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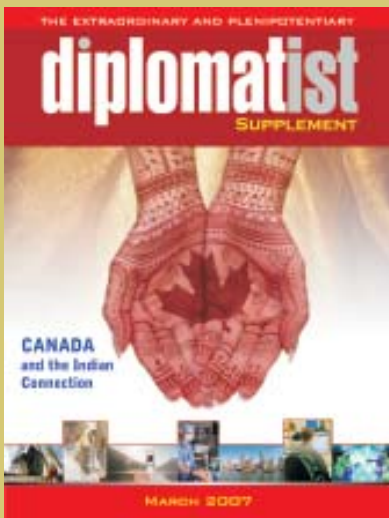
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Canada Supplement • March 2007

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Published, printed and owned by

Linda Brady Hawke on behalf of
L.B. Associates (Pvt) Ltd
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From The EDITOR-IN-CHIEF

A Timely Trade Mission

Diplomatist extends a warm welcome to Mr. Ted Menzies, Canada's Parliamentary Secretary. No doubt, the visit will further strengthen the strong ties that already exist between Canada and India.

The visit of Mr. Menzies and his delegation is indeed timely. On the verge of prosperity, gifted with a mushrooming middle class, India should be a perfect trading partner for Canada. As the world's largest democracy, India has managed to sustain stability in an often volatile world. As an economic powerhouse, Indians will be spending an estimated US\$400 billion on consumer goods by 2010. If its challenges, such as poor infrastructure, are enormous, the rewards to Canadian companies in capturing a portion of that market could be far greater. For instance: Addressing a conference on infrastructure in October (2006) Indian Prime Minister Dr Manmohan Singh stated, "India requires investments of US\$320 billion in infrastructure by 2012," revising his earlier estimate of US\$150 billion on the premise that an economy growing at 8 percent needs matching investments in infrastructure. This represents an enticing opportunity for Canadian companies.



After more than two years of negotiations, the two countries may soon conclude a foreign investment protection agreement. Prime Minister Manmohan Singh is also slated to visit Canada this year. Some say that this is all long overdue.

In 2005, two-way trade between India and Canada was worth about US\$3 billion, with a balance of US\$711 million in India's favour. In the first 11 months of 2006, Canadian exports of goods grew by an amazing 51 percent over the same period in 2005. There is still a lot of room for expansion. India is Canada's 18th-largest export market. Two-way direct investment is equally paltry, hovering around US\$250 million in 2005.

This is an excellent time to strengthen Indo-Canadian ties. Over the past 16 years, India has steadily lowered its tariffs in many areas. There are alluring foreign-investment opportunities, especially in infrastructure, manufacturing and services. Last October, in his only major speech on Canada-India relations, Canadian Foreign Minister Peter MacKay observed that eventually, Canada hopes to sign a free-trade deal with India.

Inside this special Canada Supplement we not only cover the investment potential for Canadian companies in India, but also remind Indian captains of industry that Canada is also open to foreign investment. After all, Indian companies have been spreading their wings and flying into many economies worldwide. While some have landed in Canada, we remind our Indian friends that there is still room for more.

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This Canada Supplement was published with cooperation from the High Commission of Canada, New Delhi

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Introducing Canada



The official ceremony inaugurating the new Canadian flag was held on Parliament Hill in Ottawa on 15 February 1965, with Governor General Georges Vanier, Prime Minister Lester B. Pearson, the members of the Cabinet and thousands of Canadians in attendance.



Quick Facts

Capital:	Ottawa
Total Area:	9,984,670 sq km
Population:	32,623,500 (2006 – Stats Can)
Religions:	Christianity 69.7; Islam 4.4%; other 11.8%; none 16% (2001 census)
Languages:	English (official) 59.3%, French (official) 23.2%, other 17.5%
GDP (PPP):	US\$1.165 trillion (2006 est.) Real Growth Rate: 2.8% (2006 est.)
Exports:	Major exports are motor vehicles and parts, industrial machinery, aircraft, telecom equipment; chemicals, plastics, fertilizers; wood pulp, timber, crude petroleum, natural gas, electricity, aluminium.

