LOC to the Government of Madagascar for financing a project for enhancing rice productivity;
- LOC to the Government of Malawi for financing irrigation projects and cotton processing facilities;
- LOC to the Government of Mozambique for enhancing productivity of rice, wheat, maize cultivation,
- LOC to the Government of Seychelles for export of rice, potatoes;
- LOC to the Government of Swaziland for agricultural development and mechanization of agriculture;
- LOC to the Government of Tanzania for export of tractors, pumps and equipments from India to Tanzania; and
- LOC to the Government of Zimbabwe for upgradation of Deka Pumping Station and River Water Intake System in Zimbabwe

With these LOCs in place, increased exports of agro-related machinery and equipment to the region by Indian entrepreneurs / exporters would serve to enhance bilateral cooperation in the agricultural sector, as also to overall development of the region.

- **Development of Manufacturing Sector**

Development of manufacturing sector in SADC member states is very important for the development and growth of the region. The dependence of many of the SADC member states on primary commodity exports, combined with reliance on manufactured imports has negatively affected the growth of the region. Also the recent global economic crisis has reduced development assistance and private capital flows to the region. Hence, development of a strong manufacturing sector is necessary. At present, Africa's share in global manufacturing production and trade is very small. Furthermore, the manufacturing sector does not have strong links to the primary and service sectors. India could support SADC countries in creating productive capacity-building through various support and training programmes and technical cooperation. Government of India is helping these countries to build up on their manufacturing sectors through various policies and programmes, normally announced during India-Africa summits.

- **Natural Resource Development**

With many of the countries in SADC are endowed with mineral wealth and natural resources, enhanced bilateral cooperation for development/ exploration of natural resources in these countries could benefit both India and SADC. Mineral production and development constitute a significant part of many SADC countries, and remain a key factor in their future economic growth. The SADC region has a majority of the world's known resources of platinum, chromium

and diamonds, as well as a large share of the world's bauxite, cobalt, gold, phosphate and uranium deposits. For instance, South Africa's mineral wealth is significant, with gold, platinum, coal, iron and diamonds being some of its key exports; while in the case of DR Congo, besides rich deposits of copper, cobalt, zinc, and diamonds, there are vast deposits of gold, considered to be the richest undeveloped gold deposits in Africa; Namibia has large reserves of uranium and is a leading global producers. According to World Gold Council, despite challenges India's consumer demand for gold was the second-highest in the world (accounting for 27 per cent of the world gold demand), after China in 2015. In light of these, increased cooperation between India and the resource-rich countries in Africa and specifically SADC countries in developing/ exploring natural and mineral resources, with bilateral arrangements such as buy-back arrangements, could be an important strategy to enhance Indo-SADC commercial relations.

- **Focus on Information Technology (IT) Development**

The use of various electronic marketing technologies is necessary to improve and develop different sectors, but it largely depends on Internet access and penetration rates in countries, which is still at a backward stage in most of the SADC countries. With the strength and capability that India possesses in the realm of Information Technology sector, Indian IT firms could explore the opportunities in SADC countries, and focus on investing in subsidiaries or joint ventures in the areas of e-governance, financial services and e-education. Indian companies could also share their expertise in providing software programmes and services for banks and financial institutions in the region. For instance, Indian companies, such as NIIT, Aptech, karROX which already have presence in SADC countries, could expand their network of training centers in other SADC

countries. Designing specialized e-learning courses on the web for providing technological assistance, manufacturing process know-how, troubleshooting and other technical areas also present opportunities. Such initiatives would help industry and commerce, promote education in remote areas, create employment opportunities and provide healthcare to remote areas in the region, thereby contributing to overall development of nations in the region.

- **Investment in Human Resource Development**

An associated area of bilateral cooperation could also be investing in human resource development. Human resource development is recognised as the premiere need of most SADC member states. Businesses focusing on health, education and skill development are more likely stable businesses, which are in increasingly high demand in many countries, due to their direct impact on improving the standard of life. Towards this end, SADC member countries could also tie up with Indian institutions such as the Central Food Technological Research Institute (CFTRI), Mysore and Entrepreneurship Development Institute of India (EDI), Ahmadabad and National Small Industries Corporation Ltd. (NSIC), New Delhi. Further, Indian institutions could also share their expertise in the fields of export capability creation in the region, institutional strengthening and export development in the form of technical assistance and sharing of expertise through site visits. In the third India- Africa Forum Summit in 2015, India announced US\$ 600 million grant assistance, including 50,000 scholarships for enhancing skills, training and learning. Indian investors could also help SADC governments in setting up various higher education institutes, universities and provide scholarships to students for various exchange programmes like Study India Programme, which could improve the quality of education in these countries. This type

of academic arrangements between Indian and SADC universities will boost academic mobility between both regions.

- **Cooperation in Infrastructure Development**

An important area of bilateral cooperation could be infrastructure development in African countries, especially SADC countries. Investment in infrastructure development, due to an increasing need for better infrastructural facilities, coupled with the endeavour of SADC countries for rapid economic growth, could prove to be a mutually rewarding area of bilateral cooperation. The lack of adequate infrastructure across Africa is currently holding back its GDP growth. Lack of forward and backward linkages between among different modes of transportation, declining air connectivity, poorly equipped ports, ageing rail networks, and inadequate access to all-season roads are key problems facing many of the SADC economies. Areas that hold immense investment opportunities include development of highways and roadways, development of railway networks and power systems, which would also help in regional integration, and the African continent at large, to a great extent. Large Indian construction companies could explore business opportunities to meet the infrastructural requirements in SADC member states, also contributing largely to economic development in the host countries.

Further, India could intensify its ongoing cooperation in training, capacity building, consultancy and project implementation through concessional credit in infrastructure areas, including water supply management, maritime connectivity, road and railway construction and upgrading. Thus supporting Africa's Program for Infrastructure Development in Africa (PIDA) and enhancing cooperation in the Blue/Ocean Economy.

- **Developing Linkages with Investment Promotion Agencies / Chambers of Commerce**

Besides streamlining their investment regimes, many countries in the region have set up specialised investment promotion agencies/ Chambers of Commerce to promote and facilitate inflow of foreign investment into these countries, while also serving as one-stop-shop for investment related activities. In light of the key role of these institutions, building closer cooperation and linkages with these investment promotion agencies in SADC would serve to enhance access to information about investment opportunities in the region. A list of such investment promotion agencies and chambers of commerce is provided in **Annexure 3**.

Such relationship would serve to enhance knowledge about potential areas for investment, upcoming projects in different sectors, prospective investment partners, as also procedures, rules and regulations required for venturing into specific sectors in these countries and incentives offered to investors. Further, investment promotional events with select investment promotion agencies would foster increased interaction between potential investors and concerned agencies in potential sectors in target countries in the region.

