

- Automatic approval of up to 51 per cent equity investment in priority sectors, and many 100 per cent investments, approved by the Foreign Investment Promotion Board;
- Partial privatization of power generation, toll roads and telecommunications services;
- And, finally, most important of all in my view, India's historic signing of the Uruguay Round of the GATT, with the undertaking to join the World Trade Organization.

All this adds up to better access for foreign partners to the Indian market under more clearly defined rules than even before. The reform measures, I realize, raise sensitive issues for India, such as tax reform and the protection of intellectual property rights. We appreciate the process of adjustment and compromise which accompanies fundamental economic change. We ourselves have gone through similar adaptations over the last decade, as a result of our own freer trade initiatives. But freer trade is demonstrably helping Canada to compete more effectively on the world stage.

That, of course, is the whole rationale for international, rules-based trading systems. India's endorsement for the consummation of the Uruguay Round is welcome testimony to its recognition of these modern realities.

Canada, then, has strongly supported India's economic reform program, and, taking into account your obvious need to maintain domestic social and political support, we hope to see the pace of reform accelerate. We shall encourage, for example, your continuing attempts to modernize and improve infrastructure, especially in the areas of power generation and distribution, telecommunications services and transportation. These are all sectors in which Canadian expertise is strong, and all are represented among the Canadian businesspersons who have come to India with me.

We in Canada will be closely watching as India wrestles with another major issue raised in the GATT — the Code on Government Procurement, to which India currently is an observer. Full adherence to the Code will give India access to an immense procurement market, estimated at over US\$250 billion.

This will certainly help Canadian firms — some of which have world class products and technology to offer, for example, in the key areas of power and telecommunications — to find greater transparency and predictability in India's procurement regime.

India's economic indicators give us great cause for optimism; for example: