Chintan Research Foundation

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EVENT REPORT

INDIA-EAST AFRICA ECONOMIC INTEGRATION

Opportunities and Challenges

15 MAY 2026

ABOUT CHINTAN RESEARCH FOUNDATION

Chintan Research Foundation (CRF) is an emerging independent think tank dedicated to shaping policy through rigorous research and thought leadership. With a strong focus on fostering collaboration between policymakers and industry, CRF integrates practical insights into its research and advocacy efforts. It conducts comprehensive research to support informed decision-making and engages with stakeholders through discussions, events, and publications. CRF's research is focused on three core areas – Climate Change & Energy Transition, Economy & Trade, and Geopolitics & Strategic Studies. The Centre for Climate Change & Energy Transition aims to be a research and expertise hub, focusing on sustainable and clean energy, environmental stewardship, and climate actions.

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Conference

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15 May 2026 | India International Centre (IIC), New Delhi

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FOREWORD

The relationship between India and East Africa is undergoing a significant transformation, moving beyond its traditional foundations of diaspora-led trade and historical linkages towards a more structured and multidimensional economic partnership. In an evolving global order characterised by supply-chain diversification, regional economic integration, geopolitical competition, and the search for resilient markets, East Africa has emerged as a region of growing strategic and economic importance for India. With the African Continental Free Trade Area (AfCFTA) reshaping the continent's economic architecture and the East African Community (EAC) emerging as one of Africa's fastest-growing regional blocs, the time is opportune to reassess the opportunities and challenges shaping India–East Africa economic engagement.

In this context, the Chintan Research Foundation organised a conference titled "India–East Africa Economic Integration: Opportunities and Challenges" on 15 May 2026 at the India International Centre (IIC), New Delhi. The conference sought to examine the evolving dimensions of India–East Africa economic relations through focused discussions on trade and investment, regulatory frameworks, regional integration, business opportunities, and the operational experiences of the private sector in East Africa.

To translate dialogue into direction, this report consolidates the key insights, perspectives, and recommendations emerging from the deliberations. It captures the principal themes discussed by policymakers, diplomats, industry representatives, and subject-matter experts, while highlighting both the opportunities and challenges shaping India–East Africa economic engagement.

I am pleased to note that the conference witnessed active participation from members of the diplomatic corps, think tanks, academic institutions, and the strategic community. The richness of the deliberations reaffirmed the growing importance of East Africa in India's broader engagement with the African continent and underscored the need for deeper, more sustainable, and mutually beneficial economic cooperation.

We hope that the ideas articulated herein will contribute meaningfully to strengthening a resilient, equitable, and future-oriented India– East Africa partnership in a changing global order.

Warm regards,
Mr. Shishir Priyadarshi
President, Chintan Research Foundation

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Chintan Research Foundation
PRESENTS CONFERENCE ON
INDIA-EAST AFRICA ECONOMIC INTEGRATION
Opportunities and Challenges
15 May 2026


INDIA-EAST AFRICA ECONOMIC INTEGRATION

WELCOME REMARKS

DR. DEBAJIT PALIT
Centre Head, Centre for Climate Change and Energy Transition, CRF

Dr. Debajit Palit, Centre Head, Centre for Climate Change and Energy Transition, CRF, welcomed the delegates and set the tone for the discussions by drawing upon his first-hand experiences of travelling extensively across the East African region. Reflecting on his interactions with policymakers, businesses, and local communities, he observed that East Africa possesses immense economic potential and presents significant opportunities for Indian businesses and investors. He noted that the region is undergoing rapid economic and infrastructural transformation, making it an increasingly important partner for India in the years ahead.

Dr. Palit emphasised that India's engagement with East Africa must move beyond conventional trade and commercial transactions towards a deeper and more sustainable partnership. He argued that the relationship should be viewed as a process of long-term co-creation, where both sides jointly contribute to economic growth, industrial development, technology transfer, and capacity enhancement. Such an approach, he noted, would ensure that Indian enterprises are not merely participants in East African markets but partners in the region's broader developmental journey.

