

PULP AND PAPER IN INDIA - MARKET PROSPECTS

EXECUTIVE SUMMARY

Situated in Asia, among the fastest growing markets in the world, India is the worlds largest untapped market. The Indian economy grew by 5.3% in the 1994-95 fiscal year. Projections for 1996 confidently predict continued growth between the range of 4.6% and 5.7%. Since 1991 India has undergone significant economic reforms in the areas of trade and investment. This reform and liberalization process is expected to deepen and widen its coverage. The reforms and the privatization of state entities have created opportunities for Canadian business.

In October 1995 the Federal Government launched a series of initiatives known as "Team Canada". The Team Canada approach was among many things, designed to assist Canadian businesses capture emerging market opportunities around the globe. A part of this approach is the Focus India initiative. It was designed to develop a Canadian economic and trade development strategy for India that integrates the efforts of federal and provincial governments, and incorporate the ideas and interests of the Canadian private sector. The attention on India by government and the private sector has been well placed. Sectoral opportunities in energy, power, telecommunications as well as environmental products and services have been pursued with success. In trade terms, India and Canada are no longer unknown to each other. An important but under-utilized sectoral opportunity is *Pulp and Paper*.

India is a country with a growing industrial and consumer society with a corresponding rise in demand for paper and paper products. India is also a country with a severe shortage of raw materials for paper and paper products. The Indian government actively encourages paper mills to use agricultural waste, such as wheat straws, rice husk, etc., for paper production. Competition for wood substitutes is, however, fierce. With scarce resources and competing uses, India has little choice but to import pulp and paper and upgrade its technology. Canada has more than just raw materials to offer India, it has a knowledge industry and technology along with a proven capacity for exports on a global scale.

India is a market waiting for Canada. Whether businesses are interested in exporting raw materials, machinery, processes, or knowledge, they cannot afford to ignore this market. The market has opened recently and it continues to widen. What follows is a summary of the data, information, analysis and intelligence needed to explore the market and maximize its potential.