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Indian companies are 2nd largest employer in Nigeria, can do more – Ambassador



Caleb Ojewale

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Shri Balasubramanian, the Indian High Commissioner to Nigeria

*India is a top destination for Nigerian exports, and its companies have also been established here for decades, employing according to **SHRI BALASUBRAMANIAN**, the Indian High Commissioner to Nigeria, the second-largest number of people after the Nigerian government. In this interview with BusinessDay's **CALEB OJEWALE**, he speaks about trade between the two countries, India's contributions in Nigeria and opportunities to do more.*

You have been in Nigeria for about four months already, what has your experience been so far?

Nigeria has been wonderful. In the past four months that I have been here, I have had the opportunity to interact with many people and they are really friendly, social, and very hospitable. My wife and I have never settled this fast in any other place that we have been, it's a real pleasure and we are very happy to be here.

How will you describe the nature of trade between India and Nigeria and what has been the value of this trade in the last 10 years?

India and Nigeria have excellent trade relations. We are your largest trading partner. The National Bureau of Statistics has in the past two quarters also come out with statistics that India is the largest recipient of exports from Nigeria. We take nearly 10 and a half to 11 billion dollars worth of oil from Nigeria on an annual basis and we export somewhere around \$4.9-5 billion worth of goods and services. So the relationship on trade and economic cooperation is absolutely wonderful.

Because of the Covid-19 pandemic, there was an overall decline worldwide, but in spite of that, we have had an increase of more than 69 percent in the last year alone, recording a trade value of \$14.95 billion in 2021. It shows the resilience and the efforts that both sides have put in terms of developing trade and economic cooperation.

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Although Nigeria has trade balance in its favour, we still have excellent cooperation in trade and we hope to further increase these bilateral relations, particularly on the economic front between our two countries.

What goods dominate the trade between Nigeria and India?

Basically, we purchase a lot of oil from Nigeria. If I'm not mistaken, you're the fifth largest oil supplier to India. From our side, we have been providing engineering goods, pharmaceuticals, plastics, agricultural products, etc.

Although Nigeria has trade balance in its favour, we still have excellent cooperation in trade and we hope to further increase these bilateral relations, particularly on the economic front between our two countries.

In which areas do you think opportunities exist for us to deepen our trade from what it currently is?

On the non-oil side, pharmaceuticals are excellent. We already have close to about 650 to 670 million dollars of pharmaceutical products and drugs coming from India. In addition to that, there are many Indian companies which have set up manufacturing facilities in Nigeria.

Indian companies have made about three billion dollars worth of investments in the pharmaceutical sector. In other areas, let us say for example agriculture, you are one of the largest producers of sesame seeds and cashew. So these are agricultural areas where we can certainly come in.

Next year is the year of millets and as a tropical country; it will be easier for you to also grow millets and in a larger way. You have a large arable land which is available. So the opportunities in agriculture from production to processing are many. You can produce it over here and then export it not only to India but also to other parts of Africa.

The Serum Institute of India, which is the licensed manufacturer of Astrazeneca (Covid-19 vaccine), has an arrangement to start manufacturing in Nigeria. These are areas where we can easily cooperate.

Also, 5G, communications technology, and mobile banking are areas wherein we have a large scope to collaborate.

NASRDA, your space agency and the Indian space research organization have also signed an MoU. So space is another area where we can look at more opportunities, and these are many. We have to cooperatively work with each other.

In terms of doing business locally by Indian companies, can you paint a picture for us of how much Indian companies have invested into doing business in Nigeria?

We have more than 135 Indian companies working in Nigeria and they have been here for many decades. They have put in nearly 19.3 billion dollars worth of investment, and they are into all sectors.

Over many decades, there are Indian investments in every sector whether it is pharmaceuticals, oil, plastics, manufacturing. Indian companies actually generate a lot of employment. Anecdotally speaking, Indian companies are the second largest employer after the Nigerian state. This reflects the quantum of our involvement in the economic processes within the country.

I'm sure that the companies have found it profitable. It is mutually beneficial both for Nigeria and for the Indian companies. The environment which has been made conducive for Indian companies to come and work over here, generate employment and create economic prosperity has been quite positively and usefully utilized by India.

For Indian businesses in Nigeria, what have been their major impediments in operating here?

If those impediments were really serious, I don't think businesses would continue to survive; businesses would have to wind up, and would have left. There are ways and means through which they are in a position to overcome the impediments and the troubles that come from time to time.

But if you ask me what are those issues which would further strengthen their operation, I would say in terms of the Forex issue and the so-called security

issue, which sometimes, anything can happen in any part of the world.

However, the confidence that people have about security would certainly help, so this and addressing forex would further strengthen operations in Nigeria.

What are the top sectors of the Nigerian economy where Indian companies have been more active?

Telecommunications. After MTN, Airtel is the second largest telecoms provider here. In agriculture, we are a major stakeholder. In mining, African Industries Group is one of the largest employers and investors in Nigeria.

One of the stronger points of India is the digital empowerment that has happened in the country and we would be happy to share that experience as well as the technology. For example we have just launched 5G in India, it is an indigenously prepared one, and at least 50 percent cheaper than the global price.

