

A. STRATEGIC OVERVIEW

India represents one of the most exciting emerging economies with the potential to evolve into an economic 'Tiger' in the next century.

India is now at a crucial juncture in its development. It is imperative that Canada be well positioned to capitalize on opportunities in this dynamic environment.

It is the government of Canada's policy to increase our bilateral economic relations with India. The vehicle to accomplish this is Focus India.

I. Terms of Reference

Focus India is an initiative to develop a Canadian economic and trade development strategy for India which integrates the efforts of federal and provincial governments, and incorporates the ideas and interests of the Canadian private sector. The realization of this strategy will allow Canada to:

- capitalize on the burgeoning business opportunities in the 'new' India;
- realize the market potential of the region with India as a strategic partner; and
- contribute to the economic prosperity and sustainable development of India.

This document is the launching point for the development of Canada's trade and economic strategy for India. The aim is to coordinate government programs and activities in order to be a catalyst for increased private sector involvement in India's economic development.

This strategy paper reflects extensive consultations among key federal government agencies supporting economic and trade development in the Indian Market. They include the Department of Foreign Affairs and International Trade (DFAIT), the Canadian International Development Agency (CIDA), Industry Canada (IC), the Export Development Corporation (EDC), the Canadian Commercial Corporation (CCC), the Canadian Office for Technology Exchange in the Environment (COTE) and Environment Canada. Provincial ministries responsible for trade and Canadian industry have also provided input.

The Focus India strategy will clearly identify Canada's trade priorities for the Indian market and determine the policies, actions and programs which all participants can pursue in concert to fulfil Canada's trade objectives in India.

As a first step, Focus India has analyzed the Canada - India environment (i.e. those factors which influence the success of Canadian business in the Indian market), identifying key opportunities and challenges. Subsequently, it compiled an