He further highlighted the importance of creating platforms for meaningful dialogue between policymakers, businesses, researchers, and practitioners to identify practical solutions to existing challenges. In this regard, he underscored the efforts of the Chintan Research Foundation in fostering policy-relevant and action-oriented discussions on issues of contemporary importance. He noted that the present conference was designed to focus on two critical pillars of India–East Africa economic relations—trade and investment, and the role of the private sector. He expressed hope that the deliberations would generate constructive recommendations for strengthening economic integration and building a more resilient and mutually beneficial India–East Africa partnership.

SESSION 1: PRIVATE SECTOR EXPERIENCES AND OPERATIONAL ISSUES

Dr Debajit Palit shared an in-depth overview of India-East Africa energy cooperation, emphasising that it should be transformative rather than transactional and co-created. He noted that energy demand in East Africa was high and access was very low and that India's competitive renewable energy ecosystem is particularly relevant in this context, given that electrification levels in countries such as South Sudan and the DRC are below 20 per cent. He highlighted India's strengths in solar manufacturing, project development and grid modernisation. He noted the context-appropriate templates for East Africa, such as energy parks, rooftop solar, mini-grids, and commercial solar for telecom towers.

India's decentralised energy model has proven its practical value, as seen in mini-grid projects in states such as Bihar and Jharkhand. This model may be replicated across Kenya and Ethiopia, as Indian power companies have already been involved in grid modernisation in both countries. He also pointed out the macro-strategic possibilities of connecting India's "One Sun One World One Grid" with the power pools of the East African region through undersea cables and synchronised market mechanisms to share electricity across time zones.

In terms of perceptions of technology, Dr Palit noted that African counterparts are now more inclined to accept Indian technologies than European ones, which are costlier and more development-oriented, and Chinese technologies, which are widely seen as extractive. India's strength does not lie in setting up projects but in building local skills to do so, which African governments and communities value highly, he said. India's cooperation with East Africa in the field of renewable energy is not a transactional one but a transformational one, he said, adding, "It is about co-creating a clean energy future that benefits both the regions."

Building on the discussion of renewable energy cooperation and technology-led development, Prof. Bashabi Gupta shifted the focus to the structural and operational dimensions of India–East Africa trade relations, particularly the infrastructural and regulatory challenges that affect deeper economic integration. She pointed out that Indian companies in the region continue to suffer from a lack of market access and logistical constraints and that the trade relationship remains very one-sided, with primary commodities dominating trade. She cited that more than 60 major Indian companies are already doing business in Kenya alone, ranging from pharmaceuticals to automotive components and healthcare. She also noted Revital Healthcare and Cipla as examples of how local adaptation and implementation can drive significant industrial growth.

She further pointed out that the plug-and-play industrial model, Special Economic Zones, and the Tanzania Business Forum are frameworks that would facilitate Indian businesses' navigation of Tanzania's complex regulatory and operational environment. She added that the Dongo Kundu Special Economic Zone in Mombasa, along with similar efforts, offered Indian companies a strong foothold in the region's value chains. She stressed the need for conscious efforts in local customisation, in dealing with regulations and in building community relationships to move from transactional trade to a long-term industrial partnership.

SESSION 2: TRADE, INVESTMENT AND BUSINESS OPPORTUNITIES

Shifting the discussion from operational and infrastructural challenges to broader questions of trade architecture and investment potential, Dr Sushmita Rajwar examined the evolving dynamics of pharmaceutical investments, trade integration, and structural constraints within the India–East Africa economic relationship. Dr Rajwar spoke about investment flows in the pharmaceutical industry, saying that although there is increasing momentum, the AfCFTA is yet to be completed as only 25 of 54 member states have completed the technical process of submitting their tariff schedules. She emphasised that one of the major challenges for greater integration is the trade finance deficit of USD 80-120 billion. She mentioned structural imbalances in the East African region that needed to be addressed to realise the full potential of trade. She added that India's pharma industry has significant potential to localise production and facilitate technology transfer in East Africa, as it accounts for around 25 per cent of the world's WHO-prequalified medicines.

