

### Market Access Results in 2003

- The Brunei government has recognized Canadian expertise in trade policy matters and issued a specific request for Canada to train Brunei's negotiators on trade in services and on technical barriers to trade.
- The Brunei government has signalled its continued commitment to the Doha Round of WTO negotiations.

### Canada's Market Access Priorities for 2004

- Continue efforts to change the prevailing tradition of "Buy British" and "Study in Britain", building on recent successes in the higher education, environmental and defence areas.

## India

### Overview

The Indian economy has changed dramatically since 1991, when India launched its program of economic reforms, which included trade and investment liberalization. The process of economic reform continues, although somewhat hesitantly. All remaining quantitative restrictions were lifted in April 2001. The insurance sector has been opened to private and foreign investment, and other sectors (e.g., garments, leather, toys and shoes) have been removed from the list of sectors reserved for small-scale industries. Further liberalization of capital account, foreign direct investment (FDI) and foreign institutional investment rules have been affected. Legislation to reform the bankruptcy, competition, pension and labour regimes, among others, is also being contemplated.

Total Canada-India merchandise trade for 2003 reached almost \$2 billion, with a balance of \$690 million in India's favour. Pulp and paper products, peas and pulses, and aerospace and telecommunications are Canada's principal exports to India.

Canadian direct investment in India is relatively modest, but increased to \$144 million in 2002 from \$84 million in 1991.

Indian investment in Canada remains underreported for a variety of technical reasons. The opening of

several software development centres in Canada by major India-based information technology firms points to the attractiveness of Canada as an investment destination and has attracted additional Indian investment. The growing Canada-India bilateral trade and investment ties have been facilitated by a number of business associations, most notably the Confederation of Indian Industry, the Federation of Indian Chambers of Commerce and Industry, the Canada-India Business Chamber and the Indo-Canadian Chamber of Commerce.

India constitutes a potentially significant market for almost any type of good, service or technology. An expanding middle class, estimated at up to 300 million, is interested in new products from around the world and offers significant opportunities for trade and investment, particularly in areas of traditional Canadian strength. These include telecommunications, transportation, agriculture and agri-food, power equipment and engineering, infrastructure development, oil and gas, mining and environmental technology, as well as banking, insurance and educational services.

### Market Access Results in 2003

- Following representations from many affected exporting countries, including high-level representations from Canada, India has removed the 4% Special Additional Duty (SAD) on all products imported into India.
- India has eased restrictions on foreign direct investment in the banking sector, increasing the cap from 49% to 74%.

### Canada's Market Access Priorities for 2004

- Press India to respect its WTO Information Technology Agreement commitments, particularly for telecommunications equipment.
- Monitor and respond to the increasing number of trade remedy actions being taken by India against Canadian imports (such as the anti-dumping actions on newsprint, vitamin C, specialty steel and pentaerythritol and the safeguard case against edible oil).
- Continue to seek approval of Canada's export certificate for pork.