

# The Siege of Africa

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**GAME FOR TECH: NIIT's IT scholarship test in Nigeria attracted enough people to fill a football stadium**

The newest frontier for global business. A fusion of tempting opportunity and formidable risk. A China-India battleground. Come, watch the potboiler called Africa. by Neelima Mahajan-Bansal, Sanjay Suri | Aug 21, 2009

Prejudice dies hard. In 1972, Manubhai Madhvani was arrested in Uganda for being of Indian origin and jailed in a dungeon nicknamed the “Singapore Block”. Dictator Idi Amin snatched all his wealth and expelled him from the country. To this day, the 79-year-old businessman counts himself lucky for not having been killed then.

It is events like this — and the all-too-familiar images of disease, poverty and squalor — that have shaped the stereotype of Africa in the minds of Indians. Somehow, we may have been a bit late to note when the continent began to change for the better. In fact, Madhvani returned to Uganda in 1985 and rebuilt his family business in sugar and hospitality to a \$200 million empire. Uganda, and many other African countries, reformed their economies and opened up to foreign investment.

But before we responded to the new Africa, someone else did. In a well-planned and executed strategy, China has been thrusting itself in all spheres of economic activity in the continent. The Chinese “invasion” of Africa is veritably the biggest state-run investment in the last decade. They are everywhere. State-run Chinese firms are building bridges, roads, telecom networks, airports, and generally boosting the infrastructure all around. In return, they are getting access to natural resources. China is now Africa’s biggest trading partner, ahead of the US. More than a million Chinese workers are now based there. After the European colonists left Africa, the Chinese have been dubbed the “neo-colonists”.

But recently, a new picture is emerging in our image of Africa. And happily, its tone is Indian. Unlike China’s push driven by its government, the Indian march to Africa has been led by the private sector. After proving themselves in fields as varied as automobiles, telecom and education in recent years, Indian businesses are gradually upping the ante. Big ticket investments and acquisitions are emerging. In other words, Africa has become the new frontier for Indian companies to break into.

Steadily, the profile and the scale of Indian investments in Africa is going up. In early August, the Essar group bought a refinery in Mombasa, Kenya. Essar is no stranger there. Its \$450 million investment in the country’s mobile telephony market is yielding results — Essar’s brand ‘Yu’ has 400,000 subscribers.

There’s considerable excitement around Bharti group’s on-going talks for a merger with MTN, Africa’s biggest telecom company, which could create the world’s third largest telecom company. **NIIT has grown to be one of the continent’s biggest firms in information technology training, having taught 150,000 students across 55 centres.**

The Tata group, the Mahindras and Ashok Leyland have been selling vehicles for more than five years now with increasing success. Indica cars are a common sight in Johannesburg. Sales have moved up from 5,000 to 20,000 a year. Consumer products company Marico is already in Egypt and South Africa through a carefully orchestrated strategy of buying out local hair care brands. This is just a snapshot of the 42-odd frontline firms from India that have answered the call to Africa.

**Why Africa:** What have all these companies sensed in the form of the African opportunity? When asked why Africa, Raman Dhawan, managing director of Tata Africa Holdings, asks why not. “We are expecting Africa to grow substantially over the next two decades. We are here like any other international company. We are no different from the rest of the world. They are looking at growth here, so why shouldn’t we? If you can be a good international company, you will find growth in Africa.”

After decades of living on the fringes when the West dominated and Asia rose, the African continent is finally coming on its own. “Since the early 1990s, African countries went through serious structural reforms, improvement of economic management, incentives to develop the private sector, important changes in governance legislation in doing business,” says Jose