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Advancing India's Rise as a Leading Power

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Authors

Ruchira Kamboj

Arshiya Chaturvedi

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Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

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Authors

Ambassador Ruchira Kamboj, Senior Fellow for International Security and Global Affairs, Delhi Policy Group

Arshiya Chaturvedi, Research Associate, Delhi Policy Group

Cover Images:

Heads of State and Government of the G20 Member States attending the 2025 G20 Leaders' Summit in Johannesburg, South Africa, on November 22-23, 2025. Source: Ministry of Foreign Affairs of Japan
South African President Cyril Ramaphosa and Indian Prime Minister Narendra Modi met and discussed bilateral relations on the margins of the 2025 G20 Leaders' Summit, in Johannesburg on November 23. Source: X/@PresidencyZA

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African Pulse:
Reimagining Africa's Resources

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Reimagining Africa's Resources

by

Ambassador Ruchira Kamboj & Arshiya Chaturvedi

Executive Summary

Africa is among the world's most abundantly endowed regions, accounting for about 30 per cent of global mineral reserves.[1] Despite this abundance, Africa has not been able to harness its resource advantage for its own sustained development, becoming instead a source of extraction that has fuelled growth elsewhere in the world. This long-observed phenomenon has been explained as one of 'chronic dependency' resulting from the legacy extractive economic model of colonial powers, that has relegated Africa to a mere raw-material sourcing ground. Further, Africa's inability to break out of this exploitative model for all these decades has resulted in the underdevelopment of its industrial base and manufacturing capacity, which persists to this day.[2]

However, the global economy is today undergoing a profound transition, with critical minerals at its core—underpinning developments across energy, technology, and industrial strategies worldwide. Africa thus stands before a moment of immense economic opportunity. Determined to overcome decades of underdevelopment, it is implementing a coordinated strategy of policy reform, investment, and international collaboration to positively reposition itself within the global economic landscape.

This was evident at the Leaders' Summit of the 2025 G20 Summit, held on November 22–23, 2025 in Johannesburg, South Africa[3], where issues of value-addition, beneficiation, and limited access to technology commanded major attention. The adoption of the G20 Critical Minerals Framework further underscored the leaders' strong support for strengthening local processing capacities and more equitable, resilient mineral value chains.

[1] Ali, Anwaar O., Asmaa S. Morshedy, Adel A. El-Zahhar, and Et al. "African Continent: Rich Land of Minerals and Energy Sources." *Inorganic Chemistry Communications* 169 (September 6, 2024): 113123. https://doi.org/10.1016/j.inoche.2024.113123.

[2] African Development Bank. "Africa Must Reduce Its Dependency on Raw Material Exports and Imports." African Development Bank - Building today, a better Africa tomorrow, February 14, 2019. https://www.afdb.org/en/news-and-events/africa-must-reduce-its-dependency-on-raw-material-exports-and-imports-14957.

[3] European Council. "G20 Johannesburg Leaders' Declaration." European Union, 2019. https://www.consilium.europa.eu/en/press/press-releases/2025/11/22/g20-johannesburg-leaders-declaration/.

This issue examines Africa's dependence on raw-material exports and outlines strategic pathways to reduce this reliance through proactive, multi-level policy interventions. It also analyses the fundamental capacity gaps hindering the achievement of this policy objective, and identifies potential areas of cooperation with India to advance it.

Africa's Place in a Shifting Global Economy

For nearly 500 years, Africa has been reduced largely to a source of extraction for the West, in terms of human as well as natural resources.[4] This exploitation, which was previously conducted under foreign state authority but today is perpetuated by foreign companies, has led to large-scale dispossession and systemic violence, along with broader ecological, biological, economic, political, and social degradation. This has hindered Africa's ability to effectively control, process, and benefit from its own resources.

Over the years, Africa has remained limited to exporting raw or marginally processed, low value-added products, keeping them structurally anchored at the lower levels of the global supply chain. The 2021 data from the Observatory of Economic Complexity illustrate this well: cocoa-producing African countries export raw cocoa to other countries that process it into high-value finished chocolate, and cobalt-rich African countries export the raw mineral, which is then used abroad to produce high value batteries. A similar pattern has also been observed for crude-oil producing countries, and across almost all other raw mineral and material segments on the continent.[5]

This, however, has not always been the case. Africa has a long and sophisticated history of value-addition, with evidence of iron-smelting and metalworking dating back to before 1000 BCE. African metalworkers processed a range of ores into finished goods such as hoes, axes, spears, arrowheads, and even musical instruments.[6] These traditions reveal advanced technical knowledge and thriving local industries, indicating that value-addition and complex manufacturing were integral to African economies long before the colonial era.

