

With its high priority status with the government and its potential for profit, food processing is developing into a highly competitive sector. Several major foreign companies like Heinz, Baskin-Robbins and Cadbury Schweppes, McCain Foods and Seagram of Canada, Pepsico, Coca-Cola, Kelloggs, McDonalds, Pizza Hut, KFC, Continental Grain, Nemix (all of the USA), Galil Engineering of Israel, Alimenta and Turatti of Italy, Dalsem Veciap and Agricultural Engineering of Holland, Raymond John Kelly and Don Hodason of Australia and Henschel Export of Germany are some of the firms which have entered or are planning to enter the Indian market. These ventures bring the latest process techniques and food processing and packaging (FPP) equipment. Production includes tomato paste, ready-to-eat breakfast cereals, ice cream, soft drinks, snack foods, chewing gum, potato chips and spices.

A number of food processing items such as meat, tomato paste products, fast food, health food, breakfast cereals, tropical fruit juices, pulps, concentrates, preserved mushrooms and alcohol have been identified as thrust areas for exports. Many Indian firms are seeking joint venture partners along with the technology and equipment associated with the manufacture, marketing, handling and packaging of these food products. Some of these firms are listed in Part 3 of this report.

As India's food processing industry becomes more sophisticated, demand for quality intermediate food products and ingredients is expected to grow. Many of India's major food processing companies have expressed interest in importing intermediate food products such as cheese powders, flavourings, mixes and concentrates.

*Seagram has invested in whisky production, the fruit juice sector and agricultural research in India.*

## BEVERAGES

### *Bottled Water*

There is a growing awareness among Indians about the virtues of pure and filtered water, and for the emerging middle class, bottled water is seen as a status symbol. While imports of water into India is not permitted (it is a consumer product), Canadian companies can consider joint ventures with Indian companies in the processing/production of mineral water or the ozonization of spring water. Opportunity also exists for the provision of technical expertise and/or equipment for purification and bottling. Canadian water may be imported duty free, even when on the banned list, when the unit is set up for 100% export production.

*Prime Water Canadian Ltd., of Edmonton has set up a plant for producing bottled water under a joint venture with Beltek (India) Ltd.*

### *Soft Drinks*

The soft drinks industry in India is selling branded beverages and has been growing at 4-5% annually for the past 3 years. The industry believes that this market will expand by 5-10% annually following the entry of MNCs such as Pepsi and Coca Cola. Orange, cola and lemon