



## **Market Access**

India is pressing ahead with liberalization and a critical part of this is making sure infrastructure development takes place. There is increasing interest from all over the world, including international financial institutions. Although Indian projects in urban transit often lack the usual feasibility study data which is essential for evaluation by potential bidders, there has been extensive interest in the projects by international firms. There is a tendency towards indigenous sourcing in the transit and rail sector. Canadian companies interested in the sector may have to explore technical collaboration and local joint ventures.

### *Doing Business in India*

Indian agents are a vital link in the chain of complex selling processes in India. The Indian market place is large and varied and most Canadian companies find the use of an agent of critical importance in guiding them through the maze of regulations and "red tape".

With the liberalization of the Indian economy, the tendency is towards the joint venture relationship. In this type of arrangement, a separate operating joint venture entity is usually created. Quite often, the Indian partner will request buy-back provisions in the joint venture to ensure an initial flow of business. Caution should be observed when unwritten understandings are being contemplated as they often create future problems.

### *EDC Financing*

EDC is open to selective financing support of projects in India. EDC's focus is increasingly on transactions involving infrastructure improvements. A priority is given to projects which offer strong benefits to Canada, are at an advanced commercial stage and do not require concessional funding.

### *Trade and Investment Risk*

According to International Business Communications of New York, in July 1995, India's risk rated as follows on a scale from A (low) to D (high):

Global Export Market Risk:

18 month: B-

5 year: B-