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[4] Mavhunga, Clapperton Chakanetsa. "Africa's Move from Raw Material Exports toward Mineral Value Addition: Historical Background and Implications." *Mrs Bulletin* 48, no. 4 (April 1, 2023): 395–406. https://doi.org/10.1557/s43577-023-00534-3.
[5] Ado, Abdoulkadre, Ellis L.C. Osabutey, Paresha Sinha, and Ogechi Adeola. "Africa's International Trade Paradox, Technology Transfer, and Value Chain Upgrade." *Technological Forecasting and Social Change* 213 (April 2025): 124014. https://doi.org/10.1016/j.techfore.2025.124014.
[6] Supra Note 4

A Strategic Revival: The Push for Value Addition

Since the early 2000s, Africa has experienced a strategic awakening in developing its capacity for value addition to its resources.

To this end, many continental-level initiatives and strategies have been adopted, including the Accelerated Industrial Development for Africa Framework in 2008; the Africa Mining Vision of 2009; the 2012 Programme for Infrastructure Development in Africa; and Africa's Commodities Strategy of 2016, among others. The essence of this strategic revival was also captured and reinforced under Agenda 2063 - Africa's most recently adopted development plan, as well as its flagship initiative, the African Continental Free Trade Area. Even the 10th African Economic Conference in 2015 concluded that reducing Africa's excessive dependence on raw-material exports and imported consumer goods was indispensable for addressing the prevailing poverty and social inequality rampant across the continent. [7]

More programmes and schemes adopted in this regard in recent years include the Comprehensive Africa Agriculture Development Programme Strategy and Action Plan (2025–2035), the African Green Minerals Strategy (2023), and the Continental Circular Economy Action Plan for Africa (2024–2034).

At the national level, too, African countries are actively implementing policies and strategies aimed at enhancing their beneficiation capacity and position within global supply chains. The former Zimbabwean President, the late Robert Mugabe, while addressing the Southern African Development Community in 2015, remarked that industrialisation was a strategic necessity.[8] An increasing number of African countries, including Zimbabwe, the Democratic Republic of the Congo, Ghana, Namibia, and Nigeria, are also increasingly imposing bans on the export of raw minerals and unprocessed materials. In 2020, during an official visit to Switzerland, President Nana Akufo-Addo announced that Ghana would no longer export raw cocoa — a bold move to break away from traditional economic structures rooted in raw-material exports.[9]

Many governments across the continent are also increasingly directing policy attention and investment toward the development of Special Economic Zones (SEZs) and Industrial Parks. Ethiopia's textiles and garments hub, the Hawassa Industrial

[7] Supra Note 2
[8] Supra Note 4
[9] Supra Note 4

Park[10] and the Kigali Special Economic Zone of Rwanda[11], are examples of this. Further, Kenya, which is known to have the most SEZs in Africa, continues sustained investments in developing more and more world-class SEZs. In 2021, it inaugurated a nanotechnology and semiconductor-manufacturing facility at Dedan Kimathi University of Technology in Nyeri[12] — hailed by many as the country's first such plant. Other noteworthy advancements include Nigeria's Dangote Petroleum Refinery[13], the largest oil refinery in Africa, established in 2023, and the Lobito Corridor[14], a trans-African transport link reviving and expanding infrastructure across Angola, the DRC and Zambia. Countries such as Kenya, Ghana, South Africa and Nigeria are also making significant strides in strengthening their industrial capacity in pharmaceuticals[15], while South Africa and Morocco are emerging as Africa's star players in the automotive sector[16].