Source: CIA World Factbook unless otherwise specified

They trickled across the land bridge between Siberia and today's Alaska thousands of years ago. Some settled in Canada. These were the aboriginal peoples of Canada—those that we now refer to as Native Indians and Inuit. The Norsemen were the next arrivals; they came about 1000 years ago and settled briefly in northern Newfoundland. Some even believe that the legendary Vineland, mentioned in their chronicles, was located in present day Nova Scotia or New Brunswick. Then came the French and British exploration, settlement, and struggle for dominance. French Canada fell into British hands in 1759, but French language, traditions and culture remain to be a significant part of Canadian society to this day. When the American War of Independence broke out in 1776, colonists loyal to the British Empire crossed the border into Eastern Canada and remained. All of these groups make up the first batches of peoples that are now called Canadians.

Today Canada has a population of 33,098,932 (July 2006 est.) with 52 percent of these being English speaking and 20.2 percent being French speaking. Those that speak Italian, Chinese, Ukrainian, Dutch, Greek, Polish, and Indian and Scandinavian languages make up other large portions. The aboriginal people which consist of Native Indians and Inuit, and Metis make up the other significant population groups.

Niagara Falls



Inuit is the preferred name of the northern people of Canada that were formerly referred to as Eskimos, while Metis are those that have mixed aboriginal and European blood.

Quebec, Ontario, Nova Scotia and New Brunswick joined together on the 1st of July 1867 to create a new country called Canada, which now consists of 10 provinces and 3 territories covering a total area of 9,984,670 square kilometres. Canada, the second largest country in the world, stretches east to west from the Atlantic to the Pacific and reaches north through the Arctic Ocean to the North Pole. A land of vast distances, the country is strategically located between Russia and the United States via the north polar route; approximately 90 percent of the population is concentrated within 160 km of the US border. Canada is rich in natural resources—iron ore, nickel, zinc, copper, gold, lead, molybdenum, potash, diamonds, silver, fish, timber, wildlife, coal, petroleum, natural gas, and hydropower.

Canadian Prairie skies



The Atlantic Provinces consisting of Newfoundland (capital St. John's), Nova Scotia (capital Halifax), New Brunswick (capital Fredericton) and Prince Edward Island (capital Charlottetown) are made up of woodland, farmland, rocky coves and sandy beaches of the Bay of Fundy, Gulf of St. Lawrence and Atlantic Ocean. The provinces of Quebec (capital Quebec City) and Ontario (capital Toronto) are located in the east-central part of Canada. These provinces have vast forested wildernesses with hundreds of lakes in their northern reaches, and major industrial and commercial centres in the south. Manitoba (capital Winnipeg), Saskatchewan (capital Regina), and the eastern part of Alberta (capital Edmonton) make up west-central Canada. Here we find vast prairies consisting of large grain farms. To the north lie the frozen tundra of Nunavut Territory (capital Iqaluit) and the Northwest Territories (capital Yellowknife). The major part of western Canada, consisting of the western part of Alberta, British Columbia (capital Victoria) and Yukon Territory (capital Whitehorse) is covered by The Rocky Mountains, lapped by the Pacific Ocean.

Picturesque fishing village in Atlantic Canada



Canada is a constitutional monarchy that is also a parliamentary democracy. The Constitution is made up of unwritten and written acts, customs, judicial decisions, and traditions. The written part of the constitution consists of the Constitution Act of 29 March 1867, which created a federation of four provinces, and the Constitution Act of 17 April 1982, which transferred formal control over the constitution from Britain to Canada, and added a Canadian Charter of Rights and Freedoms as well as procedures for constitutional amendments. The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society. Canada's Head of State is Her Majesty Queen Elizabeth II, who has been represented by Governor General Michaëlle Jean since 27 September 2005.

Killer Whale off Canada's west coast



As an affluent, high-tech industrial society, Canada has a market-oriented economic system and high standards of living. The impressive growth of the manufacturing, mining, and service sectors over the last fifty years has transformed the nation from a largely rural economy into one that is primarily industrial and urban. The 1989 US-Canada Free Trade Agreement (FTA) and the 1994 North American Free Trade Agreement (NAFTA) touched off a dramatic increase in trade with the United States. Given its great natural resources, skilled labour force, and modern capital plant, Canada enjoys solid economic prospects. Top-notch fiscal management has produced consecutive balanced budgets since 1997. Exports account for roughly a third of GDP, with the US absorbing approximately 85 percent of Canadian exports, which comprise in part of energy, including oil, gas, uranium, and electric power.

