

Focus India distinguishes the challenges and constraints Canadians face when accessing the Indian market. By identifying barriers that affect Canadian business – such as government procurement practices – we can work in concert to overcome them. By identifying other limitations – such as the lack of awareness both in Canada and in India of the potential to exploit jointly the new opportunities in our respective domestic markets as well as in third markets – we can focus our collective energies on surmounting them.

Focus India is by no means a static document; it will evolve with Canadian business development priorities and market conditions. Ultimately, we hope that *Focus India* will act as a catalyst for greater private sector involvement in India's economic development.

Focus India sets out Canadian priorities. By matching Indian needs with Canadian capabilities, it identifies those sectors – energy, telecommunications and environmental industries – that offer the greatest potential for Canadian business. The close fit between India's infrastructure needs and Canadian technological expertise makes India a highly lucrative market for Canadian business and investors.

Here are a few examples:

India's power requirements are immense. Not only is it faced with frequent power shortages but the growing middle class together with the rapid expansion of India's industrial base are pushing its energy requirements ever higher. The Government of India proposes to increase energy production by 35 per cent over the next three years. To that end, the Indian government has privatized the power sector and opened it up to foreign investment, while providing a series of incentives to attract foreign and domestic investment. The resulting inflow of domestic and offshore capital makes India's power sector one of the fastest growing in the world.

India's energy demand has also created a need for petroleum equipment and services. The oil and gas sector, once the exclusive domain of the Indian public sector, is now gradually being liberalized. This market, estimated to be about US\$4 billion and growing at about 15 per cent annually, offers a wealth of opportunity for Canada. And with this growth, Indian industry is hard-pressed to fill the demand. At present, more than half of the requirements are met through imports.

Similarly, Canada's expertise in telecommunications puts our companies in a good position to capitalize on the rapidly growing demand for equipment and services. This sector, again, once the exclusive domain of the Government of India, has been opened to the private sector, both domestic and offshore. And the recently announced decision to base the Indian telecommunications regulatory system upon Canada's CRTC [Canadian Radio-Television and