That would mature and be stable enough to be exported subsequently, say towards the end of next year.

Apart from these are there other sectors of the Nigerian economy that Indian businesses are interested but unable to explore due to one obstacle or the other?

In the health sector, for example, there is good technology and expertise in India, which is attracting a lot of medical tourism. Also, there is a requirement over here in Nigeria. There's an (India backed) hospital in Abuja, Primus hospital, which was set up some years ago, but it is functioning at a low level.

We would certainly like to see more involvement in the health sector. We would also like to see more involvement in the ICT sector. We would certainly like to see more involvement in generic medicines because India is the pharmacy of the world, for both APIs and generic medicine. Generic medicines are at least 90 percent cheaper than branded ones.

These are some of the areas where we would certainly like to come and work with

Nigeria in realizing the potential that Nigeria has, as well as the strengths we have and can share with Nigeria. In addition to that, Film Production, latest technologies, ICT and space as I mentioned earlier, traditional medicine, artificial intelligence.

Many foreign governments have one development finance structure or the other to support other countries, does India have something of that nature, and how active has it been in Nigeria?

We have within the ministry of external affairs a department, which is called the Development Partnership Administration (DPA). Under this DPA, we provide development assistance on easy, instalment-type lines of credit.

We have extended close to 400 million dollars line of credit to Nigeria, but not all has been accepted. Only about a hundred million dollars have been accepted for two projects, which are nearing completion soon. One is on a gas supply transmission line and one is on solar, street lighting and things like that.

Our prime minister has clearly said that whatever the country's priorities are (where we have missions) and if we have strengths in it, we will certainly come across and help.

Closely related to development finances, we also have these intervention projects by foreign governments. For some, their interest is in agriculture, others health, etc. For India, have there been any focus areas or sectors for you in Nigeria? If so, which areas and what nature of support have you been extending?

Capacity building has been one of the strong points of India for many decades. In India we have something called Indian Technical and Economic Cooperation (I-TECH). Under it, we provide scholarships for short-term courses and some long-term courses also.

I am happy to say that our Nigerian friends; thousands of them and I'm not exaggerating, have over a period of many decades, utilised this particular

scholarship and have attained expertise in various fields whether it is ICT, banking, agriculture development.

On average in a year, we give close to 400 to 500 scholarships, starting in 1964. You can imagine in the past about 50 years at the rate of 500 people annually.

I'm very happy to say the current president is also an alumnus of the defence course in India. Also, former president Olusegun Obasanjo and former head of state, Ibrahim Babangida have been part of the I-Tech course.

In addition to that, there are thousands of Nigerian students who go to India to study and they are in all parts of the country in India. And I remember when I was in school, I had a classmate who was from Nigeria, whom I would love to meet now.

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Apart from capacity building, is there any other area that you may be interested in extending support to Nigeria?

No, certainly, it's open. In agriculture, if what I read in the newspapers is right, Nigeria has more than 54 percent of its land available as uncultivated. That is a great opportunity, especially for food security.

When India got independence in 1947, we were 313 million people which is exactly what today's United States is. Over a period of 75 years we have grown to 1.3 billion people. When we got independence, we did not have food security; we

did not have enough to feed people.

We got assistance from outside, but our governments over a period of years have invested quite regularly in Agriculture and for many years, we are not only secured to supply food to our own people, but we have also been exporting food.

In Nigeria, you have per capita a large quantity of land available and it is one area where we would be happy to cooperate. In areas, for example milk, India is one of the largest producers of milk.

There are small farmers, people having only about three cows, and they pull their milk together under something called Cooperative societies and that experience can be easily replicated with the number of cattle that you have.

Sugar is a commodity that is being produced over here, but you still need more and that is another area where we have developed hybrid and high-yielding varieties in India.

Food processing is another area where we can certainly cooperate. So these are some of the new areas which will have a direct bearing on citizens in which we have good experience and great opportunities for cooperation.

India is one of the world's significant military nations, what level of collaboration exists between India and Nigeria in leveraging some of the expertise your country has?

Let me go back a little in history. Nigeria got independence in 1960, and in 1962, our prime minister had visited Nigeria at that point in time and immediately after his visit, the National Defence Academy in Kaduna and the Naval War College in Port Harcourt were created jointly by India and Nigeria. Again, capacity building is what we are focusing on.

We have been providing various courses, like the I-Tech, and about 150 (security personnel) go to India on an annual basis to learn about our experience and to come up with counter Insurgency and counter-terrorism strategies. These are

two areas in which we have not only trained people from Nigeria in India, but we have also sent military training teams to Nigeria to teach them.

As we speak there is a team in Jaji, which is imparting a similar training till December. They have been here for a few months now. In addition to that, we have an MoU for pilot training. We have ships which come on a regular basis, and the most recent was in the month of September. Our ships come for joint exercises in Lagos along with the Nigerian Navy.

We have also deployed in the Gulf of Guinea for anti-piracy work earlier this year and shipped for one and a half months, we have also suggested certain other areas of collaboration in terms of a Landing ship or a training ship that can be brought over here. So these are some good areas on counter insurgency and counterterrorism that both countries have been involved in.