INTERVIEW

International Trade Minister

An infrastructure-oriented trade mission lead by Parliamentary Secretary Ted Menzies* will visit India in March (2007), to spotlight Canadian companies in New Delhi, Hyderabad and Mumbai. The following is an interview with the Honourable David Emerson, Canada's International Trade Minister conducted by Dr. Sunil K. Sukumaran.



Honourable David Emerson

How has India emerged as a global economic force?

Canada and the world witnessed India reinvent itself in the 1990s. We saw how wide-ranging economic reforms opened markets there. We saw how, step-by-step, competition was encouraged – helping harness and energize an entrepreneurial spirit centuries old.

India's economic reforms have led to considerable economic growth – now the world's 12th largest economy, India is projected to be 7th by 2020.

Its climb up the value chain has been particularly remarkable. Some** observers have even suggested that India “skipped” the industrial revolution altogether, and leapt headfirst into the new knowledge economy.

It's an exciting time. Sixty years after Independence, we're seeing the emergence of a strong, innovative and confident India. This confidence finds India increasingly opening itself to market forces. India is reaching out to the world, and deepening economic engagement with its neighbours throughout Asia — and with trading partners across the globe.

Canada has a lot to offer India in a number of key sectors. Can you elaborate on this?

The Government of Canada has developed a market plan for India which identifies a number of priority sectors for Canadian companies. These priorities are based on three factors: opportunities in India, Canadian capabilities, and Canadian interest.

Transportation and logistics is a particular focus. Canada's mark on transportation systems can be found around the world:

- From transportation companies like Bombardier, which is planning to launch a new charter jet business in this country
- To CAE, which just announced the opening of a training centre in Bangalore, to train up to 1,000 pilots each year
- To Canadian companies who have long supplied India with railway rolling stock and freight management systems
- To our vast experience with ports and traffic management systems

Energy infrastructure is another focus. Our companies are helping India make more out of its own energy resources:

- Niko Resources of Calgary, for instance, recently helped Indian partners find oil in the Bay of Bengal
- And Vancouver's Mantra Mining recently opened an office near Mumbai

Energy distribution is also a challenge for India. Almost a full quarter of India's electricity is lost in transmission. Canadian firms have enormous experience in building and managing vast and effective power supplies — at both the Canadian and North American level. We can help design reliable, interconnected energy systems that will drive Indian growth into the future.

Canada is a world leader in “green” technology. How does this expertise best apply to meeting India's needs?

India's rapid urbanization and red-hot economy are giving rise to serious challenges like pollution and increased greenhouse gas emissions. Thanks to innovative companies like Westport and Ballard, Canada has developed a broad scope of expertise in clean and renewable energy sources, including biomass, clean coal and

hydrogen fuel cells, as well as solutions to a range of environmental issues, including water, air and coastal pollution. And Toronto's SkyPower is joining forces with India's Pekon Electronics to develop wind farms in India.

Are there other areas of Canadian expertise that can apply equally well to the Indian economy?

Thanks to our history of ICT innovation, Canada has become one of the most digitally advanced economies in the world — and a preferred partner in telecommunications and high-technology. Companies like RIM and Nortel are leaving their mark around the world, and making Canada a high-tech partner of choice. In fact, telecommunications and high technology provide a clear example of the important role played by investment in the Canada-India relationship.

Canada is a growing destination for Indian software investment. Investors are attracted by the opportunity to penetrate the North American market from a Canadian base. And they like Canada's low-cost environment and incentives for research and development.

We're also seeing Indian investments in oil and gas, to financial services, to life sciences and mining.

India has made great strides to liberalize its investment regime. How has Canada responded to this development?

There are numerous examples of how Canada has responded:

- From Nortel's new Technology Centre in Bangalore
- To Westport's new natural gas engine, being manufactured in Daman
- To Sun Life, which is investing over \$100 million with its partners to establish 25 new branches throughout India
- To bring our investment relationship to a new level, we're negotiating a Foreign Investment and Protection Agreement (FIPA) with India. The Agreement will give investors in both countries the access and protection they need to each of our markets. We hope to conclude negotiations soon, hopefully in the coming months

The Canada-India Joint S&T Cooperation Agreement was signed in November 2005. Can you tell us more about this Agreement and the Joint S&T Cooperation Committee that oversees its implementation?

The signing of the Canada-India Agreement for Scientific and Technological Cooperation on November 18, 2005 gave a new impetus to Canada's S&T relationship with India.

This Agreement will enhance future trade and investment through commercialization of research over the long term.

