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Modi in Africa - between strategic interest and global competition



India's Prime Minister Narendra Modi **arrived** in Ghana on 2 July, making him India's first head of government to visit the country in more than thirty years.

His **speech** at the Accra Parliament was marked by mutual recognition of the rich **history** of relations between India and Ghana and messages of a shared path of progress.

On this occasion, he emphasised that India is ready to support Ghana's ambition to become a regional centre for innovation.

On the economic front, the two countries signed an **agreement** that includes the common goal of doubling the current one billion dollar trade volume over the next five years.

India has already invested almost two billion dollars in around nine hundred projects in Ghana, the most important of which are in the fields of energy, pharmaceuticals, and information and communication technologies.

This data shows the intensity of India's **interest** in a stable partnership in the field of infrastructure development and industrial production.

An example of successful cooperation

The ongoing infrastructure projects are an example of successful cooperation. These include the Tema-Mpakadan **railway** corridor, which was built with the help of India's contractors.

The opening of this railway line last year has significantly reduced the time it takes to transport goods from the coast to the interior of the country and strengthened the link from the port of Tema to the sensitive economic zones.

The purpose of this railway is to enable the fast and reliable transport of goods

In his speech in Accra, Modi pointed out that this is the largest infrastructure project of its kind in Northeast Africa.

The purpose of this railway is to enable the fast and reliable transport of goods (cement, fuel, containers, agricultural products) from the sea to the interior of Ghana and onwards to Burkina Faso.

This will relieve road traffic on the eastern corridor route and open up a combined connection between the port of Tema and the waterway network via Lake Volta.

The first phase of the "Ghana-Burkina Faso Interconnectivity" project envisages a rail link from the port of Tema to Ouagadougou by 2035, creating a permanent trade **corridor** between the coast and the West Africa mainland countries.

Digital cooperation takes centre stage

Digital cooperation has taken an important place on the **agenda**. Ghana has announced the **acceptance** of the UPI instant payment system, which has become the standard for most transactions in India.

The introduction of UPI in Ghana would enable digital inclusion of millions of citizens and boost e-commerce in the region. Prime Minister Modi said the digital partnership was as important as investment in steel and concrete projects.

Cooperation is of strategic importance for India's electronics industry and the manufacture of battery-powered vehicles

Security and mining will also take centre stage. An agreement on the exploitation of rare **metals** was signed during the visit, with the aim of reducing dependence on the Chinese **monopoly** on these resources.

This cooperation is of strategic importance for India's electronics industry and the manufacture of battery-powered vehicles. Simultaneously, they discussed the possibility of joint training between secret services and police forces, a move that could enhance regional stability.

Strengthening India's global image

Modi arrived in Ghana at the start of an eight-day **trip** that also includes countries in the Caribbean and South America. Ghana will be followed by Trinidad and Tobago, Argentina, and Brazil, where the 17th BRICS summit will be held, and finally Namibia.

While the entire **trip** is important for India's global image, the African leg has a special symbolic and practical significance for the launch of new modalities of South-South cooperation.

A form of partnership between developing countries belonging to the so-called Global South

South-South cooperation is a form of partnership between developing countries belonging to the so-called Global South, with the aim of accelerating economic and social development through the exchange of experience and resources, without the involvement of traditional donors from industrialised countries.

It is a model in which India, Brazil, South Africa and other countries from Latin America, Asia and Africa work together on projects in the areas of infrastructure, education, agriculture and technology.

A different model of cooperation

So far, the economic dynamic between India

and Africa has been largely based on trade in raw materials and the export of India's services.

A new wave of initiatives on Modi's trip aims to steer cooperation towards high-tech partnerships and industrial production. This includes the transfer of technologies in the renewable energy, agriculture and healthcare sectors.

The global context of this visit cannot be seen in isolation from **Chinese** and Western initiatives on the continent.

China has been a leader in the Cooperation Framework for years, but India's mission brings a different model based on private investment and a partnership approach. This could create room for competition that strengthens the negotiating power of African states.

Investments can help reduce energy shortages and promote industrial development

Ghana also hosted a forum of entrepreneurs from India and Africa to discuss the challenges in supply chains. Representatives of the Africa Business Leaders Coalition emphasised the need to build local capacities for production and logistics.

India offered its experience in rural banking and microfinance systems, which could improve access to capital for small and medium-sized enterprises.

Energy projects are receiving special attention. India's companies are planning to build solar farms with a total capacity of over one hundred megawatts in Ghana and Namibia. Such investments can help reduce energy shortages and promote industrial development. The plan is for some of the electricity from the solar farms to be distributed to neighbouring countries via regional transmission grids.

A significant milestone

The risk assessments vary. While some analysts warn of political instability in some African countries, India's diplomats in Accra say that it is crucial to build long-term contracts and local trust. Precise legal solutions for the protection of investments and the provision of arbitration are the basic prerequisite for projects to be realised as planned.

In addition to the economic issues, in his speech to the parliament of Ghana, Modi also emphasised the cultural and civilisational relations that go back to the era of Nehru and Kwame Nkrumah.



If the signed agreement meets its goals, projections suggest that bilateral trade could reach at least three billion dollars a year - President John Mahama

The renewal of these relations brings a new level of inter-state cooperation in the field of education and cultural exchange. India is ready to increase the number of scholarships for African students and extend exchange programmes for young leaders.

Given the inevitable political competition on the global stage, this visit could evolve into a mechanism to balance the influence of the great powers in Africa.

India is trying to present an alternative to the model that bases development primarily on bilateral loans and infrastructural debts. Such an approach can offer more flexibility to African partners.

If the signed agreement meets its goals, projections suggest that bilateral trade could reach at least three billion dollars a year. This would make India one of Ghana's top five trading partners. In the longer term, the establishment of pharmaceutical production facilities in Ghana can help the entire region.

Given the dynamics of the global energy transition, the involvement of India's companies in the exploitation of rare metals in Ghana offers the opportunity to ensure a stable supply of key raw materials for green technologies. The agreement provides for joint research projects and the transfer of knowledge from India's institutes.

At the end of his trip to Africa, Modi will visit Namibia, where new contracts in the mining and infrastructure sectors are to be signed. Namibia is increasingly becoming a regional centre for precious and industrial metals and is at the heart of efforts to diversify sources of raw materials for India's industry.

Prime Minister Modi's visit to Ghana is a milestone in the understanding of South-South cooperation. Its concrete outcomes in trade, infrastructure, digitalisation and security can set a new standard for economic relations between India and Africa.