- **Energy and Power Generation**

Another area, which holds immense potential for investment and cooperation, is electricity generation and power transmission. While most Member States of SADC have abundant energy resources, insufficient use of existing energy systems has resulted in effective generation of electricity which is less than installed capacity due to drought, lack of maintenance and rehabilitation

and also general system losses of electricity which includes transmission and distribution. As a result, energy production and consumption varies widely throughout the region. With industrial productivity steadily increasing in the region, the World Bank anticipates the demand for electricity to increase by 40 per cent over the next 10 years³⁷.

In this regard, the Southern African Power Pool is a key achievement of both Regional Integration and increased access to electricity. At present, nine SADC Member States have connected together their power grids, creating a rudimentary but competitive energy market. In doing so, the Southern African Power Pool has expanded trade in electricity, reduced costs, and improved energy stability throughout the region. Witnessing the benefits to participating Member States, SADC's Regional Energy Sector Programme aims to incorporate the other outlying SADC Member States into the Southern African Power Pool, extending grid connections to encompass the whole region and furthering the benefits of a regional energy market.

To further enhance development of the energy infrastructure, SADC encourages investment in the region's electricity infrastructure, especially in electricity plants, transmission lines, coal depots, and nuclear demonstration plants. Towards this end, the LOCs extended by the Exim India to countries in SADC, which are earmarked for power generation and transmission projects, would also serve to contribute towards development of the energy sector and power generation and transmission. For instance, besides others:

- LOC to the Government of DR Congo for execution of hydro-electric power project;
- LOC to the Government of Mozambique for several electrification projects; and

³⁷www.sadc.int

- LOC to the Government of Zambia for Itezhi-Tezhi Hydro power project.

- **Cooperation in MSME Sector**

At present MSMEs (micro, small and medium-sized enterprises) make up the majority of businesses in Africa and especially in SADC and there is enormous scope for the development of this sector. SME sector development in the SADC region is constrained by a number of factors like lack of accessibility to modern technology, limited access to international markets, lack of management skills and training and lack of finance³⁸. Towards developing entrepreneurship and human capability, India could share its expertise and experience with countries in SADC, particularly in the SME sector wherein India has developed successful SME clusters. An important element in this direction could be for delegations from these countries to visit India to study success factor of SME clusters in India, and developing similar clusters in their countries based on resource and skill endowments. SME financing is another area where India could support this sector.

- **Focus on Multilateral Funded Projects**

Besides participating in investment activities that are promoted by the respective governments of countries in SADC, Indian companies could also endeavor to participate in multilateral funded projects. Multilateral institutions such as the World

Bank and the African Development Bank (AfDB) support and fund a number of projects in Africa and SADC. They broadly cover areas such as agriculture and related activities; infrastructure development such as roads, telecommunication, postal services, electricity, water supply and sanitation; mining and quarrying; rural and urban development; environment and natural resource development; health care and education; financial market development; and tourism development.

Focus on these funded projects and increased participation by Indian project and service exporters in such projects would serve to enhance India's commercial presence in these countries. At the same time, efforts to participate in technical assistance in terms of project preparation and advisory services in such funded projects would support increased presence in the region.

Conclusion

Thus, for India, with countries in the SADC region emerging as important trade and investment partners, and the need of these countries for strategic partnership in their developmental and growth endeavours, sharing of experiences in capacity building, investments and endeavours in growth-inducing sectors in SADC member states could prove to be strategic in fostering and enhancing long term commercial relations as also presence in SADC member states.

³⁸SADC Development Finance Resource Centre (DFRC)

Annexure 1 : Indian Companies/Investors with approved JVs/ WOSs in SADC Region

i. Botswana

Sector-wise Indian Companies/ Investors	(US\$ mn)
BOTSWANA	34.9
Manufacturing	34.9
Suashish Diamonds Ltd	23.4
Blue Star Diamonds Pvt Ltd	10.0
Sahajanand Technologies Pvt Ltd	1.5

ii. Malawi

Sector-wise Indian Companies/ Investors	(US\$ mn)
MALAWI	1.4
Community, Social and Personal Services	1.1
Hi-Tos Liner Agency Pvt Ltd	1.1
Electricity, Gas and Water	0.2
Weizmann Ltd	0.2
Manufacturing	0.1
Amita Jaymin Desai	0.1
Financial, Insurance, Real Estate and Business Services	-
Nihilent Technologies Pvt Ltd.	-
Onmobile Global Ltd	-

iii. Mauritius

Sector-wise Indian Companies/ Investors	(US\$ mn)
MAURITIUS	40687.2
Manufacturing	20349.9
Reliance Industries Ltd	8539.5
Essar Steel India Ltd	1829.7
Suzlon Energy Ltd	1653.1
United Phosphorous Ltd	1599.9
Tata Power Co Ltd	1566.0
Reliance Energy Generation & Distribution Ltd	1300.5
Tata Chemicals Ltd	864.5
Godrej Consumer Products Ltd	627.1
Shree Renuka Sugars Ltd	387.3
International Hospital Ltd	310.8
Mahindra & Mahindra Ltd	249.2
Shrenuj & Co Ltd	243.8
Cairn India Ltd	150.4
Mahindra Forging Ltd	123.0
Siva Ventures Ltd	121.7
PSL Ltd	117.7
Galaxy Surfactants Ltd	77.4
Bilcare Ltd	72.6
Avitel Post Studioz Ltd	61.3
Meditab Specialities Pvt Ltd	43.5
Madhurima International Pvt Ltd	42.9
JSW Steel Ltd	29.7
Cosmo Films Ltd	29.1
Vivimed Labs Ltd	28.6
Asian Paints Ltd	27.7
Coromandel Fertilizers Ltd	23.5
Solar Industries India Ltd	23.5
Biltube Industries Pvt Ltd	23.0

