

# Business Potential in Arabian and African Countries

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**Abstract**—India has changed its pattern towards its journey to growth. Change in the strategies of central government has knocked several doors of new potentials throughout the world. Recent visit of Prime minister to China and America is certainly indicating a paradigm shift in Indian Foreign Trade Policy. Country is looking for new dimensions and potential in untamed areas.’

The Prime Minister’s “Make in India” move is a vibrant electrification of countries exploring trade opportunities beyond the political boundaries lying in Arabian and African countries. These countries certainly having extra potential for economic expansion.

This paper aims to study the economic growth potential in these countries and will develop a model for socio-economic relation in the interest of globe in general and country in specific. A growth is certainly possible if Indian companies move to these countries with special agenda.

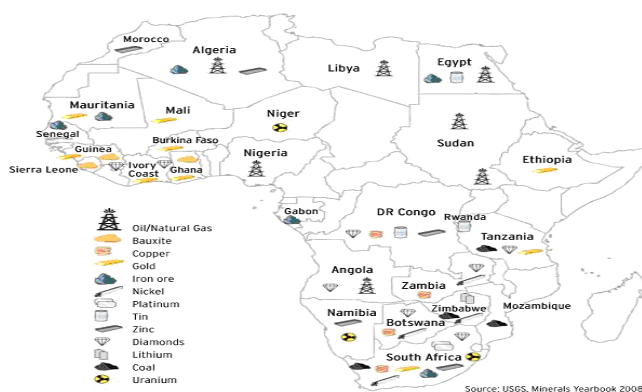
**Key words:** Africa, growth, opportunities

## 1. INTRODUCTION

When one Step out of the Kinshasa airport complex the Indian visitors are pleased to see a huge hoarding bearing the familiar red-and-white signage of **Bharti Airtel**. Just after few minute the road side appearance of Mahindra Scorpios & Tata Motors buses gives a pleasant feeling. The sign of Indian companies are quite visible in different countries at various places. As corporate India slowly wades into Africa, it discovers a continent full of opportunity, peril and the Chinese. But Africa is a continent of possibilities for all the Indian which are looking for new glossary opportunities abroad. From Emami’s “Fair & Handsome cream” to Kirloskar pumps are in high demand in the continent. This is the new frontier for global business and Indian companies are not going to be left behind in the gold rush to prime their growth and resources to fire their factories. Indian companies, let them be the companies of agriculture, telecom, retail, infrastructure, Gems & Jewelers, Textile, Chemical or pharmaceuticals, see Africa as the pot of gold at the end of the rainbow.

Vision 2020 provides strategies to the increased the share of Africa in country reports pegged at 24% (75 Billion USD) to 35% by 2020. Economic watch.com 2012 reports that 5 out of 12 fastest growing countries in the world are from Africa that too with a minimum growth rate of 9% . India’s Share will be 11% in this total growth of Africa .

India total Export has reached to 2.43 billion. The continent of 53 countries (soon to be 54 when South Sudan comes into existence). African countries-Africa is having a big land. Africa’s surface area is more than that of China, US, India and 15 other countries put together. It is among the biggest continent in world with almost 10% population of world. The Dark Continent is the home to a billion people and in terms of land mass it is the second only to Asia. The geographical map is as under-

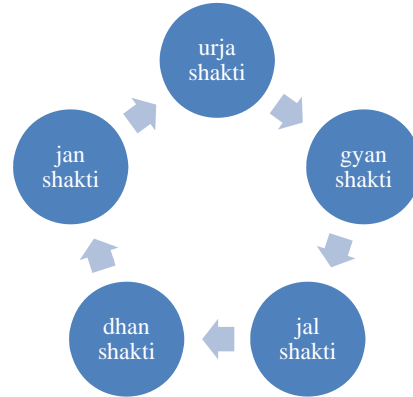
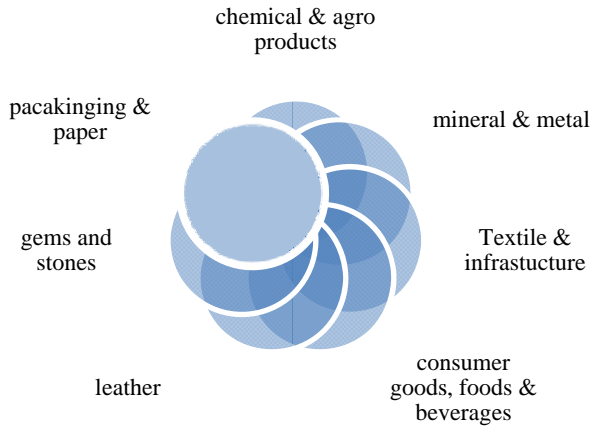


Africa is a continent which is full of opportunities as the market is are virgin and can be easily churn out with little efforts. The continent is looking forward to east as west already made them poor. History says that once upon a time Africa was divided in two parts. The upper part was colonized by brittishers and the lower part was colonised by the frenccch. Even till date all the diamond companies are controlled French people. So It appears that the West is jealous of China & India and they see Africa moving away from their sphere of influence. The continent is a black pearl. Africa Topped in Terms of :-

- Economic freedom
- Governance
- Growth
- Vision

**From Roots to land of opportunities for investors-**

The Land of the Legends stands bordered by sea and Europe. The land carries huge opportunities as it was always exploited by west due to rich mines and easy going people. African were slaves throughout the world from Cleopatra to maosis or namely by French to British. The land bears following sectors yet to be developed.