Strategic research has led to five thematic areas for initial cooperation under the Agreement:

- Biotechnology/Health Research/Medical Devices;
- Sustainable Environmental Technologies and Alternate Energy;
- Nanoscience/Nanomedicine;
- Information and Communications Technologies (wireless, rural connectivity, infotainment); and,
- Earth Sciences and Disaster Management.

We look forward to strong Canada-India S&T partnerships, and want to ensure we involve our respective private sectors to mutually benefit from commercialization outcomes.

Building on our shared strengths and priorities in science and technology, the Agreement is encouraging exchanges of scientists and other technical experts, as well as joint research and development projects, and serves as one of many tools to assist Canadian companies in their efforts to commercialize innovative new technologies. It also helps to provide access to international technologies and some of the world's best research facilities, and to promote Canada as a world-class destination for foreign technology-based investments, researchers, and students of science and engineering.

As part of this, an International Science and Technology Partnerships Program (ISTPP) was put in place to promote Canadian academic-industry S&T linkages with Indian counterparts. This was done to foster and support bilateral research and development projects that have the potential for commercialization.

With an allocation of \$6.75 million over 4 years for India, the ISTPP will be delivered by an arms-length organization in Canada. The ISTPP is one of many facets of the bilateral S&T relationship, and can be viewed as a "seed fund" to leverage other funding sources. Various other public and private sector participants are bringing significant resources to the bilateral relationship, including S&T expertise and funds.

Tapping into the above, alternative sources of funding and expertise from across the country will bring greater success to supporting Canadian S&T activity under the S&T Agreement. The Indian Government has offered to match any S&T funds from Canada under the Agreement. Some Canadian provincial partners have also come forward with funds and programs of their own to support S&T collaboration with India (i.e. most recently Ontario).

What has been done to date as a result of the S&T Agreement?

So far, among other steps taken:

- The designation of Canadian and Indian Expert Coordinators to build public-private research networks and bring strategic focus to work under the Agreement
- Two senior Indian visits to Canada resulting in MOUs between the Indian Department of Biotechnology and National Research Council Canada as well as Agriculture and Agri-food Canada
- Three visits between the Communications Research Centre Canada and the Indian ICT Expert Coordinator to advance specific collaboration in information and communications technologies
- An Indian nanotechnology scoping mission to Canada in November 2005
- A bilateral nanoscience workshop at Nanoforum, which is being organized by a consortium of institutions at the University of Waterloo this June
- A bilateral biofuels workshop held in New Delhi on February 3, 2007 leading to a joint call for proposals
- A bilateral workshop on health biotechnology (vaccines and infectious diseases) held in New Delhi on February 22, 2007
- Two bilateral workshops in agricultural biotechnology ("food processing/post-harvest, dairy and functional food" in Mysore on March 7, 2007 and "plants for human health" in Saskatoon in May 2008)
- Concrete projects resulting from several earth sciences and natural disasters management missions to India

- A joint academic committee to explore and develop recommendations for exchanges and a young scientists program

The above is comprised of some twenty bilateral visits over the course of a year sponsored by Canada and India in core areas of S&T cooperation under the Agreement. This does not include the many two-way S&T visits taking place at the provincial, academic and industry levels.

The Joint S&T Cooperation Committee is an integral part of this agreement. What is its mandate and who are its chairs?

The Joint S&T Cooperation Committee, comprised of government/academic/private sector representatives, is responsible for overseeing and implementing bilateral S&T activities under the Agreement, including submitting an annual report to Ministers.

The Joint Committee is co-chaired by Dr. Arthur Carty, National Science Advisor, Canada, and Dr. T. Ramasami, Secretary, Department of Science and Technology, India.

Is the Agreement part of a larger Government of Canada strategy to improve Canadian competitiveness and productivity?

The S&T Agreement aligns with *Advantage Canada* – the Government of Canada’s economic plan – and its proposed Global Commerce Strategy.

This Strategy will utilize a full suite of trade and investment policy instruments and improve access to foreign markets, through three integrated elements:

1. Make Canada a partner of choice for international business
2. Negotiate improved access to global markets, capital, technology and talent
3. Connect Canadian business with expanding global opportunities

As part of this, Canada is aggressively seeking new market opportunities, and working closely with its businesses, investors and Trade Commissioners around the world to target and penetrate these markets.

India is Canada’s largest trading partner in South Asia, but Canada’s imports from India are not even 0.5 percent. What can India do to increase its share in Canadian markets?

