

of chocolate and confectionery are exported, mostly to Canada, Nepal, Sri Lanka, Australia and Saudi Arabia.

### **Semi-Processed and Ready-to-Eat Foods**

About 15,000 tonnes of ready-to-eat extruded foods was produced in 1992, and the market is estimated to be growing at a rate of 20% per year. The industry is in an emerging phase, and the recent entry of some large MNCs such as Kelloggs and Pepsico (which produces potato wafers in association with Punjab Agro Industries Corp.), will give it an added boost. Many snack foods such as chips, pappads and savouries are manufactured from extruded lentils, with the most popular being those spiced for the Indian palate. Ready mixes such as gulab jamun (a sweetmeat) and canned or pouched ready-to-eat curries are also growing markets in India.

*During the Team Canada trade mission in January 1996, Micro-Chem Laboratories Inc., of Mississauga, Ontario, (a food industry consulting company) signed a \$2 million memorandum of understanding with Garg Trading Co. of Delhi to create a joint venture which will manufacture convenience foods such as instant pudding mixes and instant drink crystals. The company to be formed in India, Indo-Canadian Foods Ltd., will have Garg Trading Company and Food Concepts International Inc. of Mississauga, Ontario, as equity partners. Micro-Chem will provide technology for setting up the manufacturing operation and receive royalty payments and fees for technical expertise.*

## **SPECIALTY FOODS**

### **Soya Products**

India produces approximately 20 million tonnes of soybeans per year, about 1.8% of total world production. Several soybean processing companies have opened over the past ten years, for the manufacture of soya based oils, soya milk, soya nuggets, soya flour, texturized soya foods and soya snacks. There is a significant corporate presence in this business and a fair amount of market development effort has already taken place. With increasing health awareness, the demand for soya based products is expected to increase.

### **Hotels and Restaurants**

With increasing foreign and domestic tourist traffic, the approved hotel room capacity is currently being doubled to 88,000. Although India bans or restricts imports of most food products, hotels may import if their foreign exchange earnings justify it. Hotels and tourist related businesses can obtain import licenses for consumer food products, limited to no more than 10% of the previous year's foreign exchange earnings for hotels and 2.5% for restaurants and tourist operations. Hotels may import almost any food product except beef and beef products, mineral water and aerated soft drinks, beer and gin. Imported foods are generally used in specialty restaurants, such as Chinese, Japanese, continental, French and Italian because local ingredients for such foods are not available or are of poor quality. These hotels and restaurants have found that their customers (mostly business people from North America, Europe, Israel, Japan and Korea) are willing to pay a premium price for quality imports.