

TELECOMMUNICATIONS

The Indian market for telecommunications is second only to China in terms of worldwide business potential for Canada's exporters. With one of the lowest telephone densities in the world, India has a mammoth task before it to provide more extensive telephone coverage to its 900 million people, 75 percent of whom live in some 576,000 villages.

Realizing the close link between telecommunications and economic development, India has now accorded top priority to the expansion of its telecommunications sector. The telephone network has been expanded from some 3.0 million access lines in 1989 to 7.6 million lines in 1994; network modernization and expansion expenditures are estimated US\$1.45 billion in 1992-93 and US\$1.93 billion in 1993-94. To reach its target of 20 million access lines by 2000, it is estimated that India will need some US\$50 billion worth of investment from domestic and international sources. Timing is significant in this sector: far reaching policy changes by India's Department of Telecommunications are underway, leading to liberalization and opening of the proven technologies and expertise. Canada is a leader in this field and is capable of being a major player in this very competitive industry.

A Memorandum of Understanding (MOU) on co-operation in telecommunications was signed between the Canadian High Commission, on behalf of the Department of Industry Canada, and the Indian Ministry of Telecommunications, during the Prime Minister's Team Canada Mission to India.

This MOU can provide the umbrella for a range of co-operative initiatives, including pilot projects demonstrating innovative wireless communication services.

Market Opportunities

Market potential exists for Canadian industry in the following areas: pack switching; cellular telephone services; paging systems; optical fibre; international links; V-SAT; digital microwave systems; RF Links; satellite terminals; and facsimile switches, as well as in a wide range of value-added services that have recently been opened to the private sector.

India offers excellent market potential for Canadian companies to enter into joint venture and technology transfer arrangements with Indian firms in the telecommunications sector. Many Indian telecom firms would be interested in marketing partnerships with Canadian firms, where they would market, install and service the Canadian equipment through their existing Indian sales networks. This arrangement would be followed up by a transfer of technology or a joint venture, so that the benefit of lower cost, highly skilled manpower in India could be used to mutual advantage. Other Indian telecom firms are keen on contract manufacturing for established Canadian companies.

Business opportunities are available in the telecom services and equipment industries, rural telephone, cable television, Supervisory Control and Data Acquisition Systems (SCADA), and human resources development activities. The opportunities