

(CSIR) being the largest. It alone has 40 research institutions and eight field extension centres covering all major scientific applications in industry. India's Department of Science and Technology promotes international S&T co-operation in the areas of upgrading skills, modernizing R&D facilities and exchanging S&T information for mutual benefit. Three main programs include:

- (1) bilateral co-operation with developed as well as developing countries;
- (2) regional co-operation; and
- (3) multilateral co-operation.

An example of India's strength in R&D can be seen in southern India's emergence as a leader in software development. Bangalore, Karnataka is known as the new Silicon Valley, and is the hub of computer software development in India. Many overseas firms have established developmental links with Indian software and research organizations. One Canadian firm incorporates over C\$20 million of Indian software/applications expertise into its Canadian and international operations each year.

Market Opportunities

The value of the Indian market seems to be underestimated by Canadian business and academics, but there are opportunities for R&D in India. These can be found in the following areas: software, agriculture, telecommunications and biotechnology.

Supplier Capability

Canada has many high-technology companies where investment in R&D activities could be leveraged to facilitate entry into the India market.

PARTNERING OVERVIEW

Indian agents/representatives are a vital link in the chain of complex selling processes in India. The Indian marketplace is large and varied, and most Canadian companies find the use of an agent of critical importance in guiding them through the maze of often opaque regulations and red tape.

Indian buyers, especially in the public sector, take a long time to formulate their buying plans while tenders are often delayed due to short-listing problems and complicated qualification procedures. It is most important that Canadian firms establish themselves in the marketplace during the pre-tender period. Even in the post-tender phase, negotiations can be long, drawn-out affairs, sometimes over several months. Canadian firms rarely have the facilities or the patience to pursue all of these activities, and therefore, an agent/representative is often the best solution.

Similarly, a joint-venture arrangement is often preferred when the Canadian firm is bringing some form of technology or know-how to the partnership rather than a specific product. Usually, a separate operating joint-venture entity is created. Majority ownerships may be held by either party. Quite often the Indian partner will request buy-back provisions in the joint venture to ensure an initial flow of business. In this type of arrangement, caution should be observed when unwritten understandings are being contemplated, as they often create future problems.

India as a source of investment into Canada is quite small, although during the past year, an Indian steel maker bought the Sidbec-Dosco company of Quebec. Other investments in Canada by Indian companies have been in sectors where market access into the United States has been of prime importance, i.e. pharmaceutical and software companies. Real estate and warehouse facilities are of increasing interest as Indian exports and business relationships expand in Canada.

