JETRO

Strategic Outlook for Expanding Japan–India Cooperation in Africa

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Japan External Trade Organization (JETRO)

With inputs from

CII, JCCII and Experts from Japan and India

CII Confederation of Indian Industry

JCCII Japan Chamber of Commerce and Industry in India

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EXECUTIVE SUMMARY

Strategic Outlook for Expanding Japan-India Cooperation in Africa

Africa is emerging as one of the most strategically important regions for the future growth and economic security of both Japan and India. With a population expected to reach approximately 2.5 billion by 2050, abundant reserves of critical minerals, rapid urbanization, and the gradual implementation of the African Continental Free Trade Area (AfCFTA), Africa is poised to become one of the world's largest future markets and an increasingly important hub for industrial development and supply-chain diversification.

At the same time, Japan and India are entering a new phase of strategic cooperation. Under Japan's **Free and Open Indo-Pacific (FOIP)** vision and India's **Indo-Pacific Oceans Initiative (IPOI)** and **MAHASAGAR** framework, both countries increasingly recognize the strategic importance of the Indian Ocean and Africa. The region represents a natural area of **overlapping strategic and economic interests**, where Japan and India can jointly contribute to sustainable development, resilient supply chains, and economic growth while advancing their own national interests.

Against this backdrop, Africa presents a unique opportunity for a new model of Japan–India partnership. Japan possesses world-class strengths in technology, industrial know-how, quality infrastructure, financing, and human resource development. India, meanwhile, brings cost competitiveness, implementation capability, entrepreneurial dynamism, and extensive historical, commercial, and human networks across Africa. **By combining these complementary strengths, Japan and India can support Africa's industrialization and economic transformation** while creating new business opportunities for companies from both countries.

The central narrative of this report is that Africa should be viewed not merely as a destination for development assistance or resource extraction, but as a shared strategic growth frontier for Japan and India. Such cooperation offers a "triple-win" framework: accelerating industrial development and job creation in Africa, creating new growth opportunities for Japanese businesses, and expanding the international footprint of Indian companies and supply chains.

A key advantage of Japan–India cooperation in Africa lies in **India's deep-rooted presence on the continent**. India maintains long-standing historical, political, economic, and people-to-people ties with Africa. Indian companies are active across telecommunications, automobiles, pharmaceuticals, agriculture, digital services, infrastructure, financial services, and manufacturing. In addition, approximately three million people of Indian diaspora across Africa, many of whom play important roles in business and industry. These networks provide valuable local knowledge, distribution channels,

trusted relationships, and market access that can significantly reduce the entry costs and risks faced by Japanese companies.

Another important factor is **the similarity between African and Indian market conditions**. Many African economies share characteristics that India has successfully navigated over the past several decades, including affordability constraints, infrastructure gaps, fragmented markets, skills shortages, and rapidly growing populations. Indian companies have therefore developed business models, products, and technologies that are often well suited to African conditions. Through collaboration with Indian partners, Japanese companies can gain access to commercially viable pathways for expanding into African markets while maintaining cost competitiveness.

The report also emphasizes that Africa should not be assessed solely through national-level macroeconomic indicators. While many African countries continue to face challenges including low-income levels, high inflation, and limited industrialization, major urban centers such as Cairo, Nairobi, Lagos, Johannesburg, Casablanca, and Accra already exhibit income levels and growth dynamics comparable to those observed in major ASEAN cities during the early stages of their rapid development. These cities are emerging as important centers of consumption, manufacturing, digital innovation, logistics, and infrastructure development.

The study identifies **several priority sectors** where Japan–India collaboration can generate significant economic and strategic value. These include **digital infrastructure and telecommunications, manufacturing industries such as mobility, healthcare, industrial machinery,electrical equipment and petrochemicals, critical minerals and oil, energy and green infrastructure, and human resource development**. These sectors align with Africa's industrialization priorities while simultaneously supporting supply-chain resilience, resource security, and future market expansion for both Japan and India.

Based on existing business activities and successful corporate partnerships, the report identifies **three practical models for expanding Japan–India cooperation in Africa**.

- The first model involves collaboration between Japanese and Indian companies to **expand industrial value chains from India into Africa**. Under this model, intermediate goods, components, and technologies produced in India can be supplied to African markets for local assembly, processing, and manufacturing, thereby supporting the development of Africa's industrial base, job creation, and local value addition while strengthening commercial linkages between India and Africa.
- The second focuses on **joint investment by Japanese and Indian firms** in African production facilities, infrastructure projects, and local business operations.
- The third model involves **partnerships between Japanese companies and existing Indian or Indian diaspora-led businesses** already operating in Africa, enabling faster market entry and access to established commercial networks.

Importantly, **Africa is also seeking greater diversification** of its international partnerships. While China, Europe, and the United States remain major economic partners, many African governments increasingly seek a broader range of partnerships that support local value addition, industrialization, skills development, and technology transfer. In this context, a Japan–India partnership offers a distinctive and complementary model that combines quality, affordability, local capacity building, and long-term commitment.

To realize this potential, the report proposes **five priority actions**.

- First, Japan and India should **jointly develop and promote a clear narrative for Japan–India cooperation in Africa** through business forums, industry platforms, and public-private dialogue mechanisms.
- Second, both governments should **strengthen financing and risk-mitigation support** through institutions such as JBIC, JICA, NEXI of Japan, as well as ECGC and the Export-Import Bank of India.
- Third, cooperation should be strengthened to **promote greater alignment of standards, certification systems, and regulatory frameworks** between India and key African countries, thereby facilitating trade, investment, and industrial integration.
- Fourth, both governments should **actively engage industry institutions, centres of excellence, and business networks as implementation partners**.
- Finally, Japan and India should **deepen collaboration in human resource development**, particularly in manufacturing, engineering, and digital technologies, to support Africa's long-term industrial transformation.

Africa is one of the few regions where the strategic interests, economic objectives, and comparative advantages of Japan and India naturally converge. By combining Japan's technology, capital, and industrial expertise with India's implementation capabilities, cost competitiveness, and extensive African networks, both countries can contribute to Africa's sustainable growth while creating a new engine of economic opportunity for themselves. The expansion of Japan–India cooperation in Africa therefore represents not only a commercial opportunity, but also a strategic partnership model for the future of the Indo-Pacific and the Global South.

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Abbreviations

AA	Association Agreement
ACE	Africa Centre of Excellence
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
ASEAN	Association of Southeast Asian Nations
AU	African Union
BRI	Belt and Road Initiative
CII	Confederation of Indian Industry
DFC	U.S. International Development Finance Corporation
DPI	Digital Public Infrastructure
DRC	Democratic Republic of the Congo
DX	Digital Transformation
E-JUST	Egypt-Japan University of Science and Technology
EBA	Everything But Arms
ECGC	Export Credit Guarantee Corporation of India
EPA	Economic Partnership Agreement
EPC	Engineering, Procurement and Construction
EU	European Union
EXIM Bank	Export-Import Bank
FAO	Food and Agriculture Organization of the United Nations
FMCG	Fast-Moving Consumer Goods
FOCAC	Forum on China–Africa Cooperation
FOIP	Free and Open Indo-Pacific
FYDP	Five-Year Development Plans
IAFS	India–Africa Forum Summit
ICBC	Industrial and Commercial Bank of China
IEA	International Energy Agency
IIT	Indian Institute of Technology
IPEF	Indo-Pacific Economic Framework for Prosperity
IPOI	Indo-Pacific Oceans Initiative
ISA	International Solar Alliance
ITEC	Indian Technical and Economic Cooperation
ITIDA	Information Technology Industry Development Agency
JBIC	Japan Bank for International Cooperation
JEC	Japanese Endowed Courses
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JIM	Japan–India Institute for Manufacturing
JOGMEC	Japan Organization for Metals and Energy Security
LCV	Light Commercial Vehicle
MAHASAGAR	Mutual and Holistic Advancement for Security and Growth Across Regions
MCC	Millennium Challenge Corporation

METI	Ministry of Economy, Trade and Industry (Japan)
MoU	Memorandum of Understanding
MOSIP	Modular Open Source Identity Platform
NEXI	Nippon Export and Investment Insurance
NPCI	National Payments Corporation of India
NRI	Non-Resident Indian
NTI	National Telecommunication Institute
OEM	Original Equipment Manufacturer
ONGC	Oil and Natural Gas Corporation Limited
PASET	Partnership for Skills in Applied Sciences, Engineering and Technology
PV	Photovoltaic
PVTD	Productivity and Vocational Training Authority
R&D	Research and Development
RSIF	Regional Scholarship and Innovation Fund
SUV	Sport Utility Vehicle
TICAD	Tokyo International Conference on African Development
UNECA	United Nations Economic Commission for Africa
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

CHAPTER 1 INTRODUCTION

1.1 Japan–India Strategic Alignment in the Indo-Pacific

As two major Indo-Pacific democracies with **complementary economic strengths**, Japan and India are increasingly looking beyond the bilateral agenda. Their strategic outlooks increasingly converge around a free, open, inclusive, and rules-based Indo-Pacific, with growing scope to extend cooperation into third regions, including Africa.

The **Free and Open Indo-Pacific (FOIP)** concept was articulated by Japanese Prime Minister Shinzō Abe in a speech to the **Sixth Tokyo International Conference on African Development (TICAD VI)** in Nairobi in August 2016.[1] It reframed Japan's strategic geography by linking "two oceans" (the Pacific and Indian) and "two continents" (Asia and Africa), emphasizing on promotion and establishment of the rule of law, freedom of navigation, free trade, pursuit of economic prosperity; and commitment for peace and stability across the Indo-Pacific region, including Africa.[2] **In May 2026, Japan's Prime Minister Sanae Takaichi announced Japan's updated FOIP**, focusing on three priorities: economic infrastructure for the age of AI and data, co-creation of growth opportunities through public–private collaboration and rule-sharing, and enhanced security cooperation.[3] In this context, and as part of its efforts to realize a Free and Open Indo-Pacific (FOIP), Japan proposed the "Economic Region Initiative of Indian Ocean-Africa" at the Ninth Tokyo International Conference on African Development (TICAD 9) held in Yokohama in August 2025. The initiative seeks to promote Africa's regional integration and industrial development by strengthening collaboration among Japan and countries across the Indian Ocean, including India and Middle Eastern countries, in the Indian Ocean-Africa Economic Region, which is expected to emerge as a key driver of global economic growth.

India's strategic approach is closely aligned with this direction. India launched the **Indo-Pacific Oceans' Initiative (IPOI)** in 2019 to give concrete shape to its Indo-Pacific vision, based on cooperation, ASEAN centrality, maritime security, connectivity, sustainability, and shared prosperity. India has also advanced the **MAHASAGAR** vision Mutual and Holistic Advancement for Security and Growth Across Regions — which broadens India's maritime and Global South engagement, including the Indian Ocean and Africa.[4]

[1] Model Diplomat (May 2026) "FIOIP (Japan)" https://modeldiplomat.com/learn/glossary/foip-japan

[2] Ministry of Foreign Affairs "Free and Open Indo-Pacific" https://www.mofa.go.jp/files/000430632.pdf

[3] Ministry of Foreign Affairs (May 2026) ''The Updated "Free and Open Indo-Pacific (FOIP)" https://www.mofa.go.jp/policy/pageite_000001_01612.html
Prime Minister's Office of Japan (May 2026) ''Foreign Policy Speech by Prime Minister TAKAICHI Sanae" https://japan.kantei.go.jp/105/speech/202605/02fpspeech.html

[4] Embassy of India (August 2025) ''India's Maritime Vision: From Sagar to Indo-Pacific to Mahasagar by Amb Suchitra Durai" https://www.indembassydili.gov.in/section/articles-commissioned-by-xpd-division/india-s-maritime-vision-from-sagar-to-indo-pacific-to-mahasagar-by-amb-suchitra-durai

This strategic convergence is already reflected in Japan–India cooperation within India, including manufacturing, infrastructure, technology, finance, and human resource development. The next step is to extend this cooperation into third-country markets where both countries can bring **complementary strengths**, with Africa being a natural priority. India has long-standing historical, political, commercial, and diaspora linkages with African countries, while Japan brings technology, finance, quality infrastructure, and institutional experience through platforms such as **Tokyo International Conference on African Development (TICAD)** and FOIP. India's Ministry of External Affairs has also highlighted the scope for Japan and India to collaborate in Africa, including in resilient supply chains and critical and emerging sector.[5]

1.2 Extending Japan-India Cooperation Models to Africa

Japan and India already have a strong foundation of economic and strategic collaboration in India. The core opportunity is to convert successful Japan–India models in India into adaptable best practices for African countries. Manufacturing partnerships, digital infrastructure, skills development, healthcare, critical minerals, quality infrastructure, and resilient supply chains can be structured as trilateral cooperation with African governments, institutions, and the private sector. This would position Japan and India not only as strategic partners in the Indo-Pacific, but also as co-creation partners supporting Africa's industrialization, local value addition, employment generation, skills development, and resilient economic growth.

1.3 Africa as a New Partner for Japan–India Growth Collaboration

Countries in Africa could be natural partners forJapan and India as they step up their collaboration bringing together three long-term priorities: future markets, supply-chain resilience, and sustainable development. The continent's population is projected to reach close to **2.5 billion by 2050**, accounting for more than **25% of the world's population**.[6] At the city and urban level, several major **African cities already show income levels comparable to ASEAN cities** in GDP per capita PPP terms. Africa is also important as a future integrated market. The **African Continental Free Trade Area (AfCFTA)** connects 1.3 billion people across 55 countries with a combined GDP of around USD 3.4 trillion, making it the world's largest free trade area by number of participating countries. If implementation progresses, it could improve intra-African trade and create larger regional markets for manufacturing, logistics, and

Indian Council of World Affairs (May 2025) "India Reiterates Its Role in the Indian Ocean Region: Deepening Partnerships and Elevating Regional Cooperation" https://www.icwa.in/show_content.php?lang=1&level=3&lid=7850&ls_id=12852&

[5] Ministry of External Affairs (February 2025) "EAM's remarks at Japan-India-Africa Business Forum (February 26, 2025)" https://www.mea.gov.in/speeches-statements?dtl/39105/EAMs_remarks_at_JapanIndiaAfrica_Business_Forum_February_26_2025

[6] International Monetary Fund (September 2023) "African Century" https://www.imf.org/en/publications/fandd/issues/2023/09/pt-african-century

services[7] indicating that selected urban markets may offer more immediate and commercially relevant opportunities than national averages suggest.

The continent is also central to critical minerals and the global green transition. Africa holds a large share of mineral reserves such as cobalt, copper, manganese, graphite, rare earth, and lithium. These resources are important for semiconductors, electric vehicles, renewable energy systems, and other industrial products. According to the International Energy Agency (IEA), Africa's importance in global mining production and reserves makes the continent strategically relevant for countries seeking diversified and resilient supply chains.[8]

For Japan and India, Africa therefore offers major opportunities for mutual collaboration. Japan can contribute technology, quality infrastructure, finance, and industrial standards, while India can contribute cost-competitiveness, digital public infrastructure, and long-standing diaspora networks across African countries. This cooperation gained further momentum with METI's launch of the **Japan–India Cooperation Initiative for Sustainable Economic Development in Africa** at the Japan–India–Africa Business Forum in Tokyo in February 2025. The initiative aims to position India as a business and industrial hub for Japanese engagement with Africa, while promoting investment, employment, technology transfer, skills development, resilient supply chains, and local value addition in strategic sectors, including critical minerals.[9] A **Japan–India–Africa partnership** can therefore support industrial development, skills enhancement, digitization, and resilient value chains while advancing the broader objectives of FOIP and TICAD 9, including sustainable development, private-sector investment, innovation, and collaboration with African partners..[10]

However, realizing the full potential of Japan–India–Africa cooperation requires a clear understanding of Africa's diverse economic landscape, where opportunities vary significantly across countries, sectors, and cities. The next chapter therefore examines Africa's long-term potential alongside the near-term constraints that are important for both Japanese and Indian businesses.

[7] World Bank Group "The African Continental Free Trade Area: Economic and Distributional Effects"https://openknowledge.worldbank.org/entities/publication/1c04980c-dcd8-5bd9-9abc-a028630500db

[8] International Energy Agency "Global Critical Minerals Outlook 2024" https://www.iea.org/reports/global-critical-minerals-outlook-2024

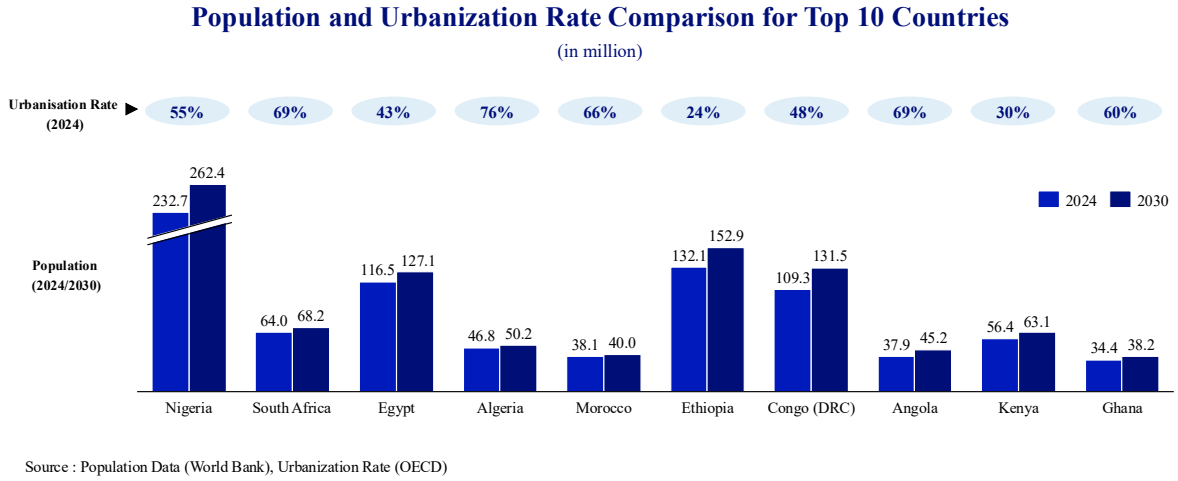
[9] Council for Strategic and Defense Research (March 2025) "Enhancing Trade and Investment in Africa" https://csdronline.com/blind-spot/india-japan-cooperation-in-africa-a-new-era-of-economic-engagement/

[10] Ministry of Foreign Affairs (August 2025) "TICAD 9 Yokohama Declaration" https://www.mofa.go.jp/files/100893431.pdf

CHAPTER 2 AFRICA MARKET OUTLOOK — OPPORTUNITIES AND CHALLENGES

2.1 Africa's Long-Term Promise and Near-Term Market Constraints

African countries continue to hold strong long-term potential when compared to other developing nations. It is estimated that, **by 2075, one-third of the world's population as well as and of the working-age population will be African**. The young population aged 15-24 in Africa is expected to reach 500 million in 2080, and the working-age population aged 25-64 will only peak after year 2100 at about 1.5 billion people.[11] In comparison, India, that is currently the most populous nation, is expected to reach its peak working-age population (ages 15–64) in 2035-2045.[12] Africa's urbanization remains a major long-term opportunity. UN-Habitat notes that Africa's urbanization rate rose from 15% in 1960 to around 40% in 2010 and is projected to reach 60% by 2050, creating large future demand for housing, transport, utilities, healthcare, retail, and urban infrastructure.



Source : Population Data (World Bank), Urbanization Rate (OECD)

However, **Africa's strong market opportunity brings some inherent challenges in the near-term**. African countries have been unable to translate population growth and urbanization into a rise in income levels or a large middle-class consumer market. As shown in the comparison chart below between ASEAN and selected African countries, ASEAN economies like Malaysia, Thailand, Indonesia and Vietnam have experienced a much stronger increase in GDP per capita (PPP terms) over the last three

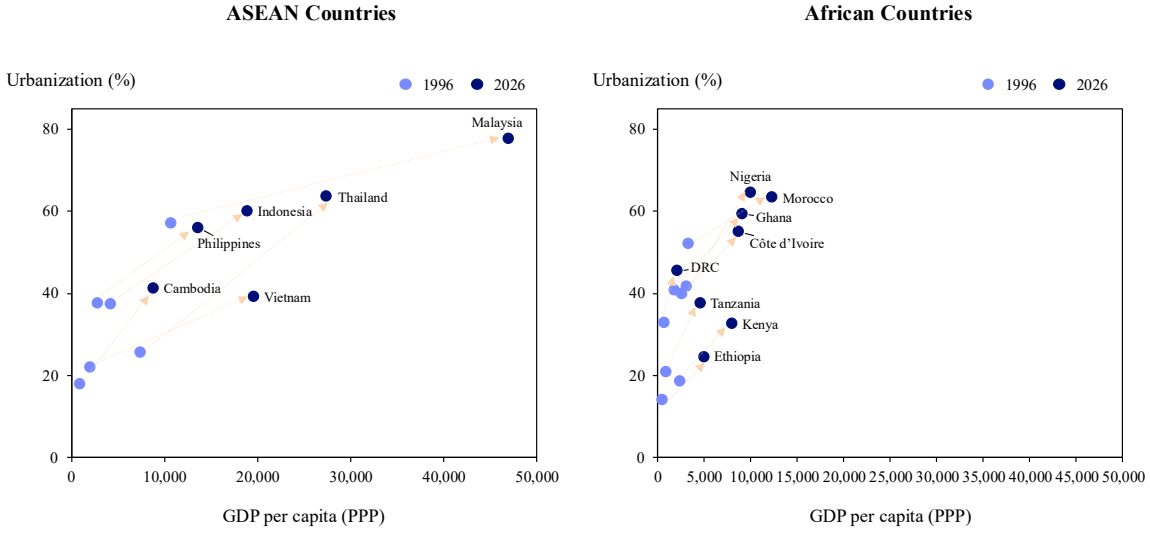
[11] World Bank Group (June 2023) "Investing in Youth, Transforming Africa"https://www.worldbank.org/en/news/feature/2023/06/27/investing-in-youth-transforming-afe-africa

[12] Ministry of Home Affairs (September 2025) "Sample Registration System Statistical Report 2023" https://censusindia.gov.in/nada/index.php/catalog/46172/download/50420/SRS_STAT_2023.pdf.,Observer Research Foundation (March 2026) "India Could Age Before It Becomes Rich: From Demographic Dividend to Productivity Dividend" https://www.orfonline.org/research/india-could-age-before-it-becomes-rich-from-demographic-dividend-to-productivity-dividend

decades, alongside rising urbanization. In contrast, many major African countries like Nigeria, Kenya, DRC and Tanzania have exhibited high urbanization, but income levels have remained comparatively low. This suggests that urban growth in Africa has not yet been matched by sufficient productivity gains, industrial employment, or export-led manufacturing.

Income (GDP per capita) and Urbanization Growth Comparison

(in USD)



Source: IMF World Economic Outlook, UN World Urbanization Prospects

One reason for this slow pace of income levels growth is **structural dependence on agriculture and services sectors for employment**. In 2025, employment in Sub-Saharan Africa remained concentrated in agriculture (49.3%), followed by services (38.5%) and industry (12.2%). Between 2006 and 2025, labour shifted primarily from agriculture to services, while the share of industrial employment increased by only 1.6 percentage points. In comparison, industrial employment accounted for 25.0% of total employment in South Asia and 28.5% in East Asia and the Pacific in 2025, having increased by 5.5 and 4.6 percentage points, respectively, over the same period. .[13] This suggests that Africa's structural transformation towards industrialization has been relatively slow and uneven, highlighting the need to strengthen manufacturing capacity and create enabling conditions for industrial development and job creation. Africa's structural transformation towards industrialization has been slow and uneven, with a need to build stronger manufacturing capacity and enabling conditions for industries.[14]

Another pressing **economic challenge is the high inflation in Africa**. Average annual inflation in the region reached around 14.5% in 2022, significantly above the global average of 8.8% and the emerging

[13] World Bank (2025), World Development Indicators (WDI), Employment in Agriculture, Industry and Services (% of Total Employment), accessed June 2026 https://databank.worldbank.org/source/world-development-indicators#

[14] African Development Bank ''African Economic Outlook 2024" https://www.afdb.org/sites/default/files/2024/06/06/aeo_2024_-_chapter_2.pdf

market and developing economy average of 9.9%.[15] The recent surge has been driven by external shocks, including higher global commodity prices, exchange-rate volatility, supply-chain disruptions, and the impact of the Russia–Ukraine conflict on food and energy prices.[16] As **food and fuel account for a large share of household spending** in many African countries, persistent inflation reduces disposable income, weakens purchasing power, and slows the rise of per capita income and middle-class consumption.

According to FAO, food CPI in Eastern Africa stood at 14.7% in 2023, the highest among global sub-regions.[17] By contrast, in Southeast Asia, food and beverage inflation fell from 6.2% in H1 2023 to 1.9% in H1 2024.[18] Since food absorbs a large share of household income in many African countries, rising food prices results in lowering of household disposable income for non-essentials like consumer durables, mobility, and digital services. High food costs also indirectly create wage pressures and increased operating costs for firms, making it harder for manufacturing industries to scale. The African Development Bank's (AfDB) African Economic Outlook notes that African economies have faced persistent price pressures on food and energy sectors in recent years.[19]

While Africa's household base is expected to expand, the **emergence of a broad middle class remains slower than in ASEAN**. The income distribution comparison shows that in major African economies such as Nigeria and Kenya, a large share of households is likely to remain in lower-middle- and lower-income bands even by 2040. Egypt and South Africa have exhibited stronger middle-income household share growth, but the depth of middle- and upper-income households remains more limited compared with ASEAN economies such as Indonesia, Thailand, Vietnam, and the Philippines.

