
products and services to technology transfer, joint ventures, contract manufacturing, assembly of equipment and professional service contracts with government or other clients. Specific sector opportunities are discussed below.

Telephone Service - started in India in the 1870's, but its rate of growth has been slow; in 1947, when India became independent, it only had some 86,000 telephones, concentrated in the major cities. India's phone density of 0.5 per 100 people is one of the lowest in the world. The government plans to increase this figure to 2 per 100 people. There are currently over 9.8 million telephone lines with plans to expand to 20 million by the year 2000. During the 8th Five Year Plan ('92-'97) an additional 7.5 million lines will be required. Opportunities exist for Canadian telecommunications firms in many sub-sectors, especially for telephone company operations. The most likely entrants to this area will be Canadian and American firms.

Long Distance Network - is moving from open wire lines and open wire multi-channel carrier systems to digital technology. At present, the long distance network is a mixture of analogue and digital systems. Electronic switching technology exists in approximately 50 percent of the network and there is a mix of technologies (microwave, copper cable, fibre optics, satellite, and obsolete technologies). The long term aim is to have a completely digital national network with Direct Distance Dialling (DDD) and ISDN capability.

Datacom Service - is still very limited. Telexes are heavily used despite small packet switching and satellite-based message networks. There are plans to increase the number and capacity of these services significantly in the immediate future.

Value-Added Services - are not readily available in India. There is a large and immediate demand to expand voice messaging services, radio paging and mobile telephones, E-mail services, video conferencing and electronic data interchange. This sector is now open to private sector participation. The major issue for the government is establishing how to handle the licensing procedures.

Rural Telephones - are in scarce supply. Although 75 percent of the population live in rural areas, less than 10 percent of the telephone lines serve rural customers. The government has decided to provide at least one telephone to each village that has a village council. The potential market for rural telecommunications is large. A further government plan calls for at least one reliable pay phone in 576,000 villages and approximately 800,000 pay phones by the year 2000. This will require the commissioning of approximately 1.5 million lines of local switching in rural areas including the replacement and automation of 415,000 lines. The government also plans to automate all rural manual exchanges, replace all step-by-step exchanges with electronic equipment, and make subscriber trunk dialling available on all exchanges.