This will be the topic of a Canada-India CEO Forum to take place in Delhi on March 13th, 2007, during the Government of Canada’s trade mission to India. Top Indian and Canadian CEOs will deliberate on the question of how to increase Canada-India commerce and will report back to Kamal Nath, Minister of Commerce and Industry, and myself.

As both India and Canada have large arable areas, what are the prospects of agro-based industrial trade relations between the two countries?

Canada-India bilateral trade in agri-food has been increasing; it rose from \$128 million in 2002 to \$398 million in 2006. Much of this growth occurred in 2006 due to exceptional sales of Canadian wheat to India (in 2005, bilateral trade in agri-food was valued at \$171 million). Wheat and pulses constitute the majority of Canada’s current agri-food exports to India. Once again, increased trade will be an issue for discussion between Minister Nath and myself on March 13th.

Do you have a final message to impart to our readers?

India is at the top of Canada’s list, and the proposed Global Commerce Strategy will make this very evident over the next few years.

Canada is extremely well-placed to help India manage its growth. As

a nation, we’ve been very successful at translating our vast geography and wealth of natural resources into a strong, competitive and open economy, and a high quality of life for our citizens.

The Canada-India relationship holds enormous potential, one where we can work together to build a new world of opportunities for our children — and ensure that they benefit from a strong and mutually prosperous Canada-India partnership for generations to come.

About Minister Emerson


Mr. David L. Emerson attended the University of Alberta and obtained his bachelor’s and master’s degrees in economics. He then went on to Queen’s University where he received his doctorate in economics.

In 1975, Mr. Emerson joined the Government of British Columbia, becoming the province’s Deputy Minister of Finance in 1984. In 1986, Mr. Emerson left government to become President and CEO of the Western and Pacific Bank of Canada. Four years later, he returned to the provincial government as Deputy Minister of Finance, then Deputy Minister to the Premier, and later President of B.C. Trade Development Corporation.

In 1992, Mr. Emerson was appointed to lead the newly created Vancouver International Airport Authority. In 1998, he was appointed President and CEO of Canfor Corporation. David Emerson was first elected to the House of Commons in 2004 and was named Minister of Industry in July 2004. He was re-elected in 2006.

* *Parliamentary Secretary is the Indian equivalent to Minister of State for International Trade.*

** *India Unbound, Gurcharan Das, pg. 349-350, 2000.*




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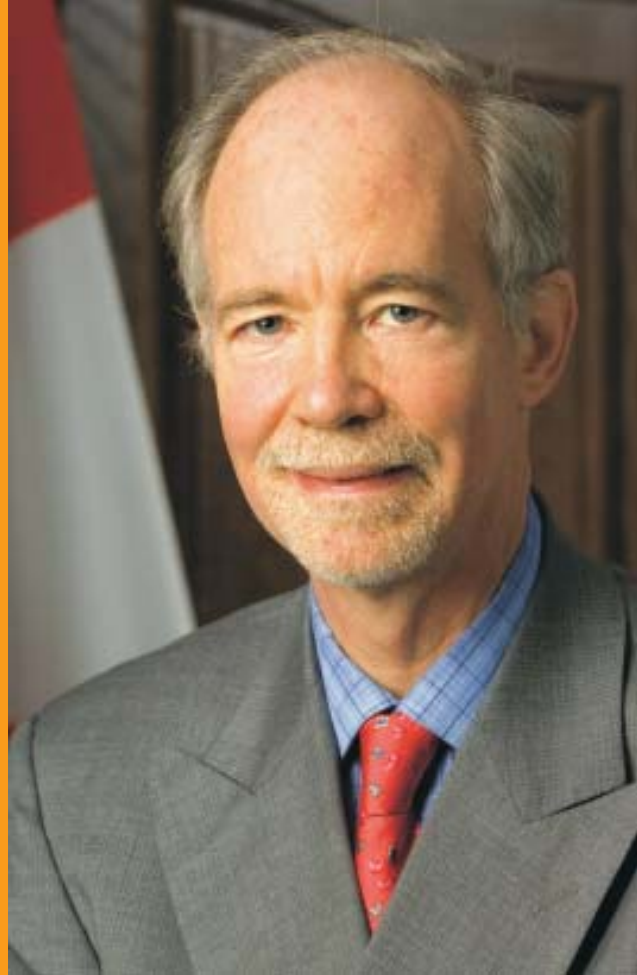
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Big Evolution in the Framework of India-Canada Relations

The Indo-Canadian relationship is a much richer one at virtually every level than it was, and it is multifaceted including in the security sphere; it is not just about one issue, says H.E. Mr. David Malone, Canadian High Commissioner, New Delhi, in an interview with Dr. Sunil K. Sukumaran.



