

The Indian Ocean – the Region for an Effective Rapprochement Between the Asia-Pacific & Africa



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Introduction

The object of this paper is to highlight the Indian Ocean as a region that can bring about an effective rapprochement between the Asia-Pacific and Africa. It attempts, in the first instance, to define the contours of the political economy of the various multilateral and bilateral arrangements connecting the three regions (Asia-Pacific, Indian Ocean and Africa), the chemistry within these contours and the rapprochement emerging within the Asia-Pacific, Indian Ocean and African group of countries.

Contours of the “Political Economy” & Cooperation

“Political economy” arrangements among the three regions have existed both at the multilateral and bilateral levels for decades. The multilateral economic cooperation among the main island countries of the Indian Ocean – namely Mauritius, Madagascar, the Seychelles and Comoros – dates back to their post-independence period when all of them joined the African Caribbean and Pacific (ACP) group to maintain their preferential market access to Europe through the Lomé Convention. The cooperation has been maintained by the

various Lomé Conventions, Cotonou Agreement and subsequently the Economic Partnership Agreement (EPA), which in its initial period included Zimbabwe (Chart 1).

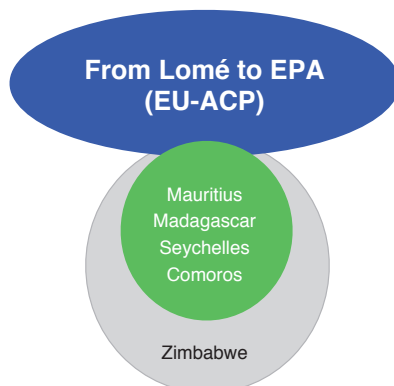
The setting up of the Indian Ocean Commission (IOC) in 1982, to include Reunion Island, a territorial department of France, further enhanced this Eurocentric cooperation. Whilst it is fair to recognize that the IOC has not brought significant economic integration among the islands, Madagascar and Mauritius remain the two main drivers of economic cooperation among the Indian Ocean island countries (Chart 2).

In between their post-independence years and the apartheid era, Mauritius, Madagascar and the Seychelles joined the Preferential Trade Area for Eastern and Southern Africa (PTA) to improve their market access to Africa. The PTA later became the Common market for Eastern and Southern Africa (COMESA).

It is pertinent to highlight that among the COMESA member countries, the Indian Ocean islands developed some commercial ties with the Eastern and Southern African countries – namely Kenya, Zimbabwe, Malawi, and Zambia (Chart 3).

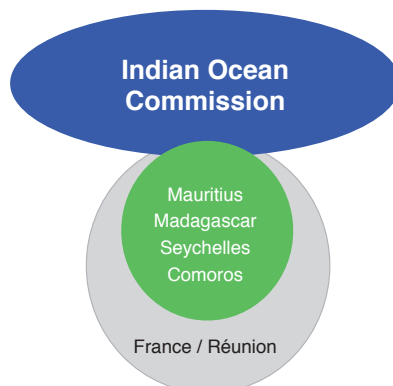
Following the dismantling of the apartheid regime in South Africa and the emergence of the Southern African Development Community (SADC), these Indian Ocean islands joined the SADC, and through