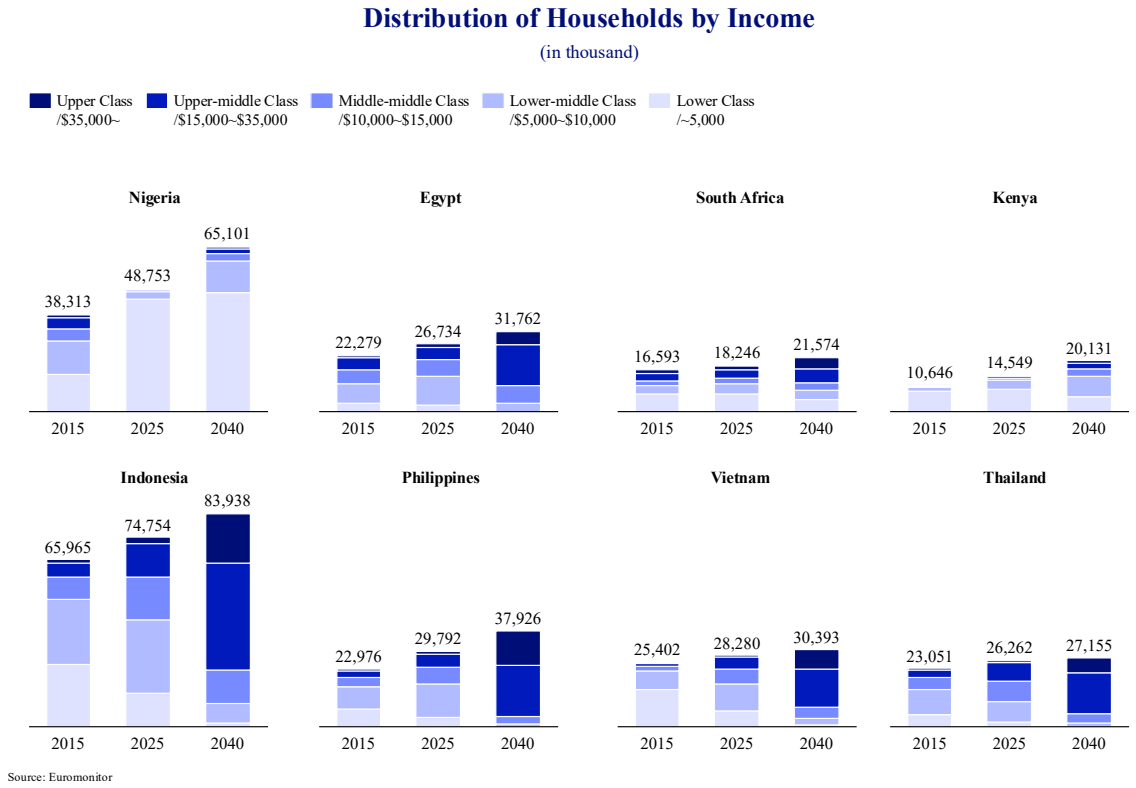
[15] Export-Import Bank of India (June 2023) "India's Investment Potential in Africa" https://www.eximbankindia.in/sites/default/files/2025-07/175file.pdf

[16] ODI Global (September 2025) "Divergent paths: inflation in emerging economies" https://odi.org/en/insights/divergent-paths-inflation-in-emerging-economies/

[17] Food and Agriculture Organization of the United Nations (July 2024) "General and food consumer price indices inflation rates. March 2024 update" https://www.fao.org/statistics/highlights-archive/highlights-detail/general-and-food-consumer-price-indices-inflation-rates-march-2024-update/en

[18] Asian Development Bank (September 2024) "Southeast Asia" https://www.adb.org/sites/default/files/publication/995536/southeast-asia-ado-september-2024.pdf

[19] African Development Bank "African Economic Outlook 2024" https://www.afdb.org/sites/default/files/documents/publications/african_economic_outlook_aeo_2024_0.pdf



To summarize, Africa offers long-term scale, resources, and future demand, but near-term market depth is uneven. Compared with ASEAN, many African markets still have lower income levels, weaker industrial ecosystems, fragmented demand, and a smaller middle class. This partly explains why Japanese companies have taken a more cautious approach to investment in Africa.

2.2 Africa's Growth Story: Looking Beyond Macro Indicators

Africa cannot be assessed only through national GDP or average income levels. A more practical view is to look at specific regions, and sectors where demand and income levels are already stronger than national averages suggest.

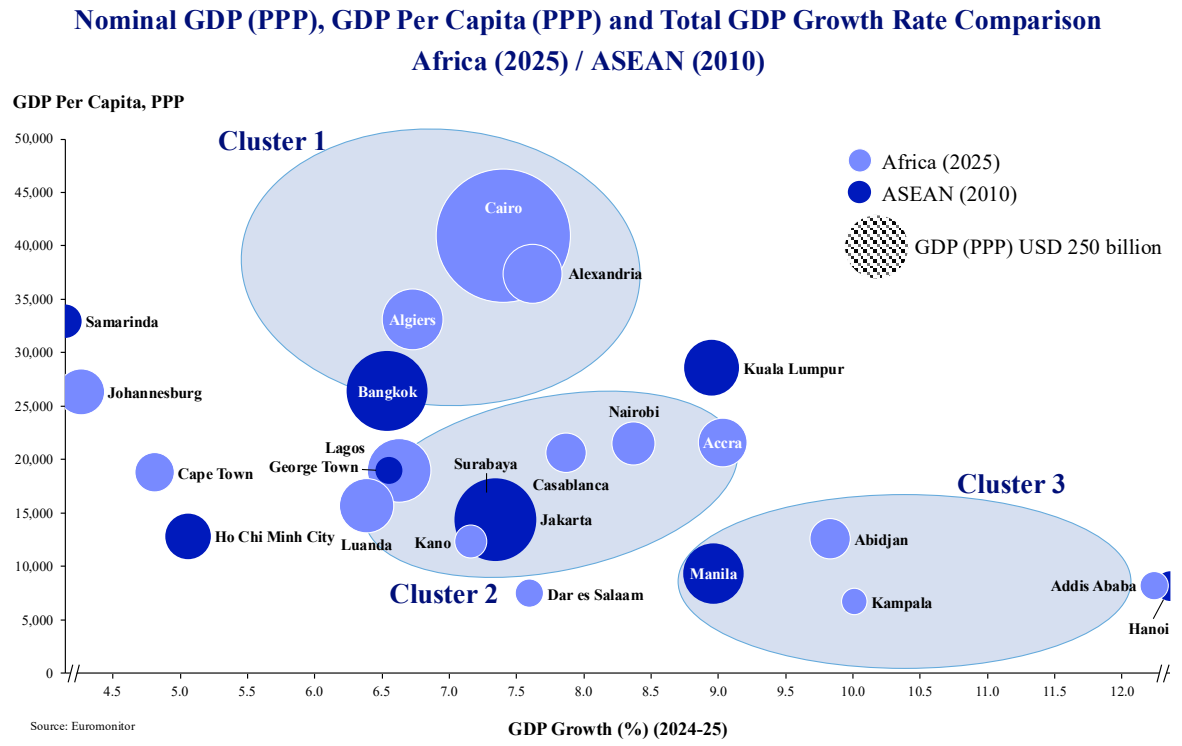
In several sectors, large African conglomerates also hold strong market positions across regions. Their scale, distribution networks, and high entry barriers allow them to generate attractive profitability compared with many global peers.

For Japanese and Indian businesses, this means Africa should be approached selectively. A focused view of priority countries, growths sectors and collaboration models can help identify where Japan–India collaboration can be most effective in Africa. While this approach is selective, it is understood that initiating Japan-India collaboration in such targeted areas will, over time, expand in scale and ultimately contribute to the broader economic growth and development across Africa.

2.2.1 Looking at Africa through Micro Lens

While country-level indicators often show limited income growth and uneven market depth, several major African cities present a more promising picture. These cities have higher income levels, stronger consumer demand, and faster economic activity than national averages suggest.

The chart compares GDP per capita on a PPP basis with GDP growth rates for selected African (in 2025) and ASEAN cities (in 2010), with bubble size representing total city GDP. Japanese companies have been active in ASEAN since the 1960s when those countries were still under-developed. Since then, ASEAN has been one of the central regions for Japanese companies' international strategies, both as critical markets and manufacturing hubs, contributing to regional economic growth. Today, however, the comparison between African cities and ASEAN markets suggests that **many African cities' economic standards today already became mature to surpass or exceed those of ASEAN cities in 2010**.



Cluster 1: Established Economic Centres — High Income, Moderate Growth

Cities such as Cairo, Alexandria, and Algiers represent relatively mature urban economies with high GDP per capita and sizeable consumer bases. Cairo, with GDP per capita of around USD 41,000 and GDP growth of about 7.4%, is comparable to, and in some cases exceeds, mature ASEAN cities such as Bangkok. These cities should not be viewed as frontier markets, but as established urban economies with expanding consumer bases and infrastructure.

Cluster 2: Mid-Tier Growth Cities with Consistent Growth

Cities such as Nairobi, Accra, Lagos, Luanda, and Casablanca fall in the mid-income urban cluster,

broadly comparable to ASEAN cities such as Jakarta, Surabaya, and George Town. With GDP per capita in the range of roughly USD 19,000–21,000 and steady growth, these cities show signs of expanding middle-class demand, stronger business activity, and growing need for logistics, manufacturing, professional services, and consumer products. In major ASEAN cities, this same pattern attracted sustained Japanese and Indian FDI through the 2010s.

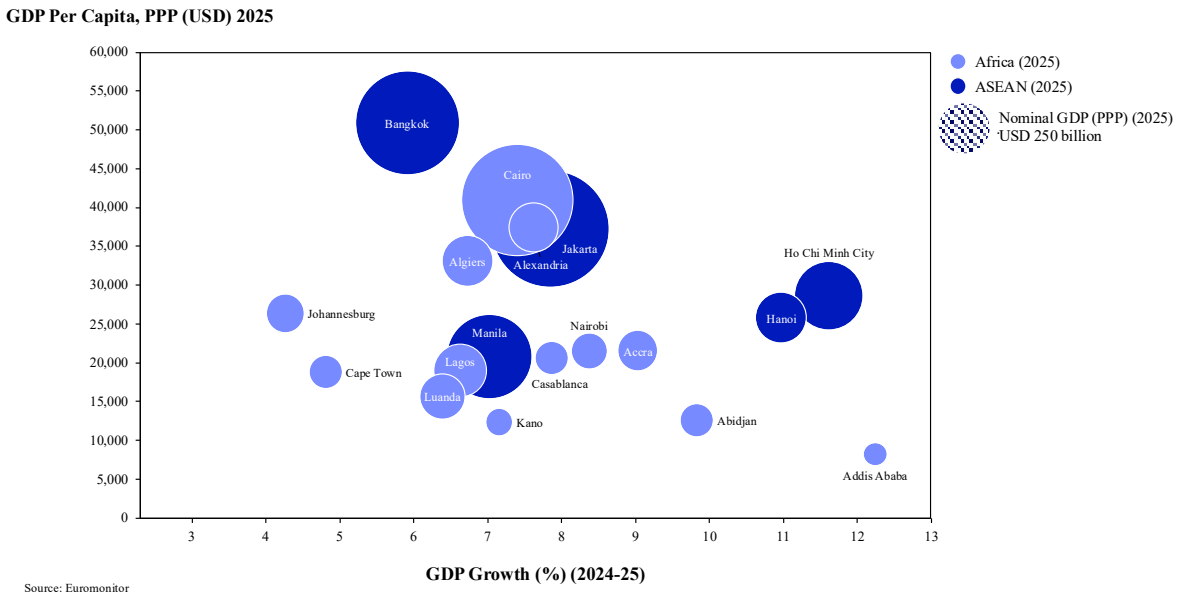
Cluster 3: High-Growth Emerging Cities - Lower Base, Rapid Ascent

Cities such as Addis Ababa, Abidjan, and Kampala represent an earlier-stage opportunity cluster. Their income levels remain lower, but growth rates of around 10–12% indicate rapid urban expansion and infrastructure demand. Their growth rates rival or exceed those of city like Manila at their inflection points. These cities are entering a phase of urbanization and infrastructure expansion, representing an early-stage but high-upside opportunity set.

In short, the chart shows that several African cities are reaching the type of inflection point seen in ASEAN cities around 2010. Rising city-level incomes and GDP growth indicate that similar opportunities are now emerging in selected African urban markets.

If we compare the **current GDP per capita (PPP basis) and GDP growth rates of major African cities with those of ASEAN cities in 2025**, we can see that cities such as Cairo, Algiers, Lagos, Johannesburg, and Nairobi are **comparable to their ASEAN counterparts** in terms of rising income levels and economic growth. This creates an opportunity for Japan and India to identify priority countries, cities, and sectors where targeted collaboration can support market entry and long-term growth.

Nominal GDP (PPP), GDP Per Capita (PPP) and Total GDP Growth Rate Comparison Africa (2025) / ASEAN (2025)



Source: Euromonitor

2.2.2 High Profitability of African Conglomerates and Major Corporations

Several **African markets show a high degree of concentration**, with a small number of **large conglomerates holding dominant positions** in key sectors. These firms often benefit from scale, strong distribution networks, and licensing structures, which allow them to maintain significant market share and attractive profitability.

Examples of leading firms across key sectors exhibiting high profit margins and controlling significant market share are:

- **Dangote Cement (Pan Africa)**: Dangote Group has one of the strongest resource and production positions in Africa's cement industry. Its Ndola plant in Zambia alone has access to over 240,000 kt of limestone reserves, while Dangote Cement operates a total production capacity of around 55,000 kt per year across Africa.[20] Company has historically maintained EBITDA margins of around 40% and above (40.1% in FY2024-25)[21]. Its large limestone reserves and estimated 60–70% domestic market share in Nigeria indicate a dominant position in the cement sector.
- **Safaricom (Kenya)**: Safaricom holds a leading position in Kenya's telecom and mobile-money market. Its M-PESA platform accounts for around 92.3% of Kenya's mobile-money market, supported by first-mover advantage, network scale, and deep customer reach[22]. This is due to its first mover's advantage and being a network provider to a large population. M-PESA serves more than 60 million customers in a month across Kenya, Tanzania, Mozambique, the Democratic Republic of Congo, Lesotho, Ghana Egypt, and Ethiopia.[23]
- **MTN Group (Pan-Africa)**: MTN is one of Africa's largest telecom operators, with operations across 21 African countries and a customer base of around 300 million. The company reported an EBITDA margin of around 37.7% in FY2024–25.[24] [25] In many African telecom markets, where only a few licensed operators compete, MTN benefits from scale and oligopolistic market structures.

For foreign investors, direct competition with these established players can be challenging due to their scale, distribution networks, local relationships, and market familiarity. As a result, **partnering with such companies can provide a more effective route to market entry**, enabling access to existing channels, faster localization, and potentially stronger profitability.

[20] Ecofin Agency (May 2026) "Nigeria's two biggest cement producers post record first-quarter 2026 profits" https://www.ecofinagency.com/news-industry/0505-55265-nigeria-s-two-biggest-cement-producers-post-record-first-quarter-2026-profits#:~:text=Interest%20payments%20on%20the%20company's,according%20to%20the%20annual%20report

[21] Stock Analysis (June 2026) "Dangote Cement Income Statement" https://stockanalysis.com/quote/ngx/DANGCEM/financials/

[22] Techcabal (January 2025) "Airtel Money eats into M-PESA's dominance in Kenya, doubling market share to 7.6%" https://techcabal.com/2025/01/28/airtel-money-market-share-kenya/

[23] M-Pesa Website "About M-PESA" https://www.m-pesa.africa/about-us

[24] Stock Analysis (June 2026) "MTN Group Income Statement "https://stockanalysis.com/quote/jse/MTN/financials/

[25] MTN Group (April 2026) "MTN Group 2025 Suite of Reports | CEO Message on Performance, Impact and Africa's Progress" https://www.youtube.com/watch?v=c-fnyiKjU7o

Some of the successful cases of foreign players entering the African market are as follows:

- Vodafone's investment in Safaricom[26]
  Vodafone entered Kenya through a 40% equity stake in Safaricom in 2000. This gave Vodafone access to Safaricom's growing telecom platform and later provided exposure to the rapid expansion of M-Pesa, which became the dominant mobile-money platform in Kenya.
- Bharti Airtel's acquisition of Zain Telecom[27]
  Bharti Airtel entered Africa by acquiring Zain's African operations for around USD 10 billion. The transaction provided Airtel with immediate access to operations across 15 African countries, enabling faster pan-African expansion than would have been possible through organic entry.
- ICBC's investment in Standard Bank Group[28]
  In 2007, the Industrial and Commercial Bank of China (ICBC) acquired a 20% stake in South Africa's Standard Bank for USD 5.4 billion. The investment made ICBC the single largest shareholder in Africa's largest bank and provided a platform to support China–Africa trade and investment flows.

These cases show that partnership, acquisition, or strategic investment in established African platforms can be an effective market-entry model, particularly in sectors where scale, licences, distribution, and local trust are critical.

However, not all foreign investments in African markets have delivered the expected returns. In some cases, companies have had to divest, restructure, or monetize assets due to macroeconomic volatility, regulatory challenges, security risks, or difficulties in adapting to local market conditions. Illustrative examples include:

- Company H's exit from Congo[29]
  Company H, a global brewing company, sold its stake in its DRC brewing subsidiary in 2026 to Mauritius-based Company E, ending decades of direct ownership. The decision followed a period of declining business performance linked to high inflation, currency depreciation, political instability, and security risks. After February 2025, the company also lost operational control of key assets following looting and seizure of breweries and depots by armed personnel.
- Company W's Africa Restructuring through acquisition of Company M[30]
  In 2011, Company W, a multinational retail chain, acquired a 51% stake in South Africa-based Company M for USD 2.4 billion. However, the business faced challenges from intense local

[26] Safaricom Website "About us" https://www.safaricom.co.ke/about/who-we-are/our-story

[27] Reuters (June 2010) "India's Bharti Airtel completes acquisition of Zain Africa" https://www.reuters.com/article/lifestyle/indias-bharti-airtel-completes-acquisition-of-zain-africa-idUS3735096686/

[28] Goldman Sachs "Firm Aids Chinese Bank's Globalization Efforts with Investment in South Africa" https://www.goldmansachs.com/our-firm/history/moments/2007-icbc-stake-in-standard-bank

[29] CNBC Africa (April 2026) "Heineken ends decades-long presence in Congo with brewery stake sale" https://www.cnbcafrica.com/2026/heineken-ends-decades-long-presence-in-congo-with-brewery-stake-sale

[30] The Wall Street Journal (September 2023) "Walmart goes all in on Africa" https://www.wsj.com/business/retail/walmart-goes-all-in-on-africa-147e6ef0

competition, supply-chain constraints, and limited adaptation to local consumer preferences. By 2022, Company M's share price had declined by around 60% from the time of Company W's initial acquisition announcement. This led Company W to pursue full ownership and restructuring of Company M, including plans to rebrand selected stores under Company W's branded format.

- Company A's sale of Mobile Phone Towers[31]
  Company A, an India-based telecommunications operator, faced pressure in its African business due to lower oil and commodity prices, regulatory hurdles, and rising financing costs. Its interest costs increased by 38% to INR 50.1 billion (USD 802.2 Mn[32]) in the year ended March 2015. To reduce debt and improve financial flexibility, the company sold mobile-phone towers in Nigeria, Uganda, Ghana, Rwanda, and the Republic of Congo for more than USD 1.3 billion. In Nigeria, a U.S.-based communications infrastructure company acquired around 4,700 towers from Company A.

These cases underline that Africa offers significant long-term opportunities, but market entry requires careful risk assessment, local adaptation, financial discipline, and strong partner selection.

Although Africa offers strong long-term potential for business expansion, near-term constraints remain. Income levels are rising slowly, and a broad middle-class consumer market has yet to fully emerge, despite rapid population growth and urbanization. At the same time, several large African conglomerates have built strong market positions and generate high profitability in selected sectors. For foreign companies, partnering with the right local players can provide faster market access, stronger distribution, and better understanding of local operating conditions.

Therefore, identifying the right countries, sectors, and partners is critical for successful market entry. It is also important for Japan and India to assess complementary opportunities in Africa, where their respective strengths can be combined to create mutual benefits for African countries, Japanese companies, and Indian partners.

The following chapter examines Africa's major external partners and the evolving nature of their engagement with the continent, while highlighting Africa's growing emphasis on diversifying global partnerships in line with its own development priorities.

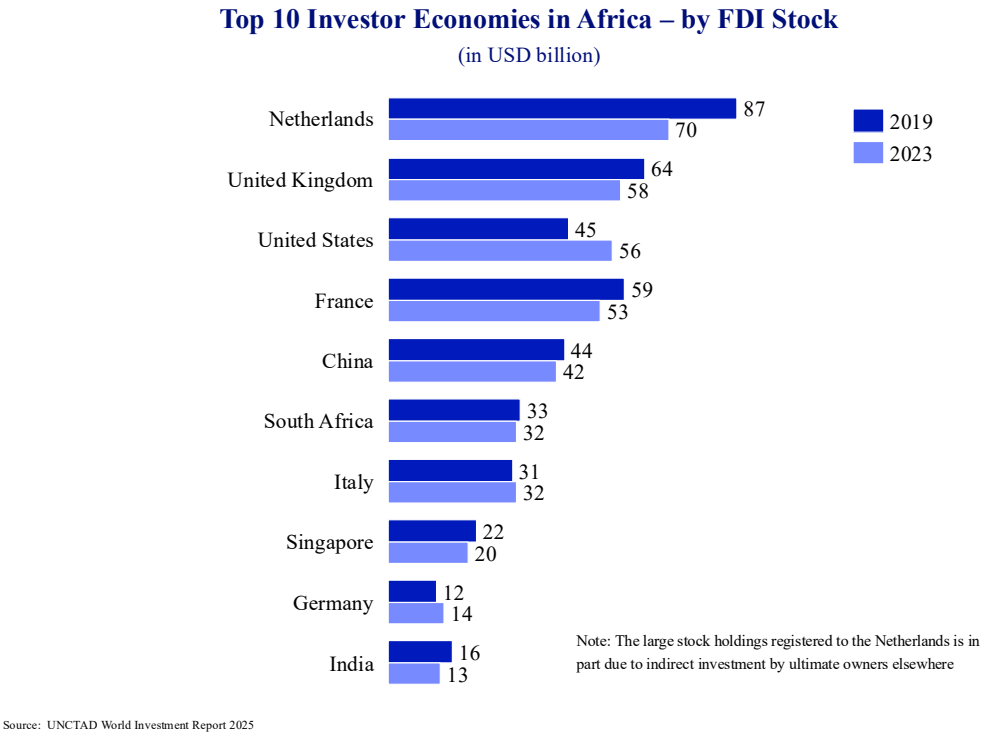
[31] Tele.net (July 2015) "Bharti Airtel completes sale of towers in five African countries for more than $1.3 billion" https://tele.net.in/bharti-airtel-completes-sale-of-towers-in-five-african-countries-for-more-than-1-3-billion/

[32] RBI Reference Rate (Average exchange rate for INR to USD as of March 2015) https://www.rbi.org.in/scripts/referenceratearchive.aspx

CHAPTER 3 AFRICA'S EXTERNAL PARTNERS

3.1 Africa's Major External Partners

Africa's external economic relationships have been shaped by **long-standing ties with Europe, the United States, and China**. As of 2023, European investors remain the largest holders of foreign direct investment (FDI) stock in Africa, followed by the United Kingdom, United States and China.[33] Europe's relationship with Africa is rooted in geography, colonial history, trade, and development cooperation. Today the **EU–Africa partnership** is framed around sustainable development, peace, green transition, and digital transformation.[34]



The **United States** also has long-standing political and development ties with Africa. For example, U.S.–Liberia relations date back to the nineteenth century, and more recent engagement has been supported through trade, energy, development, and investment programmes. Key programmes include the **African Growth and Opportunity Act (AGOA)** for trade access, Power Africa for electricity generation and connections, the **United States Agency for International Development (USAID)**[35] for health, food

[33] European Council "EU-Africa trade: facts and figures"https://www.consilium.europa.eu/en/infographics/eu-africa-trade-facts-and-figures//
[34] European Commission "Africa-EU Partnership" https://international-partnerships.ec.europa.eu/policies/africa-eu-partnership_en
[35] Note: Since July 1, 2025, USAID's operations have ceased and U.S. foreign assistance has now been administered by the U.S. State Department.

security, and governance support, and the **U.S. International Development Finance Corporation (DFC)** for private-sector investment financing.[36]

China's engagement with Africa gained early visibility at the 1955 Bandung Conference and later deepened through the **Forum on China–Africa Cooperation (FOCAC)**, launched in 2000 as a platform for economic and development cooperation. **The Belt and Road Initiative (BRI)**, introduced in 2013, further expanded China's role in Africa's infrastructure, trade, project finance, and construction sectors.[37]

3.1.1 European Union – Africa Economic Engagement: Green Transitions and Private Sector Development

The European Union (EU) remains one of Africa's most established long-term partners. In 2024, EU–Africa trade was valued at nearly EUR 354.7 billion, comprising EUR 189.5 billion in EU imports from Africa and EUR 165.2 billion in EU exports to Africa. Over the past decade, total trade between the two regions increased by 27.1%, reflecting the depth of commercial ties.[38]

The EU also supports trade integration through preferential agreements with 19 African countries. These include six **Economic Partnership Agreements (EPAs)** covering 15 Sub-Saharan African countries, and four Association Agreements (AAs) with North African countries. Alongside these agreements, EU support for the African Continental Free Trade Area (AfCFTA) is aimed at strengthening regional integration and intra-African trade. This includes a EUR 1.1 billion package for trade facilitation, green and digital transitions, infrastructure, and private-sector development.[36]

Investment links are also significant. In 2024, EU companies held investments in Africa worth more than EUR 250 billion, while African investment in the EU stood at over EUR 74.6 billion. These investments remain concentrated in extractive industries, agri-food, public works, and services, but are gradually expanding into new sectors.[36]

The **Global Gateway Africa–Europe Investment Package** provides the main framework for the EU's current engagement. It focuses on Africa's green and digital transformation, sustainable growth and decent jobs, health systems, and education and training.[39]

Interestingly, recent trends indicate that **even European companies are increasingly partnering with Indian companies to approach African markets via India**, leveraging India's cost competitiveness and its established networks, particularly in East African counties.

