into line with its multilateral obligations. It resists the inclusion of strengthened IPR provisions in bilateral agreements such as the Foreign Investment Protection Agreement (FIPA) under negotiation with Canada.

4. India prefers a generic rather than sectoral approach to Most-Favoured Nation (MFN) and National Treatment exceptions, and resists the inclusion of provisions on MFN and National Treatment at the pre-investment stage in negotiations with Canada on a bilateral investment-protection agreement.

5. India is currently unwilling to make multilateral commitments to further liberalize the banking sector (by granting more licences for foreign bank branches) or to further open the insurance sector, unless there are commitments by developed countries to open their service markets to Indian companies to provide services through the movement of Indian personnel.

6. India has begun to use anti-dumping measures. While the procedures in place generally meet WTO criteria, there is concern that they will be used extensively to delay or obfuscate any advantages gained by Canadian exporters through market liberalization. Canadian exporters of newsprint, along with those from the United States and Russia, faced an anti-dumping case in 1996-97 in which major competitors such as those from the European Union were not named in the complaint, leading to many questions by importers and exporters alike.

FOREIGN INVESTMENT

Today, India welcomes foreign direct investment in virtually every sector of the economy except those of strategic concern such as defence and atomic energy. Salient features of the new policies toward foreign investment are as follows:

- Foreign equity up to 100 percent is allowed, subject to certain conditions.
- Automatic approval for foreign equity participation up to 51 percent is granted in several key areas. These approvals are normally granted within two weeks by the Reserve Bank of India (RBI).
- Foreign investors do not necessarily require a local partner.
- Free repatriation of profits and capital investment is permitted, except for a short specified list of consumer-goods industries, where it is subject to dividend balancing against export earnings.
- Use of foreign brand names/trade marks for sale of goods in India is permitted.
- Indian capital markets are now open to foreign institutional investors.
- Indian companies have been permitted to raise funds from international capital markets.
- Having signed the General Agreement of Tariffs and Trade (GATT), India is now a member of the WTO.
- Corporate taxes have been reduced by 5 to 10 percent. Further progressive reductions are planned.
- Special investment and tax incentives are given for exports and certain sectors such as power, electronics and food processing.

Although Canadian direct investment remains statistically low, over 30 Canadian companies have established some form of joint venture (in addition to those having sales agency relationships) since 1991. This raises optimism for greater exports of Canadian services and goods.

SCIENCE AND TECHNOLOGY

With over 50 000 scientific and technological professionals entering the work force every year, India has the third-largest pool of scientific and technological professionals in the world. India also has over 220 research centres, with the government run Council of Scientific and Industrial Research