CHART 1
From Lomé to EPA



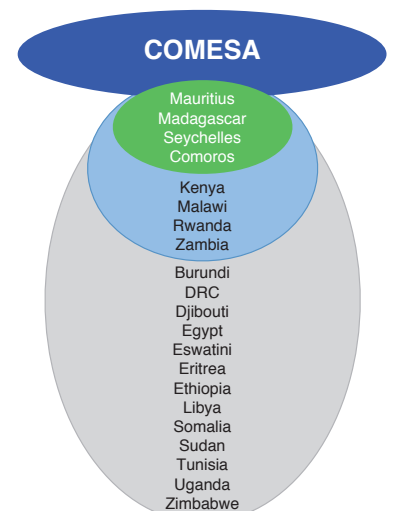
Source: Compiled by the author

CHART 2
Indian Ocean Commission



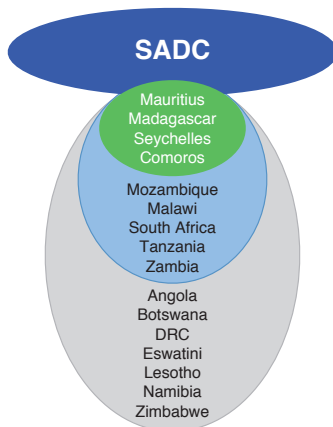
Source: Compiled by the author

CHART 3
COMESA



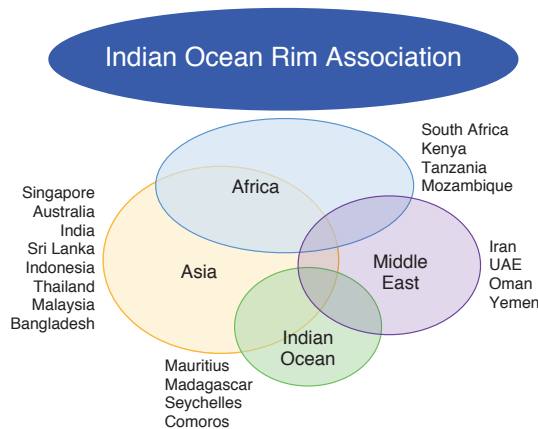
Source: Compiled by the author

CHART 4
SADC



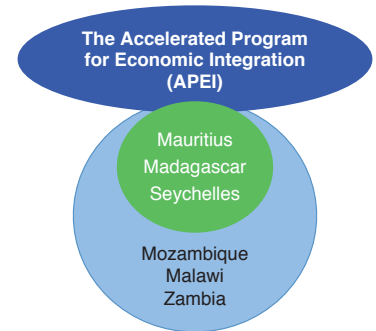
Source: Compiled by the author

CHART 5
Indian Ocean Rim Association



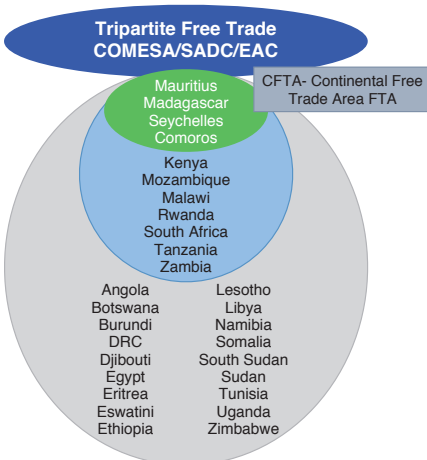
Source: Compiled by the author

CHART 6
Accelerated Program for Economic Integration



Source: Compiled by the author

CHART 7
Tripartite free trade



Source: Compiled by the author

CHART 8
BRICS



Source: Compiled by the author

the SADC trade agreement, which became operational in 2009, they significantly raised their exports in continental Africa. For instance, exports of textiles from Mauritius to Africa went up significantly and South Africa became a major market to compensate for the decrease in European imports following the global financial crisis (Chart 4).

The first multilateral cooperation arrangement to connect Asia, Indian Ocean islands and some Eastern and Southern African countries was completed in 1995 when several countries – namely India, Australia, Singapore, Mauritius, Oman, South Africa and Kenya – signed the Indian Ocean Rim Initiative. This association for regional cooperation was later expanded to 21 countries and re-named the Indian Ocean Rim Association (IORA). China, Japan and France were given observer status (Chart 5).

The IORA as an economic group has yet to show results but it does offer a platform for some of the major players in Asia (such as India and Indonesia), in Africa (such as South Africa, Kenya, and Mozambique) and the Indian Ocean islands to enhance cooperation.

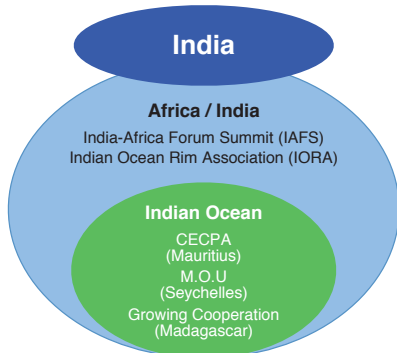
Within the existing multilateral arrangements, new specific

initiatives for accelerated cooperation are emerging. One such initiative is the Accelerated Program for Economic Integration (APEI) regrouping Mauritius, the Seychelles, Zambia, Malawi and Mozambique, which was set up in 2012. Madagascar has expressed its wish to join the APEI and is expected to join the group soon (Chart 6).