USAID programs now being run by State Department as agency ends operations https://abcnews.com/Health/usaid-programs-now-run-state-department-agency-ends/story?id=123373289

[36] Abel Nyarko-Asomani and Joshua Charles, The Institute of Economic Affairs, Ghana (January 2025) "A Comparative Analysis: U.S. and Chinese Assistance to Africa" https://www.researchgate.net/publication/388106316_A_Comparative_Analysis_US_and_Chinese_Assistance_to_Africa

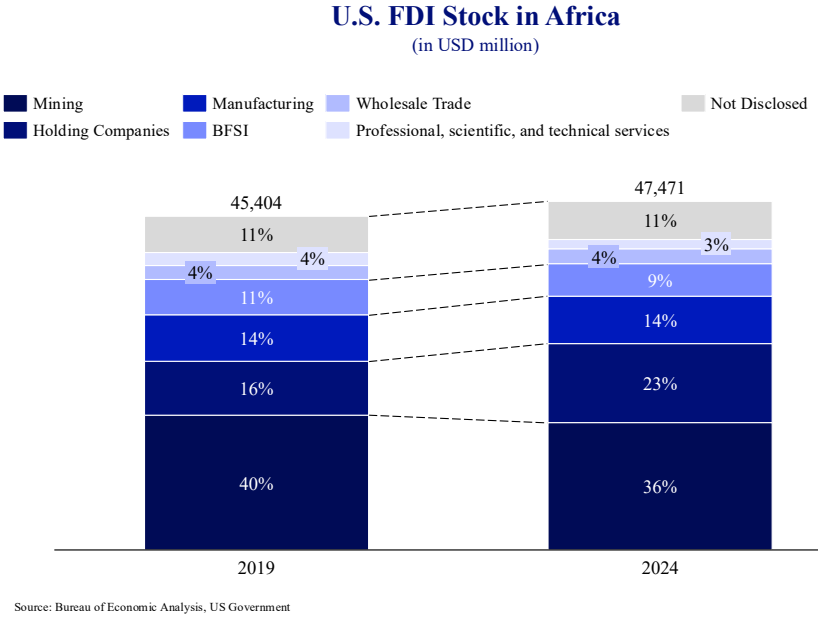
[37] Abel Nyarko-Asomani and Joshua Charles, The Institute of Economic Affairs, Ghana (January 2025) "A Comparative Analysis: U.S. and Chinese Assistance to Africa" https://www.researchgate.net/publication/388106316_A_Comparative_Analysis_US_and_Chinese_Assistance_to_Africa

[38] European Council "EU-Africa trade: facts and figures" https://www.consilium.europa.eu/en/infographics/eu-africa-trade-facts-and-figures/

[39] European Commission "EU-Africa: Global Gateway Investment Package" https://international-partnerships.ec.europa.eu/policies/global-gateway/initiatives-sub-saharan-africa/eu-africa-global-gateway-investment-package_en

3.1.2 U.S.–Africa Economic Engagement: Health, Investment, Energy, and Strategic Infrastructure

The United States has maintained a broad relationship with Africa through diplomacy, development assistance, trade access, health programmes, energy access, and private-sector investment. Its engagement is supported by instruments such as the **African Growth and Opportunity Act (AGOA)** for duty-free market access, **Power Africa** for electricity generation and access, **USAID** for health and development assistance, the **Millennium Challenge Corporation (MCC)** for infrastructure and growth compacts, and the **U.S. International Development Finance Corporation (DFC)** for private-sector investment finance. AGOA provides eligible Sub-Saharan African countries duty-free access to the U.S. market for over 1,800 products, in addition to more than 5,000 products covered under the Generalized System of Preferences.[40]



U.S. FDI stock in Africa increased from USD 45.4 billion in 2019 to USD 47.5 billion in 2024, dominated by mining, manufacturing, and BFSI sectors. However, it declined from USD 49.2 billion in 2023 to USD 47.5 billion in 2024, likely reflecting broader global investment uncertainty and corporate portfolio adjustments for US firms.[41]

Health remains one of the strongest pillars of U.S. engagement in Africa. In FY21-22, U.S. assistance to Africa included USD 3.82 billion for HIV/AIDS, USD 687 million for malaria, and USD 385.9

[40] Office of the United States Trade Representative "African Growth and Opportunity Act (AGOA)" https://ustr.gov/issue-areas/trade-development/preference-programs/african-growth-and-opportunity-act-agoa

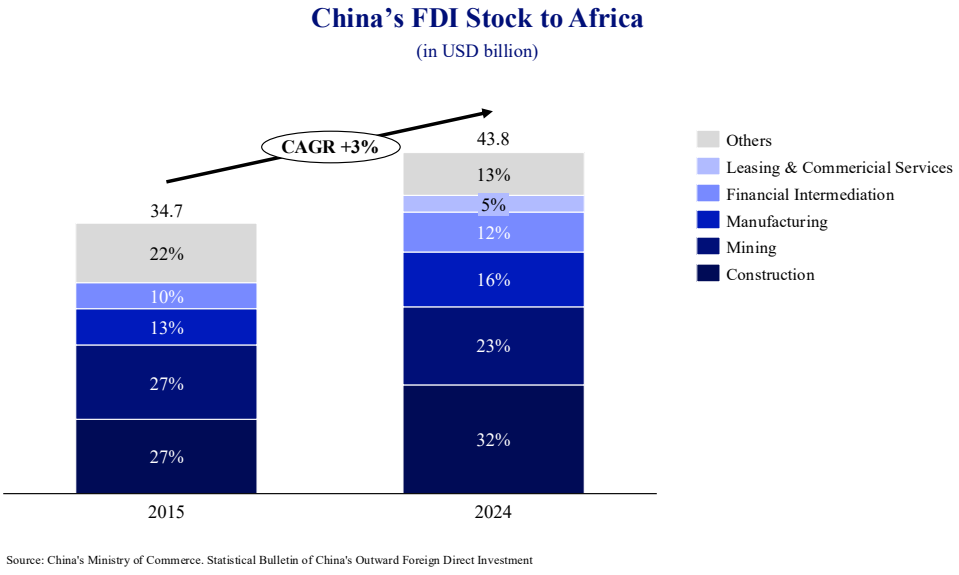
[41] Direct Investment by Country and Industry (Release July 2025) https://www.bea.gov/data/intl-trade-investment/direct-investment-country-and-industry

million for maternal and child health. The U.S. also provided USD 780.9 million for economic growth assistance and USD 446.5 million for peace and security assistance.[42]

In recent years, U.S. engagement has also moved toward strategic infrastructure and private-sector-led investment. Through the DFC, the U.S. announced a loan commitment of up to USD 553 million to upgrade the Lobito Atlantic Railway, a corridor linking Angola with the DRC border and supporting logistics for minerals and regional trade. This reflects the growing U.S. focus on critical minerals, supply-chain resilience, and commercially viable infrastructure in Africa.[43]

3.1.3 China–Africa Economic Engagement: Infrastructure Finance, Trade, and Industrial Linkages

China has become one of Africa's most important external economic partners, with a strong presence across infrastructure, construction, mining, manufacturing, trade, and development finance. Over the past two decades, China's FDI stock in Africa increased significantly, from USD 34.7 billion in 2015 to USD 43.8 billion in 2024. In 2024, the top five recipient countries — South Africa, Mozambique, Niger, Algeria, and Mauritius — attracted around USD 2.1 billion, accounting for approximately 61% of total Chinese FDI inflows to Africa. More than **70% of China's FDI stock** is concentrated in **construction, mining, and manufacturing**, reflecting its close alignment with Africa's infrastructure and resource-linked development needs.



Source: China's Ministry of Commerce. Statistical Bulletin of China's Outward Foreign Direct Investment

China has also played an important role in financing infrastructure development in Africa. During 2020–2024, Angola, Egypt, Uganda, Senegal, and Côte d'Ivoire were among the top recipients of Chinese

[42] Abel Nyarko-Asomani and Joshua Charles, The Institute of Economic Affairs, Ghana (January 2025) "A Comparative Analysis: U.S. and Chinese Assistance to Africa" https://www.researchgate.net/publication/388106316_A_Comparative_Analysis_US_and_Chinese_Assistance_to_Africa

[43] U.S. International Development Finance Corporation (December 2024) "DFC Announces Investments Supporting Development Along Lobito Corridor" https://www.dfc.gov/media/press-releases/dfc-announces-investments-supporting-development-along-lobito-corridor

loans, receiving a combined USD 6.2 billion. These loans have supported roads, power projects, industrial facilities, and public infrastructure. This financing has contributed to closing infrastructure gaps in several African countries and has supported broader economic connectivity.

Trade is another central pillar of China–Africa economic engagement. China is also a major supplier of goods used in Africa's industrial and infrastructure development. In 2024, China's exports of machinery, electrical equipment, vehicles, and pharmaceuticals to the top five African markets—South Africa, Egypt, Nigeria, Algeria, and Ghana—amounted to around USD 82.3 billion. This highlights the role of Chinese equipment and manufactured goods in supporting construction, industry, transport, healthcare, and consumer markets across Africa.

Chinese Loans to Africa - Top 10 Recipient Countries (2020-24)

(in USD million)

S. No.	Country	Loans Provided by China during 2020-24 (USD million)
1	Angola	1,828
2	Egypt	1,365
3	Uganda	1,113
4	Senegal	1,011
5	Côte d'Ivoire	885
6	Ghana	559
7	Congo, Democratic Republic of the	414
8	Madagascar	289
9	Kenya	278
10	Nigeria	265

Source: John Hopkins University (China-Africa Research Initiative)

China's Soft Power and Cultural Engagement in Africa

China's engagement with Africa extends beyond infrastructure, trade, mining, and construction. It also includes a growing emphasis on **cultural engagement, educational cooperation, media engagement, and digital connectivity**. These initiatives contribute to broader people-to-people ties and provide African audiences with greater exposure to Chinese language, culture, and development experiences.

Education and cultural exchange remain among the most visible components of China's soft-power presence in Africa. Through **Confucius Institutes** and related language and cultural programs, China has supported Chinese language instruction, academic partnerships, scholarships, and cross-cultural dialogue across the continent. As of 2024, China has established 67 Confucius Institutes and 10 Confucius Classrooms in Africa.[44] These platforms have helped strengthen links between Chinese and

[44] Permanent Mission of the People's Republic of China to the United Nations Office at Geneva and other International Organisations in Switzerland (July 2024) "More Frequent Exchanges, More Prosperous Civilizations" https://geneva.china-mission.gov.cn/eng/zclc/202407/t20240724_11459094.htm

African universities, students, researchers, and policy communities, while also expanding mutual understanding.[45]

The Number of China's Confucius Institutes in Major African Countries

Countries	Number of Institutes
South Africa	10
Kenya	4
Nigeria	2
Egypt	5
Tanzania	3
Morocco	3
Ethiopia	2
Namibia	1
Zambia	2
Madagascar	3
Argeria	1
DRC	1

Source: Confucius Institute Website

China's media and broadcasting presence has also grown in recent years. Chinese-linked media and digital television providers, including StarTimes, have contributed to the expansion of television and digital broadcasting services in several African markets. In some countries, these initiatives have supported wider access to satellite and digital television, including in rural and underserved communities. This has increased the availability of Chinese and international programming while also reinforcing China's broader cultural and information presence in Africa.[46]

Overall, China's soft-power engagement in Africa reflects a combination of educational outreach, cultural diplomacy, media cooperation, and digital access initiatives. These efforts complement China's economic and development partnerships and form part of a broader strategy to deepen long-term institutional and societal ties with African countries.

3.2 Africa's Strategic Diversification and the Case for Broader Partnerships

African countries are increasingly seeking to broaden their external partnerships to strengthen strategic autonomy, expand development options, and avoid excessive reliance on any single partner or bloc. This approach is reflected in the **African Union's (AU) Agenda 2063**, which emphasizes improving Africa's

[45] Africa Center for Strategic Studies (April 2024) "China's Strategy to Shape Africa's Media Space" https://africacenter.org/spotlight/china-strategy-africa-media-space/

[46] Africa Defense Forum (May 2024) "Chinese 'Media Offensives' Target African Audiences" https://adf-magazine.com/2024/05/chinese-media-offensives-target-african-audiences

partnerships and refocusing them more strategically to respond to African priorities for growth and transformation as one of the key aspirations.[47] The **AU's Agenda 2063 Second Ten-Year Implementation Plan** also highlights **Africa's strategic partnerships with a wide range of actors**, including the EU, United States, Japan, China, India, Türkiye, South Korea, Russia, and others, underscoring the continent's preference for diversified and Africa-led engagement.[48] This approach does not imply a retreat from existing relationships with China, the United States, the EU, or other major partners. Rather, it reflects a pragmatic effort to build a more balanced and competitive partnership landscape that better supports national and regional development priorities.

Many are seeking to diversify their external partnerships, including with China, the United States, the EU, and other actors, to strengthen policy ownership, expand financing options, support local industrialization, and align cooperation more closely with African priorities.

This creates an opportunity for countries such as India and Japan to offer a complementary partnership model to support Africa's next phase of growth. Japan can contribute technology, quality infrastructure, industrial standards, and finance, while India can bring cost-competitive solutions, implementation capacity, digital public infrastructure experience, and established business networks in Africa.

In this context, the experience of Indian companies in Africa becomes especially relevant. Their established presence, local networks, adaptable business models, and experience across diverse African markets provide useful lessons for shaping a practical Japan–India–Africa collaboration framework. The next chapter examines these strengths in detail.

[47] African Union "Our Aspirations for the Africa We Want" https://au.int/en/agenda2063/aspirations

[48] African Union (February 2024) "Decade of Accelerated Implementation" https://au.int/sites/default/files/newsevents/workingdocuments/43517-wd-Agenda_2063_Decade_of_Accelerated_Implementation_Draft6.pdf

CHAPTER 4 INDIAN COMPANIES IN AFRICA: STRATEGIC EXPANSION AND COMPETITIVE STRENGTHS

4.1 Africa's Strategic Importance for Indian Companies

Indian companies increasingly view Africa as a strategically important region for long-term growth. Their engagement is not limited to exports; it reflects a broader set of commercial and strategic objectives. These can be grouped into three categories: market expansion, resource access, and strategic location / regional platform development, as outlined below[49]:

A. Africa as a Growing Market

Indian companies enter Africa to access new markets and serve growing consumer demand, with major focus on export of products and services from India that are often well suited to price-sensitive and emerging markets in Africa. India's exports to Africa increased from USD 24.9 billion in FY2017–18 to USD 45.3 billion in FY2024–25, accounting for increased share of India's exports from 8.2% to 10.4% during the period.[50] Indian firms such as Airtel Africa in telecommunications, Tata Group in automobiles, telecommunications and steel, Cipla in pharmaceuticals, and Godrej Consumer in FMCG are examples of companies using a market-seeking approach to serve Africa's growing demand.

At the same time, beyond exports from India, there has been a notable increase in Indian investments in Africa, including local manufacturing, on-the-ground operations such as telecommunications services, and broader business activities established within African markets.

B. Africa as a Resource Hub

Africa is important for Indian companies seeking access to energy, minerals, agricultural resources, and other strategic inputs. This is particularly relevant for sectors such as oil and gas through companies like ONGC Videsh and Oil India, metals and mining through companies such as Vedanta and Tata Steel, and fertilizers and Agri-Resources through imports of inputs such as potash and sulphur.

C. Africa as a strategic export platform to third-country markets

For Indian firms, Africa also serves as a platform for expansion into neighbouring African and other regional markets like U.S., Europe and the Middle-East region. The African Continental Free Trade Area (AfCFTA) creates a potential single market of 1.3 billion people across 55

[49] International Journal of Advances in Engineering and Management (December 2020) "Outward FDI by Indian Companies in Africa: Motives and implications" https://ijaem.net/issue_dcp/Outward%20FDI%20by%20Indian%20Companies%20in%20Africa%20Motives%20and%20implications.pdf

[50] Ministry of Commerce and Industry "System on India's Export Import Data Bank-Tradestat" https://tradestat.commerce.gov.in/eidb/region_wise_export

countries, with a combined GDP of around USD 3.4 trillion, making regional production, distribution, and export platforms increasingly attractive. Indian companies have pursued this strategy by acquiring local players or operating licences, such as Bharti Airtel's acquisition of Zain Africa; establishing market access platforms, such as Mahindra's local auto assembly plant in South Africa to serve Sub-Saharan Africa; and building distribution networks to achieve regional scale.

4.2 Case Study of Indian Companies Operating in Africa and their Key Strengths

Case Study A: Tata Group leveraging its developing country experience in Africa

Tata Group is one of the earliest Indian business groups to build a diversified presence in Africa. The Group began its Africa journey with Tata Zambia in 1977 and later established Tata Africa Holdings in Johannesburg in 1994 as its continental headquarters. Today, Tata International Africa is present in 12 African countries, including South Africa, Ghana, Kenya, Côte d'Ivoire, Malawi, Mozambique, Nigeria, Senegal, Tanzania, Uganda, Zambia, and Zimbabwe.[51]

Tata Group has effectively leveraged its experience in large, diverse and price-sensitive markets to cater to the needs of African countries by combining affordable solutions, local distribution, and after-sales support. In automobiles and commercial vehicles, Tata has built a dealer and service network across South Africa and the wider region. Tata International's distribution business reports a network of 64 showrooms and 90 workshops in 15 countries, highlighting the importance of service reach and spare-parts availability in African markets.[52] In 2025, Tata Advanced Systems announced setting-up of a factory near Casablanca, Morocco, as India's first private overseas defense plant and an "entry point into Africa".[53]

Tata Group has also expanded beyond mobility into digital and infrastructure-related services. Tejas Networks, a Tata Group company, designs and manufactures telecom and networking equipment and has offices in Kenya, Nigeria and South Africa. In 2024, Tejas signed a Memorandum of Understanding (MoU) with Telecom Egypt, Information Technology Industry Development Agency (ITIDA), and NTI (National Telecommunication Institute) to enhance Egypt's telecom infrastructure using experience from India's Bharatnet and NKN projects.[54] Tata Consultancy Service (TCS) is partnering with Sybyl and iXAfrica to support sovereign cloud adoption in Kenya and East Africa, using secure cloud architecture and digital transformation capabilities.[55]

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[51] Tata Motors (February 2024) "Tata Motors launches its Ultra range of new-generation, smart trucks in South Africa" https://www.tatamotors.com/press-releases/tata-motors-launches-its-ultra-range-of-new-generation-smart-trucks-in-south-africa/

[52] Tata International "Global Presence" https://www.tatainternational.com/distribution1/about-us/global-presence/

[53] Financial Times (January 2026) "Tata's defence division seeks growth in Africa and Europe" https://www.ft.com/content/6c6352f2-2a57-4506-9e90-3a26fe014d21

[54] IIFL Capital (March 2024) "Tejas Networks Partners with Telecom Egypt to Boost Egyptian Telecom Infrastructure" https://www.indiainfoline.com/news/companies/tejas-networks-partners-with-telecom-egypt-to-boost-egyptian-telecom-infrastructure

[55] Tata Consultancy Services (November 2025) "TCS, Sybyl, and iXAfrica Partner to Accelerate Sovereign Cloud Adoption in East Africa" https://www.tcs.com/who-we-are/newsroom/press-release/tcs-sybyl-ixafrica-partner-accelerate-sovereign-cloud-adoption-east-africa

Key strengths behind Tata's success in Africa:

- Strong local base through Tata Africa Holdings in Johannesburg
- Cost competitive and market-suitable products for emerging markets
- Wide dealer, service, and spare-parts network
- Ability to operate across multiple sectors and countries
- Long-term approach to market development and local partnerships

Case Study B: Raymond Group in Ethiopia – Leverage Africa as Export Manufacturing Platform

Raymond, one of India's largest fabric and apparel companies, established its first overseas production base in Ethiopia in 2017. The investment was not primarily aimed at Ethiopia's domestic market, but at using Ethiopia as a cost-competitive manufacturing and export platform for the EU and U.S. markets.[56]

Raymond's decision was supported by three key advantages. First, Ethiopia offered investment incentives, including corporate tax exemptions for eligible manufacturing investments and tariff benefits for firms located in industrial zones such as Hawassa Industrial Park. Second, Ethiopia offered very low labor costs, with general worker wages in Addis Ababa estimated at USD 50–70 per month, compared with USD 283 in Bengaluru. Third, Ethiopia's preferential trade access under the EU's Everything But Arms (EBA) scheme and the U.S. African Growth and Opportunity Act (AGOA) allowed Raymond to export apparel to Europe and the U.S. at zero tariff, even when fabrics were imported from India.

Key strengths behind Raymond's success in Africa:

- Ability to identify Africa as an export platform, not only a local market
- Use of Ethiopian industrial-zone incentives and low-cost labor
- Leveraging India-based fabric supply with African manufacturing
- Capturing preferential access to EU and U.S. markets through EBA and AGOA
- Willingness to train local workers and manage workforce-readiness challenges

Case Study C: International Tractors Limited (Sonalika Tractors) – Export Led Growth and Local Assembly in Africa

International Tractors Limited, the manufacturer of Sonalika Tractors, is an Indian agricultural machinery company founded in 1995 in Punjab, India. It is among the world's leading tractor manufacturers, with an annual production capacity of around 300,000 tractors. The company has a presence in more than 150 countries, including over 40 African markets.[57]

[56] Mitsui & Co. (March 2020) "Mitsui & Co. Global Strategic Studies Institute Monthly Report" https://www.mitsui.com/mgssi/en/report/detail/__icsFiles/afieldfile/2020/05/22/2003c_matano_e.pdf

[57] Sonalika Website "About us" https://international.sonalika.com/

Sonalika's Africa expansion began in the early 2000s, supported by rising demand for agricultural mechanization, export finance options from India, and engagement with local governments and distributors. The company's relationship with Japan is also notable: Yanmar acquired a 12% stake in Sonalika in 2005 and later increased its holding to 30% by buying additional 18% stake from Blackstone in 2016.[58]

A key milestone in Africa was Sonalika's move into Algeria. In 2018, the company formed a joint venture with FAMAG, its long-standing Algerian distributor since 2004, to establish a local assembly plant. This followed Sonalika's strong market position in Algeria, where it reportedly held around 80% market share.[59]

Key strengths behind Sonalika's success in Africa:

- Affordable and durable products suited to African farming conditions
- Low service requirements and strong reliability, reducing total ownership costs for farmers
- Local distribution partnerships, including FAMAG in Algeria
- Use of local assembly to meet policy requirements, reduce costs, and improve market responsiveness
- Japan–India linkage through Yanmar's strategic investment, combining Japanese technology orientation with Indian cost competitiveness and Africa-focused execution

Case Study D: Lohum Cleantech - Critical Mineral Success case [60]

LOHUM is an India-based critical minerals and advanced materials company engaged in the recovery, refining, and processing of minerals used in batteries, electric vehicles, and clean energy supply chains. The company works across multiple critical minerals and has Africa-linked activities in minerals such as lithium, cobalt, nickel, and platinum.

In Africa, LOHUM has developed a presence in countries including Zimbabwe, Tanzania, South Africa, and the Democratic Republic of Congo. In Zimbabwe, the company is involved in a lithium value chain where mining is undertaken by a local partner, while LOHUM supports downstream processing. Part of the processing is carried out locally in Zimbabwe in line with domestic value-addition requirements, with further processing undertaken in India.

LOHUM's Africa strategy reflects a broader shift in critical minerals supply chains. While China has historically played a major role in financing infrastructure and developing mineral assets in several

[58] Yanmar (November 2023) "ITL & Yanmar Collaborate to Enhance Customer-Centric Product Offering, Service Excellence, Expand Product Portfolio and Market Reach in Europe" https://www.yanmar.com/global/news/2023/11/14/130837.html

[59] Economic Times Auto (October 2024) "Sonalika ITL partners with FAMAG in Algeria https://auto.economictimes.indiatimes.com/news/sonalika-itl-partners-with-famag-in-algeria/66343819

[60] Based on Interview with LOHUM

African countries, many governments are now seeking to diversify partnerships and increase local processing. This creates an opening for Indian companies that can offer cost-effective processing, technology deployment, and flexible partnership models.

