Revitalising the Asia-Africa Growth Corridor

Author : Prithvi Gupta

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The Asia-Africa Growth Corridor, stalled by shifting priorities, is poised for renewal as India and Japan look to expand investments and partnerships.



Image Source: Getty

The Indo-Japanese bilateral relationship is pivotal in upholding the free and open rules-based order in the broader international relations milieu today. In the past two decades, successive national governments of the two countries have undertaken steps to deepen strategic cooperation across all domains. In the face of global fragmentation, polarisation, and inward-looking global powers, the partners remain invested in maintaining and strengthening the free, open, and inclusive rules-based global order.

The Asia-Africa Growth Corridor (AAGC) was established in 2017 by the Indian and Japanese governments to further democratic, sustainable, and inclusive development in Africa, which is increasingly emerging as a theatre of great-power contestation in a fragmented global order. The corridor starts from the Yokohama and Tokyo ports in Japan and Mumbai in India, connecting the bilateral partners to Africa's east coast in Tanzania. The AAGC's foundations consist of four pillars: capacity and skills enhancement; quality infrastructure and institutional connectivity; development and cooperation projects; and people-to-

people partnerships. However, due to domestic political upheavals and changing foreign policy priorities in both India and Japan, the corridor is yet to be materialised.

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This article explores the nuances of the AAGC and argues that it is a strategic priority for India and Japan. Additionally, this piece offers recommendations for revamping the AAGC.

An Indo-Japanese strategic priority

Africa's heft in the global order is increasing. This is substantiated by the growing interest of great powers in the continent. There is an economic and connectivity corridor in every corner of the continent, from the United States (US) Partnership for Global Infrastructure and Investment (PGI), Europe's Global Gateway and its 12 strategic corridors, Italy's Mattei Plan, to the Chinese Belt and Road Initiative (BRI).

Of these, China's BRI has generated the most geopolitical and economic heft for the investor, Beijing. Under the BRI framework, China has remained the continent's largest creditor and development partner for most of the last 15 years. BRI economic engagement in Africa amounted to US$200 billion between 2013 and 2024. Russia, too, has been expanding its military cooperation in the continent, having signed agreements on defence collaboration and equipment purchases with 43 countries in Africa so far. Moscow is also the largest supplier of defence equipment to the continent. Thus, the 'No Limits' partners China and Russia seem to have monopolised Africa's economic and security partnership domains.

The AAGC is a strategic priority for India and Japan because China's economic heft stands to challenge India's leadership in the Global South, its development partnerships and geopolitical heft in Africa established through postcolonial bonhomie, and decades of bilateral and multilateral cooperation. For Japan, maintaining a Free and Open Indo-Pacific (FOIP), upholding the rules-based global order in multilateral organisations, and cooperating with the resource-rich continent is critical to meet current and future national aspirations.

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Chinese and Russian influence in the continent is also reflected in their voting patterns at the United Nations (UN). Less than half of the African bloc voted in favour of serious multilateral action against Russia in the UN General Assembly. China's strategy for the African bloc at the UN has been to build alliances based on economic development while engaging in multi-pronged efforts to mute criticism of its human-rights record. The increasing Chinese influence in the UN is detrimental to India, which is consistently aspiring to assume a greater role in global governance. Similarly, increasing Russian influence is directly detrimental to the Japanese foreign policy goal of a FOIP.

India's and Japan's converging interests in Africa should be reflected in the actualisation of the AAGC. The AAGC will be instrumental for the bilateral partners in hedging against the Chinese economic weight in Africa and necessary for their geopolitical, economic, and multilateral ambitions.

Hurdles and recommendations

The AAGC was conceptualised in 2017 by Indian Prime Minister Narendra Modi and the late Japanese Prime Minister Shinzo Abe, who is largely regarded as the architect of the FOIP concept. The corridor was derailed due to the reduced political will for the AAGC following the change in government in Japan, shifts in global and national priorities due to the pandemic, and the onset of multiple competing corridors such as the International North-South Transport Corridor, the India-Middle East-Europe Corridor, and Japan's development projects in Southeast Asia. These corridors are a result of the upending global order, the geopoliticisation and weaponisation of global trade routes, international financial architecture, and development aid at large. Moreover, capacity problems, implementation delays, and delayed financing from India caused the corridor to slow down.

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To further strengthen the AAGC, India and Japan should ideally adopt a three-pronged strategy based on adding more like-minded investors to the AAGC, adding African corridor partners, and instrumentalising the AAGC for green, clean, and digital connectivity initiatives, besides undertaking the port development necessary for economic and transport connectivity.

- *Adding corridor investors:* The United Arab Emirates (UAE) emerged as the largest investor in Africa in 2024, overtaking China. The UAE's royal families also control the Emirati DP World and Abu Dhabi Ports Group, through holding companies. Collectively, both companies operate seven ports on the Eastern coast of Africa through concession agreements. Incorporating the UAE as an investor in the AAGC could significantly contribute to the corridor's revitalisation. India's special and close ties with the UAE will be pivotal in reeling in Abu Dhabi. Adding the QUAD countries to the mix will also be essential in formalising the cooperation framework of the corridor. QUAD's strategic agenda includes balancing Chinese growing influence and economic heft in the Indo-Pacific, and the AAGC can serve as a vital pillar to achieve this.

- *Playing to their strengths:* Another facet that can be reworked in the AAGC is the category of projects that are undertaken. The big-ticket infrastructure landscape in Africa is getting increasingly competitive, with the PGI, BRI, Global Gateway, and the UAE leading in transport, maritime, rail, and road connectivity projects. India and Japan should play to their strengths and leverage their expertise in digital public infrastructure, subsea infrastructure, telecommunications, green tech, and green energy development (solar, wind, hydel) to the AAGC. While one cannot discount the necessity for big-ticket infrastructure, the primary focus besides port and hinterland connectivity should be in the aforementioned areas.

- *Adding African corridor partners:* The AAGC investors should also expand the landing points of the corridor on the African side by including countries such as Seychelles, Kenya, Madagascar, and Mozambique in the AAGC. Currently, only Tanzania is a part of the AAGC. Expanding the corridor to include these countries will aid the diversification of the trade routes, enhance the initiative's legitimacy by increasing African stakeholder participation, and allow these nations to diversify their aid sources from China on an equal footing.

Conclusion

Currently, India and Japan are members of numerous corridors, but several of these are in flux because of geopolitical and geoeconomic reasons. Their national governments could benefit from successful corridor cooperation. With India and Japan now being part of new routes connecting Asia to Europe via the Middle East, Africa is being largely overlooked, which could weaken their partnerships with African countries.

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The aforementioned policy suggestions are merely a step in revitalising the corridor. Even after adding investors, corridor partners, and projects to the AAGC, issues of economic connectivity, trade and tariff standardisation, and project implementation persist. However, a QUAD+UAE format, along with committed and like-minded partners from Africa, can certainly bolster the AAGC to fit the post-pandemic priorities of both new and old partners.

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