Tyche Peripheral Systems Ltd	22.0
Cipla Ltd	21.6
Piramal Realty Ltd	19.6
Dolphin Offshore Enterprises [I] Ltd	16.6
Mcdowell & Company Ltd	13.8
OCL India Ltd	10.9
Dodhia Techno Engineering Pvt Ltd	10.1
Elephanta Gases Ltd	7.3
Stephens Financial Service Pvt Ltd	6.8
Welspun Global Brands Ltd	6.1
Adhunik Alloys And Power Ltd	6.1
Jindal Steel And Power Ltd	4.9
Healing Cross Pharma Pvt Ltd	3.5
Sequent Scientific Ltd	3.5
Goa Carbons Ltd	3.5
Marganta Textiles Pvt Ltd	3.0
Stemputics Research Pvt Ltd	2.5
Measurement And Controls India Ltd	2.2
Kapavruksh Systems Ltd	2.0
Vraksh Technologies Ltd	1.8
Mumbai Mantra Media Ltd	1.8
Parentearl Drugs (India) Ltd	1.5
Kanade Anan Ydyog Pvt Ltd	1.5
Everest Industries Ltd	1.2
Ispat Industries Ltd	1.2
Oriental Rubber Industries Ltd	1.2
Airworks India Engg Pvt Ltd	1.0
Princeware International Pvt Ltd	0.9
Medley Spirits Pvt Ltd	0.8
Hester Biosciences Ltd	0.6
DCM Shriram Consolidated Ltd	0.6
Kamna Industries Pvt Ltd	0.5

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Ajay Enterprises Pvt Ltd	0.3
Thomson Press [India] Ltd	0.3
Prudent Advisors	0.3
Metalfab Hitech Pvt Ltd	0.3
Hanuman Textile Manufacturing & Investment Co. Ltd	0.1
Pioneer Embroideries Ltd	0.1
A D Mehta Export Pvt Ltd	0.1
Aarshay Gems Private Ltd	0.1
Ayush Diamonds Pvt Ltd	0.1
P D Mehta Export Private Ltd	0.1
Rohan Export Pvt Ltd	0.1
Ajanta Pharma Ltd	0.1
Rama Advisors	0.1
Sun Pharmaceutical Industries Ltd	0.1
Positiville Co	-
Uniphos Envirotronic Pvt Ltd	-
Kasiak Research Pvt Ltd	-
Medispray Laboratories Pvt Ltd	-
SRF Ltd	-
Archean Fertilizer Pvt Ltd	-
Quattro BPO Solutions	-
Britannia Industires Ltd	-
SBL Industries Pvt Ltd	-
Tulip Lab Private Ltd	-
Ruia Sons Pvt Ltd	-
Essar Oil Ltd	-
Global Green Company Ltd	-
Spentex Industries Ltd	-
Financial, Insurance, Real Estate and Business Services	8679.9
RHC Holding Pvt Ltd	1666.5
ETHL Communications Holdings Pvt Ltd	776.9
Tata Power Co Ltd	733.2

Sterlite Infra Ltd	710.0
3I Infotech Ltd	480.2
Greatship [India] Ltd	431.1
Religare Capital Markets Ltd	417.2
Edelweiss Financial Services Ltd	370.0
Godrej Consumer Products Ltd	365.7
Financial Technologies[I] Ltd	335.6
Sesa Goa Ltd	242.3
GMR Infrastructure (Overseas) Ltd	164.5
Geodesic Ltd	157.8
GMR Airports Ltd	140.2
Essar Investments Ltd.	126.3
Uflex Industries Ltd	120.1
Edeweiss Capital Ltd	105.0
Motherson Sumi Systems Ltd	104.5
Siva Ventures Ltd	99.7
Intelenet Global Services Ltd	77.7
Tata Chemicals Ltd	75.7
Wipro Ltd	75.7
Regius Infotech Pvt Ltd	69.7
JSW Energy Ltd	60.5
Dion Global Solutions Ltd	54.1
Tata Auto Comp Systems Ltd	46.6
Crompton Greaves Ltd	45.3
Laqshya Media Pvt Ltd	44.5
IBS Software Services Pvt Ltd	36.3
Oswal Chemicals And Fertiliers Ltd	34.1
R R Infotech Ltd	33.9
Zee Entertainment Enterprises Ltd	32.0
UTV Software Communications Ltd	31.6
NSL Renewable Power Pvt Ltd	28.8
Indiareit Fund Advisors Pvt Ltd	22.9

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Datamatics Global Services Ltd	20.6
Crew B.O.S.Products Ltd	18.0
Hinduja Global Solutions Ltd	18.0
Lodha Developers Pvt Ltd	17.5
Kalyani Infotech Solutions Ltd	17.4
Time Technoplast Ltd	16.9
GMR Holdings Pvt Ltd	16.2
Sterling Infotech Ltd	16.2
SB & T International Ltd	15.4
Azalea Enterprises Pvt Ltd	14.7
Elecon Engineering Company Ltd	14.7
Shapoorji Pallonji & Co Ltd	13.7
Camlin Fine Chemicals Ltd	13.3
R R K Holdings Pvt Ltd	12.5
Sterlite Technologies Ltd	12.4
JM Financial Consultants Pvt Ltd	12.0
Camlin Fine Sciences Ltd	11.0
Power Build Ltd	10.5
Dharmanandan Diamonds Pvt Ltd	10.5
Banco Products (India) Ltd	9.2
Nagarjuna Fertilizers And Chemicals Ltd	9.1
Sesa Sterlite Ltd	6.7
Natco Pharma Ltd	6.5
Hindusthan Infrastructure Projects & Eng Pvt Ltd	5.8
Indian Metals And Ferro Alloys Ltd	4.1
Sea Sterlite Ltd	4.0
Lodha Crown Buildmart Pvt Ltd	3.5
Info Drive Software Ltd	3.2
KRM Marketing Pvt Ltd	3.0
Reliance Capital Asset Management Ltd	2.9
Baaya International	2.9
Apollo Infrastructure Projects Finance Company Pvt Ltd	2.1

KS Holdings Pvt Ltd	1.7
Total Securities Ltd	1.6
Dsp Black Rock Investments Managers Ltd	1.2
Azure Knowledge Corporation Pvt Ltd	1.2
Info Edge [India] Ltd	1.1
India Infoline Ltd	1.0
Videocon Industries Ltd	0.8
United Telecoms Ltd	0.8
Aster Infratek Pvt Ltd	0.6
Ambit Corporate Finance Pvt Ltd	0.6
NJ Indiainvest Pvt Ltd	0.6
Spanco Bpo Ventures Ltd	0.5
Crest Communication Ltd	0.5
ISON Infotel Pvt Ltd	0.4
Radikal International Pvt Ltd	0.4
Winton Roavic Pvt Ltd	0.4
Shakun India Pvt Ltd	0.4
AKM Systems Pvt Ltd	0.4
Spark Capital Advisors India Pvt Ltd	0.3
Saag RR Infra Ltd	0.3
IL & FS Investment Managers Ltd	0.3
Mira Exim Pvt Ltd	0.3
Orbis Capital Limited	0.3
KP Global Ventures Pvt Ltd	0.2
L & T Capital Company Ltd	0.2
Tayana Software Solutions Pvt Ltd	0.2
Zoom Communication Pvt Ltd	0.2
IDFC Asset Management Company Ltd	0.2
Earthstone Holding Pvt Ltd	0.2
Ekasilaa Mining Pvt Ltd	0.2
Shapoorji Pallonji And Company Pvt Ltd	0.2
Vimi Investments And Finance Pvt Ltd	0.1

