

5. Canada and India's Power Sector

Canada's historical role

In the years following India's independence, Canada played a key role in the power sector. With financing from Canada's bilateral aid program, Canadian firms were responsible for building and equipping projects that even today represent 10 per cent of India's installed hydro capacity.

These included the *Canada Dam* at Mayurkshi in West Bengal, *Umtru* in Assam, *Kundah* in Tamil Nadu, *Idukki* in Kerala, and (more recently, with EDC parallel financing) *Chamera I* in Himachal Pradesh. Canada also supplied the reactors for the *RAPP 1* and *RAPP 2* nuclear power stations in Rajasthan. Important Canadian transmission undertakings have included the *Rihand-Delhi HVDC line*, and the *Vindhyachal* back-to-back project.

In the late 1980s, official Canadian financing for the power sector tailed off, and Canadian industry's involvement in Indian power began to decline. But with India's economic recovery since 1991, and the reforms that have been undertaken in the power sector, more Canadian companies are now exploring business opportunities there.

India has demonstrated that it is serious in encouraging a renewed Canadian role in power sector development. During the summer of 1995, a high-powered Indian delegation, including the new Secretary of the Power Ministry, an SEB chairman (from UP, the largest state), a private utility chairman, and the CEA's chief engineer toured Canada for roundtables with Cana-

dian industry, sponsored by the Conference Board of Canada.

Canada's market presence in India's power sector in recent years has been statistically very small, in terms of equipment supplies. On the one hand, using the broad OECD/UN definition of power generating machinery and equipment, Canada is among the seven leading OECD exporters worldwide. Yet, while India's annual imports from OECD countries for the years 1990-1992 under this definition averaged some US\$ 600 million, Canada accounted for barely one per cent of those imports.

Table 5.1 shows Statistics Canada's records of Canadian goods and equipment exports under the HS code items of major interest for the period January, 1992 to September, 1995. Sales to India accounted for only one per cent of those exports.

Canadians already on the ground

This modest performance for Canadian power sector exports is likely to change, with an increasing number of Canadian companies engaged in or pursuing opportunities for power business in India. In addition to *Pacific Electric Power Development Corporation*, with its proposed project at Jawaharpur in Uttar Pradesh (Box 3.1), the following have been reported among Canadian firms currently active in India.

Hydro-Québec and *Ontario Hydro* are members of the "E-7", a group of (actually eight)

