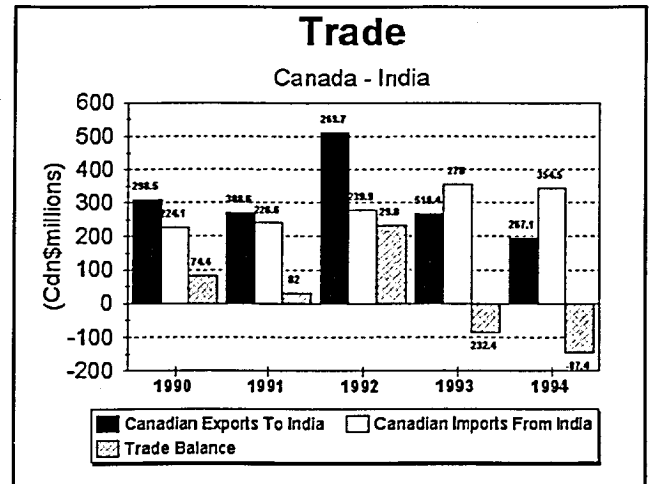
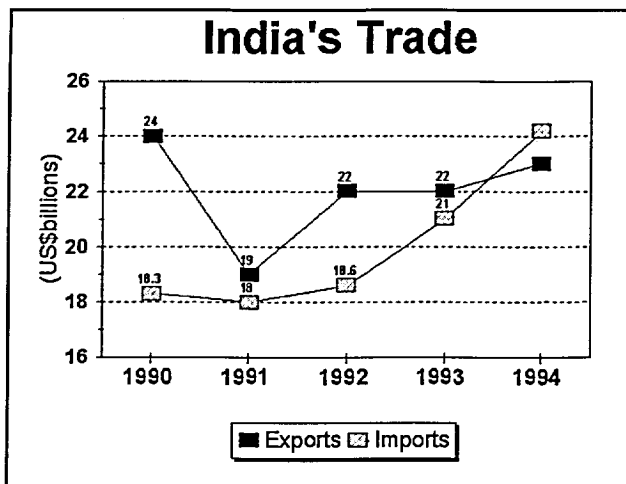
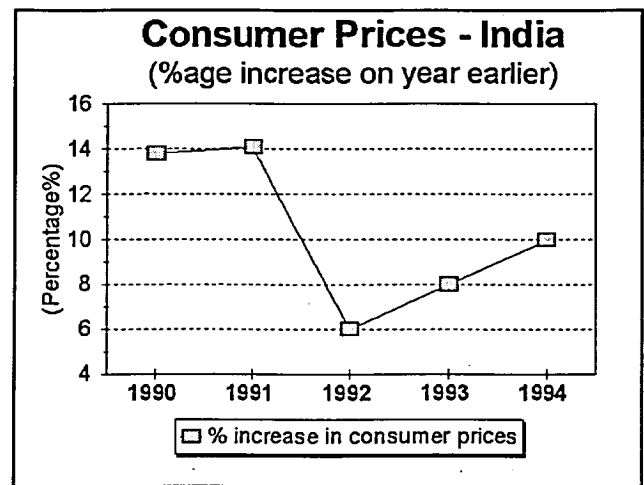
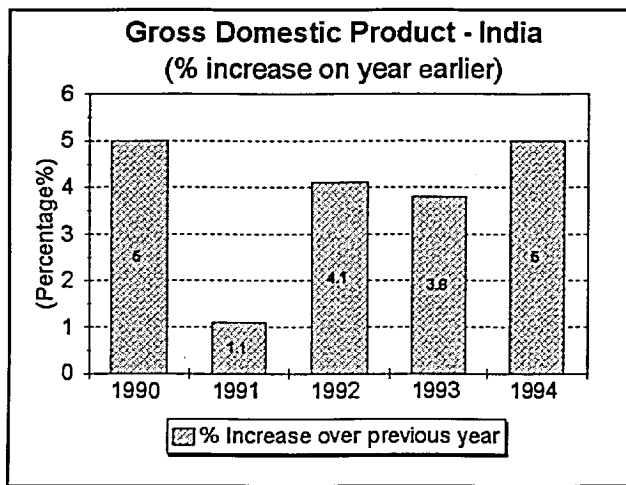


### III. Market Potential

There is enormous scope for Indo-Canadian commercial co-operation in the Indian market if we consider that there are virtually no untapped markets to rival India's size. At US\$250 billion, India is the 10th largest economy in the world in terms of GDP, 6th largest using the IMF's purchasing power parity measures. The country has a burgeoning middle class of between 150 and 250 million people that is becoming increasingly affluent and discerning. India has a wealth of agricultural and mineral resources, the potential of which has not even been half realized.

Furthermore, there are enormous infrastructure requirements. Like many of its neighbours, it has the potential to be the next 'Asian Tiger'.



The market potential is increasingly being reflected in strong economic indicators: India no longer needs a second IMF loan, and it is paying off the 1991 loan ahead of schedule. In 1994, the GDP growth rate returned to the 1990 level of 5 percent and is projected to reach 5.5 percent in 1995. Inflation has been reduced from close to 17 percent to under 10 percent (8.5 percent in November 1995). Since