

No approval is required for setting up a food processing joint venture company with 51-percent foreign equity. Higher foreign equity, up to 100 percent, can also be considered on a case-by-case basis. The Ministry of Food Processing Industries has introduced a "single-window" service concept, which has eliminated the time-consuming and often frustrating procedural barriers. The FIPB has been directed to clear all applications for foreign equity within six weeks.

Canadian companies can consider trade fair participation in Agriexpo/Ahara, held in New Delhi in March every year, and in Agro-Tech, held in Chandigarh every second year, in order to expose India to Canadian capabilities in crop production, agricultural equipment, hotel and restaurant equipment, and the food-processing sector. The Indian government has recently allowed general import of certain value-added consumer food products, such as fruit juices, sauces, chocolates and confectionery, shrimp, and some species of lobster.

**Food Processing:** This is a very fast-growing sector. Several major foreign companies, like Pepsico, Coca Cola, Kelloggs, McDonalds, Pizza Hut, KFC and Seagram from Canada have already entered this highly competitive market. In processed foods, a major element can be the development of exports, and foreign companies with buy-back and third-country marketing arrangements can be very successful. Companies that are 100-percent export-oriented are allowed to sell half of their production in the domestic market.

#### **Action Plan**

- Emphasis will be placed on increasing Canadian industry's knowledge of the immense opportunity that exists in India in the agri-food sector and the strong indicators that Indian industry is looking to Canada for the technology to maximize development of their production, to reduce waste during transportation, to improve their processing capability and to design storage facilities.

- Specific focus will be put on the food-processing industry and demonstration of Canadian technologies in this subsector.
- Focus will also be placed on developing the animal husbandry, dairy and poultry subsectors, where significant opportunities have been identified.
- Increased market information and intelligence will be provided to Canadian firms to enable them to take advantage of opportunities for sales, technology transfers, investments and/or joint ventures in a timely fashion.
- Senior-level visits from both countries will be encouraged, with emphasis on Ministerial or senior government officials as well as senior corporate decision makers.

#### **Specific Initiatives**

##### Outgoing Food Warehouse and Storage Mission (June 98)

Mission to India focussing on demonstrating Canada's post-harvest technologies, grain handling and storage, and cold-chain systems.

##### Agri-food Mission to Canada (Fall 98)

Mission to focus on food-processing technologies for value-added food products and traditional food product exports from Canada, such as peas and pulses, where Indian demand is clearly demonstrated.

##### Agri-food Mission to India (December 98)

Mission to focus on food-processing technologies, as above.

#### **References**

- Focus India: A Business Guide for Canadian Food-Processing Firms
- Focus India: Business Guide for Canadian Aquaculture Firms
- India's Packaging Machinery Sector: Business Opportunities for Canadians