More recently, South Africa — which has formalised a national strategy for mineral beneficiation[17] — carried this commitment into its role as Chair of the 2025 G20 Summit. As the first African country to assume the G20 presidency, South Africa also secured consensus on the G20 Critical Minerals Framework, which the G20 Johannesburg Leaders' Declaration formally adopted. This voluntary, non-binding framework aims to help resource-rich countries capture value through beneficiation and build inclusive, sustainable mineral value chains.[18]

Additionally, on the margins of the Leaders' Meeting at the 2025 G20 Summit, the EU and South Africa signed a new partnership on minerals and metals value chains — aimed at driving greater value-addition within South Africa — alongside a Clean

[10] Xinhua News Agency. "Ethiopia's Chinese-Built Industrial Park Generates 20 Mln USD in Exports in 6 Months." Belt and Road Portal, 2024. https://eng.yidaiyilu.gov.cn/p/03F8EUBH.html.
[11] Rwanda Development Board. "KIGALI SPECIAL ECONOMIC ZONE." Rdb.rw, 2021. https://rdb.rw/wp-content/uploads/2020/09/SEZAR-Catalogue.pdf.
[12] Capital business Correspondent . "Dedan Kimathi University to Host Sh14.85bn Semiconductor, Microchip Facilities." Capital Business, April 26, 2024. https://www.capitalfm.co.ke/business/2024/04/dedan-kimathi-university-to-host-sh14-85bn-semiconductor-microchip-facilities/.
[13] Reuters Staff. "Nigeria Launches 2025 Oil Licensing Round, Offers 50 Blocks." *Reuters*, December 1, 2025. https://www.reuters.com/business/energy/nigeria-launches-2025-oil-licensing-round-offers-50-blocks-2025-12-01/.
[14] Carrai, Maria Adele. "The Belt and Road Initiative and Emerging China Rivalries in Africa: The Case of the Lobito Corridor." *Global Policy*, July 10, 2025. https://doi.org/10.1111/1758-5899.70055.
[15] "Building the Case for Investment in Local Pharmaceutical Production in Africa." *United Nation*, n.d. https://unctad.org/system/files/official-document/diae2024d5_en.pdf.
[16] Obi, Solomon . "South Africa and Morocco Lead Africa's Automotive Industry Growth - African Leadership Magazine." African Leadership Magazine, August 19, 2025. https://www.africanleadershipmagazine.co.uk/south-africa-and-morocco-lead-africas-automotive-industry-growth/?q=african-development-fund-commits-14-million-grant-to-scaling-up-climate-resilience-across-the-sahel&pr=363505&lang=pt.
[17] Minerals and Petrolium resource department . "Critical Minerals and Metals Strategy South Africa." Republic of South Africa, n.d. https://www.gov.za/sites/default/files/gcis_document/201409/beneficiation-strategy-june-2011-final-30.pdf
[18] Supra Note 3

Trade and Investment Partnership.[19] The EU has similar partnerships with some other African countries, including Zambia, the DRC, Namibia and Rwanda, advancing the 'Ore to More' partnership strategy[20].

In recent years, Africa and the European Union have also intensified cooperation on sustainable development, industrialisation, and value-chain development, guided in part by the AU–EU Joint Vision for 2030 adopted at the 2022 Brussels Summit.[21] A series of AU–EU ministerial engagements and Global Gateway–linked dialogues, including the 7th AU–EU Summit held in Luanda on November 24–25, 2025[22] have reaffirmed a shared commitment to expanding responsible, transparent and resilient supply-chain partnerships. While the Luanda Summit did not adopt a minerals-specific framework, its emphasis on industrialisation, trade, transport corridors and infrastructure development clearly aligns with Africa's and the EU's emerging priorities on critical mineral value-chains. These initiatives fall under the EU's Global Gateway strategy[23], launched in 2021, which seeks to diversify strategic dependencies, build secure and sustainable supply chains, and support African countries with investment, technical expertise and governance capacity to enhance local value-addition. Collectively, these engagements signal a growing political will on both sides to deepen cooperation within a more equitable, long-term partnership.

Capacity Challenges in Advancing Africa's Value-Added Economy

While Africa is signalling significant political will and action to effectively control and benefit sustainably from its natural resources, thereby enhancing its position in the global value chain, certain fundamental stumbling blocks need to be addressed.