Building upon the discussion on investment flows and trade integration, Dr Bidisha Bhattacharya approached the India–East Africa partnership through the lens of economic complexity and export concentration, offering a more data-driven assessment of structural vulnerabilities and emerging sectors of cooperation. While bilateral trade between India and Africa reached USD 100 billion in 2024-25, almost double the USD 56 billion in 2019-20, what was hidden in the figures was more than it showed, she added. She introduced the Product Complexity Index, an indicator of the knowledge intensity of a country's exports, with Kenya ranking 86th at -0.47. Tanzania was ranked 116th because it is highly dependent on low-value raw material exports.

She also highlighted the export concentration index, which is 0.22 in Sub-Saharan Africa, compared with 0.1 in Europe, indicating the continent's susceptibility to geopolitical shocks and disruptions. She highlighted three priority areas for further India-East Africa cooperation, pharmaceuticals, where there is a huge potential for localised manufacturing and technology transfer; agri-tech and food processing, where India's cold chain logistics infrastructure could help combat 40-50 per cent post-harvest losses across the region; and renewable energy, where East Africa has a huge potential in solar, wind and geothermal energy, which is largely underutilised. She further pointed out that a pharmaceutical company under the AfCFTA would not only have access to 55 million Kenyans but also to the entire East African region.

Adding a policy-oriented and regional perspective to the discussion, Prof. Patrick Maluki examined the structural patterns of India–East Africa economic integration and highlighted the need for development-oriented trade frameworks grounded in South–South cooperation. While India exports significantly more to East Africa, at USD 6.62 billion in 2024, bilateral trade has increased from USD 4.87 billion in 2020 to USD 9.11 billion in 2024, and exports from East Africa to India have jumped from USD 0.6 billion to USD 2.49 billion in the same period, he said. He emphasised that this structural imbalance stems from the export of low-value primary commodities such as tea, coffee and minerals from East Africa. On the other hand, India exports high-value manufactured goods and pharmaceuticals, which was an important characteristic of the relationship that needed active policy intervention.

He further stressed that the South-South cooperation had to be a key pillar of sustainable economic growth, and the India-East Africa cooperation should be based on the mutual concerns of developing countries. He urged for the development of trade policies oriented to development, the extension of Geographical Indications (GI) systems to safeguard and promote region-specific products like Kenyan tea and coffee, and the potential negotiation of a preferential trade deal between India and the East African Community (EAC), drawing parallels with the India-Mauritius trade agreement.

Extending the discussion on trade structures and regional connectivity, Dr Abhishek Mishra focused on the logistical and strategic dimensions of the India–East Africa trade corridor, particularly the infrastructural bottlenecks affecting competitiveness and supply chain efficiency. He said that Africa has approximately 70 per cent of the world's critical mineral reserves, two-thirds of the world's cobalt and platinum reserves, and that about 12 million young Africans join the workforce annually, making it a huge opportunity, and a critical need, for greater engagement with Africa. He pointed out that more than 70 per cent of Indian cargo to East Africa is now moving through the Middle East ports and airports, like Dubai and Jebel Ali, with the majority of cargo being transported on narrow-body aircraft, and not having direct shipping routes, which is adding significantly to the cost and making Indian exporters less competitive.

He highlighted the Bharat-Africa Setu initiative as a positive development towards addressing the logistics challenge, enabling Indian companies to access more than 200 warehouses, three Special Economic Zones and more than 10 ports managed by DP World in East Africa. He also pointed out major investment opportunities along the corridor, such as the East African crude oil pipeline project, the LNG corridor in Ethiopia, the expansion of the Ethiopian industrial corridor, the Engozi geothermal power station in Burundi and Tanzania, and the Green Grid Network in Kenya. He pointed out that healthcare is a high-investment potential sector, with Apollo Hospitals looking to set up localised oncology treatment facilities in the region.