**JAN SHAKTI**- the easy availability of labour in major African countries Powers the vision with its active contributions in education, healthcare and many other sectors.

**1. URJA SHAKTI-**

A big chunk of that growth comes from natural resources and africa has all of it. If we look in a broad prospect of Indian economic need of energy as prime minister is giving slogan of make in india' so india is having its counterpart in African acountries for developmental needs. :

- ☺ Oil Fields (Sudan)
- ☺ Copper Mines (Congo)
- ☺ Uranium (Niger)
- ☺ Coal (Mozambique)
- ☺ Ferro-chrome (SA)

**2. WHY AFRICA?**

Business opportunities Africa today and tomorrow-

<ul style="list-style-type: none"> <li>■ AFRICA TODAY</li> <li>☺ Total pop: 1 billion</li> <li>☺ Pop under 15: 45%</li> <li>☺ Adult literacy:62%</li> <li>■ GDP income per capita is 10th of world average</li> <li>■ Around 45% living on \$1 a day</li> <li>■ Mobile phone subscribers:37%</li> <li>■ Pop in urban areas:40%</li> <li>■ Collective GDP(2008)\$1.6trillion</li> <li>■ Combined consumer spending:\$860 billion</li> </ul>	<ul style="list-style-type: none"> <li>■ AFRICA TOMORROW</li> <li>■ Total pop:1.4 billion by mid 2025</li> <li>■ 128 million households with discretionary incomes by 2020</li> <li>■ Consumer spending will be \$1.4 trillion by 2020</li> <li>■ Collective GDP will be \$2.6 trillion by 2020</li> <li>■ Around 47% of Africans will be living in cities by 2025</li> </ul>
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The statistics it self is explanatory that how much potential this continent is carrying for the investors.

**3. PANCHAMRUT PHILOSOPHY TO EXPLORE INDUSTRIAL INVESTMENT OPPORTUNITIES WITH AFRICA**

Africa is on road ahead to new heights of development by bringing about quality and speedy changes. Africa has immense potential and strengths. Efforts are aimed to bring qualitative changes in the life of a common man with take panchamarut (five factor) Philosophy :

**2. GYAN SHAKTI**

Knowledge is Power in India. Synergizing Excellence and Innovative thoughts with talent and technology. Here wisdom sets its pace to achieve goals with an inspiring force. In 16 countries of Africa there is a need to establish the education system. Good opportunities to invest in education and its infrastructure system.

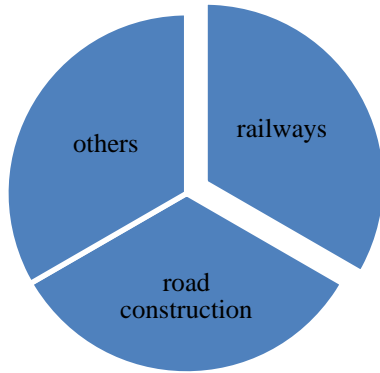
**4. JAL SHAKTI IN FORM OF HEAVY CHEMICALS AND CONSTRUCTIONS**

Africa is having only 2000 hydro stations in compassion of rest of world it is very less. Harnessing Water Resources with emphasis on harnessing rain water and scientific management of water. In Africa till date no company from all over the world taking care of water as a resource. India is having huge opportunities in the same to facilitate African for agriculture and irrigation. One would be surprised to know that some of the African countries are among the top list of natural water resources-

- ☺ Coubia- 8<sup>th</sup> in world
- ☺ Peru- 12<sup>th</sup> in world
- ☺ South Africa

- ☺ Indian companies can develop the hydro projects in these countries as the nearby countries are dependent on other countries for their water needs. Like Cambodia, Namibia, Somalia, Sudan, Syrian Arab Republic. Indian companies can develop the hydro projects in these countries

### Opportunities in Infrastructure



- Railways are source of Fast, cheap and simple transportation of both goods and passengers. India can explore African countries with the same as Indian railways is having a golden record of 150 years and it has made even a train which is run with solar energy. Main Three major rail routes are, Broad Gauge , Meter Gauge and narrow gauge. Most of the African countries still fighting with the same so there is a huge opportunity lying in development of infrastructure. East African countries mainly Kenya, Tanzania and Madagascar are the countries where one has big investment opportunities.
- Road construction- nearly 50% of the African countries are not having full road transportation as there are no roads. Even in the developed countries only the metros are developed but the rural area is still lagging behind so Indian construction companies are having huge opportunities to mint money through this.
- Other infrastructure development- newly developing African countries are looking for good construction companies who can deploy their money in construction projects even bridges, dams, flyovers and many more. They prefer India as Chinese is not providing quality and European companies are quite expensive to bear the cost.