Key strengths behind Lohum's success in Africa:

- Cost effectiveness (company claims to have the refining costs which are 1/3rd to 1/5th of US/ EU, while remaining competitive with China)
- Localized processing since many African countries mandate processing of minerals to be done in local markets
- Working with local mining partners enables LOHUM to participate in African mineral value chains without relying only on direct mine ownership

Some Other Indian Companies Currently Active in Africa:

Sector	Company	African Operations
ICT	**Airtel**	Provides telecommunication services and has the largest subscriber base among Indian telecom operators in Africa.
Beverage	**Varun Beverages**	Manufactures and distributes PepsiCo beverages in Africa. Primary operations focus on bottling and distribution of soft drinks and water.
Automotive	**Mahindra & Mahindra**	Manufactures and sells commercial vehicles, SUVs, and utility vehicles. Operates assembly and distribution facilities in Africa.
	TVS Motor	Exports two-wheelers and three-wheeler vehicles from India to Africa. Company is also in talks with Egypt Government to build its first African manufacturing plant for motorcycles and tricycles.[61]
	Ashok Leyland	Imports, assembles and sells commercial vehicles including buses and trucks across Africa from India. The company provides transport solutions to meet diverse mobility needs across the continent.

[61] Ecofin Agency "TVS Motors in Talks to Build Africa's Largest Motorcycle Plant in Egypt" (January 2026) https://www.ecofinagency.com/news-infrastructures/2301-52227-tvs-motors-in-talks-to-build-africa-s-largest-motorcycle-plant-in-egypt

	Bajaj Auto	Majorly exports two-wheelers, three-wheelers, and motorcycles from India to markets across Africa. The company also has semi and completely knocked-down assembly facilities in Africa.
Steel/Metals	**Jindal Group**	Operates mining and resource projects in Africa, mainly focused on coal and iron ore to support its global steel business.
Consumer	**Godrej Group**	Manufactures and sells household products, personal care, and consumer goods in Africa.
Pharmaceuticals	**Dr. Reddy's Laboratories**	Imports and sells generic medicines and healthcare products in Africa.
Industrial Equipment	**Kirloskar Brothers**	Manufactures and sells pumps and fluid management solutions in Africa, serving water management, agriculture, and industrial applications.
Agriculture / Energy	**National Dairy Development Board (NDDB)**	NDDB's engagement in Kenya focuses on supporting the dairy sector through the transfer of India's cooperative model, including capacity building, technology support, and improving farmers productivity and livelihoods. Under consideration is also the production of biogas from agricultural residues.
EPC/Infrastructure	**Shapoorji Pallonji**	Executes large-scale infrastructure and construction projects across Africa, including government buildings, convention centers, and commercial infrastructure.
	Kalpataru Projects	Executes power transmission and infrastructure projects in Africa, including high-voltage transmission lines and substations for power sector development. installation.
	KEC International	Execute infrastructure projects in Africa, mainly focused on power transmission and distribution lines, substations, and related energy infrastructure.
	Megha Engineering & Infrastructures Limited (MEIL)	Undertakes major infrastructure and energy projects in Africa, including power generation, transmission, and civil engineering projects.

The next chapter develops hypotheses on why India can be an important partner for Japan in Africa. It examines India's competitive strengths in African markets and how these can complement Japan's technology, quality standards, financing capacity, and industrial expertise.

CHAPTER 5 STRATEGIC SIGNIFICANCE OF JAPAN-INDIA COOPERATION

5.1 India's Historical Goodwill and Development Partnership with Africa

India's relationship with Africa has evolved from political solidarity into a broader development and economic partnership. Today, it covers trade, concessional finance, capacity building, technology, infrastructure, health, education, and digital cooperation.

This partnership has been institutionalized through the **India–Africa Forum Summits**, held in 2008, 2011, and 2015, which created a structured platform for political dialogue and development cooperation. The **2015 Delhi Declaration of the Third India–Africa Forum Summit** refers to the 2008 and 2011 summits as important foundations for consolidating the India–Africa strategic partnership.[62]

India's 2018 address to the Parliament of Uganda further articulated **ten guiding principles** for India–Africa engagement. These principles emphasized African priorities, capacity building, youth, digital tools, and development partnership.[63] India's support for the **African Union's admission as a permanent member of the G20 during its 2023 Presidency** also strengthened its positioning as a voice for Africa and the Global South. The official G20 India platform states that India proposed AU permanent membership and that the proposal received unanimous support.[64]

The **Confederation of Indian Industry (CII)**, in collaboration with the **Ministry of External Affairs and the Ministry of Commerce and Industry, Government of India**, launched the **India-Africa Conclave on Partnership in 2005**. Since its inception, the Conclave has evolved into one of the most prominent platforms facilitating dialogue and collaboration between senior ministers, policymakers, and business leaders from both Africa and India, across a diverse range of sectors.[65] The **20th CII India-Africa Business Conclave** took place from 27 to 29 August 2025 in New Delhi, India. The event marked two decades of this flagship partnership platform.

The Government of the Republic of India and the African Union have been working closely on the convening of the **Fourth India–Africa Forum Summit (IAFS IV)**, initially scheduled to take place in New Delhi from 28–31 May 2026. However, due to the evolving health situation in parts of Africa, the

[62] The Embassy of India in Addis Adaba (November 2025) "Delhi Declaration" https://eoiaddisababa.gov.in/delhi-declaration-india-africa-forum-summit-2008/

[63] Press Information Bureau (July 2018) "Prime Minister's address at Parliament of Uganda during his State Visit to Uganda" https://www.pib.gov.in/PressReleasePage.aspx?PRID=1540025

[64] Ashwani News (May 2026) "African Union inducted as permanent member of G20 on Indian proposal" https://newsonair.gov.in/african-union-inducted-as-permanent-member-of-g20-on-indian-proposal/

[65] Confederation of Indian Industry "About the Conclave" https://ciiindiaafricaconclave.com/Aboutconclave.aspx

two sides agreed that it would be advisable to convene the Fourth India–Africa Forum Summit at a later date. This will be finalized through mutual consultations and communicated in due course.[66]

Africa Top Countries Receiving FDI (2005-23)

Country	Number of FDI	Number of Invested Companies	Investment amount (USD Mn)
South Africa	2,659	1,946	157,322
Egypt	1,669	1,118	>200,000
Kenya	1,470	778	36,916
Nigeria	1,024	740	147,596
Morocco	993	1,120	119,761
Ghana	659	493	55,711
Tunisia	533	430	32,662
Algeria	495	389	78,630
Tanzania	436	314	27,862
Angola	416	228	86,756

Source: AAIC Report, based on FDI Markets Report and Euromonitor

Among Africa's 54 countries, FDI is concentrated in a relatively small group of priority markets, including the countries listed in the table above and other major destinations such as Morocco. The top five countries account for more than half of Africa's FDI activity, both in terms of project count and the number of investing companies.

India's development partnership with Africa is also concentrated in selected countries. India's cumulative Lines of Credit to Africa amount to approximately USD 9 billion, with a strong focus on East Africa. The top six recipient countries have each received more than USD 500 million through Indian Lines of Credit, reflecting the targeted nature of India's concessional finance engagement on the continent.

[66] Ministry of External Affairs (May 2026) "Joint Press Release on the India-Africa Forum Summit IV" https://www.mea.gov.in/press-releases.htm?dtl/41205/Joint_Press_Release_on_the_IndiaAfrica_Forum_Summit_IV

Cumulative Lines of Credit for Top 10 Countries (as of February 2026)

(in USD million)

Country Name	Total Amount
Tanzania	1,115
Mauritius	978
Sudan	742
Ethiopia	712
Democratic Republic of the Congo	675
Mozambique	608
Malawi	396
Ghana	364
Senegal	295
Mali	274

Source: Export-Import Bank of India (Exim Bank)

5.2 Strength of the Indian Diaspora and Diaspora-Led Companies in Africa

The Indian diaspora in Africa is a significant asset for economic cooperation and partnership-building. Africa is home to around **2.8 million overseas Indians**, including Persons of Indian Origin and Non-Resident Indians, concentrated largely in East and Southern Africa.[67]

This influence is visible in countries such as South Africa, Mauritius, Kenya, Tanzania, Nigeria, Uganda, Zambia, Mozambique, Madagascar, and Seychelles. In Uganda, the role of the Indian community has been formally recognized by the government. According to Uganda's Minister of State for Industry, David Bahati, around 60% of Uganda's GDP comes from investments established by Indians in the country.[68]

In addition, a number of Indian and Indian-origin companies have established a strong operating presence across Africa, particularly in telecommunications, pharmaceuticals, automobiles, FMCG, manufacturing, and financial services. Companies such as Airtel Africa, Tata, Cipla, Godrej, Aditya Birla, ONGC and Mahindra illustrate the breadth of India-linked business activity on the continent.
Indian and Indian-origin business networks have also contributed to the growth of several prominent African companies and conglomerates. Across East and Southern Africa, companies such as Bidco Africa, Sameer Group, Ruparelia Group, Madhvani Group, Devki Group, and Mara Group illustrate the presence of Indian-origin leadership in senior ownership and management roles.[69]

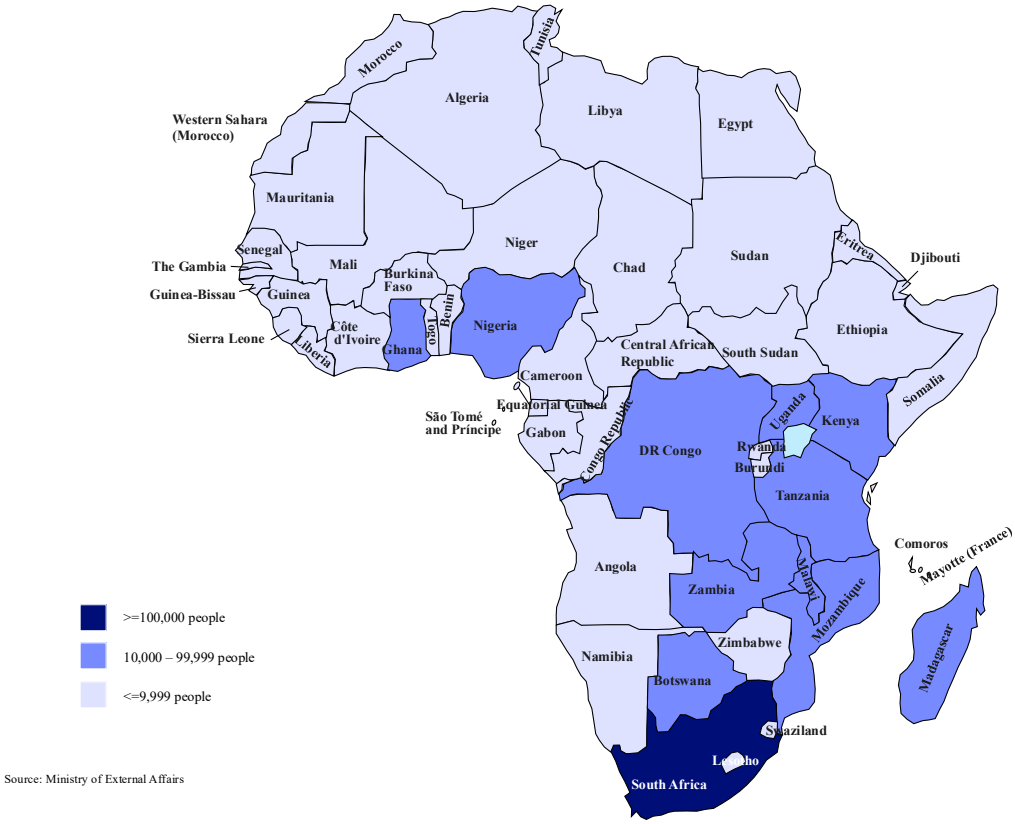
[67] Press Information Bureau (May 2019) "Initiatives by Commerce Ministry to Boost Trade with African Countries" https://www.pib.gov.in/PressReleasePage.aspx?PRID=1571687

[68] Monitor (October 2024) "Indians contribute 60 per cent of GDP - Bahati" https://www.monitor.co.ug/uganda/news/national/indians-contribute-60-per-cent-of-gdp-bahati--4802102

[69] BIDCO Africa Website "About Bidco-Leadership" https://www.bidcoafrica.com/leadership/, The Sameer Group Website "About us-Management" https://sameer-group.com/about-us/management/, Madhvani Foundation Website "About the Madhvani Group" https://madhvanifoundation.com/madhvani-group/, Devki Website "The future depends on what you do today" https://devkigroupke.com/, United Nations Foundation Website "Our people-Ashish J. Thakkar, Chairman" https://unfoundation.org/who-we-are/our-people/ashish-j-thakkar/

In particular, **a significant number of Indian-origin professionals occupy senior leadership positions within major African companies and conglomerates**. For example, even the second-in-command of Dangote Group is of Indian origin. Such networks represent one of India's strengths in its engagement with Africa.

Distribution of Indian Diaspora in Africa (as of January 2026)



The diaspora's impact is reflected in Indian companies and Indian-origin business conglomerates operating across sectors such as manufacturing, trade and distribution, healthcare, oil and gas, minerals, agro-processing, and consumer goods. Examples include Uganda's Madhvani Group (in agriculture, services, manufacturing) and Mehta Group (interests in sugar, cement, packaging and engineering), Kenya's Bidco Africa in FMCG and manufacturing, and the Comcraft Group in steel and aluminium manufacturing. These companies demonstrate the diaspora's role as investors, employers, manufacturers, distributors, and long-term local business partners.

While South Africa has the largest concentration of Indian-origin population in Africa, the nature of this diaspora differs from many other African markets. A large share of the community has been settled in South Africa for several generations, and many may not have direct commercial or family linkages with India today.[70] Therefore, while the Indian-origin community in South Africa remains socially and economically important, its role as a direct bridge for Indian companies may differ from that in countries where recent Indian migrants, NRIs, or India-linked business networks are more active.

[70] High Commission of India (November 2025) "OCI for 5th to 7th Generation" https://www.hcipretoria.gov.in/page/oci-for-5th-to-7th-generation/

For Japanese companies, the Indian diaspora and Indian business presence provide established networks, local market knowledge, regulatory familiarity, distribution channels, and partner access. These links are further supported by India–Africa business missions, industry conclaves, seminars, and institutional platforms that help sustain commercial engagement. Shared cultural familiarity and long-standing people-to-people ties also make the diaspora a useful bridge for building trust with African stakeholders.

5.3 Leveraging India's cost competitiveness to facilitate expansion into Africa

Case study of Daikin's export operation to Africa from India

Daikin entered the Indian market in 2000 through a joint venture with a local company, Usha Shriram Group. In 2004, the company became a wholly owned subsidiary of Daikin Industries under the name Daikin Air Conditioning India, and in 2009, it began manufacturing air conditioners at the Japanese industrial park in Neemrana, Rajasthan.[71] Currently, the company operates two plants in Neemrana and one in Sri City, Andhra Pradesh, with the annual production capacity of 3,000,000 units of room air conditioner.[72] The company is strengthening sales in the Indian domestic market while also expanding exports to neighbouring regions such as Middle East and Africa.

Regarding Africa, since 2018, the company has been manufacturing finished air conditioners in India and exporting them to African countries such as Kenya, Uganda, Rwanda, Tanzania, the Seychelles, Mauritius, and Burundi[73]. By 2024, the company began assembling units in Nigeria using parts manufactured in India. To this end, Daikin has partnered with Nigerian company, Sacral Industries, for local assembly. For local assembly, production engineers are dispatched from India, and testing equipment is introduced to ensure the supply of high-quality products. Parts for each component of the air conditioning system are sorted and shipped separately from India to ensure streamlined assembly process in Nigeria. Using the establishment of the assembly line in Nigeria as a starting point, the company haspartnered with a local company in Algeria for manufacturing and distribution. Furthermore, the company is focusing on developing sales channels across Africa, including establishing sales bases for products imported from India in Egypt and South Africa, and launching a subscription-based air conditioning service in Tanzania through its 80% stake in the Japanese start-up Baridi Baridi.[74]

Penetrating the African market by leveraging production bases in India offers the advantages of price competitiveness and the ability to utilize product development expertise gained in India. Price competitiveness is expected through manufacturing and exports that capitalize on economies of scale in India. Furthermore, promoting parts assembly in Africa is expected to reduce the tariff burden and help keep air conditioner prices affordable for the African market, which could help Daikin to strengthen its

[71] Daikin Website "Daikin at a glance" https://daikinindia.com/about-daikin/about-daikin/daikin-india/daikin-india-glance
[72] Daikin Website "Daikin India's commitment to a top-class work environment" https://daikinindia.com/infrastructure
[73] Japan External Trade Organization (March 2019) "インドをアフリカへの輸出拠点に" https://www.jetro.go.jp/biz/areareports/2019/7b5bc0fb78c4695c.html
[74] Baridi Baridi Website https://baridibaridi.com/#home-section

market positioning in the region.[75] Furthermore, regarding the application of product development expertise, products designed with India's power and infrastructure vulnerabilities in mind (such as features that protect printed circuit boards from high voltages caused by power outages) are expected to offer similar value in the African market.[76]

Case study of Komatsu India's export operation from India to Africa

Komatsu, a Japanese construction and mining equipment manufacturer, regards Africa as a strategic growth market within its global business portfolio. Hydraulic excavators and dump trucks supplied to the African market are primarily manufactured in India and distributed through approximately 20 local distributors. While mining equipment remains a core business in resource-rich regions across Southern and West Africa, Komatsu also sees significant growth potential in the construction sector, particularly in rapidly urbanizing economies such as Nigeria and Kenya. To improve operational efficiency, Komatsu has increasingly managed its African business through its European regional organization, leveraging geographic proximity and stronger support capabilities, particularly in French-speaking markets. Operations in Southern Africa are overseen by its wholly owned subsidiary, Komatsu South Africa. Komatsu supplies construction equipment for development initiatives, including projects financed by the Japan International Cooperation Agency (JICA). In addition, human resource development is a key pillar of Komatsu's African strategy. The company provides training programs for equipment operators and technicians and, in some cases, offers equipment packages combined with skills-development programs to government customers. In Côte d'Ivoire, Komatsu will establish a construction equipment training center in 2026. The center will provide training in the operation, maintenance, and inspection of hydraulic excavators, bulldozers, and other construction machinery, serving several hundred to 1,000 trainees annually.[77]

India plays an important role in Komatsu's African operations. Komatsu India manufactures hydraulic excavators and dump trucks at its Chennai facility for export to mining and infrastructure projects across Africa. In addition to equipment exports, Komatsu India provides maintenance and technical support in selected African markets, including Senegal, helping customers improve operational performance. Furthermore, as Indian construction, engineering, and infrastructure companies continue to expand their presence across Africa, Komatsu leverages its established relationships with these firms in India in their sales activities to pursue business opportunities and strengthen customer engagement across the continent. Through this combination of manufacturing exports, after-sales support, and customer-network synergies, India serves as a key hub supporting Komatsu's growth strategy in Africa.

[75] Nikkei (January 2014) "ダイキン、アフリカで空調生産　グローバルサウス開拓" https://www.nikkei.com/article/DGXZQOUF089HH0Y3A201C2000000/?msockid=243d8360f3c56ba6101196a7f2c36af7

[76] Daikin (March 2025) "統合報告書 2025" https://www.daikin.co.jp/-/media/Project/Daikin/daikin_co_jp/investor/library/annual/2025/2025-pdf.pdf?rev=7507a64ec4254759a7e0805ba262f9fe

[77] Komatsu (August 2025) "第 9 回アフリカ開発会議（TICAD9）に出展　コートジボワールに代理店・お客さま向けトレーニング拠点の開設を発表 ―西アフリカの中核拠点としての活用を目指す―" https://www.komatsu.jp/ja/newsroom/2025/20250807

Case study of Toyo Engineering's operation in Africa from India

Toyo Engineering Corporation (Toyo-Japan) is a Japanese engineering company that designs, procures and constructs large-scale industrial plants, particularly in the oil and gas, petrochemicals, chemicals, fertilizer, and infrastructure sectors. Toyo-Japan has been awarded contracts to build a fertilizer plant for Indorama Eleme Fertilizer & Chemicals Limited (Indorama), a Nigerian company led by Indian management.[78] In this project, Toyo-Japan provides a urea technology license for the fertilizer plant, along with basic design, detailed engineering, procurement and commissioning services, while Toyo Engineering India (Toyo-India), Indian subsidiary of Toyo-Japan, delivers engineering services from India by leveraging its highly capable engineering resources in India. Toyo-India also dispatches approximately 10-20 Indian engineers to Africa to provide on-site engineering support. This operation enhances the cost-competitiveness of the project by utilizing TOYO's highly integrated Indian/Japanese engineering methodology. Moreover, there are also initiatives by Toyo-India to directly collaborate with Indorama for providing engineering services by taking advantage of the relationship between Indorama and Toyo-India. Toyo-India is evaluated by Indorama not only for its engineering capability but also for its high level of project execution performance enabled by shared language and cultural background.

This case study highlights the potential of combining Japanese technological expertise with cost-competitive skilled Indian human resources, as well as engineering functions based in India, to support industrial projects in Africa. This case study shows that Toyo Engineering leverages, shared language and cultural background, cost-competitiveness of Indian resources and geographical proximity to India for their operation in India, which is more cost effective and efficient compared with providing engineering from Japan.

5.4 Indian companies' capacity for risk-taking and their approaches to addressing compliance-related challenges

Case study of Vedanta Resources' Mining operations in Zambia

Vedanta Resources acquired a majority stake in Konkola Copper Mines (KCM) in Zambia in 2004, aiming to revive copper production through large-scale investment. Over time, tensions grew between the company and the Zambian government (via ZCCM Investments Holdings) over issues such as underinvestment, declining output, and environmental concerns. In May 2019, Zambia appointed a provisional liquidator to take control of KCM, an action widely viewed as de facto nationalisation prompting Vedanta to challenge the move both in local courts and through international arbitration in London, arguing unlawful expropriation and breach of investor protections.

Between 2020 and 2023, the dispute continued across parallel legal and negotiation tracks, reflecting a broader conflict between sovereign resource control and foreign investor rights. Zambia defended its

[78] TOYO Engineering (May 2018) "TOYO Awarded Fertilizer Plant 2nd Train Project in Nigeria" https://www.toyo-eng.com/jp/en/company/news/?n=2185

action as necessary to protect national interests, while Vedanta relied on international legal frameworks to safeguard its investment. By 2023–2024, both sides moved toward a negotiated settlement, with plans for Vedanta to potentially regain operational control under revised conditions and commit fresh investment. This case highlights key business risks in African markets, particularly political intervention, regulatory uncertainty, and the importance of aligning corporate strategy with host government priorities.[79]

5.5 Leveraging India–Africa Market Similarities for Japan–India Cooperation

India and Africa share several market characteristics that make India's development and business experience relevant for African markets. Both are large, diverse, and fast-evolving developing markets with rising consumer demand, expanding urban populations, growing digital adoption, price-sensitive customers, and strong demand for affordable, scalable, and locally adapted solutions. Africa's consumer base is projected to expand significantly, with the continent's population of consumers could rise from around 1.2 billion to 1.7 billion by 2030.

These similarities create opportunities to adapt India-tested business models for Africa, particularly in sectors such as digital payments, affordable healthcare, telecommunications, low-cost manufacturing, agri-tech, and skill development. India's experience in building digital public infrastructure, expanding financial inclusion, and developing cost-effective products for mass markets provides useful lessons for African economies seeking inclusive and scalable development solutions.[80]

For Japan–India collaboration in Africa, Indian companies can play a valuable role as market-entry and implementation partners. Many Indian firms have experience operating in complex, price-sensitive, and relationship-driven markets, and can help manage local stakeholder engagement, regulatory navigation, distribution networks, talent development, and operational risks. This can provide Japanese companies with greater flexibility, stronger local grounding, and a lower-risk pathway to participate in African opportunities.

In this model, Japan can contribute technology, quality infrastructure, long-term finance, industrial standards, and advanced manufacturing capabilities, while India can contribute market familiarity, affordable innovation, implementation experience, and local business networks. Together, both countries can develop Africa-focused solutions that are commercially viable, development-oriented, and aligned with African priorities for industrialization, employment generation, digital inclusion, and resilient growth.

The next chapter identifies key economic opportunities for Japan–India cooperation in Africa, focusing on manufacturing, digital infrastructure, and economic security through critical minerals.

[79] Kluwer Arbitration Blog (October 2019) "Vedanta Resources v Zambian State Mining Company ZCCM-IH: Does Anyone Win?" https://legalblogs.wolterskluwer.com/arbitration-blog/vedanta-resources-v-zambian-state-mining-company-zccm-ih-does-anyone-win/, Pear Tree (May 2022) "Zambia ends legal spat with Vedanta over seized copper mines" https://www.mining.com/web/zambia-ends-legal-spat-with-vedanta-over-seized-copper-mines%EF%BF%BC/

[80] World Bank Blogs (June 2023) "India's digital transformation could be a game-changer for economic development" https://blogs.worldbank.org/en/developmenttalk/indias-digital-transformation-could-be-game-changer-economic-development

CHAPTER 6 ECONOMIC OPPORTUNITIES FOR JAPAN AND INDIA IN AFRICA

6.1 Key Opportunity Areas in Africa for Japan-India Collaboration

Japan–India collaboration in Africa should be anchored in sectors where the strategic interests of both countries align with Africa's development needs. Three areas are particularly relevant: **digital infrastructure, manufacturing**, and **economic security through critical minerals**.