Concluding the session from an African studies perspective, Dr Manish Karmwar emphasised that trade and investment relations with East Africa cannot be viewed solely through quantitative economic indicators but must also be grounded in stronger cultural, historical, and people-to-people linkages. He pointed out that direct trade and investment linkages could be meaningfully strengthened only after India establishes strong cultural and people-to-people ties with East Africa, which could be achieved through shared history, people-to-people linkages and soft power assets such as cinema, sports and performing arts. He advocated for empirical, field-based research as the basis for a good investment strategy, emphasising that researchers and policymakers must be more than just Euro-focused and grasp the actual motives and local priorities of East African stakeholders.

Regarding investment strategy, he distinguished between greenfield and brownfield investments and consistently found the latter more suitable for the African context, as Indian companies were not often in a position to create a greenfield investment from scratch. He also pointed out unexploited niche markets in luxury value chains, the production of coffee and tea in Kenya and Tanzania, and the possibility of developing coffee and tea value chains in Ethiopia and Tanzania, as well as in India.

KEY TAKEAWAYS

1. Promote Long-Term Economic Integration Beyond Transactional Engagement
   India and East Africa should move beyond transactional economic engagements and work towards building long-term, co-created partnerships. While trade volumes have expanded, the structure of the relationship remains largely unchanged. Greater emphasis should be placed on transitioning from commodity-based trade towards value-added manufacturing, services, and regional value chains to ensure more sustainable and mutually beneficial economic integration.

2. Leverage India's Renewable Energy Experience for Development Cooperation
   India should position its renewable energy model as a development partnership framework for East Africa. Given Africa's limited access to solar investments despite its vast renewable energy potential, India's experience in solar parks, mini-grids, rooftop solar systems, and decentralised energy access offers a contextually relevant model. Cooperation should prioritise technology transfer, local skill development, and institutional strengthening rather than the simple export of technological solutions.

3. Address Structural Trade Imbalances Through Industrial Collaboration
   Efforts should be made to reduce the structural imbalance in India–East Africa trade by promoting industrial upgrading and value addition within East African economies. Greater Indian investment in manufacturing, technology transfer, and industrial capacity-building can help diversify export baskets and create a more balanced and resilient trade relationship.

4. Strengthen Direct Connectivity and Logistics Infrastructure
   India should prioritise the development of direct trade and logistics corridors with East Africa to reduce excessive dependence on third-country transit hubs. Initiatives such as the Bharat–Africa Setu should be further strengthened to improve warehousing, port connectivity, and supply-chain efficiency, thereby reducing transaction costs and enhancing the competitiveness of Indian exports.

5. Build Strategic Partnerships in Critical Minerals and Local Value Addition
   India should adopt a long-term strategy for securing critical minerals through partnerships that emphasise local beneficiation, processing, and value addition. Rather than relying solely on extractive models, India should work with African governments and institutions to develop local processing capabilities, strengthen supply chains, and promote sustainable industrial development in mineral-rich regions.

6. Convert Developmental Goodwill into Strategic Economic Partnerships
   India should leverage the goodwill generated through decades of development cooperation, technical assistance, and people-to-people engagement in East Africa to deepen economic and strategic partnerships. This could be achieved through expanded research collaboration, cultural diplomacy initiatives, technology partnerships, and the exploration of preferential trade arrangements with regional organisations such as the East African Community (EAC). Such measures would help translate India's positive perception in the region into tangible economic and geopolitical outcomes.