### Heavy chemical industries

**India is 3<sup>rd</sup> in the world for the production heavy chemicals. Soda ash is main product which is highly demanded by Europe and African countries. No doubt it is made through sea salt. But it is raw material for many other industries like cement, washing power and pharmaceuticals and so on. So Indian companies like Tata has already started a plant in African countries to produce soda ash. But there are upper African countries too which are waiting for to be planted. Shipping to African countries from india is**

- Solar Glass
- Low Iron
- Solar Energy
- Solar Panels
- Solar Thermal Heaters

### 4. DHAN SHAKTI IN FORM OF MINERAL AND MINES

Africa is pot for mines and minerals. Almost all the expensive metals and its mines are available in Africa. One has to just put a little effort to do this. Its richness is a cause of poverty too, what an irony? Africa was colonized by Britishers and French only due to its extra ordinary mines. Ghana, Ivory cosat, mali, maubize, salerra leone are hub for gold mines where as Botswana, south Africa, congo and Tanzania are hub for diamond mines it can easily brush up Indian business of gems and jewelers. The most expensive metal named platinum is also available in south Africa. Almost all the types of metals are available in African countries. As explained earlier in geographical graph of Africa.

India is a country where the demand of gold is 2<sup>nd</sup> highest in the world. Indian companies can take these mines on lease and can produce gold. Wwe Indian do not only wear gold as ornaments but we use it for medicine purpose too. Infact the use of gold in beauty products is very ancient.

### 5. JAN SHAKTI AS MARKET AND MAN POWER –

To run all the projects one needs the man power known as jan shakti. The Dark Continent is the home to a billion people and in terms of land mass it is the second only to Asia. The continent's population exceeds that of US, India and four other nations. The continent is resource-rich and presents tremendous scope for growth. Population is not only source of 4 m's of Philp Kotler but it stands for market also. The young people would like to get fashioned and having a craze for west. There are other opportunities in Africa in which Indian businesses are uniquely placed to take advantage of given that they have dealt with them back home in India. Africa could emerge Indian market equivalent in pharmaceuticals, food & beverages and textiles.

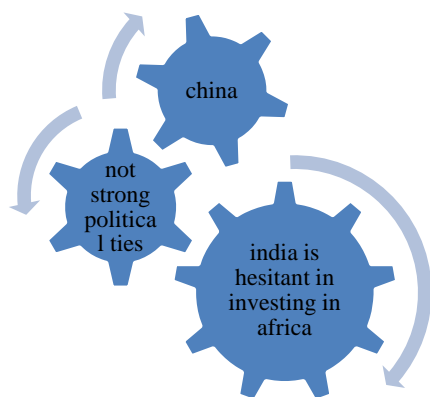
**Food processing** units at Africa may result in gold making as the big bare land of Africa can be used for plantation. Because the geographical conditions of Africa and India are almost same. Reknown companies like Dabur and Himalayas have taken acre and acres of land in African countries on lease. These companies are growing certain fruits, vegetables and ayurvedic medicines in these farms due to scarcity of land at home.

Similarly the **pharmaceutical sector** in African countries registered a very fast. It is growing on average 39% for all the populated African countries like Angola, Kenya, Ghana,

Ethiopia, Benin and many more. In some of the countries it is reaching 42%.

**Telecommunications**—Indians are stepping into infrastructure businesses. Wired phones & Internet connections are few. Although the continent has 600 million mobile phones, companies such as Bharti Airtel are driving in full thrust in the 16 African countries they operate in. Tele-density in large parts of Africa is below 25% & there is a lack of landline telephones & mobile calling rates are incredibly high.

### Threat for India



While we have given a \$250 million line of credit to African countries. The Chinese have over \$5 billion to spend and the fact of the matter is that money talks. China is making Africa a hub for completing its needs of export to Europe and USA with the everyday diminishing price list.

China's Exim bank will put up 90% of the costs, with Kenya covering the remainder. What's more, a subsidiary of the Chinese Communications Construction Co has been named as the main contractor. As is the case with much of China's investments dealings across Africa, there was no obvious sign of what China would gain.

## 6. CONCLUSION

Doing business in Africa adds several capital benefits to the Indian Investment because India is second most trusted country in the world and Africa is latest destination. Government of India is taking immense interest in Africa Investment because India is second most trusted country in the world and Africa is biggest destination for raw material and for finished goods deployment. To leverage the business opportunities in Africa business, India has rapidly modernized the ongoing Investment in the country. Due to rising income and increasing purchasing power of the African people a steep surge has been evident in resource-extractive commodities, agricultural goods Other areas where India investment can easily rapid the growth of India and Africa in total. There is no

sector of economy is left behind where Indian companies do not have opportunities.

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