What are the prospects of the Indo-Canadian bilateral relationship?

The tone of Indo-Canadian relations is highly positive. The mood music is good. In recent years, the two countries have expanded their government-to-government consultations in a broad range of fields, and, importantly, compared notes on counter-terrorism. They have also launched a Strategic Dialogue and routinely engage with each other to promote cooperation on science, technology, innovation and much else. Trade and investment figures are expanding very rapidly, in the range of 40 percent per annum.

For a number of years the relationship was excessively defined by international and Canadian concerns over India's nuclear weapons' programme dating from the time of India's first nuclear test in 1974, which was carried out in part with Canadian technology provided for other purposes. But in recent years, both governments have understood that while they continue to have differences of views on a number of issues, these are best addressed through mutual dialogue. Further, they agreed that the overall relationship should again expand.

Thus, the very promising future relationship of the two countries hinges on mutual interest and engagement in a number of areas. Most traditionally, when we think of diplomacy we think of economic ties between countries, and there—particularly in the very recent past—the story is a happy one. Trade figures and investment figures are expanding very rapidly (albeit from quite a low base) and the trend lines are very good. That said, trade figures are very often misleading in that a great deal of the trade between India and Canada does not actually show up in the bilateral trade figures because it often transits through third countries and thus the actual figure, or two-way trade at Canadian Dollars 3 billion annually clearly understates the reality. Investment figures so far are modest because the Indian investment

regimes covering different sectors of the Indian economy have only started opening up recently, and Indian conglomerates only recently started investing heavily in a globalised world. But both are happening now and not surprisingly as a result the investment figures are rising quite rapidly in both directions. So, on the economic front the news is good, and Indo-Canadian trade figures are proportionately the same as Indo-US figures, given that the Canadian economy is about one tenth of the US economy.

Another dimension is the cultural link that includes the film sector, the literary sector, and the art sector, which are very rich. Education is a field in which the interest is very strong in Canada. Canada's thirteen or so large research universities are extremely interested in research partnerships with Indian institutions, and a number of them have already forged partnerships in those areas. Traditionally, India has been a source for students, but we are also urging Canadian institutions to look at India as a partner for exchanges including student exchanges and internships. It is now increasingly becoming an advantage for students in the West including Canada to demonstrate on their résumés a knowledge of India. This actually helps them in getting jobs with multinational companies. At any given time, there are many Canadian interns in India, and there are Canadian government programmes that support this.

The human dimension of our relationship is also very important, and it is nourished in a variety of ways, especially through the very important contribution by the Indo-Canadian community, which I believe is one of the largest outside India. Our statistics are not precise, but estimates range between 700,000 and 1,000,000 Indo-Canadians. This is enormously helpful in developing and deepening the relationship between the two countries, and it is helpful in both directions. Many Indo-Canadians come to India and are beginning

to re-invest here. There are also a number of prominent Indo-Canadians in very large Canadian conglomerates. I wouldn't want to suggest that the Indo-Canadian community is the principal driver of the economic relationship—the very large conglomerates in both countries are now the principal drivers—but the Indo-Canadian community does contribute a lot.

So, the Indo-Canadian relationship is multidimensional and is growing. It started improving about five years ago when both governments realised that the potential of the relationship was so important that it could not be allowed to be defined by differences of view particularly on one issue. Beyond the security sphere mentioned earlier, the government to government relationship has grown much deeper, and today it focuses on many areas: energy, which is of demonstrable interest to both countries; environment, with India's growing commitment to environmentally sustainable development of its own economy, a deeper understanding of Canadian environmental technologies, and of the ecological challenges that Canada itself has faced and what it is trying to do about them; a growing relationship in agriculture including research and agricultural trade in both directions; and many aspects of science and technology, and innovation policy.

Chaired by Canadian National Science Advisor Dr. Arthur J Carty, India and Canada jointly organised a workshop on Indo-Canadian cooperation in biofuel production on 03 February 2007 in New Delhi. Are there any joint venture projects on biotechnology in the pipeline?