The first major impediment is a lack of adequate infrastructure: transport networks (roads and railways), ICT infrastructure, and other critical facilities, including water and energy supply. According to an African Development Bank study, Africa needs between US$ 130 and 170 billion in infrastructure financing annually. Yet actual investment has averaged only about US$ 80 billion a year over the past five years,

[19] European Commission. "Ahead of G20 Summit, EU and South Africa Advance Cooperation on Clean Trade and Investment." European Union, 2025. https://ec.europa.eu/commission/presscorner/detail/da/ip_25_2755.
[20] Tenev, Martin. "From Ore to More: Mineral Partnerships for African Industrialisation." ECFR. European Council on Foreign Relations (ECFR), August 28, 2025. https://ecfr.eu/publication/from-ore-to-more-mineral-partnerships-for-african-industrialisation/.
[21] "6th European Union - African Union Summit: A Joint Vision for 2030 | African Union," February 18, 2022. https://au.int/en/pressreleases/20220218/6th-european-union-african-union-summit-joint-vision-2030.
[22] European Council . "Joint Declaration of the 7th African Union - European Union Summit 2025, 24-25 November 2025." European Union , 2025. https://www.consilium.europa.eu/en/press/press-releases/2025/11/25/joint-declaration-of-the-7th-african-union-european-union-summit-2025-24-25-november-2025/
[23] European Commission. "Global Gateway," March 2023. https://commission.europa.eu/topics/international-partnerships/global-gateway_en.

reflecting a persistent and widening financing gap.[24] Moreover, even this limited investment has shown signs of stagnation and remains heavily concentrated among a few external actors. The World Bank Group (US$ 7.1 billion) and China (US$ 6.4 billion) are the largest external financiers, together accounting for almost half of all donor spending on African infrastructure.[25] This imbalance reflects deeper structural challenges, from complex bureaucratic processes and political uncertainty to Africa's mounting debt burdens, all of which make long-term infrastructure investment more difficult and less attractive.

Therefore, streamlining bureaucratic processes, developing a sustainable debt framework, and promoting targeted investments could serve as effective strategies for enhancing Africa's investment climate. All of which were effectively advanced by South Africa's G20 Presidency under the theme Sustainability, Equality and Solidarity.

Building and sustaining a competitive manufacturing base requires not just capital and infrastructure, but a robust ecosystem enabled by technology and a skilled workforce. This is where Africa lags: limited access to advanced technologies, low indigenisation, and constrained links to foreign technology. Studies also highlight that there is an acute skills deficit in Africa, and that it requires a minimum additional workforce of around five million skilled professionals to support its economic transformation and SDG implementation.

What then is the way forward? Collaborative, sector-specific industry joint ventures, along with scaled-up industry–institution skill-training programmes, can be highly effective in facilitating technology transfer and building critical skills capacities. In recent years, several partners, including China, the European Union, India, the United States, and multilateral institutions, have expanded joint ventures and vocational training initiatives across African countries, with China in particular deepening its footprint in technical and manufacturing skills development.

A large and integrated market is also fundamental to sustain industrialisation, as it helps industries achieve and sustain the economies of scale needed to remain competitive. The African Free Trade Continental Area (AfCFTA) seeks to do exactly this by creating a single, integrated African market — enabling firms to achieve

[24] African Union Development Agency. "A Technical White Paper - the Missing Connection: Unlocking Sustainable Infrastructure Financing in Africa | AUDA-NEPAD," 2025. https://www.nepad.org/publication/technical-white-paper-missing-connection-unlocking-sustainable-infrastructure.

[25] Marson, Marta, Elena Maggi, and Matteo Scacchi. "Financing African Infrastructure: The Role of China in African Railways." *Research in Transportation Economics* 88 (July 2021): 101111. https://doi.org/10.1016/j.retrec.2021.101111.

economies of scale, expand regional value chains, and compete more effectively both within Africa and globally.

Collaborative Approaches to Enhance Africa's Value Addition Capacity

Africa, with its vast natural resources, now sits at the centre of many countries' strategies as they seek to secure their interests in a world shaped by rapid technological change and the green transition. Given this centrality, more and more countries will seek to engage with the continent for securing the supply of essential resources, thereby advancing their national interest. The success of such engagement, however, will increasingly depend on the model of collaboration that is adopted, as Africa takes a resolute approach against the old extractive model and seeks to pursue fair partnerships that will enhance its capacity.

Indeed, the 2025 G20 Johannesburg Leaders' Declaration, adopted under South Africa's presidency, formally 'welcomes' the newly established Critical Minerals Framework as a voluntary blueprint to make critical mineral resources a driver of prosperity and sustainable development.[26] President Ramaphosa had already signalled this shift earlier in the year, at the G20 Foreign Ministers' Meeting in Nasrec, emphasising that Africa must not revert to old extractive norms and that industrialisation and value-addition must lie at the heart of future cooperation.[27]

India has had a long-standing strategic partnership with Africa, grounded in the principles of trust, shared development, and capacity-building. However, at a time when the global order is undergoing disruptive change, it is imperative for India to deepen its strategic engagement with Africa through more targeted investments and collaboration in areas of shared priority and strategic complementarity, unlocking transformative opportunities for both itself and Africa.

