

# India-Japan Cooperation in Africa: A New Era of Economic Engagement

March 7, 2025



## *Enhancing Trade and Investment in Africa*

On February 26, Japan hosted the Japan-India-Africa Business Forum in Tokyo, organized by the Ministry of Economy, Trade, and Industry (METI) along with Nikkei. The forum was held to [discuss](#) collaborative efforts between the public and private sectors of Japan, India, and Africa. Japan's Minister of Economy, Trade and Industry, Muto Yoji, and India's

External Affairs Minister, S Jaishankar, participated, with the latter addressing the forum virtually.

At the forum, Japan launched the Japan-India Cooperation Initiative for Sustainable Economic Development in Africa. The initiative aims to promote the industrial concentration of Japanese companies in India to enhance trade with Africa. It also focuses on expanding private investment, job creation, technology transfer, and human resource development in Africa. Through the initiative, Japan and India aim to strengthen supply chains by integrating the growth markets of India and Africa into Japan's economic activities, with a particular emphasis on value addition in key sectors such as [critical minerals](#).

The initiative appears to fulfil the unfinished promises of India-Japan cooperation in Africa. It comes eight years after the Asia-Africa Growth Corridor (AAGC) was envisioned in 2017 as a [counterbalance](#) to China's Belt and Road Initiative (BRI). Against this backdrop, EAM S. Jaishankar distinguished India's engagement in Africa from China's BRI while addressing the forum. Without naming China, he underscored that India's approach is not build on ["extractive models"](#) but rather on long-term capacity building, skill development, and technology transfer to ensure that African countries develop a self-sustaining growth ecosystem. Additionally, while the AAGC and the new initiative share similar goals, they are distinct efforts. The AAGC primarily focused on connectivity and infrastructure, whereas the initiative encompasses supply chains and private investment, with Japan using India as a hub for trade in Africa. The initiative also serves as a catalyst for synergy between India's Act East Policy and Japan's Expanded Partnership for Quality Infrastructure, both of which aim to develop industrial corridors and networks in Asia and Africa.

# ***Significance of India-Japan Cooperation in Africa***

India's engagement in Africa is not new. The India-Africa partnership is rooted in historical ties, the Non-Aligned Movement (NAM), the India-Africa Forum Summit, defense cooperation, education, and more. India is also Africa's [second-largest creditor](#) after China.

Meanwhile, Africa is [home](#) to critical minerals essential for the global energy transition, including 55% of the world's cobalt, 47.65% of its manganese, 21.6% of its graphite, 5.9% of its copper, and 0.6% of its iron ore. Given India's need to diversify energy supply sources to achieve its renewable energy and electric vehicle (EV) goals, Africa has become a crucial partner. India's mission to build a sustainable future depends heavily on critical minerals, with demand expected to rise nearly [fourfold](#) by 2030.

However, China's rising influence compels India to seek support from like-minded partners such as Japan. As per [data](#), Chinese investments in Africa surged from USD 75 million in 2003 to USD 5 billion in 2021. In 2022, the top five African destinations for Chinese FDI were South Africa, Niger, the Democratic Republic of the Congo, Egypt, and Côte d'Ivoire. China has also [established](#) dominance over the global supply chain for critical minerals, including copper, cobalt, nickel, lithium, and rare earth elements.

Although late to the game, the initiative can leverage the collective strengths of India and Japan to build a resilient supply chain—without pushing any African nation into debt.

Additionally, the new Trump administration has suspended all US foreign development aid, putting several welfare projects for African nations at risk. Given this situation, China has achieved a [“monopolistic advantage”](#) in development aid

programs. However, African nations are eager to diversify their partnerships to escape [“China’s predatory lending practices and dept-trap diplomacy”](#).

In this context, India and Japan can step up to support Africa’s development in a [sustainable manner](#). India’s historical ties, along with its experience in trade and project implementation in Africa, combined with Japan’s [strengths](#) in finance and quality infrastructure, can provide an alternative development model in Africa.

Amid rising global [uncertainty](#), the initiative launched at the business forum provides an avenue to strengthen India-Japan cooperation, reinforce India’s engagement in Africa, and pave a way for the Global South to emerge as the future driver of economic growth.

India has actively pushed for the inclusion of the African Union in the G20, and this initiative provides India an opportunity to position itself as leader among developing and underdeveloped countries. Moreover, India and Japan are already part of G4 (India, Japan, Germany, and Brazil), which advocates for permanent seats at the UNSC for all four nations.

With the African Union by its side, India is keen to secure [55 votes](#) from Africa for its bid for permanent UNSC membership.

## ***Navigating Challenges and Revitalizing India-Japan Collaboration***

The business forum, which launched the Japan-India Cooperation Initiative for Sustainable Economic Development in Africa, has the potential to revitalize India-Japan collaboration. It also serves as a precursor to high-level engagements among India, Japan, and African nations. Following this, the Tokyo

International Conference on African Development (TICAD) will be held in August 2025, while the India-Africa Forum Summit (IAFS) is [expected](#) to take place by the end of 2025. Given that the last IAFS and TICAD were held in [2015](#) and [2022](#), respectively, this business forum marks a renewed phase of India-Japan engagement with Africa.

India and Japan's revived partnership is crucial, as the ties were strained due to the Russia-Ukraine war. Japan imposed [multiple](#) rounds of sanctions on Russia, whereas India maintained a neutral stance. This divergence was evident when India [reportedly](#) denied landing permission for a Japanese Self-Defense Forces (SDF) aircraft transporting aid for Ukraine refugees.

Nonetheless, under the second Trump administration in the US, India and Japan are likely to face challenges due to protectionist policies and strategic uncertainty. Amid these developments, Africa presents an opportunity for a renewed cooperation, allowing India and Japan to set aside their differences and work together on shared interests.