On continental Africa, over and above COMESA and SADC arrangements, groups of countries are also accelerating economic cooperation through initiatives such as the East Africa Community (EAC), the Tripartite FTA, and since 2018 the Continental Free Trade Area. These agreements are enhancing regional cooperation, removing both tariff and non-tariff barriers, and facilitating their economic integration in the global economy (Chart 7).

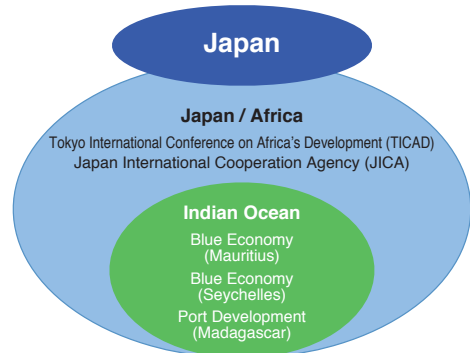
At a more global level, these three groups of countries have been interacting in various initiatives. For example, within the BRICS nations, China, India and South Africa do work closely and through the Indian Ocean these three players can really establish an Asia/ Indian Ocean and Africa corridor (Chart 8).

CHART 9
Engagement of India in the Indian Ocean & Africa



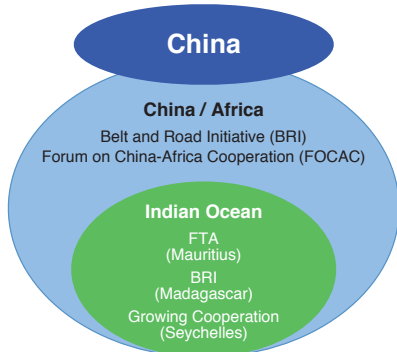
Source: Compiled by the author

CHART 11
Engagement of Japan in the Indian Ocean & Africa



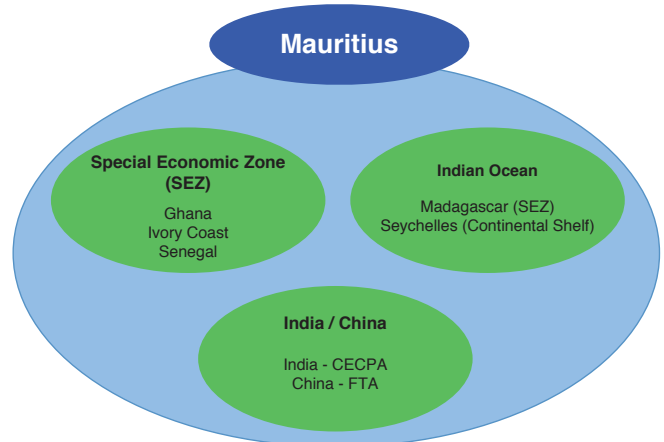
Source: Compiled by the author

CHART 10
Engagement of China in the Indian Ocean & Africa



Source: Compiled by the author

CHART 12
Engagement of Mauritius with Asia, Africa & the Indian Ocean



Source: Compiled by the author

It is also relevant to recognize the intensive engagement of China, India and Japan in the Indian Ocean and Africa.

India, through the India Africa Forum Summit (IAFS), is maintaining close ties with Africa. It is further reinforcing the India–Africa partnership through bilateral arrangements with Indian Ocean island economies, namely the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) with Mauritius, and closer cooperation with Madagascar and the Seychelles (Chart 9).

China, through its “One Belt, One Road” initiative is getting close to Africa. It also has a range of bilateral agreements with Indian Ocean economies such as its FTA with Mauritius and a Memorandum of Understanding with Madagascar (Chart 10).

Japan, through the Tokyo International Conferences on Africa Development (TICAD) and Japan International Cooperation (JICA), has been maintaining an effective presence through trade and mainly exports. Japan is now raising its engagement in the Indian Ocean through port development and involvement in the blue economy with

Mauritius, the Seychelles and Madagascar (Chart 11).

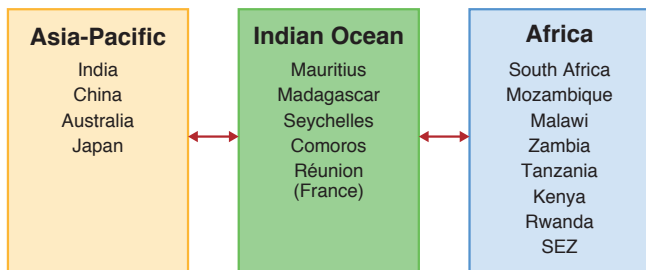
Mauritius is the host for the Indian Ocean RIM secretariat and is engaged in the special economic zones in Ghana, Ivory Coast and Senegal. Through a modest economy, by its strategic location and its positioning as an international financial center, it is well placed to emerge as a platform for connecting the Asia-Pacific and Africa (Chart 12).

