

information access and possibly create new mechanisms to fill gaps in existing services.

International Financial Institutions (IFI): Steps can be taken to improve Canada's record in winning IFI contracts in India. Canadian industry must be better equipped to manage all elements of the bidding process. And, Canada will work to ensure that companies have access to a level playing field with fair and transparent project competitions, evaluations, and awards. Government IFI-related financial support programs must be coordinated to support company efforts at key points through the entire IFI project cycle.

Investment Insurance: Private investors in Indian infrastructure projects need to have a greater awareness of and access to investment insurers such as the World Bank's Multilateral Investment Guarantee Agency and the Export Development Corporation's investment insurance. This would allow them to transfer some of the long-term political risks in India for a fixed, known premium.

International Consortia: Canada's international competitors have effectively manoeuvred into large Indian infrastructure projects by using consortia. They enable access to greater investment funding, spread project risk, and provide a broader range of expertise. Canadian industry should consider these international partnerships.

Foreign Investment Protection Agreement (FIPA): Canada and India are engaged in negotiations which will lead to a FIPA. The agreement will address all aspects of investment, including the transfer of funds and transparency, ownership and control, taxation, and dispute settlement mechanisms. When the negotiations are completed and a consensus is reached, the security of an investment agreement will mitigate investment risks. With the recent increase in Canadian investments in India, there are significant interests to protect.

Indian Liquidity: Indian firms plan to raise upwards of US\$9.0 billion in equity over the next year in international funds, to repay foreign debt or invest in capital expansion. This excess liquidity represents a financing opportunity for Canadian companies. Canada should target firms with excess foreign currency liquidity for industrial partnerships.

Education: A concerted effort will be made to improve Canadian industry's, especially small and medium-sized enterprises', knowledge of suitable export financing techniques and institutional support services.

Financing Guide Book: While trade financing institutions provide helpful publications describing their services, a comprehensive guide to all financing services and instruments applicable to India would be more useful. As part of the Focus India strategy, DFAIT will encourage the drafting of such a guide.