

## Industrial Cooperation Program Promotes Trade With India

A program that will enable Canadian companies to identify potential technology transfer, licensing and joint venture partners in India is being introduced by The Canadian Manufacturers' Association (CMA) in cooperation with the Canadian International Development Agency (CIDA).

Recognizing the "exceptional opportunities" for promoting these potential arrangements, the CMA has been at the forefront in advancing initiatives to enhance Canada's industrial presence in India — a country whose Gross Domestic Product in 1989 amounted to US\$270 billion.

CMA's **Industrial Cooperation Business Development Program for India** offers participating Canadian companies:

- a specific information base on which companies can effectively negotiate with potential Indian joint venture and technology sharing partners;
- a short list (based on an extensive search in India) of potential partners; and
- a business program in India, enabling participants to meet potential Indian business partners.

Canadian companies interested in participating should contact Doreen Wallace Ruso, Director, Trade Development or Natesan Subramanian, Trade Advisor, The Canadian Manufacturers' Association, One Yonge Street, 14th Floor, Toronto M5E 1J9. Tel.: (416) 363-7261. Fax: (416) 363-3779.

## U.S. Trade Fairs — *Continued from page 8*

preferential rates will allow UTD to bring more Canadian companies to the U.S. market through participation in trade fairs.

UTD is sponsoring some 400 trade fairs and missions — both incoming and outgoing — during this fiscal year (1990-91), costing close to \$16 million. Every dollar invested in this program gener-

# Brazil: Market-Oriented Agricultural Reforms

The Brazilian government has adopted a plan to modernize and rationalize agricultural production.

The plan, announced on August 15, is in keeping with that country's program to liberalize its economy and open the country to imports.

Brazil will abandon its traditional approach to agriculture — it was characterized by state controls of production and marketing of basic crops and included an extensive and costly system of fiscal incentives and producer subsidies.

Establishment of cartels, price supports and other interventionist measures will now be replaced by free market principles.

Brazil will abandon its past attempts to become self-sufficient in all agricultural production and will now concentrate on crops such as beans, rice, corn and manioc in which it possesses a natural competitive advantage.

That, in turn, should offer good export prospects for such traditional Canadian products as feed grains, specialty seeds, and forage. Canada already supplies cereal grains to Brazil, a market that is expected to remain attractive.

Specific elements of Brazil's new agricultural initiative — aimed at making that country more market oriented as well as open to foreign imports — are:

- up to 50 per cent reduction of

tariffs on imports of agricultural machinery and raw materials;

- government involvement in marketing will be reduced — the state monopoly on the marketing of Brazilian-grown wheat will be removed, with producers selling directly to flour mills;

- environmental concerns will translate into greater control of agricultural activities, including reduction of agricultural credit for the Amazon region;

- the amount of agricultural credit (US\$6.7 billion) available to farmers will be allocated on the basis of the actual costs of production — it will be aimed to assist, in particular, the small producer and it will be adjusted regionally depending on the crop to be produced in order to encourage the development of crops suitable for a given region;
- guaranteed minimum prices paid to producers will be limited to crops in the "basic basket" (e.g. rice, corn, soy, cotton, manioc, sisal, grapes) — these prices will be "regionalized" to provide greater revenues for crops deemed to be more suitable for a given area;

- the government will encourage the establishment of agro-industrial facilities in the area of cultivation such as soy processing complexes;

- financial assistance for irrigation projects in the impoverished Northeastern part of the country, the development of the cerrado (dry central) region of Brazil and for small producers.

These market-oriented measures are intended to support increased Brazilian production of traditional crops, and reduce Government expenditures relating to subsidies.

For more information on the liberalizing Brazilian market and trade opportunities it offers, contact Roman Hruby, South America and Mexico Trade Development Division (LST), EAITC. Tel.: (613) 996-4199. Fax: (613) 952-3904.