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Bilcare Ltd	0.1
Transtel Systems Pvt Ltd	0.1
SRF Ltd	0.1
Benchmark Asset Management Co Pvt Ltd	0.1
IPCA Laboratories Ltd	0.1
Pulsar Knowledge Centre Pvt Ltd	0.1
Unifi Wealth Management Ltd	0.1
Mope Investment Advisors Pvt Ltd	0.1
Forefront Capital Management Pvt Ltd	0.1
Motilal Oswal Asset Management Company Ltd	0.1
Devyang Realty Holdings Pvt Ltd	0.1
Seed Advisory Pvt Ltd	0.1
Reliance Strategic Investments Ltd	0.1
Aztecsoft Ltd	0.1
Confidence Petroleum India Ltd	0.1
Heritage Infrareal India Pvt Ltd	0.1
Kiron D Shah	0.1
Prime Broking Co I Ltd	0.1
Mint Strategy Advisors Pvt Ltd	0.1
Reliance Equity Advisors India Ltd	0.1
Sigma Ventures Pvt Ltd	0.1
Tata Sons Ltd	0.1
Jaihind Projects Ltd	-
HDFC Holdings Ltd	-
Indiabulls Technology Solutions Ltd	-
Axis Convergence Pvt Ltd	-
Aurum International Finvest Pvt Ltd	-
Elitecore Technologies Pvt Ltd	-
Cnb Finwiz Private Ltd	-
Energy Engineers Pvt Ltd	-
Milestone Capital Advisors Pvt Ltd	-
Future Capital Holdings Ltd	-

Cambridge Technology Enterprises Ltd	-
Carnoustie Management Pvt Ltd	-
Manaksia Ltd	-
Hazel Mercantile Ltd	-
Hi-Tech Housing Projects Pvt Ltd	-
Infinity Entertainment Pvt Ltd	-
Silverskills Pvt Ltd	-
Ensource Consulting Pvt Ltd	-
Regal Solutions Pvt Ltd	-
K & Y Consultants Pvt Ltd	-
Lodha Dwellers Pvt Ltd	-
HDFC Investments Ltd	-
Coral Esecure Pvt Ltd	-
Proficient Buildwell Pvt Ltd	-
Pankul Rathore	-
Lodha Impression Real Estate Pvt Ltd	-
Espire Infolabs Pvt Ltd	-
Shree Niwas Cotton Mills Ltd	-
Essar Steel Ltd.	-
Maplewood Financial Services Pvt Ltd	-
Wholesale, Retail Trade, Restaurants and Hotels	4374.3
Aamby Valley Ltd	824.4
Jindal Steel And Power Ltd	728.6
Apollo Tyres Ltd	625.9
House Of Pearl Fashions Pvt Ltd	576.0
Pearl Global Industries Ltd	506.9
Redington (India) Ltd	362.7
Godrej Consumer Products Ltd	293.8
Samvardhana Motherson International Ltd	86.6
Essel Propack Ltd	77.0
Padma Pharmaceuticals Pvt Ltd	66.9
Jain Irrigation Systems Ltd	39.2

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Reliance Media Works Ltd	27.0
EIH Ltd	26.0
Eureca Forbes Ltd	18.6
UTV Software Communications Ltd	18.1
Mahindra Holidays & Resorts India Ltd	15.0
D B Hospitality Pvt Ltd	14.2
Neha International Ltd	10.7
Maharashtra Hybrid Seeds Co Ltd	9.9
RJ Corporation Ltd	8.8
PMP Auto Components Pvt Ltd	8.6
Delta Hospitality & Leisure Pvt Ltd	7.4
REI Agro Ltd	4.8
Gati Ltd	4.2
Adani Enterprises Ltd	3.4
Emudhra Consumer Services Ltd	2.1
Jackbro Global Pvt Ltd	1.8
Trent Ltd	0.8
SPR Textiles Pvt Ltd	0.8
Keimed Ltd	0.6
Travel Food Services Pvt Ltd	0.6
Oriental Technocraft Pvt Ltd	0.5
Pantheon Management Pvt Ltd	0.5
Hindustan Platinum Ltd	0.5
Radikal Overseas Pvt Ltd	0.5
Creative Home Furnishing Intl. Pvt Ltd	0.3
Devyani International Pvt Ltd	0.3
Varna Creations And Services	0.1
Proficient Solutions Pvt Ltd	0.1
Nissi Exim Pvt Ltd	0.1
Varun Industries Ltd	-
Ali Hussain Icecandywala	-
Arvind Ltd	-

Numeric Power Systems Ltd	-
Diffusion Engineers Ltd	-
M/S Maskara Textiles Pvt Ltd	-
Global Networkings	-
Kapokh Fibers And Industries Ltd	-
Vinca Infrastructure Pvt Ltd	-
ABM Architects Pvt Ltd	-
Geetanjali Woollens Pvt Ltd	-
Bydesign India Pvt Ltd	-
SKS Ispat And Power Ltd	-
Impulse India Pvt Ltd	-
Emergent Ventures India Pvt Ltd	-
Blubay Technologies Pvt Ltd	-
Essar Oil Ltd	-
Construction	2515.9
GMR Infrastructure Ltd	1309.5
Essar Projects (India) Ltd	538.5
Advance Investments	131.0
Albasta Power Ltd	100.0
KEC International Ltd.	88.5
Hindustan Construction Company Ltd	73.0
Essel Airpore Infrastructure Pvt Ltd	64.8
Navayuga Engineering Co Ltd	60.6
Essar Constructions (India) Ltd	40.1
Nagarjuna Construction Co Ltd	35.0
NCC Ltd	18.9
Piramal Sunteck Realty Pvt Ltd	11.3
Sunteck Realty Ltd	11.0
Lodha Developers Pvt Ltd	10.2
Patel Realty India Ltd	6.0
Delta Corp Ltd	4.5
Silverglen Infrstrure Pvt Ltd	3.9