Digital infrastructure is a natural area for cooperation. India brings experience in scalable digital public infrastructure, digital payments, identity systems, and low-cost technology deployment. Africa, in turn, has a growing need to expand internet connectivity, digital public services, data infrastructure, and start-up ecosystems.

Manufacturing offers another important opportunity. Japan can contribute technology, quality standards, production systems, and industrial expertise. India can add cost-competitive manufacturing, operational flexibility, and experience in serving price-sensitive markets. Together, they can support Africa's objective of increasing manufacturing's share in GDP, creating jobs, and deepening local value addition.

Critical minerals are central to economic security. Africa supplies important raw materials for batteries, semiconductors, electric vehicles, and clean energy technologies. This aligns with the growing India–Japan agenda on resilient mineral supply chains, including cooperation through the Mineral Security Partnership, Indo-Pacific Economic Framework for Prosperity, Quad Critical Minerals Initiative, and the 2025 Memorandum of Cooperation between India's Ministry of Mines and Japan's Ministry of Economy, Trade and Industry (METI) on mineral resources.[81]

Together, these sectors provide a focused basis for co-creation with African countries. They can support local value addition, industrial capacity building, skills development, and long-term economic partnership.

6.2 Opportunities in Digital Infrastructure

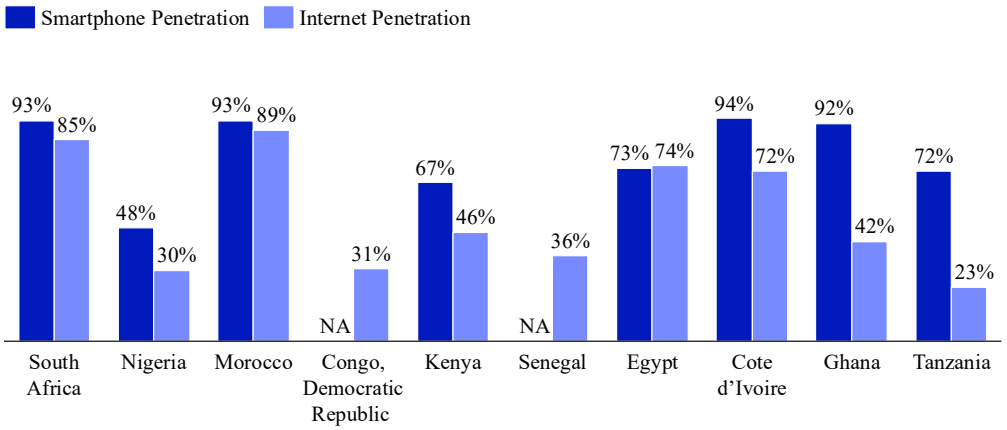
Africa's digital infrastructure remains underpenetrated, creating significant room for future growth. Internet penetration across Africa remains uneven, with a continental average of around 45%. While countries such as South Africa (~85%) and Egypt (~74%) demonstrate relatively mature connectivity levels, large economies including Nigeria (~30%) and Tanzania (~23%) continue to exhibit significant

[81] Ministry of External Affairs Website "Media Releases" https://www.mea.gov.in/bilateral-documents.htm?dtl%2F40066%2FFact+Sheet++IndiaJapan+Economic+Security+Cooperation

gaps in digital access.[82] Internet usage in Sub-Saharan Africa was only 38% in 2024, compared with 68% globally[83], indicating a large gap between digital demand and infrastructure availability, positioning Africa as a high-growth, underpenetrated digital market.

Smartphone and Internet Penetration by Households for Top 10 Countries (2023)

(in percentages)



Source: AAIC (Euromonitor)

Role of Government in Building Digital Infrastructure in Africa

Digital infrastructure development across Africa is increasingly state-led and policy-driven. Governments are prioritizing connectivity, digital identity, public service digitization, and data governance.

Major policy priorities observed across countries include:

- Expansion of national broadband infrastructure (e.g., Nigeria targeting >90% population coverage)
- Adoption of national digital economy strategies (e.g., South Africa's Digital Economy Masterplan and AI policy)
- Large-scale public service digitization initiatives (e.g., Senegal targeting ~95% digital service delivery)
- Implementation of data localization regulations (e.g., Nigeria and Egypt mandating local data hosting)

Within this landscape, India has emerged as a key enabler through its **Digital Public Infrastructure (DPI)** model, particularly via **Modular Open-Source Identity Platform (MOSIP)**. Large-scale

[82] Africa Finance Corporation "State of Africa's Infrastructure Report 2025" https://www.africafc.org/our-impact/our-publications/state-of-africa-infrastructure-report-2025

[83] International Telecommunication Union and United Nations Educational, Scientific and Cultural Organization (September 2025) "The State of Broadband in Africa" https://www.broadbandcommission.org/wp-content/uploads/dlm_uploads/2025/09/The-State-of-Broadband-in-Africa.pdf

deployments include 126.5 million IDs in Ethiopia, 223.8 million in Nigeria, 48.6 million in Uganda and so on.[84] Additionally, at least six African countries namely, Sierra Leone, Tanzania, Kenya, Ethiopia, The Gambia and Lesotho have adopted India's DPI framework with access to 18 Indian digital platforms.[85]

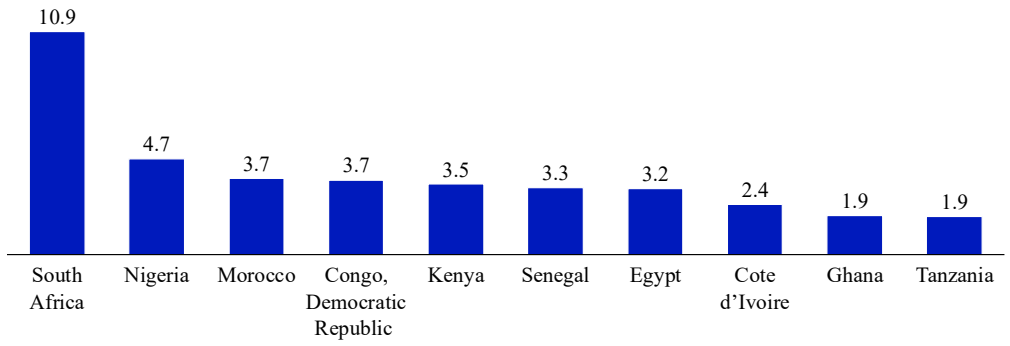
While direct country-specific impact attribution remains limited, global evidence suggests that DPI systems contribute to improved public service delivery efficiency, enhanced financial inclusion, and reduced transaction and administrative costs. As per a UNDP Research report there will be an expected rise in economic growth by up to 33 percent or the equivalent of two to three years of growth with implementation of DPI in the financial sector.[86]

Role of Private Players and Start-up Ecosystem in Africa

The telecommunications sector offers vast potential for joint investments in undersea submarine cables and the expansion of 4G and 5G network coverage to bridge the digital divide in underserved regions.[87] Africa's IT market is also expanding, with demand increasingly concentrated in a few leading economies. In 2025, 'Big 4' African countries already have a growing IT ecosystem led by South Africa with a market size of USD 10.9 billion, besides countries like Morocco, DRC, Senegal, Cote d'lvoire, Ghana and Tanzania showcasing a large market for IT.

IT Market's Size for Top 10 Countries (2025)

(in USD billion)



Source: AAIC (Modor Intelligence's country reports)

Africa's digital transformation is being supported by a growing startup ecosystem, though activity remains concentrated in a few leading markets. Kenya is widely recognized for its mature mobile-money and fintech ecosystem. Nigeria has one of Africa's largest startup markets and continues to attract

[84] Prof. S Rajagopalan, IIIT-Bangalore, Nagarajan Santhanam, CDO – MOSIP "MOSIP Progress Report" https://connect.mosip.io/resources_pdf_2026/MOSIP_Progress_Report.pdf

[85] Ecofin Agency (February 2026) "Six African Countries Adopt India's Digital Public Infrastructure Framework" https://www.ecofinagency.com/news-digital/1202-52814-six-african-countries-adopt-india-s-digital-public-infrastructure-framework?

[86] United Nations Development Programme (October 2023) "The human and economic impact of digital public infrastructure" https://www.undp.org/digital/blog/human-and-economic-impact-digital-public-infrastructure

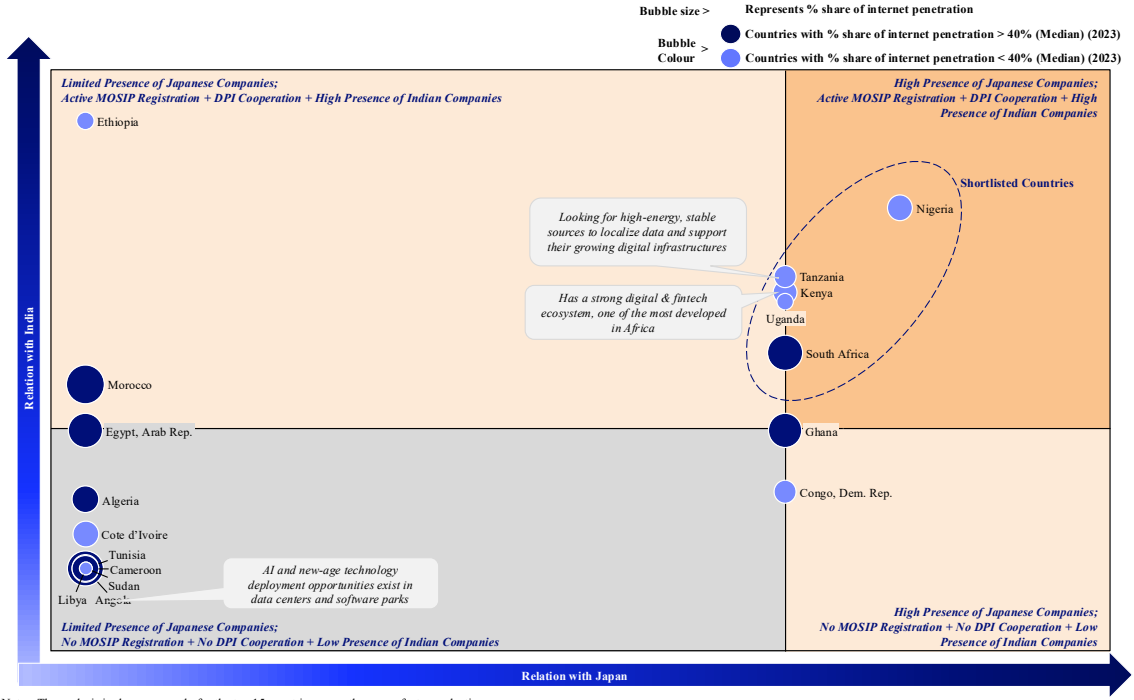
[87] Confederation of Indian Industry (August 2025) "India-Africa Momentum A Purpose-Driven Partnership" https://www.cii.in/International_ResearchPDF/India%20Africa%20Report%202025.pdf

significant venture capital. South Africa has a more diversified innovation base, with activity across fintech, health tech, enterprise solutions, and digital infrastructure. Egypt is also gaining prominence as a technology and startup hub connecting North Africa, the Middle East, and wider African markets.

These ecosystems are also supported by the presence of Indian and Japanese companies. Indian firms bring IT expertise and support across sectors like telecom and fintech (Airtel Africa), IT services (TCS, Tech Mahindra and Infosys), AI-driven healthcare solutions (Qure.ai), and digital payments infrastructure (NPCI International). Similarly Japanese presence can be seen with SoftBank making capital investment in telecom and digital platforms (including an investment of USD 1.25 billion in Airtel Africa along with five other investors[88]), NTT Data providing systems integration and enterprise solutions, SORA Technology building drone-enabled infrastructure and analytics.

Nigeria, Tanzania, Kenya, Uganda and **South Africa** are the markets most suited for opportunities in Digital infrastructure sector due to having presence of Indian and Japanese technology companies and active adoption of India's digital public infrastructure (DPI) and Modular Open-Source Identity Platform (MOSIP).

Analysis of Countries in Africa for opportunities in Digital Infrastructure for Japanese and Indian Companies



Notes: The analysis is shown currently for the top 15 countries as per the macro factor evaluation
Source: MOSIP Progress Report 2026, PIB, Africa Development Bank, Secondary Research, NRI Analysis

Together, above trends in target countries indicate that Africa's digital opportunity is not only about connectivity gaps. It is also about the emergence of local innovation ecosystems where Indian and

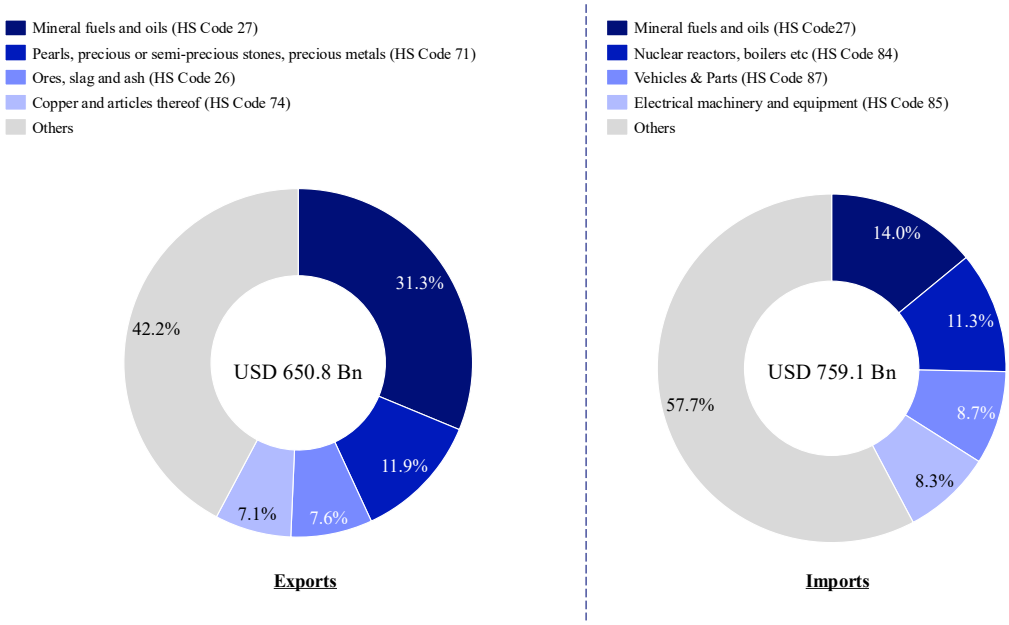
[88] Reuters (October 2018) "Airtel Africa raises $1.25 bln from SoftBank, five other investors" https://www.reuters.com/article/markets/commodities/airtel-africa-raises-125-bln-from-softbank-five-other-investors-idUSL3N1X420S/

Japanese companies can contribute capital, technology, implementation experience, and scalable digital solutions.

6.3 Opportunities in Manufacturing

Africa has traditionally relied on the export of raw materials and unprocessed products, with much of the value addition taking place outside the continent. In 2025, pearls and precious stones remained among Africa's leading export categories, underscoring the continued importance of resource-based trade. Many African governments are now seeking to shift from primary activities, such as agriculture and mineral extraction, toward manufacturing-led growth. This transition is important for job creation, industrial capability, export diversification, and local value addition.

Products Exported and Imported From Africa (2025)



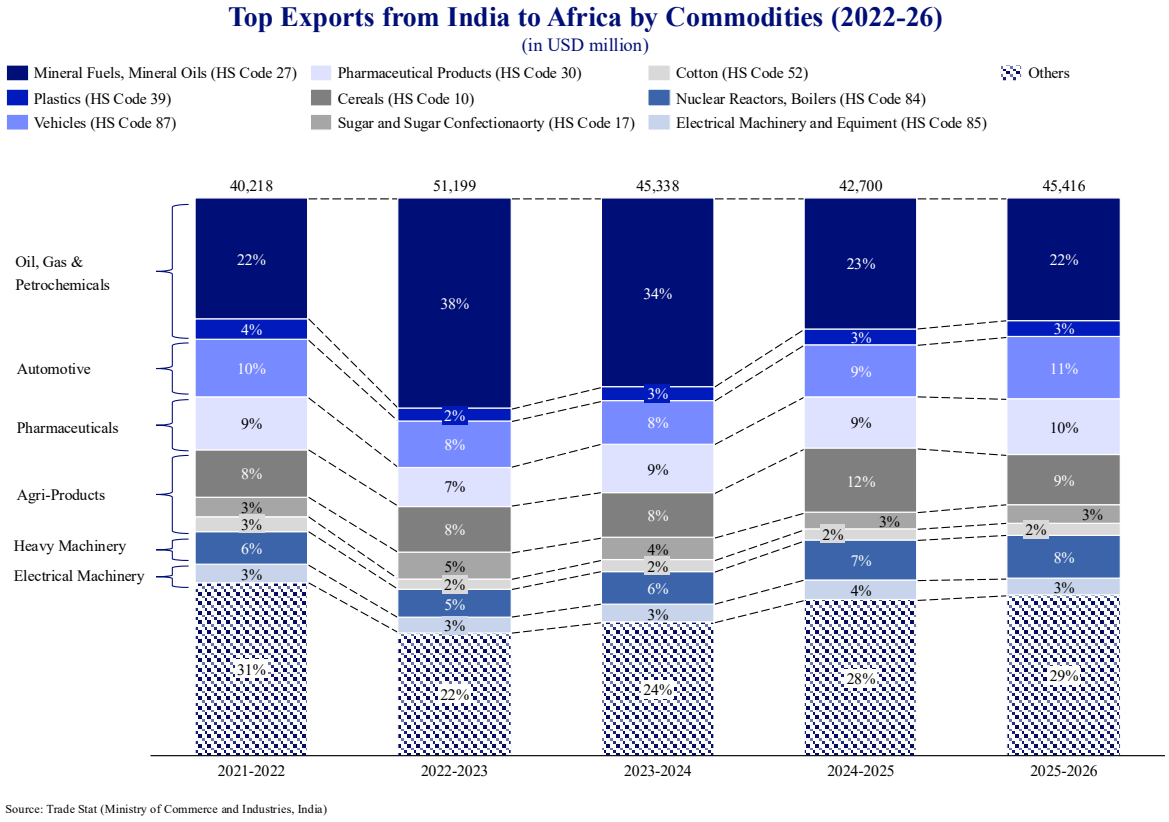
Source: ITC Trade Map

However, the manufacturing base remains limited. Manufacturing accounts for just over 10% of Africa's GDP, and more than 60% of industrial output is concentrated in low-value sectors. Structural constraints also remain significant. Trade costs are roughly 50% higher than the global average, and reliable electricity access reaches only around 48% of Africa's population.[89]

Selection of Sub-Sectors within Manufacturing

[89] United Nations (November 2025) "Africa's industrial future is within reach: What we need now is intentional investment" https://africarenewal.un.org/en/magazine/africas-industrial-future-within-reach-what-we-need-now-intentional-investment

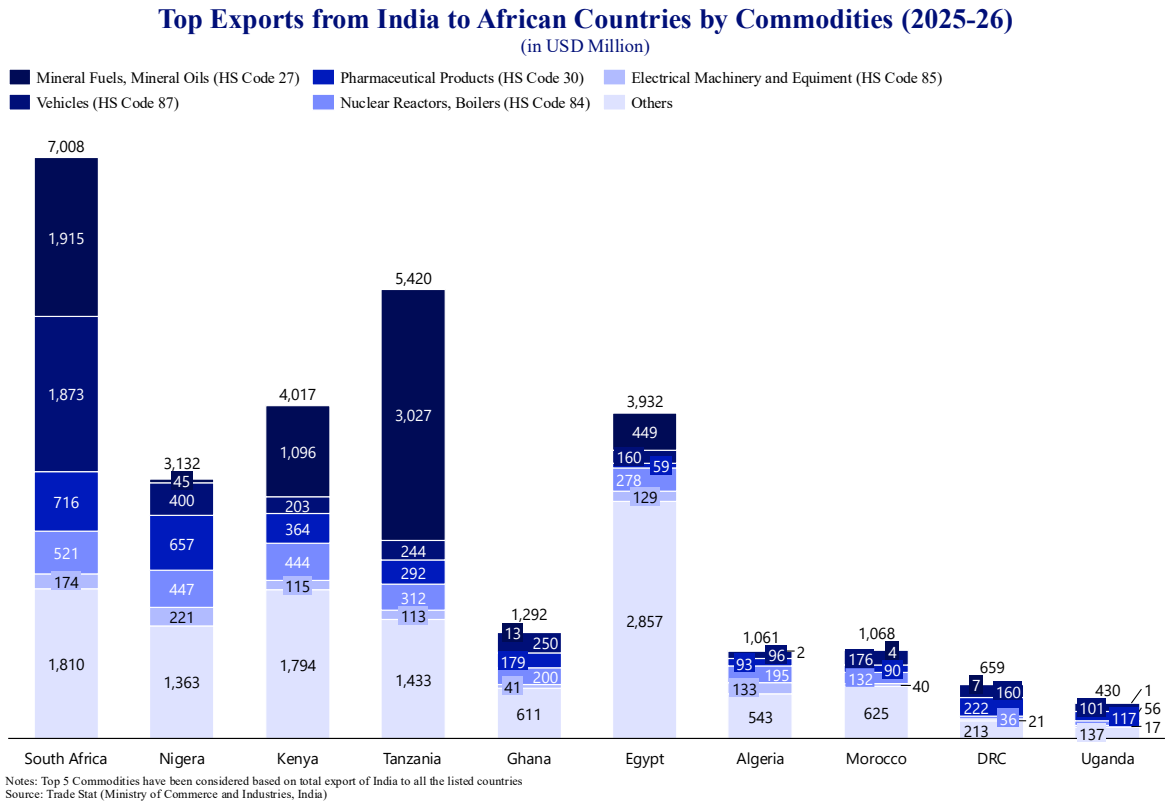
For the manufacturing analysis, five sub-sectors have been prioritized: **heavy machinery, electrical machinery and equipment, automotive, pharmaceuticals, and refining and petrochemicals**. These sectors account for a significant share of India's non-commodity exports to Africa, excluding agriculture commodity products.



Source: Trade Stat (Ministry of Commerce and Industries, India)

They also reflect areas where Indian manufacturing capabilities are closely aligned with Africa's development priorities and market demand. Heavy machinery and electrical equipment are critical for infrastructure development, industrialization and energy access. The automotive sector support growing needs in mobility, logistics, and agriculture mechanization. Pharmaceuticals play an important role in addressing Africa's healthcare needs and improving access to affordable medicines. Refining and petrochemicals present additional opportunities as African countries seek to strengthen domestic value addition, expand downstream processing capabilities, and reduce dependence on imported refined petroleum and petrochemical products.

Together, these sectors provide a practical basis for Japan–India collaboration in Africa's manufacturing and industrial development, combining Japan's strengths in technology, industrial processes, and quality infrastructure with India's manufacturing capabilities, cost competitiveness, and operational experience in developing markets.



Opportunities within African countries

Several African countries are actively prioritizing manufacturing as part of their national development strategies, creating opportunities for Indian and Japan–India collaboration.