The first area where India could deepen collaboration is in building and implementing Digital Public Infrastructure (DPI). DPIs could catalyse Africa's value addition capacity and manufacturing base by enhancing industrial governance and public service delivery, expanding financial inclusion, and strengthening market access and e-commerce opportunities. The AU has also adopted the Digital Transformation

[26] Supra Note 3
[27] The Presidency Pretoria. "Closing Remarks by President Cyril Ramaphosa at the G20 Leaders' Summit, 23 November 2025." DIRCO, November 23, 2025. https://dirco.gov.za/closing-remarks-by-president-cyril-ramaphosa-at-the-g20-leaders-summit-23-november-2025/.

Strategy for Africa (2020-2030)[28] which categorically defines the closing up of the digital infrastructure gap as crucial to enable digital transformation and promote industrialisation within the continent. Digital technologies, tools and infrastructure have found recurring focus and endorsement in G20 discussions and, in fact, across other global and multilateral forums. At the latest 2025 G20 Leaders' Meeting, member states reiterated their commitment to expanding the development and deployment of affordable, secure digital infrastructure, recognising its transformative potential, as reflected in Paragraphs 108 and 109 of the Joint Declaration. [29]

India could also expand its skills and capacity development programmes that have been at the heart of its development partnerships in Africa. For instance, it could establish India–Africa Centres of Excellence in key sectors as dedicated hubs where Indian expertise in technology, industry, and governance could be systematically shared with African professionals through structured programs.

Further, Indian companies could be encouraged to undertake joint ventures in Africa's natural resources sector. These JVs would not only facilitate Africa with technology transfer, skills development, local value addition, and infrastructure development, but also enable India to secure strategic resource supplies and integrate itself in global supply chains.

Beyond these bilateral efforts, India should also leverage its trilateral development partnership framework with the EU to provide effective infrastructure solutions for Africa. This approach brings together the EU's financial and technical strengths with India's cost-effective implementation expertise and its grounded South–South development experience, creating a win-win for all sides.

Conclusion

Africa is asserting a strategic pivot away from the traditional extractive model towards an economic pathway anchored in local value addition, capability-building, and a gradual rise within global supply chains. Across the continent, national governments are adopting policies to incentivise domestic processing and manufacturing by imposing export bans, pursuing joint ventures, and developing SEZs and industrial parks, as duty-free areas with enabling infrastructure. At the continental level, Africa is pursuing several coordinated initiatives to promote trade integration, infrastructure development, regulations harmonisation, and capital mobilisation, among other priorities. These strategic policy imperatives are also being elevated to the global stage

[28] African Union. "The Digital Transformation Strategy for Africa (2020-2030)." African Union, 2020. https://au.int/sites/default/files/documents/38507-doc-dts-english.pdf.
[29] Supra Note 3.

to secure the international partnerships and strategic guidance needed for technology, investment, and technical capacity critical to the cause.

It is to be said, though, that while there is strong political enthusiasm for advancing Africa's beneficiation push, policy mandates alone cannot drive this transformation. The significant capacity-related challenges warrant immediate attention. At the very least, Africa will require partners who respect its priorities and are willing to build genuinely mutual, advantage-creating partnerships.

In this regard, India is well-placed to play a constructive and transformative role. Two initiatives announced by Prime Minister Narendra Modi at the 2025 G20 Leaders' Summit are particularly relevant for Africa's current ambitions: the proposed G20 Skills Multiplier and the G20 Critical Minerals Circularity Initiative.[30] Both will require further deliberation within the G20, but they offer real promise for an Africa that is reforming, industrialising, and seeking equitable partnerships that strengthen its own capabilities and value-addition pathways, aligning squarely with its aspirations to move up the global value chain on the strength of its own choices.

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[30] MEA. "Transcript of Special Briefing by MEA on Prime Minister's Visit to South Africa (November 22, 2025)." Ministry of External Affairs, Government of India , 2025. https://www.mea.gov.in/media-briefings.htm?dtl/40324/Transcript+of+Special+briefing+by+MEA+on+Prime+Ministers+visit+to+South+Africa+November+22+2025.

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