

## Transportation and Distribution

The internal transportation system is fairly well developed, although progress is still needed in some of the rural areas. India is extensively covered by rail and road networks, supplemented by airline routes that link more than 70 cities and towns within the country. The rail system has been the traditional carrier of core supplies especially due to its low cost. There are ten major ports for international maritime trade: Mumbai (Bombay), Cochin, Kandla, Marmugao and Mangalore on the West coast and Tuticorin, Madras, Vishakapatnam, Paradip and Calcutta on the East coast. There are two auxiliary ports, Haldia for Calcutta and Nava Sheva for Bombay. Inland waterways are not a popular mode of transport. Warehousing facilities exist at all major ports and at export processing zones (EPZs), and public and private warehouses are available in all major markets. However, refrigerated transport and refrigerated storage facilities are in short supply.

## Power and Communications

In spite of an on-going effort by the government to increase power generation and service, power shortages and blackouts continue to occur. This is expected to improve as more plants are brought on line and usage becomes more efficient.

Telecommunication facilities are being upgraded on a continuous basis to meet the growing demand by both business and private users. Traditionally confined to the public sector, certain value added services (such as cellular and basic phone service, paging and e-mail) have been privatized.

## Banking and Finance

The Reserve Bank of India (RBI) is the country's central bank, responsible for issuing bank notes and supervising all banking operations (much like the Bank of Canada). The Industrial Bank of India (IDBI) is the premier institution for providing credit and other facilities for the development of industry. The Industrial Finance Corporation of India (IFCI) and the Industrial Credit and Investment Corporation of India (ICICI), together with IDBI, provide direct financial assistance to large and medium industrial concerns. The banking system also includes scheduled commercial banks (State Bank of India and its subsidiaries, other nationalized banks, foreign banks and non-nationalized Indian scheduled banks); regional rural scheduled banks; and cooperative and special service rural banks. The Government treats all overseas suppliers alike and there are no known counter trade or special business practices in doing business in the food processing and packaging sector. The primary method of financing imports is with an irrevocable letter of credit to cover the value of imports. Some Indian importers might consider deferred payment facilities and other lines of credit.

## Small Scale and Cottage Industries

A large part of the food processing industry is in the small scale and household sectors. The government has encouraged the development of cooperatives in certain areas, including the processing and marketing of fruits, vegetables and dairy products. However, a number of large Indian and multinational groups have a strong presence in this sector and have made an important contribution to its development.