Under the joint memorandum on cooperation in science and technology between the governments of India and Canada, we have defined a range of priority issues including life sciences (biotechnology); natural disaster management information and communications technology; and environmental technology. Both countries have put money into future joint ventures and projects that are just getting underway, and we are sure that it is going to be a very

rich relationship. The Canadian province of Ontario, whose Premier, Dalton McGuinty, recently visited India, has also just announced that Ontario will add to the Canadian financial commitment, and India has matched this pledge. Canada has areas in which it is pre-eminent. India also has remarkable strengths in a number of areas, and Canada will benefit from those. So, we see it very much as mutually beneficial, and that's the way both governments are approaching the relationship. India has performed such strides in science and innovation within India that for a number of years now we have seen it as a very equal partnership and not at all one rooted in technical assistance as such. So, having Dr. Carty here for about nine days interacting with a broad range of Indian interlocutors including ones in the business world on commercial applications of science, is something we are delighted with.

Is there any plan for Canadian Prime Minister Mr. Stephen Harper's visit to India for signing free trade agreements with Indian Prime Minister Dr. Manmohan Singh in the near future?

As you know, two of our recent prime ministers—Mr. Chrétien and Mr. Martin—visited India in recent years. We now are very much looking forward to a visit by Prime Minister Singh to Canada later this year. Prime Minister Harper has been invited to come to Delhi not least for the promising triennial Forum of Federations conference, which India is hosting in November. The invitation to Prime Minister Singh has been extended and accepted, and now it is only a matter of scheduling the visit. We would like to have a free trade agreement with India, but we also understand that the first priority of India is its own region—South East Asia and South Asia. When Canada's trade minister is available to come to India, I am sure that in his discussions with Mr. Kamal Nath, in particular, they will be examining what form of agreement for further trade facilitation could be negotiated between the two countries.

As India is a country highly plagued with terrorism, the two countries organise meetings of the Canada-India Joint Working



**High Commissioner for
Canada to India,
Mr. David Malone,
presenting credentials
to Indian President
Dr. A.P.J. Abdul Kalam
on 12 September 2006.**

Group on Counter Terrorism (CIJWGCT). What is Canada's role in taking up counter terrorism measures in India? And what solution can you suggest for combating terrorism in the Indian subcontinent?

The Canada-India Joint Working Group will be getting together in Ottawa in March along with a broader discussion of strategic issues. There are a number of discussions between India and Canada in the strategic sphere, and the next iteration of this dialogue will take place also in Ottawa at a senior level with the Additional Secretary of the Minister of External Affairs K.C. Singh leading the Indian side. We are also co-sponsoring a regional workshop hosted by India, which will include a number of other countries of South Asia; this is expected to take place in March or April. Canada and India have many objectives in common in the security sphere, and we want to go on exchanging views on them. For example, in Afghanistan, India is very active in the economic reconstruction field, which we strongly commend. Canada is there supporting the government of Afghanistan within ISAF, the broader NATO operation. We are present in very challenging areas of southern Afghanistan working on enhancing security and in providing assistance for reconstruction. So India and Canada have much to discuss just on Afghanistan: while we are not engaged in the same activities in Afghanistan, we share the objective of supporting the Karzai government.

In sum, there are many things that we discuss in the security and strategy sphere that we might not have been discussing ten years ago. It is now a rich relationship. There are many new ways in which Canada gets together with India, such as the G8 outreach dialogue in which Prime Minister Singh is a leading participant. So, in fact, there's been a big evolution in the framework of India-Canada relations in which we are in touch with each other at a variety of levels, including the most senior political level, in all sorts of ways that are routine now and that we take for granted, which simply didn't occur ten years ago.

On 24 October 2003, Canadian Prime Minister Mr. Jean Chretien and his Indian counterpart Mr. Atal Bihari Vajpayee issued a joint statement—'Partners for the 21st Century'—committing their governments to an expanded partnership for the 21st Century. What major steps have been taken following the joint statement?

The topics we have discussed earlier represent much of the implementation effort. Diplomats love memorandums of understanding, joint statements, formal agreements—it's our stock-in-trade, it's what we know how to negotiate. Politicians like them too, because they provide some impetus to relationships. In fact, though, I'm not sure that they actually drive economic links. I think economic relationships are driven by perceptions of shared interests; there the reality is one of many shared interests. This is what makes me optimistic for the future of the relationship and not the number of shared agreements that we have signed.