The Chemistry Within the Contours

The political economy interests of China, India, Japan and France in the Indian Ocean are on the rise for geostrategic reasons within the Indian Ocean and Africa. These four countries will endeavour to maintain an effective presence notwithstanding their respective moves for “checks and balances” to achieve as far as possible an acceptable equilibrium among themselves and their respective partners in the region.

CHART 13

Multilateral synergies among countries of Asia-Pacific, Indian Ocean & Africa

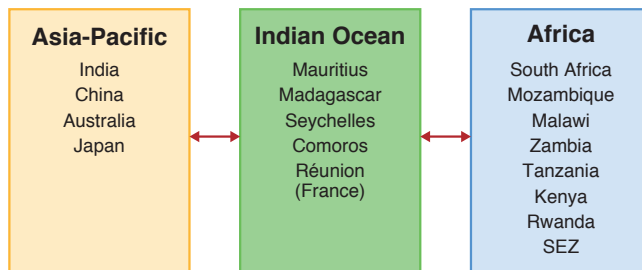


- CECTPA (India Mauritius)
- FTA (Mauritius / China)
- Blue Economy (I / J / C / M / M / S)
- Enhanced Economic Cooperation (M/ Mada)
- Mauritius – Financial Services Center
- Mauritius – Headquarters Center
- Maritime Security in the Indian Ocean (IO / I / J / C)
- Extended Continental Shelf Cooperation (M/S)

Source: Compiled by the author

CHART 14

Bilateral synergies among countries of Asia-Pacific, Indian Ocean & Africa

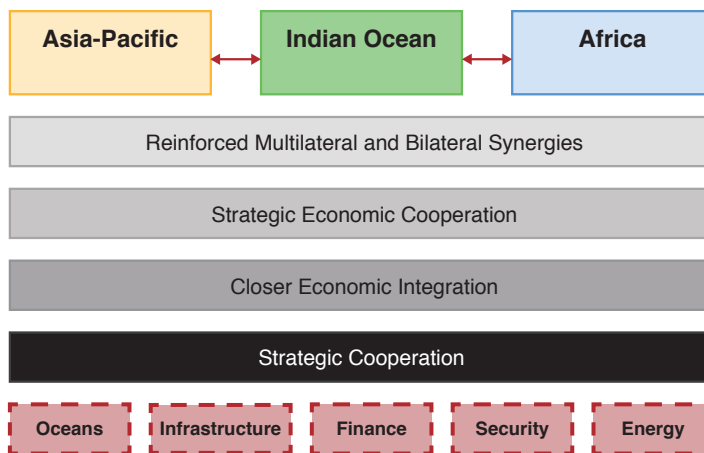


- BRI (“One Belt, One Road” Initiative)
- IFAS (India Africa Forum Summit)
- FOCAC (Forum on China Africa Cooperation)
- TICAD (Tokyo International Conference on Africa’s Development)
- JICA (Japan International Cooperation Agency)
- IORA (Indian Ocean Rim Association)
- SEZ (Ghana / Ivory Coast / Senegal)

Source: Compiled by the author

CHART 15

Outcomes & influence of multilateral & bilateral arrangements



Source: Compiled by the author

Chart 13 summarises the multilateral synergies among the three groups in terms of the interests of specific countries in each of the three regions. Chart 14 highlights the bilateral synergies among countries of the three regions.

In light of both the multilateral and bilateral arrangements among countries from the three regions, some significant synergies are emerging. However, the next phase of engagement between China, India and Japan in the Indian Ocean and Africa will most probably differ from the strategies they have adopted over the last 30 years. China’s engagement will be more private-sector driven given the economic challenges it is facing at present. These challenges will restrict the range of state intervention. India, by its emerging economic strength, will be able to provide more state support to its private-sector investment drive in the Indian Ocean and Africa.

Japan’s political engagement will also increase to support its investment interest in the region to contain the influence of Chinese investment.

These new strategies will lead to various layers of cooperation, namely economic and geopolitical, which could influence the global economic architecture in areas such as the ocean economy, financial services, infrastructure, security and energy as shown in Chart 15.

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