

many of Canada's competitors which have placed a higher priority on India both politically and commercially will have greater success in this market.

The complexity of the Indian business environment also affects potential Canadian success in India. Bureaucratic bottlenecks, conflicting or vague policies and guidelines, infrastructure problems, the importance of connections and cultural differences make India a difficult market to penetrate. While economic reforms have reduced tariffs and made investment approval easier, a number of barriers still exist which hinder access to this market. Import policies remain complex, government procurement practices could be more transparent and intellectual property protection needs improvement to comply with the results of the Uruguay Round of world trade talks. Foreign investment policies concerning repatriation of capital also need to be clarified and the process streamlined.

The analysis of market potential shows that Canada and Canadian business must position themselves now in the Indian market, or risk being left out. India's economic reforms and growing consumer class have revived international political and business interest in this market. Focus India encourages Canadian business to consider collaborative arrangements with Indian industry like joint ventures and technology transfers as well as direct investment. Furthermore, it stresses that opportunities exist not only for direct exports to India but to use the Indian market as a base for exports to third countries in the region or for re-export to Canada.

To add sharper focus to Canada's strategy for India, business development efforts will target three sectors: energy, including oil, gas and power; telecommunications; and environmental products and services. These three sectors were selected based on high, immediate or near-term demand and favourable market conditions in India, and they match Canadian capabilities and competitiveness. They were not selected at the exclusion of other Canadian sectoral strengths. However, concentrating limited resources in high potential areas is the most effective means of succeeding in India.

To help Canadian business overcome the challenges and to capitalize on the potential of this market, Focus India is designed to focus the efforts of the various players. It suggests that an increase in high-level visits, public relations and an extended diplomatic presence be undertaken to improve Canada's political relationship with India. Tangible initiatives would include market awareness programs such as ministerial visits, both to and from India, increased media exposure, and twinning programs, seminars, workshops and (sector-specific) trade missions. Enhanced bilateral consultations and formal mechanisms will help build commercial linkages between the two countries and gain more secure access for Canadian exports and investment.

Canadian Trade Commissioners will continue to be a vital link between Canadian business and the Indian market by providing timely market intelligence and advice to exporters. Focus India emphasizes the importance of promoting greater co-operation between Canadian and Indian business organizations and fostering