

3. A growing number of companies that provide environmental consulting and advisory services including: environmental engineering; auditing; management systems (ISO 14000); and marketing.

To penetrate India's environmental markets, Canadian environmental companies need to consider two things.

First, Indian businesses have historically put a premium on labour over capital. This is due to the relatively low cost of labour, and the difficulty in obtaining foreign currency in the past. While foreign currency is more available today, businesses still take time to make capital stock decisions. Since environmental technology has a heavy capital component, Canadian companies should appreciate this factor in the decision making of potential Indian customers.

Second, the time to enter India's environmental market is now. As market demand takes off, companies are well advised to position themselves to take advantage of this opportunity. A more cautious approach may well result in sacrificing market share to foreign competitors.

4.2 International Environmental Agreements

India is a signatory to a number of international agreements including the Montreal Protocol, the Climate Change Convention and the Basil Convention.

India became a signatory to the Montreal Protocol in 1992 and is committed to a program of phasing out ozone-depleting substances (ODS) by 2010. The Montreal Protocol calls for the complete elimination of the production and consumption of ODS over a set period of time. The MoEF has been assigned as the key coordinating agency to promote India's compliance with the Protocol.

India is eligible to receive money through the Montreal Protocol Multilateral Fund (MPMF), and uses the Industrial Development Bank of India (IDBI) and the Small Industry Development Bank of India (SIDBI) as the implementing agencies for projects that phase out ODS. Progress to date has been marginal. The SME sector accounts for two thirds of ODS consumption and has yet to benefit from the transfer of ODS phase-out technology from industrialized countries.

The Indian government has signed and ratified the United Nations Framework Convention on Climate Change. It has been a diligent contributor to climate change negotiations and participated in all global meetings. While OECD countries and the former Eastern block countries are signatories to reducing greenhouse gas emissions, India, as a developing nation, has committed only to preparing national communications on the different aspects related to climate change. India qualifies for World Bank, Global Environmental Fund and other programs which are promoting the sustainable use of energy and a reduction in carbon emissions.