

Annual Ministerial Meetings (at the Foreign Minister level) and Senior Officials Economic Consultations with India were established during Mr. Clark's visit to that country in 1985. These consultations focus on a wide range of bilateral and multilateral political and economic issues of mutual interest. The first round of these consultations took place in New Delhi in February 1987 in conjunction with Mr. Clark's visit to India.

A Memorandum Of Understanding on industrial-cooperation between Canada and India was signed in February 1987. The principle objectives of the agreement were to strengthen Canada-India industrial linkages, to heighten the focus on existing collaborative initiatives, and to provide an additional mechanism to pursue Canadian industrial interests in India. Activity has focussed on numerous sectoral-related initiatives, including trade fairs, seminars, missions etc.

India is a beneficiary of Canada's General Preferential Tariff (GPT).

Canadian exports to India amounted to \$298.5 million in 1989, and imports reached \$224 million. In 1989 India was Canada's eighth largest export market in Asia. While the statistics show a dependence on primary and semi-processed goods, these figures do not include such invisibles as contracts for design engineering, construction services and royalties, dividends, and fees for transfers of technology. These types of service contracts constitute a sizeable element of the broader commercial relationship between Canada and India.

The Indian Government, in one form or another, is the customer for a sizeable percentage of Canada's exports to that country. Most commodities are "canalized" through government trading agencies such as the Minerals and Metals Trading Corporation and the State Trading Corporation. Other important public sector purchasers include the Oil and Natural Gas Commission, Oil India Limited, the central and state power authorities, the Steel Authority of India Ltd., Hindustan Zinc Ltd., Hindustan Copper Ltd., and Coal India Ltd. The Canadian Commercial Corporation (CCC) can play a positive role in helping exporters, due to the Indian penchant for a government to government framework.

The Canadian Export Development Corporation is very active in India, keeping pace with the rapidly growing interest of the Canadian private sector in doing business in India. A parallel loan agreement totalling \$650 million was signed with the government of India by EDC and CIDA in 1983, for the Chamera Hydro electric project for which Canada supplied goods and services. This has led to a follow up on a project currently being negotiated for an extension to Chamera again featuring EDC/CIDA financing. A second significant initiative involves the oil and gas sector where a \$198 million line of credit exists and which has been instrumental in assisting a number of Canadian exporters in securing contracts in the sector.

Major successes are as follows:

Chamera I 1984 Hydro Project (almost complete).
Chamera Chamba Hydro Project (awarded).
Rajmahal January 1989 Coal Mine Project (signed).
CAE Electronics flight test simulators

CANADIAN MARKETING OPPORTUNITIES

- 1) Power & Energy Equipment & Service:
Estimated annual Market Size(EMS): \$820 mn
Major Competitors(MC): Soviet Union, U.K., Germany, USA & France
- 2) Mine, Metal, Mineral Products & Services: EMS : \$220 mn
MC : Soviet Union, Germany, U.K., France & Australia