July 2, 1992

Trade Business Plan Released By Wilson

The first-ever International Trade Business Plan has been released by Minister of Industry, Science and Technology and Minister for International Trade Michael Wilson.

"This is a practical, hands-on document that will help Canadian businesses establish plans and priorities for foreign market opportunities in the coming year," Wilson said.

As a business tool, the Plan includes a list of 1992-93 governmentsponsored market development activities in all major sectors and all regions of the world.

"By presenting a cohesive International Trade Business Plan to industry, the provinces and the public at large, the government is helping to direct exporters and potential exporters to promising markets and outlining the federal programs and activities that can open doors to those markets," the Minister said.

"The market development focus of this Plan will also enhance exporters' ability to take advantage of the growing opportunities created by the Canada-U.S. Free Trade Agreement and the new markets that will flow from a successful North American Free Trade Agreement and the Uruguay Round of Multilateral Trade Negotiations.

"We are also issuing this Plan to generate comment from business to help ensure that our priorities and objectives are in balance," Wilson added.

The Plan was developed in close Continued on page 2 — Trade

Telecommunications Market in India Expanding Dramatically

"The telecommunications sector in India is booming." So says Rajesh Pilot, the Minister responsible, who adds, "telecom services today are not a luxury but a pre-condition for economic progress."

It is this attitude which explains why the entire telecommunications sector in India is set to expand dramatically — offering export opportunities for small- and mediumsize Canadian companies.

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The expansion plan follows from the mid-1991 liberalization process that eliminated the monopoly of the public sector Indian Telephone Industries (ITI).

If current plans are translated to reality, the Department of Telecommunications (DoT) will, between 1992-1997, introduce 12.5 million new lines. By comparison, in the last 40 years, only 4.5 million lines have been added. This expansion will cost DoT an estimated Rs. 40,000 crore - Cdn\$20 billion.

Given that DoT is a revenue producing department (including earnings of crucial foreign exchange), and the phenomenal pentup demand, these targets do not appear unrealistic. Observes Pilot, "Even a peon today feels the need for a phone."

The broader objectives, to be accomplished by the year 2000, include:

• 20 million telephones and telex

connections on demand (requiring approximately Cdn\$500 billion of overall investment);

- at least one phone for every village;
- public payphones in urban areas within easy access of those who cannot afford their own phone;
- a network constructed so subscriber-dialled calls flow freely; and
- a voice and data network for the industry, compatible with similar international networks.

DoT wants the telecom industry to collectively produce a million lines next year and reach a capacity of five million lines per year by the end of the decade. ITI, which only produces about 500,000 lines per year, will be clearly unable to meet such a demand. Consequently, the large multinational corporations will be needed to fill the gap.

Already, Alcatel has formed a joint venture with Modi to manufacture digital switching exchanges. AT&T has combined with Tata Telecom to manufacture transmission equipment. Fujitsu has signed a Memorandum of Understanding with Punjab Electronic Development Corporation to produce electronic exchanges. Motorola, Ericsson and Siemens are all interested. Canada's Northern Telecom also has a

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