South Africa's manufacturing sector offers opportunities for Indian companies in sectors such as vehicles, machinery, textiles, and chemicals as part of its manufacturing policy and National Development Plan. Nigeria plans to increase the manufacturing sector's contribution to GDP to 15% by 2030, reflecting its focus on industrial diversification beyond oil.[90] The Kenyan government's manufacturing sector policy for 2030 aims to increase the sector's contribution to GDP to over 20% and exports to 30%[91], with focus areas including agricultural value addition (edible oils and dairy), textiles, and construction materials. The government of Tanzania aims to transition from a semi-industrialized economy to a fully industrialized one and targeting an overall industrial GDP share of 36.5%, manufacturing GDP growth of 9.9% by 2031 under the Five-Year Development Plans (FYDP) VI.[92] Meanwhile, Egypt is targeting a 20% GDP contribution from the industrial sector[93] and has identified

[90] Nigerian Institute of International Affairs (February 2026) "Baciti Economic Insight" https://niia.gov.ng/wp-content/uploads/2026/03/BACITI-Insight-February-2026.pdf

[91] South Africa Golden Bridge (February 2026) "Manufacturers push for State support to boost exports" https://goldenbridgeexpo.com/manufacturers-push-for-state-support-to-boost-exports/

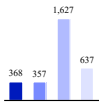
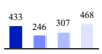
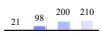
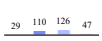
[92] TICGL | Economic Consulting Group (March 2026) "Tanzania Industrial & Manufacturing Sector" https://ticgl.com/tanzania-industrial-manufacturing-sector/

[93] Daily News (November 2025) "Egypt targets 20% industrial GDP share by 2030: Minister" https://www.dailynewsegypt.com/2025/11/24/egypt-targets-20-industrial-gdp-share-by-2030-minister/

seven sectors for its 2030 vision: ready-to-wear garments, textiles, agri-food industries, automotive, electrical equipment and engineering, electronics assembly, and pharmaceuticals.[94]

Potential Areas of Japan-India Collaboration in Africa's Manufacturing Sector

Sub-Sectors > Machinery | Electricals | Automotive | Pharmaceuticals

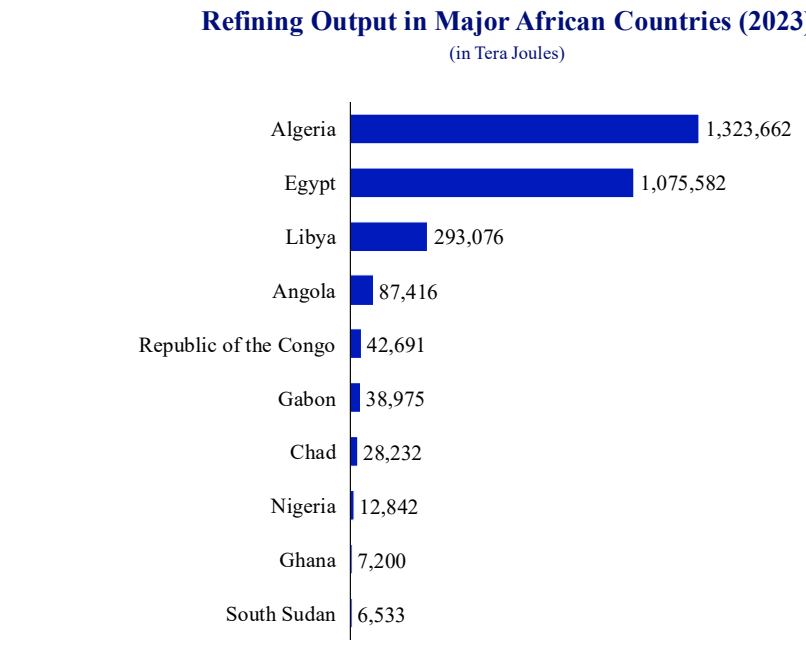
	Relation with India				Relations with Japan	Political Initiatives
	Exports from India	Prominent Indian Companies	Trade Agreements	FDI (Mfg – FY'26)	# of Japanese Companies	
South Africa		**Automotive:** Mahindra#, Tata Motors# **Pharmaceuticals:** Cipla#, Sun Pharma# **Industrial Machinery:** Jindal Steel and Power#	Yes *(Signed in 2020)*	$302.6 Mn	**Machinery:** 22 (Komatsu*) **Electronics:** 19 (Sharp*, SONY*) **Auto:** 26 **Pharma:** 10	South Africa's national development plan focuses on Industrial diversification and green transformation; The manufacturing sector offers opportunities for Indian companies in sectors such as vehicles, machinery, textiles, and chemicals
Nigeria		**Auto:** Bajaj Auto, Tata Motors# **Home Appliances:** Kewalram Chanrai Group, **Pharma:** Sun Pharmaceutical Ltd (Ranbaxy)# **Machinery:** Aarti Steel, Skipper T&D Corp	Yes *(Signed in 2020)*	$6.18 Mn	**Machinery:** 5 **Electronics:** 10 **Auto:** 2 (Honda*) **Pharma:** 1(Otsuka Pharma*)	Under the "Nigeria Industrial Policy 2025-2030" govt. plans to increase manufacturing sector's contribution to GDP to 15% by 2030 and 25% by 2035, while aiming to raise the mining sector's share to 8% by 2030 and 10% by 2035
Kenya		**Automotive:** Tata Africa#, TVS Motor# **Pharmaceuticals:** Strides Pharma#	*No trade agreements exist; Discussions on-going for a free trade agreement*	$7.2 Mn	**Machinery:** 8 **Electronics:** 7 **Auto:** 5 **Pharma:** 7 (Eisai*, Pigeon*)	As part of the "Bottom-Up Economic Transformation Agenda (BETA)", aims to raise manufacturing's contribution to GDP to >20% by 2030, increase exports to 30 % and attract up to $10 billion in FDI through value addition, SME empowerment and industrial parks.
Tanzania		**Automotive:** Tata Africa	Yes *(Signed in 2020)*	$9.9 Mn	**Machinery: 1** **Electronics:** 0 **Auto:** 2 (Yamaha Motor*) **Pharma:** 0	FYDP IV (2026/27–2030/31) targets an overall industrial GDP share of 36.5%, manufacturing GDP growth of 9.9%, manufacturing employment at 10% of total, and manufactured goods rising from 9% to 15% of total export earnings by 2031.
Egypt, Arab Rep.		**Automotive & Components**: Mahindra & Mahindra, Tata Motors **Pharmaceuticals:** Sun Pharma **Machinery:** Kirloskar Brothers, TCI Sanmar	Yes *(Signed in 2020)*	$2.3 Mn	**Machinery:** 0 **Electronics:** 9 (Fijitech*, Fujitsu*) **Auto:** 5 **Pharma:** 5	By 2030, aims to raise industrial sector's contribution to 20% of GDP and expand share of green industries to 5%. Along with boosting industrial competitiveness in partnership with private sector across ready-to-wear garments, textiles, agri-food industries, automotive, electrical equipment and engineering, electronics assembly, and pharmaceuticals

#: Companies with existing manufacturing plants
*: Locally incorporated companies, branch offices, representative offices, and local companies in which Japanese companies hold majority of the share

Source: Trade Stat, India Trade Portal, Ministry of Finance (India), Africa Business Partners, Country Policy Documents, News Articles

Together, these country-level strategies indicate that Africa's manufacturing opportunity is not uniform but concentrated in specific markets and sectors. For Japan and India, this supports a targeted approach focused on countries where policy direction, market demand, and sectoral capabilities are most closely aligned. South Africa, Nigeria, Kenya, Tanzania, and Egypt are well suited for Japan–India collaboration in heavy machinery, electrical equipment, automotive, and pharmaceuticals, supported by their market size, industrial policies, existing manufacturing base, and established Japanese and Indian business presence.

[94] APA News (May 2025) "Egypt: 7 industrial sectors targeted by 2030" https://apanews.net/egypt-7-industrial-sectors-targeted-by-2030/



Source: IEA – International Energy Agency

Regarding the refining and petrochemical sector, while Africa is the strategic region for diversification of oil import, Africa's refining capacity remains uneven. In the current situation, Algeria and Egypt have relatively established refining bases, while major producers such as Nigeria and Angola refine only a limited share of their crude output. This gap creates opportunities for investment by Japan and India in refinery upgrading, fuel production, petrochemicals, storage, logistics, and related value chains such as naphtha, propylene, polypropylene, and other industrial feedstock.

The scale of this downstream potential is exemplified by Nigeria's Dangote Refinery. As Africa's largest refinery, it has been designed as an integrated refining and petrochemicals complex, with refining capacity of 650,000 barrels per day and a polypropylene plant of around 830 KTA, with further expansion planned.

For India and Japan, Africa's oil sector offers opportunities for downstream investment. Japan can contribute technologies in refining, energy efficiency, process control, and petrochemicals. India can bring refining scale, and experience in operating complex downstream assets. This would help African countries capture more value from their own oil resources, while giving Japan and India a more diversified and resilient energy partnership base.

6.4 Opportunities in Critical Minerals and Oil

Africa's natural resource base gives the continent growing strategic importance in global supply chains. This is particularly relevant for critical minerals used in batteries, electric vehicles, semiconductors, clean energy technologies, and wider industrial applications.

In 2024, Africa accounted for approximately **11% of global lithium production, 17% of copper production, and around 70% of cobalt production**. The continent also holds substantial reserves of graphite, manganese, bauxite, platinum group metals, and chromium. At the country level, the Democratic Republic of the Congo (DRC) accounts for nearly 70% of global cobalt production, while South Africa holds a major share of global platinum group metals and manganese supply.[95]

For this study, the relevant critical minerals have been identified based on Japan's economic security priorities, Japan's Ministry of Economy, Trade and Industry (METI's) definitions, and inputs from expert discussions. Based on this mineral list, key African countries have been mapped to identify where Japan–India collaboration could support resource security, local value addition, and responsible supply chain development.[96]

Minerals Production (2024)

(in Tonnes[#])

Top 3

S.no.	Country	Cobalt	Copper	Lithium	Nickel	RE	Platinum	Graphite
1	Burundi			0.03		Nd*		
2	Democratic Republic of Congo	198.8	3,158					
3	Eritrea		Nd*					
4	Gabon							
5	Ghana							
6	Côte d'Ivoire							
7	Madagascar	2.5			28	30		0.09
8	Malawi							
9	Mali							
10	Mauritania		18					
11	Morocco	1.7	93					
12	Mozambique					17.2		0.03
13	Namibia		15					
14	Niger							
15	Nigeria					2.6		
16	Rwanda							
17	South Africa	0.6	53		32		0.13	
18	Tanzania		18					0.04
19	Zambia	1.4	821	0.05	21			
20	Zimbabwe	0.3	13	2,508.9	15		0.02	

Notes: #all figures are in Tonnes except Copper and Nickel which are in Hundred Thousand Tonnes; Nd* stands for "not disclosed" i.e., the mineral exists in the country however the quantity is not disclosed;
Source: Africa Finance Corporation (Compendium of Africa's Strategic Minerals 2026)

Africa's mineral base is highly concentrated in a small number of countries, making targeted engagement more important than a continent-wide approach. The DRC is the most important country for cobalt and copper. It produced around 198.8 kt of cobalt and is also one of Africa's major copper producers. The DRC also holds around six thousand kt of cobalt reserves and about 80,000 kt of copper

[95] Japan External Trade Organization (May 2025) "2024 年にアフリカで世界のリチウムの 11％、銅の 17％、コバルトの 7 割を生産" https://www.jetro.go.jp/biznews/2025/05/7c5aaf44c9f3712e.html, International Energy Agency (May 2025) "Global Critical Minerals Outlook 2025" https://www.iea.org/reports/global-critical-minerals-outlook-2025

[96] Ministry of Economy, Trade and Industry (March 2024) "重要鉱物に係る安定供給確保を図るための取組方針" https://www.meti.go.jp/policy/economy/economic_security/metal/torikumihoshin.pdf

reserves, making it central to battery, electrification, and clean-energy supply chains. The DRC accounts for roughly 70% of global cobalt output, reinforcing its strategic importance.[97]

Mineral Reserves in Africa (2025)
(in Tonnes[#])

S.no.	Country	Cobalt	Copper	Lithium	Nickel	Rare Earth	Graphite
1	Democratic Republic of Congo	6,000	80,000	Potentially very large	-		
2	Zambia	-	21,000	-	Nd		
3	Zimbabwe	-	Nd	310	Nd		
4	Madagascar	100	-	-	Nd		27,000
5	Morocco	Nd	Nd	-	Nd		
6	South Africa	-	Nd	-	Nd	860	
7	Mauritania	-	Nd	-	-		
8	Namibia	-	Nd	-	-		
9	Eritrea	-	Nd	-	-		
10	Côte d'Ivoire	-	-	-	Nd		
11	Mozambique						25,000
12	Tanzania					890	18,000

Notes: #all figures are in Tonnes except Copper and Nickel which are in Hundred Thousand Tonnes; Nd* stands for "not disclosed" i.e., the mineral exists in the country however the quantity is not disclosed;
Source: Africa Finance Corporation (Compendium of Africa's Strategic Minerals 2026)

Several other countries offer mineral-specific opportunities. Zambia is a priority copper market, with significant copper production and reserves of around 21,000 kt. Zimbabwe is Africa's leading lithium producer, with 2024 lithium production of around 2508.9 kt[98] and reserves of around 310 kt. It also features in nickel and platinum production. South Africa remains critical for platinum, with production of around 0.13 kt, and appears across cobalt, copper, and nickel. Madagascar is relevant for nickel, rare earths, cobalt, and graphite, while Mozambique and Tanzania are important for graphite and rare earths.

Africa's mineral opportunity is not evenly spread. A limited group of countries covers much of the mineral base needed for semiconductors, batteries, electric vehicles, clean energy, and advanced manufacturing. **DRC, Zimbabwe, Madagascar**, and **South Africa** stand out in critical minerals, covering cobalt, copper, lithium, nickel, rare earths, platinum, and graphite. For Japan and India, this suggests a focused strategy around selected minerals and countries rather than broad-based engagement across the continent.

The opportunity for Japan–India collaboration should therefore go beyond simply securing mineral supply. Many African countries are seeking to capture more value from their resources through local processing, jobs, skills development, and industrial capacity. This aligns with the African Union's Africa

[97] African Development Bank "Critical Mineral Insights 3" https://www.afdb.org/sites/default/files/documents/publications/cobalt_factsheet_final_nov_21.pdf

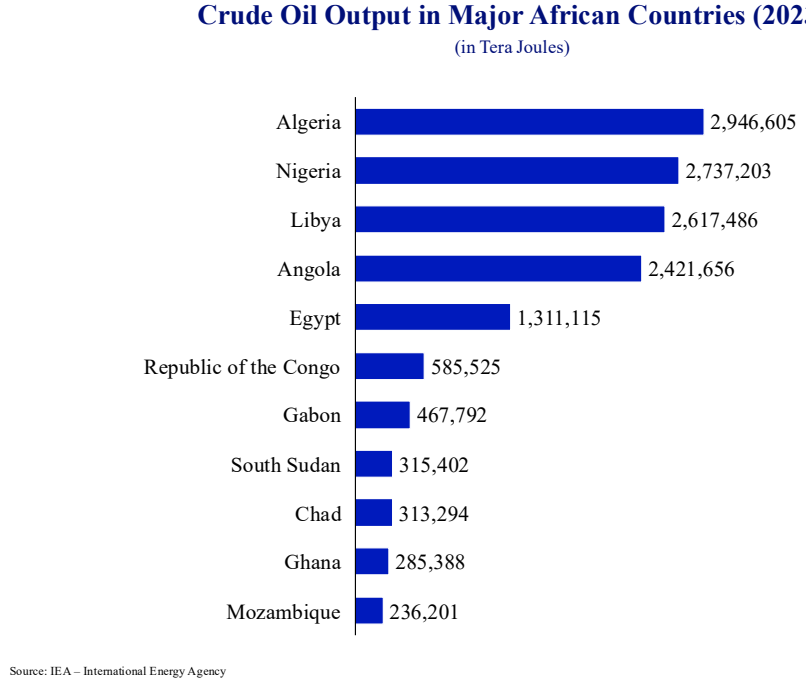
[98] Africa Finance Corporation Report "Compendium of Africa's Strategic Minerals 2026" https://www.africafc.org/our-impact/our-publications/compendium-of-africas-strategic-minerals-2026

Mining Vision, which emphasizes transparent and equitable mineral development, as well as local beneficiation and value addition.[99] This also aligns with India and Japan's broader strategic priorities on economic security and critical mineral supply-chain resilience. Both countries are strengthening cooperation through initiatives such as the Mineral Security Partnership, Indo-Pacific Economic Framework for Prosperity (IPEF), the Quad Critical Minerals Initiative, and the 2025 Memorandum of Cooperation between India's Ministry of Mines and Japan's METI on mineral resources.[100]

Opportunities in Oil (Upstream)

Recent geopolitical disruptions have reinforced the importance of diversifying crude oil supply sources. The Russia–Ukraine conflict, sanctions on Russian oil, and instability in the Middle East have increased the need for Asian importers to secure alternative and flexible sources of crude.[101]

In this context, Africa has gained strategic relevance as an oil-producing region beyond the traditional Middle East supply base. Below figure exhibits that Algeria, Nigeria, Libya, Angola, and Egypt are among the largest crude oil producers in Africa. Algeria produced around 2.95 million TJ of crude oil in 2023, followed by Nigeria at 2.74 million TJ, Libya at 2.62 million TJ, Angola at 2.42 million TJ, and Egypt at 1.31 million TJ. This gives Africa a diversified production base across North, West, and Central Africa, reducing dependence on any single geography or political corridor.



In this context, African countries can support crude supply diversification for Japan and India. Indian refiners have already shown flexibility in sourcing African crude; for example, Indian Oil Corporation

[99] African Union (September 2021) "The African Mining Vision: Transparent, equitable and optimal exploitation of Africa's mineral resources" https://au.int/en/pressreleases/20210902/african-mining-vision-transparent-equitable-and-optimal-exploitation-africas

[100] Ministry of External Affairs Website "Media Releases-Bilateral/Multilateral Documents" https://www.mea.gov.in/bilateral-documents.htm?dtl%2F40066%2FFact+Sheet++IndiaJapan+Economic+Security+Cooperation

[101] International Energy Agency (April 2026) "Oil Market" https://iea.blob.core.windows.net/assets/515f3128-df1a-4d6c-beb4-fd91d2434bef/-14APR2026_OilMarketReport_Free_version1.pdf

has purchased crude from Nigeria, Gabon, and Angola as part of spot procurement to manage expected disruptions in Russian supply.[102]

In addition, Africa creates opportunities for upstream investment for Japan and India. Japan can contribute technologies in exploration and extraction, while India can bring project execution capability, and experience in operating complex downstream assets. A relevant example of Japan is Mitsui & Co.'s 20% stake in the Mozambique LNG project, supported by a project guarantee from Japan Oil, Gas and Metals National Corporation (JOGMEC).[103]

For Japan and India, upstream cooperation in Africa can support crude supply diversification, strengthen energy security, and create opportunities for joint participation in exploration and production assets.

6.5 Opportunities in Infrastructure – Green Transformation

Africa has vast renewable energy potential, supported by abundant solar, wind, hydro, and geothermal resources.[104] Africa has 60% of the world's best solar resources, but only around 1% of global installed solar PV capacity, highlighting the scale of untapped opportunity.[105]

Top Countries with Green Transition Targets in Africa

Sector	Country	Evaluation / GX Target Value
Solar	Algeria	15,000 MW (deadline unknown)
	Tunisia	Approximately 2,000 MW or less (2030)
	Egypt	31,000 MW (2035)
	Morocco	4,560 MW (2030)
Geothermal	Kenya	5,000 MW (2030)
	Ethiopia	1,054 MW (2030)
	Djibouti	N/A
Hydropower	Ethiopia	10,000 MW (potential value)
	DRC	60,000 MW (potential value)
Green Hydrogen / Ammonia	Egypt	3.2 million tons per year (2030)
	Namibia	100-2 million tons per year (2030)
	Mauritania	12 million tons per year (potential value)
	Morocco	1 million tons per year (around 2030)
	South Africa	500,000 tons/year (2030)

Source: Ministry of Energy Renewable Energies, Algeria HP, National Agency for Energy Management, Tunisia HP, Modor Intelligence, IEA, Geothermal Development Company HP, Global Geothermal Alliance HP, Egypt today, HyResource HP, Ministry of Energy Petroleum, Mauritania HP, ARAB News, JOGMEC Journal HP

At the same time, the continent continues to face a major energy-access gap. The World Bank estimates that nearly 600 million people in Sub-Saharan Africa still live without electricity, while the latest SDG 7 tracking data shows that most countries with the largest electricity-access deficits are in Sub-Saharan

[102] Reuters (January 2025) "India's IOC buys Middle East, African oil to replace Russian supply" https://www.reuters.com/markets/commodities/indias-ioc-buys-7-mln-barrels-middle-east-african-oil-sources-say-2025-01-17/

[103] Japan Oil, Gas and Metals National Corporation (July 2020) "JOGMEC Provides Completion Guarantee for Mitsui's LNG Project in the Republic of Mozambique" https://www.jogmec.go.jp/english/news/release/release_00289.html

[104] International Renewable Energy Agency (January 2022) "Renewable Energy Market Analysis: Africa and its Regions" https://www.irena.org/publications/2022/Jan/Renewable-Energy-Market-Analysis-Africa

[105] International Energy Agency (2022) "Africa Energy Outlook 2022" https://www.iea.org/reports/africa-energy-outlook-2022/key-findings

Africa.[106] The green energy transition is particularly urgent, as many African countries seek to expand electricity access to millions of people while simultaneously meeting climate goals and reducing reliance on fossil fuels.[107] These ambitions are supported by national policies promoting clean energy adoption and investment in infrastructure.

Both Indian and Japanese companies possess capabilities and experience relevant to Africa's infrastructure for green transition needs Indian companies like Tata Projects, Sterling and Wilson and Power Grid Corporation are already contributing to Africa's green infrastructure through solar EPC, transmission lines, and grid modernization.[108] Japanese firms like Mitsubishi Corporation, Toyota Tsusho, and Marubeni bring advanced technology in areas such as energy efficiency, and geothermal power projects, alongside financing backing.[109]

While Africa's green transition presents considerable business opportunities, the independent capabilities of Indian and Japanese companies suggest that collaboration between the two may be limited in scope. In some technologies, each country already has independent strengths: Japan can deliver geothermal technology and high-efficiency power systems directly, while solar PV supply chains are often dominated by Chinese panel manufacturing and EPC competitiveness. India has relevant capabilities in solar EPC, transmission, and project execution.

6.6 Opportunities in Human Resource Development in Africa

Africa's industrialization agenda is closely linked to the availability of skilled labor. However, the continent continues to face a significant skills gap. The World Bank notes that around one million young Africans enter the labor market every month, while a large share of employment remains informal and many workers lack the skills required by both traditional industries and emerging sectors.[110] Sector-specific shortages are also visible. For example, Ghana's IT sector is growing rapidly but faces a shortage of skilled workers such as coders and developers, leading many firms to outsource work.[111]

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[106] World Bank Website "Our Priorities-Mission 300" https://www.worldbank.org/ext/en/energizingafrica

[107] Down to Earth (May 2026) "Africa's climate transition must be built from within, foundation says" https://www.downtoearth.org.in/climate-change/africas-climate-transition-must-be-built-from-within-foundation-says

[108] Africa 50 (December 2025) "KETRACO signs landmark Public-Private Partnership with Africa50 and Powergrid Corporation of India to deliver USD311 Million Power Transmission Project" https://www.africa50.com/media/news/article/ketraco-signs-landmark-public-private-partnership-with-africa50-and-powergrid-corporation-of-india-to-deliver-usd311-million-power-transmission-project/
Tata Projects (July 2024) "TATA Projects secures international orders totalling USD 323 million in Africa" https://www.tataprojects.com/web/node/1779
Sterling & Wilson (November 2025) "SWREL Wins Second South African Project This Fiscal Valued At ~INR 1,313 crore" https://www.sterlingandwilsonre.com/pdf/press-release/Press%20Release%20-%20SWREL%20Wins%20Second%20South%20African%20Project%20This%20Fiscal%20Valued%20At%20~INR%201%2C313%20crore.pdf

[109] Mitsubishi Corporation (February 2017) "Mitsubishi Corporation to Construct Geothermal Plant in Kenya" https://www.mitsubishicorp.com/jp/en/news/release/2017/0000032001.html
Toyota Tsusho Corporation (February 2023) "Toyota Tsusho Signs Contract for Construction of a Geothermal Power Plant in the Menengai Region of Kenya- Contributing to Africa's green economic growth through the expansion of renewable energy -" https://www.toyota-tsusho.com/english/press/detail/230214_006188.html
Marubeni (August 2018) "Marubeni Awarded Geothermal Power Plant Project from Kenya Electricity Generating Company Limited" https://www.marubeni.com/en/news/2018/release/20180831E.pdf

[110] World Bank Blogs (October 2025) "Why bridging Africa's skills gap is crucial for growth" https://blogs.worldbank.org/en/voices/why-bridging-africa-s-skills-gap-is-crucial-for-growth

[111] Workpay "Skilled Workers Demand is high, but There's A Shortage in Africa" https://www.myworkpay.com/blogs/skilled-workers-demand-is-high-but-theres-a-shortage-in-africa-

India has emerged as an important development partner for African countries for skill development and capacity building, particularly in support of industrialization and manufacturing sector growth. Through initiatives such as the Indian Technical and Economic Cooperation (ITEC) Programme and partnerships under the Partnership for Skills in Applied Sciences, Engineering and Technology (PASET), India has provided technical training, vocational education, knowledge exchange, and institutional capacity-building support to several African countries.[112] Also, in 2003, Ghana-India Kofi Annan Centre of Excellence in ICT (GI-KACE) was established as Ghana's first Advanced Information Technology Institute through a partnership between Government of Ghana and the Government of India.[113] Furthermore, India has established an overseas campus of Indian Institute of Technology (IIT) Madras in Tanzania, which began operations in 2023 and offers undergraduate and postgraduate courses in engineering and technology. In addition, India has discussed new initiatives such as an Entrepreneurship Development Centre in Namibia, reflecting a continued focus on technical and entrepreneurial capacity building.

These initiatives focus on enhancing workforce competencies in areas such as manufacturing, engineering, industrial productivity, technology adoption, and entrepreneurship development. India's approach to development partnership in Africa has therefore contributed to strengthening human capital and supporting the long-term industrial and manufacturing capabilities of partner African countries. By setting up more industry specific training institutes across different countries and sending trained technicians, engineers, educationists to Africa for training the individuals in such countries, India can further enhance its contribution to the African economy.

At the same time, Japan has also played a long-standing role in Africa's human capital development. Since 1993, Tokyo International Conference on African Development (TICAD) has been a key platform bringing together African leaders, the Government of Japan, the United Nations and other partners to promote Africa's development through dialogue and partnership[114]. Since 2018, Japan has strengthened its collaboration with multilateral partners to advance higher education and research capacity in Africa. Through World Bank supported frameworks such as the Africa Centers of Excellence (ACE) programme and the Partnership for Skills in Applied Sciences, Engineering, and Technology (PASET) Regional Scholarship and Innovation Fund (RSIF), Japan has contributed to improving the quality of scientific research, innovation, and applied technical training across Sub-Saharan Africa[115].

