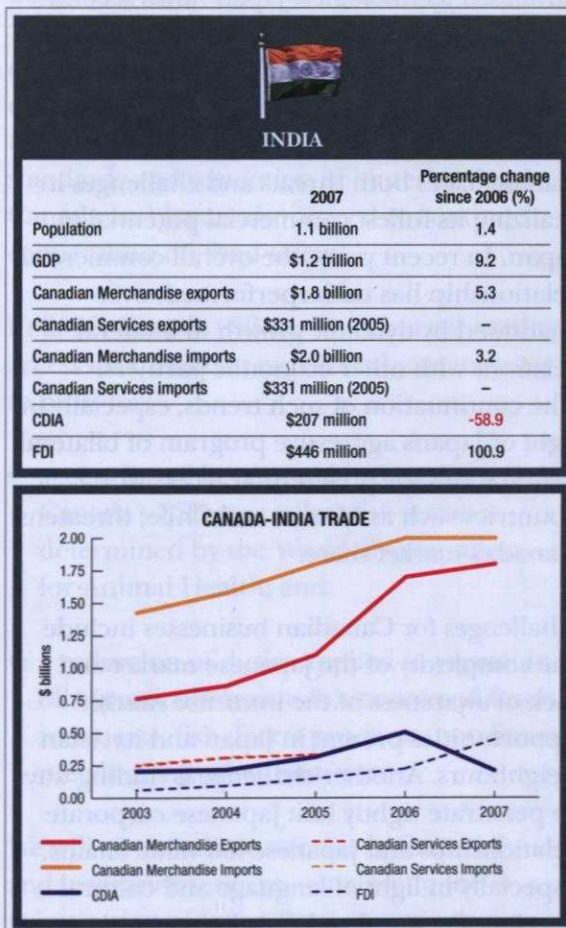


Chapter 7 Opening Doors to Asia

Canada has a particular asset in Hong Kong: over 220,000 people in Hong Kong are of Canadian nationality, and approximately 16% of Hong Kong citizens have studied in Canada.⁴ This creates an enormous reservoir of contacts—of people familiar with Canada and open to the idea of doing business with Canadian companies.

India



Business opportunities in India are virtually unlimited, and the world is taking notice. The world's largest democracy offers huge business potential with its large English-speaking workforce and a middle class expected to reach almost 600 million by 2025.⁵ Canadian companies are already finding success in the Indian market, and many more opportunities are emerging for the application of Canadian expertise.

Canada and India have concluded negotiations on a FIPA and are expected to sign in 2008. Once the agreement is signed, investment should increase. Areas of potential for Canadian companies include life sciences, infrastructure, natural resources, and information and communications technologies. Foreign ownership restrictions in India are still prevalent, especially in the financial sector; however, there is an emerging trend toward greater liberalization in India's investment regime. Some sectors, such as infrastructure, are experiencing faster liberalization as India realizes the need for more rapid growth in these sectors.

India's share of foreign direct investment in Canada is very small but increasing: 2007 saw an increase of Indian direct investment into Canada directed toward software development centres, educational technology firms and the telecommunications industry.⁶

Canada remains committed to increasing its access to the Indian market through a variety of initiatives and strategies. For example, the Government of Canada continues to engage

⁴ Hong Kong Baptist University Survey, 2007.

⁵ McKinsey Global Institute, *The "Bird of Gold": The Rise of India's Consumer Market*, May 2007.

⁶ www.asiapacific.ca/news/chrono_search.cfm.