



COVER STORY Africa

care products, and is charting distribution beyond South Africa and Nigeria into western, eastern and southern parts of the continent.

Even in DR Congo, a country with a per capita income of \$160, Nokia and Samsung, rather than cheap Chinese brands, dominate the phone handset market. Ironically, some Indian brands that get their devices made in Guangzhou or Shenzhen are tasting success as African customers gravitate away from Chinese brands. The founder and director of Noida-based Lava Mobiles, S.N. Rai, says of Chinese brands: "They have little brand recognition, no customised applications and next to no after-sales service. Brand is very vital over here, because I feel the African market will evolve."

As that evolution takes place, the case of Bajaj Auto, which sells its bikes and three-wheelers across Africa with the help of a Dubai-based distributor, is instructive. On the streets of Maputo, Bajaj RE three-wheelers are the local 'taxis' and on streets across Western Africa youth aspire for stylish motorcycles like the Bajaj Pulsar. To crack the 'bike-taxi' market – as in Goa and Bangkok, they use bikes as taxis in Lagos – the Pune company offered the bike-taxi operators a few weeks trial of Bajaj bikes. "They were amazed at the fact that our bikes didn't need a weekly oil change like the Chinese bikes and next to no weekly service or spares," a senior

Bajaj group executive said recently, requesting anonymity.

But, this is not to say that Indian brands can expect smooth sailing. Case in point: Bharti Airtel's struggle to turnaround its Africa operations. The African unit narrowed its losses in the January-March quarter to ₹87.8 crore from ₹2,160 crore in the preceding three months. But the effort to get the business to turn in millions in profits will take at least a few more quarters of hard work, as Chairman Sunil Mittal, who has been personally sucked into the transition, is discovering.

Part of that stretch comes from the paucity of talent in the continent. Bharti Airtel has had to parachute so many of its senior managers into Africa that gripes are often voiced at its Indian unit that the "generals are missing here". The talent crunch is good news for people like Vipul Prakash. The chief executive of recruitment firm Elixir has seen demand for professionals in African countries skyrocket over the past few years. "We have placed around 400 Indians mainly at middle management levels over the past few years," he says. "We are placing people from Sri Lanka and the Philippines as well."

Others like training firm NIIT are addressing this by setting up centres in six African countries with plans to expand further. NIIT has been taken aback by the demand. "In Nigeria, we had a scholarship exam, and the turnout was so large we filled up an entire



Per capita
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the Democratic
Republic of Congo



Crowd puller: An NIIT scholarship programme in Nigeria had so many applicants the company had to rent a stadium



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Toehold: Mahindra's offices at Centurion, South Africa



Déjà vu: A Tata bus wriggles through chaotic traffic in Kinshasa, DR Congo



By 2020,
128 million
households in
Africa will have
more than \$5,000
annual income

football stadium," says P. Rajendran, Chief Operating Officer. The news travelled west to neighbouring Togo. Rajendran was taken aback when in Delhi at a CII-Exim Bank meet on Africa late in March, Prime Minister Gilbert Fossoun Houngbo held him in a bear hug and said, "I want you in my country." For good reason: unemployment is high in Africa, which has 500 million people of working age (defined as between 15 and 64 by McKinsey).

Despite all such Indian investment pouring into Africa – a CII official expects it to top \$25 billion in five years – few companies have actually taken advantage of India's single-biggest advantage in Africa: the Indian Diaspora there with roots dating back to 1860. Across the continent, Indians hold important positions in African society. Like Rashid Patel, a Gujarati from Baroda who moved to DR Congo with his young wife almost 40 years ago, and survived the purge against Indians initiated by dictator Mobutu Sese-Seko.

"After years of turmoil, there is peace now and all the children are going to school instead of carrying guns," he says at the wheel of his Scorpio, navigating the chaotic streets of Kinshasa. And business has never been better. Like many Indians in Africa, Patel runs several businesses, including ground handling services at N'Djili airport. New Delhi, looking for support on the ground, has made him honorary consul in Lubumbashi, DR Congo's second-largest city. It helps that such Indians have the confidence of the new ruling classes.

And, because they speak the local language and employ locals, their relations with the local population are excellent. "I believe that I am a result of the Indian entrepreneurial spirit; wherever there is money to be made, we will end up there," says Patel, chuckling.

Further south in Mozambique, Jose Prayaken, a former Exim Bank employee in charge of southern Africa, represents a class of businessmen with mid-size empires. Prayaken's Mozambique Holdings makes police and military uniforms, collects road tolls, sells Mahindra and Ashok Leyland vehicles and is trying to establish a power plant. This Indian hailing from central Kerala works so closely with the local government that he is often a part of the official entourage on diplomatic trips. "Several of the Indian companies have waited too long to come to Africa, but it is better late than never," Prayaken says.

With Africa's consumers expected to spend over \$1.4 trillion by 2020, Indian firms cannot afford to miss what is often called the last frontier in global business. No matter the continent suffers from a litany of problems and several of these are urban legends – corruption, crime, epidemics, dictatorships, tribal wars and piracy – a dogged push by companies, backed by a sustained Indian diplomatic initiative and the local Indian presence there, will help further Indian interests in Africa. China might be winning the battle but the war for Africa is far from over. ♦

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