In 2025, the Matsuo-Iwasawa laboratory at the University of Tokyo announced a collaboration with the Ministry of Economy, Trade and Industry, Japan to develop AI talent in Africa. Over the period of three years, 30,000 people will be nurtured, supporting digital transformation (DX) in manufacturing and agriculture. It will support the creation of local industries and jobs and will also connect Japanese

[112] Extraordinary and Plenipotentiary Diplomatist (August 2025) "Uniting Minds and Shaping Futures through India-Africa Educational Partnerships" https://diplomatist.com/uniting-minds-and-shaping-futures-through-india-africa-educational-partnerships/
[113] Ministry of Communication "GI-KACE" https://moc.gov.gh/aiti-kace/
[114] United Nations Industrial Development Organization (August 2025) "UNIDO highlights the role of industry and innovation in Africa at TICAD 9" https://www.unido.org/news/unido-highlights-role-industry-and-innovation-africa-ticad-9
[115] Observer Research Foundation (January 2021) "ORF Occasional Paper No. 296" https://www.orfonline.org/public/uploads/posts/pdf/20260220105514.pdf

companies to market development and talent acquisition.[116] Also in 2025, The Industry Ministry's Productivity and Vocational Training Authority (PVTD) and the Egyptian Cabinet-affiliated Education Development Fund (EDF) , have signed a protocol with Japan International Cooperation Agency (JICA) to launch a five-year Japanese-inspired engineering diploma in September for post-preparatory school students. The diploma qualifies graduates to enroll in technological universities, engineering faculties, and computer science colleges.[117]

Hence, for Japan–India collaboration, a practical opportunity would be to adapt models such as the Japan–India Institute for Manufacturing (JIM) and Japanese Endowed Courses (JEC) for African markets. Similar programmes could train shop-floor leaders, technicians, engineers, and middle-management talent for Africa's manufacturing sector. Japan can contribute manufacturing standards, quality systems, and industrial training models, while India can bring cost-effective delivery, trainers, technical institutions, and experience in large-scale skills development. Together, they can support Africa's need for employable industrial talent and strengthen the foundation for long-term manufacturing growth.[118]

To summarize, Japan–India collaboration in manufacturing, digital infrastructure, critical minerals and human resource development can create mutual benefits for Africa, Japan, and India. Japan can contribute advanced technology, quality standards, financing, and industrial expertise. India can bring cost-competitive solutions, digital public infrastructure experience, implementation capacity, and established business networks in Africa.

Together, these capabilities can support Africa's priorities in industrialization, job creation, skills development, digital inclusion, and local value addition. At the same time, Japan and India can access new markets, strengthen supply-chain resilience, and expand strategic economic partnerships.

Africa is already a major focus for external partners such as the US, EU, and China, whose roles in trade, investment, infrastructure, finance, and development cooperation have been substantial. For Japan and India, this underscores the need to act together and engage more strategically, so that they do not miss emerging opportunities in Africa's next phase of growth. The next chapter examines the role of Africa's three major external partners and sets the context for positioning Japan–India collaboration as a complementary partnership model.

[116] Matsuo-Iwasa Lab UTokyo (August 2025) "Matsuo-Iwasawa Lab. to train 30,000 AI personnel in Africa in cooperation with the government" https://weblab.t.u-tokyo.ac.jp/en/news/20250818/

[117] Ahram Online (July 2025) "Egypt to launch 5-year Japanese-inspired engineering diploma in September" https://english.ahram.org.eg/NewsContent/1/2/549598/Egypt/Society/Egypt-to-launch-year-Japaneseinspired-engineering-.aspx

[118] Japan-India Institute for Manufacturing Website "Background of JIM/JEC" https://jim-jec.in/background-en.html

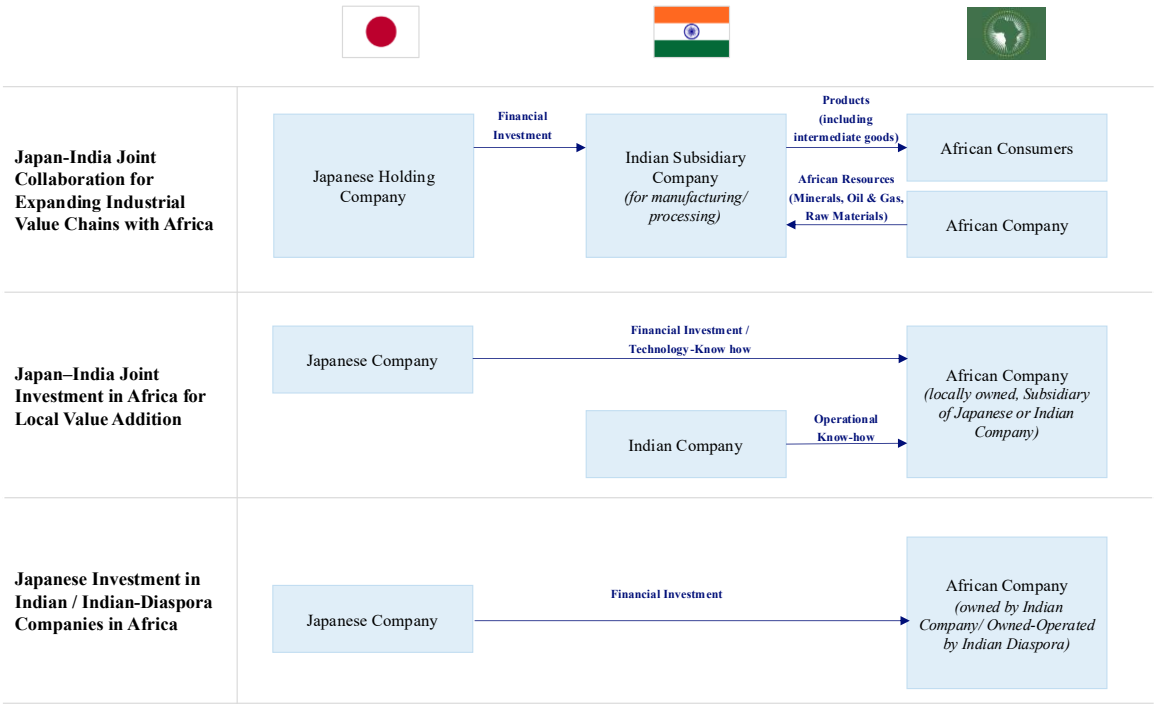
CHAPTER 7 CASE STUDIES OF JAPAN-INDIA COLLABORATION IN AFRICA

India–Japan collaboration in Africa can be structured through different partnership models, depending on the entities involved, their respective roles, and the mode of engagement. These models range from exporting from India to Africa, trade-led cooperation for joint investment in Africa, and strategic participation in Indian or Indian-diaspora-led platforms already operating in African markets.

The key collaboration models are outlined below:

#	Collaboration model	Description
1	**Japan-India Joint Collaboration for Expanding Industrial Value Chains with Africa**	Intermediate goods, components, and technologies produced in India can be supplied to African markets for local assembly, processing, and manufacturing, thereby supporting the development of Africa's industrial base, job creation, and local value addition while strengthening commercial linkages between India and Africa.
2	**Japan-India Joint Investment in Africa for Local Value Addition**	Japanese and Indian companies jointly invest in Africa through local manufacturing/ assembly, infrastructure, digital platforms, mineral processing, or sales and distribution partnerships. This model combines Japanese technology and finance with Indian cost competitiveness, execution capability, and Africa market experience.
3	**Japanese Investment in Indian / Indian-Diaspora Companies in Africa**	Japanese companies invest directly in Indian companies or Indian-diaspora-led businesses already operating in Africa, particularly in sectors such as minerals, telecom, logistics, manufacturing, and distribution. This model allows Japanese firms to leverage existing local networks, licences, operating platforms, and market access.

Partnership Models for Japan-India Collaboration in Africa



List of Case Studies

Partnership Model #1: Japan-India Joint Collaboration for Expanding Industrial Value Chains with Africa

Focus Sectors	Case Studies
Manufacturing	• **Maruti Suzuki India X Toyota Tsusho**: Maruti Suzuki India manufactures passenger vehicles designed for emerging market needs and exports them to African markets through Toyota Tsusho Corporation, Japanese trading company. Toyota Tsusho manages distribution and sales networks across Africa through its subsidiary company CFAO, leveraging its established presence on the continent. In CY2025, a total of 13,940 Maruti Suzuki passenger vehicles were sold across 32 African countries via this CFAO distribution network.[119] • **Toyota X Maruti Suzuki India X Toyota Tsusho**: Maruti Suzuki manufactures six vehicle models including Toyota Starlet on an Original Equipment Manufacturer (OEM) basis in India and supplies them to 47 African countries. Toyota Tsusho serves as Toyota's exclusive distributor

[119] Japan External Trade Organization (December 2025) "スズキ、自動車をアフリカ 50 カ国以上で販売、南アでシェア 2 位へ" https://www.jetro.go.jp/biz/areareports/special/2024/1202/6a4d2389b9b24053.html

	across Africa, handling marketing, sales, and after-sales support. This arrangement allows Toyota to access a wide geographic footprint across Africa while utilizing India's manufacturing cost advantages. [120] • **Yamaha Motor X Yamaha Motor India Group:** Yamaha Motor designate India as a global export hub, and exports motorcycle parts developed and manufactured in India to African markets[121]. In Africa, Yamaha establishes a local sales and after-sales service system with local partner company. • **Honda X Honda Cars India Ltd.:** Honda Cars India develops and manufactures motorcycles and SUVs (such as the Elevate) in India for export to Africa. Regarding Elevate, it is manufactured in plant in Tapukara, Rajasthan, and exported to South Africa.[122] • **Isuzu X Isuzu Motors India**: Isuzu is a leading Japanese manufacturer of commercial vehicles, including trucks. To serve the African market, Isuzu utilizes its production base in India, focusing on cost-competitive vehicles. Furthermore, by positioning India and Africa as strategic bases for future growth, Isuzu is strengthening collaboration between the two regions. India serves as an export hub for light commercial vehicles (LCVs) and as a product development base for emerging markets. Isuzu aims to leverage Indian R&D capabilities and local resources efficiently to support the growth of its business in Africa.[123] • **Panasonic X Panasonic Electric Works India**: Panasonic Electric Works India, a part of Japan-based Panasonic Corporation, exports wiring devices and electrical components to African markets, such as Kenya and Tanzania. The arrangement provides cost efficiency of manufacturing in India while maintaining quality standards required for African electrical infrastructure projects.[124] • **Daikin X Daikin Airconditioning India**: Daikin is a Japanese company that manufacture and sell air condition equipment globally. Daikin designates India as a major manufacturing and export hub to global south markets including Africa. By leveraging the cost effectiveness of

[120] Automart Africa (June 2025) "Made-In-India Toyota Starlet Launched In South Africa" https://automartafrica.com/detail-news.php?NEWS_ID=354&PAGE_ID=7

[121] Yamaha (June 2024) "Yamaha Motor India Business Briefing" https://global.yamaha-motor.com/ir/library/report/pdf/2024/dialogue_en_01.pdf

[122] Honda (February 2025) "Honda Cars India crosses 1 lakh cumulative sales milestone of the bold & stylish Honda Elevate" https://www.hondacarindia.com/press-release/crosses-1-lakh-cumulative-sales-milestone-stylish-honda-elevate

[123] Isuzu Motors Limited "Integrated Report 2024" https://www.isuzu.co.jp/world/company/investor/financial/pdf/integrated_report24_all.pdf

[124] India Export News "India's Leading Electrical Manufacturer Invests Rs 300 Crore to Boost its African Exports" https://www.indiaexportnews.com/detail_news.php?newsid=3644&cat_id=4&pageid=2

manufacturing in India, Daikin manufactures products in plants such as in Andhra Pradesh, and export to multiple countries in Africa. In Nigeria, the company partners with Sacral Industries for local assembly in Nigeria.[125]

- **Kubota X Escorts Kubota**: In 2022, Kubota acquired the Indian tractor manufacturer Escorts (now Escorts Kubota). Kubota aims to increase manufacturing and exports from India, targeting shipments of approximately 4,000 units from India by 2030. Escorts Kubota has an extensive network of sales companies, particularly in East Africa, and is considering establishing a one-company-per-country structure in the future. By leveraging both Escorts Kubota's local presence and the Indian diaspora network, Kubota plans to expand its sales and maintenance services across Africa.[126]

- **International Tractors (Sonalika) X Yanmar**: International Tractors Limited, operating under the Sonalika brand, partners with Yanmar, a Japanese agricultural and industrial equipment manufacturer, to export tractors from India to African markets. The partnership has established a joint venture assembly plant in Algeria in collaboration with FAMAG, an Algerian company. This regional manufacturing approach reduces import costs and enables local assembly while maintaining quality control through Japanese technical expertise.[127]

- **AGC X Asahi India Glass Limited (AIS)**: Asahi India Glass Limited (AIS) is a leading glass manufacturer in India under the AGC group of Japan. AIS operates multiple manufacturing facilities across India, producing both automotive and architectural glass for domestic and international markets. The company also exports aftermarket products to several African countries. In the automotive glass segment, its products are sold in countries such as Algeria and South Africa, while in the architectural glass segment, it serves markets including Nigeria and Uganda.[128]

- **Musashi Seimitsu Industry X Delta E-Axle India**: Musashi Seimitsu Industry is a Japanese auto component company. In 2023, together with Delta Electronics, Inc. and Toyota Tsusho Corporation, Musashi established a new joint venture company for the purpose of

[125] Sacral Website "Production Facility" https://sacralindustries.com/production-facility/

[126] Nikkei (March 2025) "ダイキンやクボタ、アフリカ開拓「印僑」と共に" https://www.nikkei.com/article/DGXZQOUF125JK0S5A310C2000000/?msockid=243d8360f3c56ba6101196a7f2c36af7

[127] Tractor Junction (October 2018) "Sonalika ITL partners with FAMAG in Algeria" https://www.tractorjunction.com/tractor-news/sonalika-itl-partners-with-famag-in-algeria/

[128] Asahi India Glas Website https://www.aisglass.com/about/our-reach-india/our-reach-international/

	manufacturing in India and selling e-Axle for two-wheeled vehicles.[129] With a plan to export its e-axle drive unit manufactured in India to Africa, the company is deepening its collaboration with electric motorcycle manufacturers in countries such as Kenya. In India, the company is also advancing R&D for their Africa business.[130] • **Toyota Tsusho X Missionpharma**: Toyota Tsusho engages in the healthcare business in Africa, covering the production and retail of pharmaceuticals and medical equipment for the African market. Toyota Tsusho acquired Missionpharma, a Danish medical equipment company, in 2015 to strengthen the production and distribution of medical equipment in the African market. Missionpharma manufactures medical kits in India, exports them to Africa, and sells them directly to UN agencies, hospitals, and NGOs across the continent.[131]
Digital	• **Fujifilm X Dr. Kutty's Healthcare**: Dr. Kutty's Healthcare collaborated with Fujifilm to co-develop the NURA AI health check-up diagnostic model in India. NURA combines advanced imaging technology with artificial intelligence to provide comprehensive health screening services. Following development in India, the partnership launched the first NURA clinic in South Africa in 2025, marking the entry of this healthcare innovation into African markets.[132]
Infrastructure	• **Komatsu X Komatsu India:** Komatsu India manufactures hydraulic excavators and dump trucks in its facility in Chennai, India, for export to African mining and infrastructure projects.[133] The company also provides maintenance and technical support in selected African markets, including Senegal, from India. Furthermore, Komatsu leverages its established relationships with Indian construction companies in their sales activities to pursue business opportunities in Africa. • **Hitachi Construction Machinery X Tata Hitachi Construction Machinery**: Tata Hitachi Construction Machinery, a joint venture between Tata and Japan's Hitachi Construction Machinery, has exported India-manufactured hydraulic excavators with emerging market specifications to Africa since 2014. The partnership demonstrates a long-

[129] Musashi (September 2023) "Full-scale sales of 2-Wheel e-Axle in India, the World Largest Market Musashi, Delta Electronics and Toyota Tsusho establish Joint Venture" https://www.musashi.co.jp/en/newsrelease/musashi_1.html

[130] Nikkei Mobility (September 2025) "二輪 e アクスル「サウス」に供給網　武蔵精密、良路か悪路か" https://www.nikkei.com/prime/mobility/article/DGXZQOUC2419Y0U5A920C2000000?msockid=243d8360f3c56ba6101196a7f2c36af7

[131] Toyota Tsusho Corporation (August 2025) "Toyota Tsusho's Group Company, CFAO Becomes Sole Owner of East Africa's Leading Retail Pharmacy Chain Goodlife" https://www.toyota-tsusho.com/english/press/detail/250804_006662.html

[132] Fujifilm (September 2025) "Fujifilm to Open Its First NURA Health Screening Center in Africa, in South Africa" https://www.fujifilm.com/in/en/news/hq/12811

[133] Equipment Times (July 2023) "Komatsu is the world leader in Construction Mining Equipment" https://equipmenttimes.in/komatsu-is-the-world-leader-in-construction-mining-equipment

	standing India-Japan collaboration in African infrastructure equipment supply. The excavators are designed for emerging market conditions and cost considerations while maintaining Hitachi's technical standards.[134]

Partnership Model #2: Japan–India Joint Investment in Africa for Local Value Addition

Focus Sectors	Case Studies
Critical Minerals	• **Toyota Tsusho X Toyotsu Rare Earth India X Pensana**: Toyota Tsusho signed an offtake agreement with Pensana, a British rare earth producing company, for up to 20,000 tons per year of mixed rare earth carbonate from the Longonjo mine in Angola.[135] Under the MoU, Pensana and Toyota Tsusho intend to develop an independent supply chain for rare earth materials. Toyota Tsusho plans to utilize its Indian processing facility – under its wholly owned subsidiary Toyotsu Rare Earth India – to process the mixed rare earth carbonate.
Manufacturing	• **Toyo Engineering Corporation X Toyo Engineering India X Indorama Eleme Fertilizer & Chemicals Limited:** Toyo Engineering Corporation (Toyo-Japan) has been awarded a contract for the construction of a fertilizer plant for Indorama Eleme Fertilizer & Chemicals Limited, a Nigerian company led by Indian management.[136] In this project, Toyo-Japan provides a urea technology license for the fertilizer plant, along with basic design, detailed engineering, procurement and commissioning services, while Toyo Engineering India (Toyo-India), Indian subsidiary of Toyo-Japan, delivers engineering services from India by leveraging its highly capable engineering resources in India. Toyo-India also dispatches Indian engineers to Africa for on-site engineering support.
Digital	• **Rakuten Symphony X Tejas Networks (TATA)** : Rakuten, Japanese telecommunication company, signed MoU with Tejas Network, Indian telecommunication company, for Open RAN partnership supplying hardware & software for low-cost telecom networks in global markets.[137] The companies will collaborate to integrate Rakuten Symphony's CU and DU software, OSS, and cloud portfolio with Tejas's

[134] Fortune India "Tata Hitachi Construction Machinery Company Ltd - Overview" https://www.fortuneindia.com/companies/tata-hitachi-construction-machinery-company-ltd

[135] Pensana Plc (June 2025) "MOU with Toyota Tsusho Corporation for Rare Earth Offtake" https://pensana.co.uk/wp-content/uploads/2025/06/MOU-with-Toyota-Tsusho-Corporation-for-Rare-Earth-Offtake.pdf

[136] Toyo Engineering (May 2018) " TOYO Awarded Fertilizer Plant 2nd Train Project in Nigeria" https://www.toyo-eng.com/jp/en/company/news/?n=2185

[137] Tejas Networks (June 2025) "Rakuten Symphony and Tejas Networks announce partnership to drive Global Expansion through Interoperable 5G Solutions" https://www.tejasnetworks.com/resource/rakuten-symphony-and-tejas-networks-announce-partnership-to-drive-global-expansion-through-interoperable-5g-solutions/

	4G/5G radio portfolio and explore opportunities for the deployment and expansion of 4G and 5G networks worldwide, including Africa.
Infrastructure	• **Mitsui & Co. X OMC Power**: Mitsui & Co. is extensively engaged in infrastructure and renewable energy project investment in Africa. Mitsui & Co. invested in OMC Power, an Indian decentralized renewable energy company, to provide mini-grid solar power systems to unserved electrification areas in Sub-Saharan Africa. (OMC also secures funding from Chubu Electric Power and Honda Motor etc. primarily for its business development in India.) OMC Power recently signed MoU with Ethiopia government to develop 1,000 mini-grid sites in Ethiopia.[138] • **Toyota Tsusho X VA Tech Wabag X Eiffage Génie Civil:** Toyota Tsusho engages in green infrastructure EPC business through the Japanese government finance such as JICA and JBIC in Africa. Since 2022, Toyota Tsusho Corporation has formed a consortium with Eiffage Génie Civil, a French construction company, and VA Tech Wabag, an Indian water engineering company, to construct a seawater desalination plant in Senegal under a JICA yen loan project. In this project, Toyota Tsusho was primarily responsible for the overall project management, Eiffage Génie Civil mainly handled construction. Meanwhile, VA Tech Wabag was responsible for the engineering and technical aspects of the seawater desalination system.[139]

Partnership Model #3: Japanese Investment in Indian / Indian-Diaspora Companies in Africa

Focus Sectors	Case Studies
Manufacturing	• **Marubeni X Phillips Healthcare**: In 2025, Marubeni Corporation, a Japanese trading and investment company, completed its investment in Phillips Healthcare Corporation (an Indian diaspora run pharma distributor for generic drugs in Africa). In African pharmaceutical market, regulations and pricing systems vary from country to country, limiting the number of companies capable of handling all the various related processes. This creates barriers to importing pharmaceuticals from other countries. Investment in Phillips Pharma allowed import of pharmaceuticals into Africa and expansion of products available on the continent by facilitating contracts between Japanese companies and Phillips Pharma. By combining Phillips Pharma's track record with its

[138] LinkedIn "OMC Power" https://www.linkedin.com/posts/mou-signethiopiaisaomc-power-ugcPost-7361684550747377664-6KC1/?utm_source=share&utm_medium=member_desktop&rcm=ACoAAECm6AUBb0ItgJc1q91A2DxI_M7AkLDhOys

[139] Toyota-Tsusho (June 2022) "セネガル初の海水淡水化プラント建設工事を受注～西アフリカで安定した給水に貢献～" https://www.toyota-tsusho.com/press/detail/220601_006004.html

	expertise and global network, Marubeni aims to bring high-demand pharmaceuticals to African nations.[140] • **Mitsubishi Corporation X Olam**: In 2016, Mitsubishi Corporation entered a joint venture with Olam, an Indian diaspora operated agri-conglomerate (Mitsubishi holding 70% and Olam holding 30%). The joint venture will import and distribute coffee, cocoa, sesame, edible nuts, spices, vegetable ingredients and tomato products for the Japanese market.[141] • **Sanyo Foods X Olam**: Sanyo Foods is a Japanese food company that has strengths in instant noodles. In 2013, Olam (Indian diaspora company headquartered in Singapore) and Sanyo Foods announced that they had agreed to establish a joint venture to manufacture and distribute instant noodles in Nigeria and throughout sub-Saharan Africa. Sanyo Foods invested $20 million in cash to acquire a 25.5% stake through a new share issuance by the joint venture, taking responsibility for Olam's instant noodle assets and operations in Nigeria.[142] • **Mitsui & Co. × ETC Group**: In 2017, Mitsui & Co. acquired an equity stake in ETC Group through a strategic investment. ETC Group is an agribusiness conglomerate operating in Africa of Indian diaspora origin, engaged in agricultural commodities (sourcing, processing, storage, and import/export), fertilizers and other agricultural inputs, as well as food manufacturing and distribution. In particular, the company has a strong sales and distribution network operated by the Indian diaspora in East Africa and other regions, reaching approximately 2 million farming households. This investment aims to jointly accelerate nutrition & agriculture operations across Africa and the Indian Ocean Rim economic region.[143] • **Sumitomo Chemical X A to Z Textile Milles Limited**: In 2001, Sumitomo Chemical developed "Olyset®," an insecticide-treated mosquito net designed to combat malaria. Since 2003, the company has partnered with A to Z Textile Mills Limited in Tanzania and transferred technology to the company for the purpose of manufacturing and selling

[140] Marubeni (August 2025) "Expansion of the Pharmaceutical Business in Africa: Growing the Scope of Marubeni's Pharmaceutical Strategic Platform" https://www.marubeni.com/en/news/2025/release/00034.html

[141] Olam International Limited (April 2016) "Mitsubishi Corporation and Olam form New Joint Venture to Supply Sustainable Agricultural and Food Products to Japan" https://www.olamgroup.com/news/all-news/press-release/mitsubishi-olam-joint-venture-sustainable-agricultural-products-japan.html

[142] Olam International Limited (May 2013) "Olam International and Sanyo Foods form Joint Venture in Nigeria to Manufacture and Distribute Instant Noodles" https://www.olamgroup.com/news/all-news/press-release/olam-sanya-foods-joint-venture-nigeria-manufacture-distribute-instand-noodles.html

[143] Mitsui & Co. (November 2017) "ETC Group Limited への出資参画" https://www.mitsui.com/jp/ja/release/2017/1225042_10838.html

	the "Oliset®" series. A to Z Textile Mills Limited has a strong network for manufacturing and sales within the Indian diaspora. • **Ohara Pharmaceutical X Africa Healthcare Network**: In 2023, the Japanese pharmaceutical company Ohara, alongside AfricInvest, invested in Africa Healthcare Network (AHN), a dialysis-care provider operating across Africa and founded in Mauritius by entrepreneurs of Indian diaspora origin. The new funding will support AHN's rapid expansion of dialysis centers across the continent, while enhancing kidney disease management, early detection capabilities, and clinical care standards through advanced technology and workforce development initiatives.[144] • **Mitsui O.S.K. Lines X Revital Healthcare**: Mitsui O.S.K is a global shipping and logistic company from Japan. Mitsui O.S.K and Revital Healthcare, a medical equipment company of Indian diaspora origin singed MoU to build a pharma logistics hub in Mombasa SEZ for pan-Africa drug distribution.[145] In this agreement, Mitsui O.S.K provides comprehensive logistics services, including forwarding, customs clearance, warehouse management, and ground transportation. • **Mitsui Chemicals X Dangote Industries X AAIC Holdings**: In 2025, Mitsui Chemicals, a Japanese chemical company signed a Memorandum of Understanding with Dangote Group a Nigerian conglomerate, and AAIC Holdings, a Japanese consulting firm aimed at considering comprehensive collaboration. Dangote, a Nigerian conglomerate that has extensive network with Indian diaspora covering a wide range of sectors including infrastructure and petroleum refinery and petrochemical complex. Three parties jointly explore concrete possibilities of business development in African countries.[146]
Digital	• **Eisai X RecoMed:** Eisai is a Japanese pharmaceutical company focused on oncology and neurology. RecoMed is a South African startup of Indian-diaspora origin that operates an online appointment platform connecting more than 3,000 doctors and patients across South Africa. In March 2024, Eisai announced a strategic investment in RecoMed to

[144] Ohara (December 2023) "Africa Healthcare Network（AHN 社）の資本増強に関するお知らせ" https://www.ohara-ch.co.jp/wp/wp-content/uploads/2023/12/2023_12_19_info_J.pdf

[145] MOL Logistics (January 2024) "MOL, MLG to Form Strategic Alliance with Revital Healthcare, Kenya's Leading Medical Supplies Manufacturer ~ Eyeing Establishment of Healthcare Logistics Center in Mombasa Special Economic Zone ~" https://www.mol-logistics-group.com/en/info/202401182021

[146] Mitsui Chemicals (August 2025) "Mitsui Chemicals Signs MOU for Comprehensive Partnership with Nigeria's Dangote" https://jp.mitsuichemicals.com/en/release/2025/2025_0821_3/index.htm

	advance the development of a digital platform for cancer patients in South Africa.[147] • **SoftBank X Airtel Africa**: SoftBank Group along with 5 global investors including Warburg Pincus and Temasek Holdings invested USD 1.25 billion in Airtel Africa Ltd (a subsidiary of India's Bharti Airtel Ltd) in 2018. The company provided telecom services across 14 African countries. This allowed SoftBank to capitalize on the continent's booming digital market and allowed Airtel to reduce its debt and grow its Africa operations.[148]

[147] Havaic (March 2024) "Japanese pharma Eisai invests in SA's RecoMed" https://www.havaic.com/post/japanese-pharma-eisai-invests-in-sa-s-recomed

[148] Reuters (October 2018) "Airtel Africa raises $1.25 bln from SoftBank, five other investors" https://www.reuters.com/article/markets/commodities/airtel-africa-raises-125-bln-from-softbank-five-other-investors-idUSL3N1X420S/

CHAPTER 8 TOWARD FURTHER EXPANSION OF COOPERATION

8.1 Potential Sectors and Areas for Japan-India Business Collaboration in Africa

The evolving global economic landscape presents a strong case for deepening trilateral cooperation between India, Japan, and Africa. By combining Japan's strengths in advanced technology and capital with India's cost-effective innovation, execution capabilities, and experience in emerging markets, both countries are well-positioned to jointly support Africa's development priorities. The following section illustrates the potential sectors and areas for bilateral collaboration centred in Africa.

