

Sectors Offering Good Prospects

India's trade liberalization measures, economic reforms, and privatization of state entities have created opportunities in areas where Canadians have considerable expertise. The Canadian High Commission in New Delhi, following up on the successful launch of Focus India, suggests the sectors profiled here are well worth being pursued by Canadian business.

Agri-food

Opportunities exist in food processing, seeds and special crops, horticulture, and ways to improve pre- and post-harvesting technologies, including grading and storage facilities.

Telecommunications

This is a priority sector. The Government of India plans to install 13 million new telephone lines by the end of the decade. Opportunities for Canadian suppliers exist in basic telephone transmission, switching and distribution, terminal equipment, special added services and miscellaneous items such as specialized services equipment (e.g. fax cards, echo cancellers, etc). Opportunities also lie in the cellular market.

Software

Great potential exists for the forming of joint ventures with Indian software companies to produce software in India for domestic as well as for third-country markets. India, with the world's third-largest scientific and technical workforce, is an expert in software applications. The country's software exports grew 51 per cent in the first six months of 1995.

Cable Television Equipment

The requirements for CATV and regular broadcast equipment are many and the opportunities extensive. Cable TV now reaches 25 million homes in India and, with the growth of satellite TV providers, the demand for cable is increasing substantially. This is in addition to the 247 million people who receive over-the-air broadcasts from almost 700

transmitters spread throughout the country.

Environmental Equipment/Services

The value of the market today is estimated at \$0.5 billion. At an annual growth rate of 20 per cent to 25 per cent, the market should be worth \$4 billion by the year 2000. Opportunities exist in prevention, control and remediation of air, water and land pollution. Automobile-generated air pollution, fly ash from coal-burning thermal power generation, and flue gas desulphurization present problems for which advanced technology Canadian companies have solutions. Many Indian firms with limited experience in the field are looking for foreign partners in environmental consulting to help them meet the growing demands of this market.

Financial, Insurance and Agency Services

The highly restrictive market structure prior to 1991 has left local financial firms devoid of expertise. They now are seeking alliances with international firms, though further reform of the financial services sector is required to really open this area to Canadian banks and insurance firms.

Mining/Metals/Minerals

Opportunities exist generally in mining equipment, coal washeries, coking coal development, and hardrock mineral exploration and development. All metal groups (coal has some remaining restrictions) are open to private investment and development, a move encouraged by the government's March 1993

New Mineral Policy.

Oil and Gas

This sector was opened in 1991 to private exploitation — from exploration and development, to refining and downstream distribution. There are many opportunities in this \$3.5 billion to \$4 billion equipment market, one that is expected to grow by 12 per cent to 15 per cent over the next five years. Pipeline projects also are key areas for participation. As well, the services sector offers considerable opportunities, particularly in logging, cementing, management of rigs, and data acquisition.

Power and Energy Equipment

Opportunities exist in engineering and construction, equipment supply and the refurbishing of older power plants. By reducing barriers to entry, the Government of India also has given a boost to the alternative energy sector. In the privatized (1992) power sector, there are a wide range of incentives (including tax holidays and generous guaranteed rates of return on investment) to spur private investment.

Primary/Secondary Industrial Machinery

Almost all types are freely importable and Indian buyers are shopping globally for the latest technology at reasonable prices. By value (\$3.3 billion in 1993-94), these imports constitute 25 per cent of India's total imports. Expected annual growth is 15 per cent. Opportunities exist for: packaging; filtering and

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