



# Africa Day

A DNA International Feature



## En route towards prosperity for the citizens of Africa

Varun Industries, a global company, is committed towards growth, creating value and development in Africa. The company has forayed beyond steel into oil & natural gas, wind energy, uranium mining, precious metals & gems.

Varun Industries is proud to partner with the Republic of Madagascar for unlocking value and creating wealth. Varun's investments in Madagascar will boost the economic growth and add notably to the country's annual GDP. Varun's initiative in oil and gas, mining and other areas, will help the nation in its efforts to become sustainable, independent and secure.

Varun's subsidiaries in Madagascar:

- Varun Petroleum SARM, Madagascar
- Oil & Gas Corporation SARM, Madagascar
- Varun International SARM, Madagascar
- Madagascar Energy Corporation SARM, Madagascar



Steel | Oil & Natural Gas | Wind Energy | Mining

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### PERSPECTIVES

Since its inception in 1985, the Indo-African Chamber of Commerce and Industry has manifested its success in leaps and bounds. It is a major link for the promotion of trade and commerce between the two continents. It has continually played a crucial role to ascertain newer business sectors and opportunities to augment trade and investment. A galaxy of Indian business entities associate with the chamber in its effort to promote and develop trade and business relations between India and Africa.

— Sunanda Rajendran, Secretary General, Indo African Chamber of Commerce and Industries

The next century belongs to Africa. With its rich natural resources, competitive workforce and ever improving political environment, it presents a very favourable destination for investment. I believe that the first movers to Africa would be the mining and exploration companies along with infrastructure developers. Pharma, Agri-products, leather and beef, tourism, power generation, education, all these sectors have a huge untapped potential in Africa. In coming years, more and more businesses will adopt Africa as an important production base.

— Vishal S Doshi, Hon. Consul General of Botswana



### A slice of history

On April 15, 1958, in the city of Accra, Ghana, African leaders and activists gathered at the first Conference of Independent African States. It was the first pan-African Conference held on African soil and called for the founding of African Freedom Day, a day to "mark each year the onward progress of the liberation movement, and to symbolize the determination of the People of Africa to free themselves from foreign domination and exploitation." Five years later, another historic meeting occurred on May 25, 1963. Leaders of 32 independent African States met to form the Organization of African Unity (OAU). By then more than two thirds of the continent had achieved independence. At this meeting, the date of Africa Freedom Day was changed from April 15 to May 25, and Africa Freedom Day was declared African Liberation Day.

### AFRICA FACT FILE

Africa is the world's second-largest and second most-populous continent, after Asia. It covers 6% of the Earth's total surface area and 20.4% of the total land area. It is the only continent to stretch from the northern temperate to southern temperate zones. The continent is surrounded by the Mediterranean Sea to the north, both the Suez Canal and the Red Sea along the Sinai Peninsula to the northeast, the Indian Ocean to the southeast, and the Atlantic Ocean to the west. The continent has 54 sovereign states.

### DID YOU KNOW?

- Indo-Africa bilateral trade may reach USD 70 billion by 2015. From a meagre \$3 billion at the turn of the century, it crossed the \$46 billion mark last year.
- Indian investments in Africa are USD 33 billion.
- Trade exchange has increased by 21% per annum.
- Ethiopia's imports from India increased by 22%.
- Africa's share of India's exports has increased from about 4% in 2000-2001 to close to 6% in 2009-10.
- Africa's share in India's import basket has more than doubled from 3% in 2001-1 to 7% in 2001-10.
- In the last seven years, India-Africa trade has gone up seven-fold. Six of the world's fastest growing countries are from Africa.

## 'Africa is the next door for investment'

### How did Varun establish in Madagascar?

Varun Group has evolved from a leading exporter and supplier of stainless steel ware product to fully backward integrated steel manufacturer. Varun is a dynamic group and it has proved that a trading house can bring industrial revolution either in domestic or in transnational soil. It is a common area that growth, sustainability and diversification are the part of new generations strategy and business. There is no alternative to energy and Varun took the challenge. It has made efforts to grow in energy sector. Our hard work and commitment to grow in the field is promising in Madagascar as we found the right country for our future business.

### Developments at Varun Petroleum SARM?

Madagascar has historical evidence of Oil and Gas, which has been researched by many geologists since WW II. However due to lack of further research, it was not explored. The government body OMNIS (Office of Mines and National Industries and Strategy) took the initiative to unlock the underlying values and go for Private Public Partnership, which was activated from year 2006. Varun Petroleum SARM,

Madagascar has worked hard to get its first award, which was Onshore Block in the Morondava Basin on December 2008. We started research work immediately at the beginning of year 2009 and now we have already come across the hurdles of couple of stages. We are presently in the middle of Exploration stage and all obligations in this stage have been undertaken by us in consultation with Madagascar government. Our Block is the most promising Onshore Block in Madagascar. Thus the development in the initial stage is really satisfactory and we will get our result in the upcoming years, when the Oil will be discovered officially.

### Varun has an alliance with the Republic of Madagascar for Uranium Mining?

Uranium Mining and Exploration is something different than conventional mining. Uranium, Thorium are radioactive materials and their exploration and exploitation is subject to approval of certain agencies and government bodies. Varun has signed Joint venture agreement with OMNIS and IN-



Kiran Mehta, CMD, Varun Group

STN-Madagascar (research institute) for radioactive exploration and exploitation. A series of studies have been conducted and we are waiting for next phase to conduct drilling. Varun is committed to work with government of Madagascar. Export of Uranium Oxide to developing countries will change the scenario. Our motto is to grow in the energy field.

### How have Varun's biz interests grown?

We want to bring green revolution in Madagascar and support the economy to increase its GDP. Apart from mining, Varun has started agriculture so that Malagasy will no longer wait for importation. Varun has started pilot projects in North of Madagascar (Diego region) and developed model projects. The feedback will be applied in the greater way (large scale operation). It will generate multifold benefits.

### Your opinion about Indo-Africa ties?

Africa is now the next door for investment. Government of India has its different investment support program for all Africa nations. The present

scope and opportunity must be explored and energised so that investors will get more confident and think transnational investment. Africa is not a place for export but it is a place for green field investment. There are plenty of sectors where we can concentrate; agro and its allied industry, energy sector (uranium, oil and gas), other mining (such as gold, platinum, illuminates for paint industry), manufacturing, infrastructure industry (building road, rails, etc.), and precious stone sectors.

### How to improve Indo-Africa interaction?

Investment overseas is not easy and requires lot of support from the home country and country of investment. The opportunity of business is really present in Madagascar but it requires a strong level of determination to give a good shape.

Government of India has already forecast its future energy demand. Africa (especially Madagascar) is the right place for Energy Asset Acquisitions. Government of India must give support through wings like ONGC (Videsh) and UCIL to private parties like Varun to capture those assets through direct involvement and participation.