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Action Infraprojects Pvt Ltd	2.3
NCC Infrastructure Holdings Ltd	1.7
Sew Infrastructure Ltd	1.5
Lanco Infratech Ltd	1.0
Kalpataru Power Transmission Ltd	0.8
Patel Engineering Co. Ltd.	0.6
Sujana Tower Ltd	0.4
Afcon Infrastructure Ltd	0.3
Akriti Jewelcraftz Pvt Ltd	0.2
GMR Airport Development Ltd	0.2
Gammon India Ltd	0.1
Assotech Ltd	0.1
GMR Enterprises Pvt Ltd	-
GMR Holdings Pvt Ltd	-
Acropolis Capital Group	-
Tata Projects Ltd	-
Sunil Mantri Realty Ltd	-
Lodha Properties Development Pvt Ltd	-
Community, Social and Personal Services	1746.2
Aegis Ltd	943.6
Manipal Universal Learning Pvt Ltd	199.1
Zee Entertainment Enterprises Ltd	183.1
Prime Focus Ltd	118.2
Pan India Network Infravest Pvt Ltd	68.8
Manipal Global Education Services Pvt Ltd	49.5
Asian Hotel (North) Ltd	35.7
Television Eighteen India Ltd	33.0
DM Healthcare Pvt Ltd	28.9
Aptech Ltd	22.8
Fortis Global Healthcare Ltd	15.1
JSS Education Foundation Pvt Ltd	9.4
Airworks India Engg Pvt Ltd	8.8

Batliboi Ltd	6.1
Chemiotek Research International Pvt Ltd	4.9
Apollo Hospitals Enterprises Ltd	4.3
Amity Global Varsity Pvt Ltd	2.4
Dr Agarwal Eye Institute	2.2
Sagar Health Care & Diagnostic Services	1.5
Asia Pacific Communication Associates Pvt Ltd	1.3
Scrabble Entertainment Pvt Ltd	1.3
Nova Medical Centers Pvt Ltd	1.2
Annet Communication Pvt Ltd	1.0
Metropolis Healthcare Ltd	0.7
Nova Pulse IVF Clinic Pvt Ltd	0.7
Jagathra Holdings Pvt Ltd	0.6
South Yarra Holdings	0.5
Thyrocare Technologies Ltd	0.3
APC Drilling & Construction Pvt Ltd	0.3
Polpit Financial Consultants Pvt Ltd	0.2
Interglobe Enterprises Ltd	0.2
Maragadham Education Pvt Ltd	0.2
Cause Entertainment Pvt Ltd	0.1
Frankfinn Overseas Pvt Ltd	0.1
New Delhi Television Ltd	0.1
Ambit Corporate Finance Pvt Ltd	-
Thyrocare International Ltd	-
Vedicure Wellness Pvt Ltd	-
Kailash Picture Company Pvt Ltd	-
Transport, Storage and Communication Services	1569.0
Bharti Airtel Ltd	1165.9
Essar Shipping Ports & Logistics Ltd	204.1
Global Telesystems Ltd	94.0
Varun Corporation Ltd	20.9
Britannia Industries Ltd	20.0

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Altruist Technologies Pvt Ltd	19.4
Vihaan Networks Ltd	17.5
GTL Infrastructure Ltd	12.0
Transport Corporation Of India Ltd	4.7
Microqual Techno Ltd	2.7
Cox & Kings Ltd	2.7
Tarun Shipping And Industries Ltd	2.6
PFS Shipping India Ltd	1.1
Zero G Apartments Pvt Ltd	1.0
Netxcell Ltd	0.2
Kesari Vacations Pvt Ltd	0.1
Haiertelecom India Pvt Ltd	0.1
Citycom Networks Pvt Ltd	-
Innovis Telecom Services Pvt Ltd	-
Agriculture, Mining, Hunting, Forestry and Fishing	1236.7
Essar Shipping Ports & Logistics Ltd	505.4
Sterling Oil Resources Ltd	306.6
Shivvani Oil And Gas Exploration	86.2
International Coal Ventures Pvt Ltd	77.0
Welspun Corp Ltd	58.4
Jindal Petroleum Ltd	56.0
Lustre Manufacturers Pvt Ltd	26.0
Shriram Bioseed Ventures Ltd	23.9
M/S Privilege Oil & Gas Pvt Ltd	22.5
Gv Mines Minerals & Metals Pvt Ltd	13.1
Paharpur Cooling Towers	13.0
Gokul Refoils & Solvents Ltd.	9.3
Associated Stone Industries (Kotah) Ltd	8.4
Sterling International Enterprises Ltd	5.1
Waltair Promoters Private Ltd	5.0
Balasore Alloys Ltd	4.8
M.K. Shah Exports Ltd	4.5

Amisha Fincap Pvt Ltd	4.5
Adventa India Ltd	2.0
Vandana Global Ltd	1.3
Coastal Marine Construction And Engineering Ltd	1.2
Varun Industries Ltd	0.5
Ace Corporate Agri Ventures Private Ltd	0.4
Barista Coffee Company Ltd.	0.4
Inland Road Transport Pvt Ltd	0.3
R K Infraventures Pvt Ltd	0.2
Adhunik Alloys And Power Ltd	0.2
Tirupati Carbons & Chemicals Private Ltd	0.2
Shree Renuka Energy Ltd	0.1
Minmet Intl Resources Pvt Ltd	0.1
Action Minerals Pvt Ltd	0.1
Classic Marble Company Pvt Ltd	-
Videocon Oil Ventures Ltd	-
Gillanders Arbuthnot And Company Ltd	-
Shapoorji Pallonji Infrastructure Capital Company Ltd	-
Jsw Ispat Steel Ltd	-
Binani Zinc Ltd	-
SDK Enterprises Pvt Ltd	-
Shreepati Logistic India Ltd	-
Welspun Construction Pvt Ltd	-
Miscellaneous	185.1
GMR Infrastructure Ltd	68.8
IBN 18 Broadcast Ltd	56.3
NDTV Ltd	29.2
GMR Energy Ltd	11.7
Britannia Industries Ltd	8.8
Jai Realty Ventures Ltd	6.5
Hindustan Sanitaryware and Industries Ltd	3.5
Gimpex Ltd	0.1