8.1.1 Digital Infrastructure

a) Artificial Intelligence & Digital Transformation

The rapid pace of digital adoption in Africa creates strong opportunities in artificial intelligence and digital transformation. India's large pool of IT talent and proven digital platforms, combined with Japan's advanced R&D and deep-tech capabilities, can enable the deployment of AI-driven solutions in healthcare, agriculture, governance, and education. Such collaboration can drive efficiency, improve service delivery, and create scalable digital ecosystems across African economies.

b) Startups & Innovation Collaboration

A key enabler of this trilateral partnership is the role of Indian startups supported by Japanese investment. Japan's strong capital base and focus on innovation provide an opportunity to fund Indian startups developing solutions for African markets, particularly in sectors such as agri-tech, fintech, health-tech, clean energy, and education technology. Structured mechanisms such as joint innovation funds, startup bridges, and accelerator programs can further strengthen this collaboration and drive scalable, impact-oriented solutions.

8.1.2 Manufacturing

a) Supply Chain & Logistics

Supply chain and logistics cooperation is increasingly important in the context of global supply chain diversification. India's manufacturing capabilities, coupled with Japan's strengths in logistics optimization and Africa's emerging role as a production base, can support the development of regional and global value chains. Investments in logistics infrastructure, warehousing, and digital supply chain platforms can significantly enhance trade efficiency and connectivity.

b) Healthcare & Pharmaceuticals

In healthcare and pharmaceuticals, the partnership can address Africa's growing demand for affordable and accessible healthcare services. India's leadership in generic medicines and vaccines, combined with

Japan's advanced medical technologies, can enable the establishment of local manufacturing units, improved diagnostics, and healthcare infrastructure development, thereby strengthening healthcare systems across the continent.

c) Agriculture & Agri-Tech

In the agriculture sector, collaboration can significantly enhance productivity and value creation across Africa. India's expertise in affordable irrigation systems, farm mechanization, and agri-inputs can complement Japan's strengths in precision agriculture, cold chain logistics, and food processing technologies. Joint initiatives can focus on building integrated agri-value chains, improving post-harvest management, and developing food processing ecosystems. This also presents a strong opportunity for Indian agri-tech startups to attract Japanese investment and scale solutions tailored to African climatic and market conditions.

d) Oil, Gas and Petrochemicals

Among African countries, there is growing demand for local production of oil and gas and downstream petrochemical products as a substitute for imports, driven by rapid economic growth. In this context, there is a significant potential to further accelerate the ongoing collaboration trend among Japanese, Indian and African companies in development of petrochemical production facilities. Furthermore, this sector offers opportunities for complementary Japan-India collaboration in project involving the development and construction of oil refining facilities, financing arrangements, technology licensing, and related activities.

8.1.3 Critical Minerals

a) Critical Minerals & Mining

The critical minerals sector offers a strategic area of cooperation, given Africa's vast reserves of lithium, cobalt, copper, and rare earth elements essential for clean energy and advanced manufacturing. India's growing demand, driven by renewable energy and electric mobility ambitions, can be aligned with Japan's technological expertise and financing capabilities. A collaborative approach involving joint exploration, extraction, and local value addition in Africa can help build resilient supply chains while ensuring sustainable and inclusive development.

8.1.4 Infrastructure – Green Transformation

a) Infrastructure Development

Infrastructure development remains central to Africa's economic transformation, with significant demand for transport networks, energy systems, urban infrastructure, and green data centre. Japan's experience in high-quality infrastructure development and long-term financing can be effectively combined with India's competitive project execution capabilities. This synergy can support the development of transport corridors, logistics hubs, industrial parks, and renewable energy systems, with structured public–private partnerships playing a key role.

b) Solar Power Systems

This could also be a potential sector given Indian conglomerate's expertise in large-scale solar manufacturing, project development, and renewable energy deployment can be combined with Japanese strengths in energy storage systems, smart-grid technologies, and project financing. Joint development of utility-scale solar parks and decentralized mini-grid systems across Africa can improve energy access while supporting local industrialisation. Such initiatives have potential to be promoted through the framework of International Solar Alliance (ISA) launched by the Government of India.

8.1.5 Human Resource Development

Skill development remains critical for sustaining long-term growth in Africa. India's experience in vocational training and large-scale skilling programs in digital infrastructure can complement Japan's focus on technical precision and quality standards in manufacturing sector. Joint initiatives to establish skill development centres and industry-aligned training programs can help build a future-ready workforce across key sectors.

8.1.6 Finance & Banking

In the finance and banking space, collaboration between Indian and Japanese financial institutions can address funding gaps in African markets. Co-financing models, blended finance instruments, and trade facilitation mechanisms can support infrastructure and industrial projects. Expanding local currency trade frameworks, including rupee-based systems, can enhance financial resilience. These initiatives could be facilitated by the presence of Indian banks' branches in Africa. Additionally, Japanese investors can play a significant role in supporting Indian fintech startups to scale digital financial inclusion solutions across Africa.

8.2 Potential Collaboration Models for Japan and India in Africa

Accelerating Japan–India economic cooperation in Africa will require a practical approach that builds on the existing strengths of three groups of actors: Japanese Company/ Japanese Indian joint ventures in India, Japanese Company in Africa, Indian or Indian-diaspora companies operating in Africa.

The complementary strengths of Japanese and Indian/Indian diaspora companies can be effectively leveraged across various stages and functions of business value chain in Africa, presenting promising opportunities for enhanced Japan–India collaboration.

- **Japanese Company / Japanese-Indian Joint Venture business/ project in India**: Japanese and Indian companies may further leverage their established partnerships in India, together with their business development experience, manufacturing bases, and human resources cultivated in the country, to support business activities in Africa. Low-cost manufacturing in India, technologies, operational expertise, skilled human resources developed in India could contribute meaningfully to projects and business expansion in African markets.

- **Japanese Company in Africa**: Japanese companies traditionally possess strength in technology and financing capability. While their presence in Africa remains comparatively limited, a number of Japanese companies led by general trading and investment companies have been promoting investment and business development across African market. In Japan-India collaboration in Africa, Japan can contribute its expertise and capabilities in these areas.

- **Indian/Indian diaspora Company in Africa**: Indian/ Indian diaspora companies in Africa have valuable local network and extensive business experience in Africa and emerging countries. In addition, the fluency of English, business practices, and cultural familiarity may help facilitate collaboration with Japanese and Indian companies active in India that are exploring opportunities in Africa.

By recognizing the above complementary strengths, reviewing ongoing Japan-India collaboration initiatives (reference to Chapter 7) and incorporating perspectives from business community for potential Japan-India collaboration, the following outlines the potential models of bilateral collaboration in Africa.

Potential Areas of Japan-India Collaboration in Business/Project in Africa

✓ : Existing complementary strengths for Japan-India collaboration in Africa

Business Value Chains	Potential Areas of Collaboration	Japanese Company /Japanese-Indian JV in India	Japanese Company in Africa	Indian/Indian Diaspora Company in Africa
Business Opportunity Exploration	Demand / Risk analysis		✓	✓
	Financing / Investment	✓	✓	
Business/Project Establishment	Technological transfer / Licensing	✓	✓	
	Regulatory support			✓
	Infrastructure / EPC arrangement	✓	✓	✓
Operations	Procurement of material		✓	✓
	Export of parts/products from India	✓		
	Local Manufacturing / Assembly			✓
	Engineering / R&D	✓		
	Human resources	✓		
Market Access/ Expansion	Logistics / Distribution		✓	✓
	Retail / Marketing			✓
	DX / CX			✓

8.3 Way Forward - Proposal to the Governments

Under the Updated FOIP announced by the Japanese Prime Minister Takaichi in May 2026, it was stressed the need for countries in the Indo-Pacific including Japan to enhance resilience amid an increasingly severe international environment with accelerating technological innovation. Given this

momentum, the cooperation between Japan and India in Africa endorses significant importance in promoting Africa's sustainable development while creating and securing business opportunities that advances the interests of Japan and India. To further strengthen and elevate the existing collaboration to the next level, it is essential for both the public and private sectors of Japan and India to work in close partnership to further expand their cooperative relationship. In particular, the consideration of the following points is proposed to the Government of Japan and the Government of India:

1. **Articulating and promoting a compelling Japan–India–Africa cooperation narrative:**
   As highlighted throughout this report, there is a strong need to clearly articulate and proactively disseminate a compelling narrative of Japan–India cooperation in Africa. Specifically, the successful and rapidly expanding examples of Japan–India collaboration within India can be effectively extended to third countries—most notably in Africa. By doing so, Japan, India and African partners can demonstrate that a new emerging model of trilateral cooperation to co-create sustainable and mutually beneficial solutions. Communicating this vision widely will not only enhance strategic alignment but also attract broader participation from both public and private stakeholders. To begin with, the governmental bodies such as Japan External Trade Organization (JETRO) from Japan and the Confederation of Indian Industry (CII) from India can take a leading role in organizing business forum and workshops to facilitate such partnerships.

2. **Strengthening government support to address financial challenges:**
   One of the key bottlenecks in expanding business with African partners lies in trade settlement and financing constraints. To unlock the full potential of Japan–India cooperation in Africa, it is crucial for both governments to explore the establishment of a dedicated bilateral framework to facilitate trade finance and reduce associated risks. The governmental bodies such as Japan Bank for International Cooperation (JBIC), Japan International Cooperation Agency (JICA), Nippon Export and Investment Insurance (NEXI), Export Credit Guarantee Corporation of India (ECGC) and Export-Import Bank of India (Exim Bank) could lead in developing responsible financing schemes for projects that serves long-term strategic interest of the countries. In parallel, continued and expanded support through Japan's subsidy programs—such as Global South Future-Oriented Co-Creation Subsidy Program from the Ministry of Economy, Trade and Industry of Japan —will play a vital role in encouraging private sector engagement and lowering entry barriers for companies seeking to operate in African markets.

3. **Advancing cooperation on standards and regulatory frameworks:**
   While similarities between the Indian and African markets have already been recognized, aligning standards and regulatory frameworks across these markets would significantly amplify the advantages of Japan–India collaboration. In areas such as safety standards and energy efficiency, Japan and India are well-positioned to jointly take the lead in supporting African countries through capacity building and knowledge sharing. Concrete initiatives—such as inviting African government officials to India for training programs on standards and certification systems—would not only enhance regulatory harmonization but also strengthen trust and long-term institutional relationships.

4. **Leveraging Industry Institutions and Business Networks as Implementation Platforms**
   To translate strategic intent into measurable outcomes, both governments should actively engage industry institutions, centres of excellence, and business networks as implementation partners. Organisations such as CII, JETRO, JICA, JBIC, UNECA, African business associations, and diplomatic missions can jointly facilitate pilot projects, business matchmaking, training programmes, policy dialogues, standards initiatives, and investment promotion activities. In particular, CII's Centres of Excellence in agriculture, water, manufacturing, logistics, sustainability, quality systems, green business, and technology can serve as effective platforms for delivering capacity-building and technical-assistance programmes across Africa. At the same time, these institutions should help strengthen Japan–India business connectivity in Africa by providing Japanese companies with better access to Indian business networks, including local Indian enterprises and diaspora communities. Enhanced support from JETRO, embassies, and industry organisations can further assist companies in navigating legal, regulatory, and operational challenges. Such institutional and business-network partnerships can accelerate project implementation, strengthen local capabilities, and create scalable models for Japan–India collaboration across Africa.

5. **Accelerating human resource development in Africa and culture exchanges:**
   Sustained economic development in Africa—and the success of Japan–India initiatives in Africa—depends heavily on robust human resource development. Greater efforts should therefore be directed toward nurturing talent in key sectors such as manufacturing and digital technologies. Building on successful models such as JICA's technical education initiatives and the Egypt-Japan University of Science and Technology (E-JUST), these programs should be further expanded and accelerated. At the same time, advanced initiatives such as AI talent development program in Africa by Matsuo-Iwasawa Lab, the University of Tokyo should be scaled up African continent.[149] Moreover, existing cultural exchange and training programs led by JICA and embassies should be more strategically aligned with the overseas business strategies of Japanese and Indian companies, ensuring that human capital development directly supports industrial and economic collaboration.

CII's Proposal for ***Leveraging CII Centre of Excellence to Support Japan-India Cooperation in Africa***
CII, through its network of Centres of Excellence and sector-focused institutions, can serve as an important implementation partner for advancing Japan–India cooperation in Africa. Building on its extensive experience in digital transformation and other key sectors like manufacturing, agriculture, logistics, sustainability, quality systems, and skill development, CII can facilitate practical collaboration between Japanese companies, Indian enterprises as well as African businesses, governments, development institutions, and local industries. CII's role can extend beyond business

[149] Nikkei (August 2025) "アフリカで AI 人材 3 万人育成　政府と東大松尾研、製造業・農業 DX 支援" https://www.nikkei.com/article/DGXZQOUA041X30U5A800C2000000/

matchmaking to include technical assistance, policy support, capacity building, standards harmonisation, sectoral studies, pilot project implementation, and knowledge exchange programmes. Several existing CII institutions already possess capabilities that align closely with the priority sectors identified in this report.

1. Agriculture, Food Processing and Agri-Value Chains

The CII Food and Agriculture Centre of Excellence (FACE) can support African governments and industry stakeholders in strengthening agricultural productivity, food security, post-harvest management, food safety systems, and agri-value chains. FACE has extensive experience in Good Agricultural Practices (GAP), food safety certification, farmer producer organisation (FPO) development, post-harvest handling, and food processing investments.

In the context of Japan–India collaboration, FACE can facilitate the transfer of Indian agricultural solutions and Japanese precision agriculture technologies to African markets. Potential areas of engagement include:

- *Capacity-building programmes on GAP, food safety, quality certification, and post-harvest management.*
- *Development of integrated agri-value chains and food processing ecosystems.*
- *Support for African farmer organisations and cooperatives through institutional strengthening programmes.*
- *Joint research and policy studies on food security and agricultural transformation.*
- *Collaboration with UNECA and African governments for needs assessments, feasibility studies, and project formulation in agriculture and food systems.*

2. Sustainable Water Management and Water Security

The CII–Triveni Water Institute is dedicated to advancing sustainable water management and strengthening water security through industry-government collaboration, technical innovation, and capacity building. In Africa, the CII Water Institute, with support from the United Nations Economic Commission for Africa (UNECA), can help African governments, industries, and development institutions in addressing water-related challenges. The CII Institute Water can undertake needs assessments, feasibility studies, project formulation, technical assistance, and customized capacity-building programmes for African stakeholders. It can also contribute to joint research and knowledge products on Africa–India economic cooperation, particularly in the food and agriculture sectors. The Institute brings extensive technical expertise through services such as water audits, zero liquid discharge (ZLD) frameworks, water pinch analysis, GIS and remote sensing-based water resource assessment through WATSCAN, and water neutrality and positivity assessments.

In the context of India–Japan collaboration in Africa, CII–Triveni Water Institute can act as the operational bridge between Indian experience, Japanese technology and financing, and African development priorities, helping deliver scalable, sustainable, and locally relevant water solutions across the continent. Some potential areas of engagement include:

- *Joint capacity-building programmes for African governments, industries, and water utilities.*

- *Technical assistance for water infrastructure planning, feasibility studies, and project implementation.*
- *Industrial water audits and water-use efficiency improvement initiatives.*
- *Joint water security and climate resilience programmes based on water neutrality and water positivity frameworks.*
- *Collaborative research and innovation on water management, agriculture, food security, and climate adaptation.*
- *Technical support to ongoing African water-sector projects and development programmes.*
- *Joint project formulation, fund mobilization, implementation, monitoring, and evaluation of water projects.*
- *Development and transfer of affordable and scalable water technologies suited to African conditions.*
- *Knowledge-sharing platforms and policy dialogues through India–Japan–Africa water forums and summits.*
- *Promotion of sustainable water management practices across key African industrial sectors such as textiles, mining, fertilizers, cement, and food processing.*

3. Green Growth, Climate Action and Energy Transition

The CII–Sohrabji Godrej Green Business Centre (CII-GBC) can play a significant role in supporting Africa's green industrialisation and energy transition agenda. As India's leading institution promoting green business practices, renewable energy adoption, energy efficiency, green buildings and low-carbon development, CII-GBC can provide technical expertise relevant to several Africa-focused initiatives.

Potential areas for Japan–India–Africa collaboration include:

- *Preparation of Energy Transition Status Reports for African countries.*
- *Development of national and sectoral low-carbon roadmaps.*
- *Electricity grid modernisation and supply-side management studies.*
- *Energy and resource efficiency programmes for SMEs.*
- *Capacity-building initiatives on renewable energy deployment, energy auditing, climate policy, and green manufacturing.*
- *Creation of regional knowledge-sharing networks on climate action and low-carbon development involving Japanese, Indian, and African stakeholders.*

These initiatives can complement Japanese strengths in clean technologies and financing with Indian expertise in implementation and capacity development.

4. Logistics, Trade Facilitation and Supply Chain Development

The CII Institute of Logistics (CII-IL) can support the development of efficient and resilient logistics ecosystems across Africa. Given the increasing emphasis on supply chain diversification and regional value chains, CII-IL's expertise in logistics policy, warehouse performance improvement, freight transportation efficiency, skilling, and digital logistics systems can contribute significantly to Africa's industrialisation efforts.

Potential interventions include:

- *Capacity development programmes for logistics professionals and policymakers.*
- *Warehouse and transportation performance benchmarking through established assessment frameworks.*
- *Development of logistics policy recommendations and sectoral studies.*
- *Support for transport corridor development and multimodal logistics planning.*
- *Joint research and technical support programmes with UNECA and African regional institutions.*
- *Introduction of Japanese logistics optimisation practices and Kaizen-based supply chain improvement methodologies through India-based implementation models.*

5. Manufacturing Competitiveness and Industrial Development

The CII Naoroji Godrej Centre of Manufacturing Excellence (CME) can contribute to strengthening Africa's manufacturing ecosystem by supporting industrial competitiveness, workforce development, productivity enhancement, and industrial safety standards.

CME can assist African governments, industrial parks, and manufacturing enterprises through:

- *Industry 4.0 and smart manufacturing capacity-building programmes.*
- *Manufacturing leadership development initiatives.*
- *Industrial safety and occupational health programmes.*
- *Project management, supply chain management, and operational excellence training.*
- *Technical support for industrial policy implementation and factory modernisation programmes.*
- *Joint studies and technical assistance projects with UNECA and African manufacturing institutions.*

Such interventions can support the development of industrial clusters where Japanese technology and investment can be combined with Indian operational expertise and African production capabilities.

6. Quality Infrastructure, Standards and Productivity Enhancement

The CII Institute of Quality (CII-IQ) can support one of the key recommendations identified in this report: strengthening standards, quality infrastructure, and regulatory harmonisation.

Leveraging decades of experience in Total Quality Management (TQM), Lean Six Sigma, Total Productive Maintenance (TPM), Business Excellence, Quality Management Systems, and standards development, CII-IQ can work with African standards bodies, industries, and regulatory agencies to:

- *Develop quality and productivity improvement programmes.*
- *Support standards harmonisation and certification systems.*
- *Establish SME quality improvement clusters.*
- *Conduct training, assessments, and benchmarking exercises.*
- *Facilitate study missions and exchanges between African, Indian, and Japanese institutions.*
- *Promote adoption of Japanese manufacturing quality systems through India-supported capacity-building initiatives.*

7. Sustainability, ESG and Circular Economy

The CII-ITC Centre of Excellence for Sustainable Development (CESD) can support African governments and businesses in addressing emerging sustainability requirements, climate risks, ESG reporting obligations, circular economy transitions, biodiversity management, and sustainable value chains.

Areas of collaboration may include:

- *Development of ESG reporting frameworks and sustainability assessment systems.*
- *Support for circular economy policies and waste management programmes.*
- *Climate resilience and decarbonisation strategies for industries.*
- *Sustainable supply chain and Scope 3 emissions management initiatives.*
- *Biodiversity and nature-positive business programmes.*
- *Knowledge-sharing platforms linking Japanese sustainability expertise, Indian implementation models, and African development priorities.*

8. ***Digital Innovation, Startups and Emerging Technologies***

CII's Centres of Excellence, particularly the Centre for Innovation, Entrepreneurship & Startups (CIES), along with its digital transformation, skills, quality and sector-specific Centres of Excellence, can serve as important platforms for advancing digital cooperation among Japanese technology firms, Indian startups, and African innovation ecosystems.

Potential interventions include:

- *Establishment of Japan–India–Africa innovation platforms, startup exchanges, and collaborative innovation networks.*
- *Promotion of cooperation in Artificial Intelligence (AI), Digital Public Infrastructure (DPI), fintech, agritech, health-tech, advanced manufacturing, and Industry 4.0 applications.*
- *Facilitation of industry–academia partnerships, technology transfer programmes, and collaborative research initiatives involving institutions from Japan, India and Africa.*
- *Support for digital skills development, entrepreneurship promotion, innovation capacity building, and STEM talent creation across African countries.*
- *Organization of innovation-focused business missions, startup showcases, accelerator programmes, and investment forums connecting Japanese investors, Indian startups, and African enterprises.*
- *Leveraging CII's Centres of Excellence to share best practices on digital transformation, quality systems, sustainability, cybersecurity, and emerging technology adoption.*

Conclusion

In conclusion, India–Japan collaboration in Africa represents a forward-looking partnership that brings together complementary strengths in innovation, investment, and development. Japan contributes advanced technology, quality standards, financing, and long-term industrial expertise, while India offers cost competitiveness, implementation capability, digital public infrastructure experience, and established business networks across African markets. Aligned with Africa's priorities of industrialization, local value addition, job creation, skills development, and resilient supply chains, this partnership has the potential to deliver significant and sustainable benefits for all stakeholders. Going forward, there is a need to institutionalize this cooperation through structured engagement platforms, sector-specific working groups, and stronger business-to-business linkages. The focus should now shift from strategic convergence to the implementation of targeted pilot projects in priority sectors such as manufacturing, digital infrastructure, critical minerals, and human resource development, where India and Japan can jointly demonstrate tangible and scalable development outcomes across Africa.