In terms of military equipment and contracts, how much engagement is taking place between Nigeria and India?

This is an area in which we would be more interested. India had traditionally been an importer of arms, but our government had made various changes and something that we call Atmanirbhar Bharat, which is a self-reliant India. Under this concept of our government, we have started producing a large number of equipment within India.

We still are not a hundred percent producer, but from a net importer, we have started exporting. There are also scoping delegations which came in last year to Nigeria, there is a discussion going on and I'm hopeful that something fruitful will certainly come up in terms of this new area of collaboration between our countries.

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The next thing here is the technology sector, in which India has carved a niche for itself, what can Nigeria learn from you in terms of your success story?

In India, successive governments have invested in education, higher education in particular. We have something called the Indian Institute of Technology. Initially, seven of them were created in different parts of the country which are centres of excellence and Tech companies CEOs of India origin that are often talked about, most of them have done their IETs, and management courses in one of the Institutes of management.

With the combination of Science and management, they have been very successful. In terms of micro small and medium Enterprises, a good concentration has been given by successive governments to develop this particular sector. If you look at a car today, for example, Tata has acquired Jaguar, and it's not that Tata is producing everything for Jaguar.

There are small industries which produce seat covers, brake pedals and other parts. There are multiple small and medium enterprises which are actually providing for bigger companies to make major products. So India concentrated on developing medium and small enterprises which produce small items but aggregate them subsequently for larger producers. That has led to the success of our space as well as nuclear technology; on the back of SMEs, the education field and the freedom with which these companies were allowed to grow.

Earlier, you mentioned the International Solar Alliance, can you shed some light on what that initiative is about, how is Nigeria involved, what is in it for us, how do we get to benefit from it?

Climate change is a major issue facing all countries and this is something that has no boundaries, no borders. When India started this initiative of international solar alliance along with the co-sponsor France, it was to have an alliance of all those countries which have more than 200 days of sunshine and Nigeria falls smack into that.

Many countries have joined, 140-150 countries have actually joined this Alliance and under this Alliance there is expertise in terms of solar power transmission, and storage, so work is going on in all these areas and the government of India

has also under the lines of credit offered the creation of solar panels, and solar power within Nigeria.

That is one of the projects under the 100 million dollars I earlier mentioned. It is about sharing experience and expertise in terms of solar power and creating sustained growth in all the countries to fight climate change through renewable energy.

On 5G, we've had one company here that's launched out of all the networks and we have Airtel which has an Indian link (despite available capacity that you earlier referenced). Why aren't we seeing the expertise from India reflecting in Airtel?

I'm sure it will happen. For whatever reason Airtel did not get the Spectrum license the last time but they are very keen to do so. In the next round of spectrum, I believe Airtel will certainly be participating.

I wanted to also mention in India, Airtel has launched 5G in eight cities. So they already have experience and the same technology that India has brought out. So I'm sure there would be an opportunity for Airtel also to come over here or any other Indian company to participate in the Nigerian sector.

Entertainment is something a lot of Nigerians are excited about and in terms of Bollywood-Nollywood collaboration, we've had Namaste Wahala. Looking at the entertainment, artistic and cultural aspects of collaboration, do you think we could get to do more?

Cultural cooperation between the two countries, people to people contact, and understanding each other is something which is very important. This is one of the soft powers that every country speaks about. Bollywood is one of the largest producers of films, and Nollywood in Africa is one of the largest producers of films. It is natural for both industries to collaborate with each other.

Namaste Wahala was one of the first Productions, and there is a second production, Nollywood goes to India, that is the title, but it hasn't come out yet.

The last one was shot in Nigeria, this time it is going to be shot completely in Bombay, with the usual drama.

Then there's also an MoU that is being worked out between the Ministry of information and broadcasting Ministry in India and the Ministry of Communications in Nigeria. It is an MoU on joint production of movies between the two countries.

Television series – Zee World and Zee Cinema – are quite popular here in Nigeria. They are dubbed into English and it is being telecast, and in Kano, Kaduna and other areas, people have learned Hindi just through the medium of watching Bollywood movies.

So that's a huge opportunity for collaboration but unfortunately, till now it has been slow. With Namaste Wahala and Nollywood goes to India and Zee coming over here, this collaboration has also started which I'm sure will foster closer relations between our two countries, as well as People to People contact.

Looking at bilateral relations between India and Nigeria, what treaties and agreements have been signed since Independence up to now and have been underutilized or probably never even utilized?

We don't have a direct connection between India and Nigeria, with 19 billion dollars in investments by India and 11 billion dollars of oil going to India. There is no direct air connectivity between the two sides.

That is the reason an agreement on air connectivity exists, which I believe will have to be put into action. AirPeace from Nigeria has finalized plans to go to India. Air India used to come over here but this is one more thing which we will have to do.

Cyber security is another area where we have signed an agreement but not much has happened. Then there is Tele education and Telemedicine, which have just started this year.

In Telemedicine, although we have identified two hospitals where the equipment would be set up, it is yet to take off. So these are some of the areas which will have a direct impact on the citizens of both sides.



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