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Ambit Corporate Finance Pvt Ltd	0.1
Pest Control (India) Pvt Ltd	0.1
Excel Colours & frits Ltd	-
Electricity, Gas and Water	30.3
Vaayu Renewable Energy (Purna) Pvt Ltd	23.8
UEM India Pvt Ltd	3.2
Mohan Exports India Pvt Ltd	1.9
Quippo Energy Pvt Ltd	1.3
Vaayu Renewable Energy (Meghna) Pvt Ltd	0.1

iv. Mozambique

Sector-wise Indian Companies/ Investors	(US\$ mn)
MOZAMBIQUE	2663.5
Agriculture, Mining, Hunting, Forestry and Fishing	2650.0
ONGC Videsh Ltd	2640.0
Coal India Ltd	5.0
Resources International	2.6
Thriveni Earth Movers Pvt Ltd	1.4
Vandana Vidhyut Ltd	0.3
Jindal Metal And Mining Ltd	0.3
Jindal Poly Films Ltd	0.2
Anilkumar V Patel	-
Austral Coke & Projects Ltd	-
Bhavik Parsottamdas Patel	-
Hemantbhai Satishbhai Patel	-
Adhunik Alloys And Power Ltd	-
TelemineX India Pvt Ltd	-
Rachana Global Excavation Ltd	-
RST Mining And Logistics Pvt Ltd	-
Financial, Insurance, Real Estate and Business Services	6.3
Rites Ltd	3.9
Ritesh Properties & Industries Ltd	2.2
Tata Chemicals Ltd	0.1
Transport, Storage and Communication Services	4.1
Essar Ports Ltd	4.1
Manufacturing	2.7
Beekay Universal Impex Pvt Ltd	2.0
PSI Hydraulics	0.3
Gravita India Ltd	0.2
Tata Chemicals Ltd	0.2
Construction	0.2
Railtech Infraventure Pvt Ltd	0.2
Standardbuild Infrastructure Ltd	-
Wholesale, Retail Trade, Restaurants and Hotels	0.1
Kwality Pharmaceuticals Pvt Ltd	0.1

v. Namibia

Sector-wise Indian Companies/ Investors	(US\$ mn)
NAMIBIA	2.2
Financial, Insurance, Real Estate and Business Services	0.1
Navayuga Infotech Pvt Ltd	0.1
Manufacturing	2.1
GPT Infraprojects Ltd	2.1
Praj Industries Ltd	-
Wholesale, Retail Trade, Restaurants and Hotels	-
Panoramic Universal Ltd	-

vi. Seychelles

Sector-wise Indian Companies/ Investors	(US\$ mn)
SEYCHELLES	3.5
Electricity, Gas and Water	2.5
Sri Harivallabhaa Enterprises & Investments Pvt Ltd	2.5
Manufacturing	0.9
M/S Sainov Spirits Pvt Ltd	0.7
Ambey Capital Pvt Ltd	0.3
Financial, Insurance, Real Estate and Business Services	-
Direct Information Pvt Ltd	-
Prism Infomatics Ltd	-
Wholesale, Retail Trade, Restaurants and Hotels	-
Crazypricing Online Services Pvt Ltd	-

vii. South Africa

Sector-wise Indian Companies/ Investors	(US\$ mn)
SOUTH AFRICA	376.9
Manufacturing	209.6
Tata Steel Ltd	81.5
Tata Intl. Ltd	64.8
Rockland Steel Trading Pvt Ltd	14.6
Dr. Reddy's Laboratories Ltd.	10.3
Intas Pharmaceuticals Ltd	9.4
Kiran Global Chems Ltd	5.9
Praj Industries Ltd	4.8
Tata Motors Ltd	3.3
Parle Biscuits Pvt Ltd	2.6
Mahindra & Mahindra Ltd	2.1
Goodearth Agrochem Pvt Ltd	1.7
ASPL Ventures Pvt Ltd	1.6
Tagros Chemicals India Ltd	1.0
KLT Automative And Tubular Products Ltd	0.9
Metropolis Health Services (I) Pvt Ltd	0.9
Agni Steels Pvt Ltd	0.6
MBD Worldwide Pvt Ltd	0.5
Mahendra Brothers Exports Pvt Ltd	0.5
GPT Infraprojects Ltd	0.4
Industrial Filters And Fabrics Pvt Ltd	0.4
Bhavna Tradelink Pvt Ltd	0.4
Enercon [I] Ltd	0.3
Shankar Packaging Ltd	0.3
Vulcan Indl Engg Co Ltd	0.2
Citron Infraprojects Ltd	0.2
Numeric Power Systems Ltd	0.2
IPCA Laboratories Ltd	0.1
Elecon Engg. Co. Ltd	0.1

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ION Exchange India Ltd	0.1
Mcnally Bharat Engineering Co. Ltd	0.1
Emcure Pharmaceuticals Ltd	0.1
Span Diagnostics Ltd	-
Alkem Laboratories Ltd	-
Geospatial Media And Communications Pvt Ltd	-
Orchid Chemicals & Pharmacueticals Ltd	-
GIS Development Pvt Ltd	-
Bennett Coleman And Co. Ltd	-
Financial, Insurance, Real Estate and Business Services	113.4
The Indian Hotels Co Ltd	55.4
Larsen & Toubro Infotech Ltd	31.5
Tata Consultancy Services Ltd	11.5
General Insurance Corporation	10.0
Ramco Systems Ltd	2.0
Financial Technologies[¹] Ltd	1.6
Tech Mahindra Ltd	0.5
M/S Cahead Info Technologies India Pvt Ltd	0.3
Cytespace Research Pvt Ltd	0.2
Corpus Software Pvt Ltd	0.1
Zensar Technologies Ltd	0.1
SRG Mining International Pvt Ltd	0.1
Solid Tech India Computer Services Pvt Ltd	-
Sankhyaa Learning Pvt Ltd	-
Mouri Tech Pvt Ltd	-
Tata Projects Ltd	-
Mphatek Systems Pvt Ltd	-
Uhora Technologies Pvt Ltd	-
Wone Management Systems Pvt Ltd	-
Expert Global Solutions Pvt Ltd	-
Pierian Services Pvt Ltd	-
Altura Consulting Pvt Ltd	-

Winjit Technologies Pvt Ltd	-
Second Avenue Consulting Pvt Ltd	-
Icreate Software India Pvt Ltd	-
Indiabulls Technology Solutions Ltd	-
Wholesale, Retail Trade, Restaurants and Hotels	39.9
Marico Industries Ltd	34.3
Saumya Textiles Pvt Ltd	1.8
Gupta Coal India Ltd	1.5
Chadha Power	1.0
Fortune Metaliks Ltd	0.5
Euro Safety Footwear India Pvt Ltd	0.3
Allengers Medical Systems Ltd	0.2
Precision Bearing Pvt Ltd	0.1
Pankaj B Koshti	0.1
Silwin	-
Forace Polymers Pvt Ltd	-
Multigraph Machinery Co.	-
Pride Overseas Pvt Ltd	-
BRK Commodity India Ltd	-
Legacy Enterprises Pvt Ltd	-
Macleods Pharmaceuticals Ltd	-
Agriculture, Mining, Hunting, Forestry and Fishing	8.7
Worlds Window Urja Pvt Ltd	4.4
Vijay Mining And Infra Corp Pvt Ltd	3.4
Genesis Mining & Minerals Pvt Ltd	0.6
Dash Petroleum & Energy Resources Pvt Ltd	0.2
ALP Overseas Pvt Ltd	-
Indian Technomac Company Ltd	-
NMDC Ltd	-
Construction	3.7
Jyoti Structures Ltd	2.8
Tata Communications Ltd	0.8

