

ships could well be exorbitant. A collaboration or a link up with a prominent Indian company, either as a partner or in an agency role can be extremely important for a Canadian firm to make and maintain the necessary contact with key Indian decision makers.

A well-informed Indian representative should also be familiar with the Canadian principal's business particularly as it relates to the firm's product and service capability. The Government of India has set a priority on the indigenisation of Power Sector equipment and services. Increasingly, a foreign company's strategy for India will need to include local representation in some form of partnership. This is particularly important because a system of price preferences exists to support Indian suppliers of Power Sector equipment and services. In the equipment area, domestic producers are eligible for preferences ranging from 15% to 35%, depending on the degree of domestic content. Indian companies offering services are eligible for preferences ranging from 10% to 40%.

The Indian manufacturing industry, assisted significantly by the Confederation of Engineering Industry—its representative association, is developing a sound working relationship with the state-owned electric power industry. The growing confidence of the Indian private sector, coupled with the increased awareness and determination of the Indian Government policy makers, will cause the emphasis on indigenisation to accelerate in the coming years. Foreign firms then will increasingly be required to link up with India's manufacturing and servicing capabilities if they are to successfully enter the Indian market for equipment and services in the electric power, energy conservation and renewable energy markets.

Choosing an Indian Representative—Priority Decision

The selection of an Indian representative/partner requires a significant commitment of resources. While an agency relationship is appropriate for an initial entry into the market, the development of a more long term association is required if success is to be ensured over a medium to long term time frame. The time required for both the Canadian and Indian parties to assess their mutual capabilities can be lengthy. However, it is in the building of this knowledge, confidence and most importantly, mutual trust, that the success of a collaboration is likely to be ensured.

The local Indian representative regardless of his particular role, be it agent or full partner, should normally be a fully trusted and integrated member of a Canadian firm's team. Time invested in the selection process usually pays dividends in the form of open and high quality communications that yield well coordinated marketing strategies and optimal results.

The Canadian High Commission in New Delhi and Consulate of Canada in Bombay maintain an extensive roster of potential Indian representatives and collaborators. Through assistance from the Canadian commercial staff, Canadian firms seeking tie-ups have an excellent opportunity to meet with pre-screened potential Indian partners.

8. KEY CONTACTS IN CANADA AND INDIA

Canada

1. **The Department of External Affairs**, Government of Canada manages a programme of Trade Development activities in support of Canadian companies interested in exporting to India. The program includes missions, technical seminars, trade fairs, incoming buyers and market studies.

The Deputy Director, Asia Pacific South Trade Development Division, Department of External Affairs, 125 Sussex Drive, Ottawa, Ontario, K1A 0G2, Telephone: 613-995-7689, Telex: 053-3745.