

## **EXECUTIVE SUMMARY**

Without doubt, the potential to increase Canadian pulse exports exists in both India and Pakistan. A move to more liberal fiscal policies in both countries will foster, from a Canadian viewpoint, a better environment in which to conduct business, particularly in India.

India and Pakistan are major consumers of pulse crops. Both countries need to import significant quantities of pulses to offset insufficient domestic production. In 1990/91 India imported some \$US 260 million worth of pulses while Pakistan's pulse imports were approximately \$US 30 million. Canada's share of these markets has been traditionally low (eg. less than 1% in India from 1987-91). While India has adopted a policy of self-sufficiency for pulses, demand will continue to exceed domestic production for the foreseeable future. In Pakistan, the existing gap between domestic supply and demand should widen as more emphasis is placed on crops which can be sold on the export market (eg. cotton).

The most important determining factor in Canada's ability to supply either India or Pakistan is price. The largest area of demand in both countries remains the high volume-low price product, with bulk shipments offering significant cost advantages. However, a growing middle class in India is increasing demand for a higher quality product.

Branding of higher quality product is very evident in the markets of India and should be considered by Canadian companies as a marketing option. Branding was much less apparent in Pakistan and does not appear to be worth pursuing at present.

A concerted market development effort that demonstrates the Canadian industry's ability to consistently supply a good quality product is justified, although neither country could be considered a top priority for Canada. A coordinated market development strategy should consist of a number of elements such as in-Canada training for importers, rapid response to trade enquiries and active promotion of Canadian pulses in India and Pakistan (eg. serving dishes featuring Canadian pulses at functions hosted by Canada). The seminar approach used on the mission to deliver information on a number of topics is an effective tool and should be used by industry on other missions.