ANNEXURE

The relationship between India and East Africa has reached a critical inflection point, undergoing a structural metamorphosis from a historical, diaspora-led trade model to a sophisticated, multi-sectoral strategic partnership. By the 2024-25 fiscal year, bilateral trade between India and East Africa has consistently risen to USD 15.96 billion. East Africa emerged as the only region registering the highest increase in exports to India; imports from East Africa to India rose by 19.6 per cent in 2024–25. This growth is not merely quantitative; it signifies a qualitative shift as India increasingly views East African markets through the lens of long-term, mutually beneficial engagement rather than simple commodity exchange. The implementation of the African Continental Free Trade Area (AfCFTA) serves as a primary catalyst for this integration, offering Indian firms access to a consolidated market of 1.3 billion people with a combined GDP of approximately USD 3.4 trillion. East Africa, particularly the East African Community (EAC), has emerged as the fastest-growing corridor within the continent. However, the transition from raw material exports to value-added manufacturing and sophisticated services requires addressing deep-seated structural challenges. This conference aimed to move beyond diplomatic platitudes to confront the commercial realities, regulatory hurdles, and forward-looking policy adjustments necessary to deepen economic integration.

The Private Sector: Experiences and Operational issues

Indian industry has established a significant footprint, with over 60 major companies in Kenya alone spanning pharmaceuticals, IT, and automotive industries. Indian firms often face a unique set of challenges in the region, such as infrastructure deficits and unreliable power supplies. The experiences in certain East African countries highlight how unreliable power supply forced the use of costly generators during the transition to local manufacturing. Furthermore, the CAGE framework, used to analyse international expansion by identifying differences between home and target countries across four dimensions of distance, cultural, administrative, geographic, and economic, hampers large acquisitions. Conversely, some of the Indian firms have successfully shifted to local assembly, demonstrating how adapting to national mechanisation goals can reduce import duty burdens and build local trust.

Trade, Investment and Business Opportunities

While trade volumes are rising, the trade basket remains heavily concentrated in primary commodities such as mineral fuels, oils, and gems. To achieve sustainable integration, there is an urgent need to transition to regional value chains and investment-led trade in sectors such as pharmaceuticals, agri-tech, and renewable energy. Furthermore, Investors continue to face challenges regarding transparency, administrative discretion in licence granting, and retroactive changes to tax legislation. For instance, while countries like Rwanda have established “one-stop shops” for investors, other regions still struggle with land acquisition procedures that can take years to resolve. Moreover, while tariff elimination under AfCFTA is expected to boost intra-regional trade, non-tariff barriers (NTBs), including inconsistent standards and complex customs procedures, remain significant friction points for Indian exporters.

EVENT SCHEDULE

Schedule	Particulars
09:30 - 10:00	**Registration**
10:00 - 11:30	**Session 1: The Private Sector: Experiences and Operational issues** **Welcome Address :** Dr Debajit Palit, Centre Head, Centre for Climate Change & Energy Transition, CRF **Moderator:** Prof. Ajay Dubey, Distinguished Fellow, CRF **Panelists** Dr Debajit Palit, Centre Head, Centre for Climate Change & Energy Transition, CRF Prof. Bashabi Gupta, Professor, Africa Centre, Miranda House
11:30 – 11:45	**Tea Break**
11:45 – 01:30	**Session 2: Trade, Investment and Business Opportunities** **Moderator:** Prof. Ajay Dubey, Distinguished Fellow, CRF Panelists Prof. Patrick Maluki, University of Nairobi, Kenya (online) Dr Abhishek Mishra, Associate Fellow, IDSA Dr Manish Karmwar, Assistant Professor, University of Delhi Dr Sushmita Rajwar, Associate Professor, Jawaharlal Nehru University Dr Bidisha Bhattacharya, Associate Fellow, CRF **Concluding Remarks and Vote of Thanks** Prof. Ajay Dubey, Distinguished Fellow, CRF
13:30-14:30	**Lunch**

MEDIA RELEASE

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FOREIGN TRADE

India looks to consolidate East Africa economic partnership amid global supply chain shifts

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