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Kalpataru Power Transmission Ltd	0.1
Community, Social and Personal Services	1.0
Essel Media	1.0
Transport, Storage and Communication Services	0.5
Integrated Wireless Solutions Pvt Ltd	0.4
Interglobe Air Transport Ltd	-
I 2 I Telesource Pvt Ltd	-
Seagull Maritime Agencies Pvt Ltd	-
Electricity, Gas and Water	0.2
Enercon (India) Power Development Pvt Ltd	0.1
IL&FS Energy Development Company Ltd	0.1

viii. Swaziland

Sector-wise Indian Companies/ Investors	(US\$ mn)
SWAZILAND	0.4
Financial, Insurance, Real Estate and Business Services	0.4
Ekasilaa Mining Pvt Ltd	0.4

ix. Tanzania

Sector-wise Indian Companies/ Investors	(US\$ mn)
TANZANIA	58.6
Manufacturing	45.7
PSI Hydraulics	20.1
Banco Products India Ltd	12.5
Fair Deal Cars Pvt Ltd	5.2
Princeware International Pvt Ltd	1.0
R J Feeds Pvt Ltd	0.9
Alpha Nippon Innovatives Ltd	0.8
Nestor Pharmaceuticals Ltd	0.3
Mercury Industries Ltd	0.2
Webstar Vyapaar Pvt Ltd	0.2
Grow-Well Engineering Export Pvt Ltd	0.1
Potla Nishanthi	0.1
Madhavi Potla	-
S.S. Control Systems Pvt Ltd	-
Lovson Exports Ltd	-
Balaji Iron And Minerals Pvt Ltd	-
Potla Nageswara Rao	-
Community, Social and Personal Services	8.5
Rites Ltd	8.3
Dr. PVA Mohandas	0.1
Dr. Prithvi Mohandas	0.1
Mallika Mohandas	0.1
Wholesale, Retail Trade, Restaurants and Hotels	2.1
Royal Orchid Hotels Ltd	2.0
Excel Crop Care Ltd	0.1
Diamond & Gem Development Corporation Ltd	-
Shashank Bhasker Trivedi	-
Baramati Agro Ltd	-

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Agriculture, Mining, Hunting, Forestry and Fishing	1.6
Tanworld International Pvt Ltd	0.9
Vasista Mines Private Ltd	0.3
Frigerio Conserva Allana Ltd	0.2
Indagro Foods Ltd	0.2
Bhrithi Mining Pvt Ltd	-
Teleminex India Pvt Ltd	-
Transport, Storage and Communication Services	0.5
Sri Ganesh Forwarders Pvt Ltd	0.3
Sidhartha Corporation Pvt Ltd	0.2
IL & FS Maritime Infrastructure Co Ltd	-
Financial, Insurance, Real Estate and Business Services	0.2
Matchit Consultants Pvt Ltd	0.1
Nihilent Technologies Pvt Ltd	-
Onmobile Global Ltd	-
RMN Infotech Pvt Ltd	-
Electricity, Gas and Water	-
IL&FS Energy Development Company Ltd	-

x. Zambia

Sector-wise Indian Companies/ Investors	(US\$ mn)
ZAMBIA	62.4
Financial, Insurance, Real Estate and Business Services	24.1
Bank of Baroda	7.9
Central Bank of India	7.9
Bank of India	7.8
Onmobile Global Ltd	0.2
Capital Corp	0.2
Orbit Investments and Trading Pvt Ltd	0.2
Hindustan Dorr- Oliver Ltd	-
Agriculture, Mining, Hunting, Forestry and Fishing	17.3
PLR Projects Pvt Ltd	11.1
Eastland Switchgears Pvt Ltd	1.8
Chiteta Mining Company Pvt Ltd	1.7
Eurasian Minerals & Enterprises Pvt Ltd	1.4
Suyog Chemicals Pvt Ltd	0.7
Star Orechem International Pvt Ltd	0.3
SM Niryat Pvt Ltd	0.3
Kohlenstoff Resource Developers Pvt Ltd	0.2
Omax Minerals Pvt Ltd	-
GRN Constructions Pvt Ltd	-
Construction	10.9
Chetak Enterprises Ltd	8.1
ERA Hsg & Developers (I) Ltd	1.2
SRR Projects Pvt Ltd	0.8
GKC Projects Ltd	0.6
Manji Khimji Hirani	0.1
Voice Realtech Pvt Ltd	-
Buniyad Dwelling Pvt Ltd	-
BSBK Private Ltd	-
Arvee Electricals and Engineers Pvt Ltd	-

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Manufacturing	9.8
Manjeet Cotton Pvt Ltd	4.9
McNally Bharat Engineering Co. Ltd	3.7
Capital Corp	0.7
Orbit Investments and Trading Pvt Ltd	0.6
Wholesale, Retail Trade, Restaurants and Hotels	0.2
Gravita Exim Ltd	0.1
Tyre Technocrats (India) Pvt Ltd	0.1
Community, Social and Personal Services	-
Paritoshbhai Pravinchandra Modi	-

xi. Zimbabwe

Sector-wise Indian Companies/ Investors	(US\$ mn)
ZIMBABWE	0.3
Agriculture, Mining, Hunting, Forestry and Fishing	0.1
Shyam Metalics and Energy Ltd	0.1
Manufacturing	0.2
Midex Global Pvt Ltd	0.2

- Negligible

Note – the above data is cumulative from July 2007 – March 2015

Source: Reserve Bank of India (RBI); and Exim Bank Analysis

Annexure 2 : Exim Bank of India's LOCs in SADC Region (As on January 31, 2016)

- **GOI-supported LOCs**

Sr. No.	Country	Borrower	Amount of Credit (US\$ mn)	Products/Projects covered
1	Angola	Government of Angola	40.0	Railway rehabilitation
2	Angola	Government of Angola	30.0	Industrial park
3	Angola	Government of Angola	15.0	Setting up a textile project (Cotton Ginning & Spinning)
4	DR Congo	Government of DR Congo	33.5	setting up a cement factory in DR Congo, acquisition of 228 buses and acquisition of equipments for MIBA
5	DR Congo	Government of DR Congo	25.0	Installation of hand pumps and submersible pumps
6	DR Congo	Government of DR Congo	42.0	Execution of Kakobola Hydroelectric Power Project
7	DR Congo	Government of DR Congo	168.0	Ketende Hydro-electric Project
8	DR Congo	Government of D. R. Congo	82.0	Katende Hydro-electric Project
9	DR Congo	Government of DR Congo	34.5	Development of Power Distribution Project in Bandundu Province
10	DR Congo	Government of DR Congo	109.9	Transmission and distribution project in Kasai province
11	Lesotho	Government of Lesotho	5.0	General purpose: Contracts approved include export of pump sets, consultancy services and irrigation equipment
12	Lesotho	Government of Lesotho	4.7	Vocational training centre for empowerment of youth and women
13	Madagascar	Government of Madagascar	25.0	Project for rice productivity (US\$ 10 mn) and project for fertilizer production (US\$ 15 mn)
14	Mauritius	Government of Mauritius	48.5	Offshore Patrol Vessel from M/s Garden Reach Shipbuilders & Engineers Ltd.
15	Mauritius	Government of Mauritius	46.0	Purchase of specialised equipment and vehicles
16	Mauritius	Government of Mauritius	18.0	To finance the acquisition of Waterjet Fast Attack Craft
17	Malawi	Government of Malawi	30.0	Supply of irrigation, storage, tobacco threshing plant and one village- one project in Malawi
18	Malawi	Government of Malawi	50.0	Cotton processing facilities (US\$ 20 mn), Green Belt Initiative (US\$ 15 mn) One Village One Product (OVOP) (US\$ 15 mn)

Sr. No.	Country	Borrower	Amount of Credit (US\$ mn)	Products/Projects covered
19	Malawi	Government of Malawi	76.5	Procurement of design, supply, installation and commissioning of fuel storage facilities ,irrigation network, commissioning of sugar processing facility in Salima district
20	Mozambique	Government of Mozambique	20.0	General purpose - Contracts approved include supply of water drilling machinery, equipments, accessories, components and spares, support vehicles, water and fuel tankers and electrical equipments
21	Mozambique	Government of Mozambique	20.0	Gaza Electrification Project
22	Mozambique	Government of Mozambique	20.0	Transfer of water drilling technology and equipment
23	Mozambique	Government of Mozambique	25.0	To finance IT Park Project which will comprise construction of building and (a) incubator facility, (b) research and learning center and (c) technology park and administrative facility.
24	Mozambique	Government of Mozambique	30.0	Rural Electrification Projects in the provinces of Gaza, Zambezia and Nampula in Mozambique
25	Mozambique	Government of Mozambique	25.0	Rural Electrification of Cabo Delgado, Manica and Niassa Provinces
26	Mozambique	Government of Mozambique	20.0	Enhancing productivity of rice, wheat, maize cultivation
27	Mozambique	Government of Mozambique	13.0	Solar Photo Voltaic Module Manufacturing Plant
28	Mozambique	Government of Mozambique	250.0	improving the quality of power supply in Mozambique
29	Mozambique	Government of Mozambique	19.7	Rural drinking water project extension
30	Mozambique	Government of Mozambique	149.7	Rehabilitation of Road between Tica, Buzi and Nova Sofala in Mozambique
31	Mozambique	Government of Mozambique	47.0	Construction of 1200 houses in Mozambique
32	Seychelles	Government of Seychelles	8.0	General Purpose - Contracts covered include export of rice, potatoes and buses
33	Seychelles	Government of Seychelles	10.0	Import of goods and services from India for specific projects funded by Development Bank of Seychelles (DBS)
34	Swaziland	Government of Swaziland	20.0	IT Park
35	Swaziland	Government of Swaziland	37.9	Agricultural Development and Mechanization of Agriculture in Swaziland
36	Tanzania	Government of Tanzania	40.0	Export of tractors, pumps and equipments from India to Tanzania.
37	Tanzania	Government of Tanzania	36.6	Financing the purchase of 723 vehicles
38	Tanzania	Government of Tanzania	178.1	Water supply schemes to Dar-es-Salaam

Sr. No.	Country	Borrower	Amount of Credit (US\$ mn)	Products/Projects covered
39	Tanzania	Government of Tanzania	268.4	Extension of Lake Victoria Pipeline to Tabora, Igunga and Nzega
40	Zambia	Government of Zambia	50.0	Pre-fabricated Health Posts in Zambia
41	Zambia	Government of Zambia	29.0	Itezhi-Tezhi Hydro power project
42	Zimbabwe	Government of Zimbabwe	28.6	Up-gradation of Deka Pumping Station and River Water Intake System in Zimbabwe
43	Zimbabwe	Government of Zimbabwe	87.0	Renovation/Up- gradation of Bulawayo Thermal Power Plant
Africa Total			2316.6	

• **Institutional LOCs**

Sr. No.	Borrower	Region	Amount of Credit (US\$ mn)	Products/Projects covered
1	AfreximBank	Pan-African Institution	30.0	General Purpose
2	Eastern and Southern African Trade and Development Bank (PTA Bank) (covering 17 countries in the eastern and southern African region)	Pan-African Institution	25.0	General purpose
3	Indo-Zambia Bank	Southern Africa	5.0	General purpose
Sub-Total			60.0	

Annexure 3 : Investment Promotion Agencies in SADC Region

Angola

National Agency of Private Investment (ANIP) - www.investinangola.com

Botswana

Botswana Investment and Trade Centre (BITC) - <http://www.bitc.co.bw/>

DR Congo

DRC National Agency for Investment Promotion (ANAPI) - www.anapi.org

Lesotho

Lesotho National Development Corporation (LNDC) - www.lndc.org.ls

Madagascar

Economic Development Board of Madagascar (EDBM) - www.edbm.gov.mg

Malawi

Malawi Investment and Trade Centre (MITC) – <http://www.mitc.mw/>

Mauritius

Board of Investment of Mauritius (BOI) - www.boimauritius.com

Mozambique

Investment Promotion Centre Mozambique (CPI) – www.cpi.co.mz

Namibia

Namibia Investment Centre (NIC) - <http://www.mti.gov.na/>

Seychelles

Seychelles Investment Bureau (SIB) - <http://www.sib.gov.sc/>

South Africa

South Africa Department of Trade and Industry (DTI) - <http://www.thedti.gov.za/>

Swaziland

Swaziland Investment Promotion Authority (SIPA) – www.sipa.org.sz

Tanzania

Tanzania Investment Centre (TIC) – www.tic.co.tz

Zambia

Zambia Development Agency (ZDA) – <http://www.zda.org.zm/>

Zimbabwe

Zimbabwe Investment Authority (ZIA) – <http://www.investzim.com/>

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