In addition to other bilateral relations in culture, trade, and economy, is it not the right time for India and Canada to start serious talks about cooperation in defence services and to initiate a dialogue on this issue?

The defence relationship has also been expanding quietly. First of all, it is important to remember that the Canadian and Indian militaries have known each other well for many years, even before India's independence, because of the Commonwealth connection. Secondly,

India and Canada were amongst the very first international militaries to offer their services for international observation missions and then peacekeeping missions. In Indo-China, what we now call South East Asia, and in the Middle East, Indian and Canadian militaries were working with each other in the service of the UN or international control commissions long before many other countries were. Many Canadian officers worked under Indian generals (some of them became towering figures in the peacekeeping world, including Prem Chand, Indarjit Rikhye, and Satish Nambiar). These Canadians developed tremendous admiration for their Indian commanding officers. Thus, the reality is that senior Indian and Canadian military officers have been working with each other, have known each other, for well over fifty years, and it has been a very happy relationship. Many of our military traditions—because so many of them derive from the British—have common origins. So, there is a depth to that shared history that does not exist in the case of many other countries.

Shared interests in the security sphere have led to active cooperation between the two countries. For instance, India's first multilateral naval exercise in many years involved a Canadian ship in manoeuvres off Goa in October 2006 in Operation Malabar, a tremendously exciting and successful exercise I was honoured to attend. The chief of Canada's Air Force recently attended the air show in Bangalore. And other service chiefs visit back and forth routinely. So, in the defence sphere there is great deal going on because we share an interest in global stability, and Canada is interested in supporting stability in this area in any way we can that is consonant with the wishes of countries of the region. Canada's contribution will always be a modest one compared to India's, given the respective sizes of our populations, but we are very keen to work with India and to engage it also in our part of the world in areas that are of mutual interest.

Canada regards India as an emerging market in terms of trade and investment opportunities, both as a destination for Canadian goods and services, and as an emerging source of foreign direct investments into Canada. What are the primary areas in which both Canada and India can cooperate for mutual benefit?

First of all, it is important to understand and accept that the economic relationship is going to be defined above all by private sector actors. Governments are increasingly taking a back seat, while the private sector in a globalised world is the principal actor. And, we see huge strides in this direction in India, although the Indian government—in spite of a degree of liberalization—still plays a more important role in defining a policy framework here than the Canadian government does at home. That being said, the Canadian government is very active in the fields of regulation, particularly environmental regulation, safety regulation, and setting the investment framework in Canada.

That's why memorandums of understanding on their own don't make anything happen—without a dynamic private sector interest in engagement, nothing happens. As regarding growth sectors, these will certainly include BPOs and ICT. Both countries have an interest in the oil and gas sector of the other. We both have dynamic coal sectors. Canada is a country that is a leader in power development internationally; India is a leader in other fields but has enormous power needs. Canada is quite strong in engineering; India has a number of infrastructure projects that will draw not only on its own strengths, but also on international ones. Agriculture, which I mentioned earlier, environmental technologies and cooperation are priority sectors that I see in the future, as well as education.

A great deal is going on in culture; our film sectors are in partnership with each other constantly, not least on animation in which both countries are at the cutting edge. One of the biggest windows for the Indian film sector onto the world is the Toronto International Film Festival, which has gone out of its way, successfully, to feature Indian films. Much of this goes on without government involvement and that's fine. Our role today is to eliminate barriers earlier governments constructed rather than erecting new ones.

Countries like China, England, Russia, etc., fully support India's candidature for permanent membership of an expanded UN Security Council. Is Canada supportive of India's candidature for a permanent seat on the expanded council?

Canada's government is fairly new; it's been in place for a year now. Its priority on the UN so far has been to look at enhancing the effectiveness of the UN system; it has not adopted a position on Security Council reform yet, except that it will be driven by considerations of effectiveness. We see Security Council reform as very much part of a broader reform effort; we don't see it as a stand-alone item. We are very committed to much greater reform of the UN system including in the management sphere where progress has been very slow and disappointing from a Canadian point of view. So, we are unlikely to focus on reform in one area in isolation. But, we respect the aspirations of many countries, and as I mentioned earlier, we are the first to recognise the very major contributions India makes to the UN in the field of peacekeeping and elsewhere. We are sensitive to Indian perspectives on UN issues not only because of its weight in international relations, but mainly due to its positive contributions to international relations.

People to people contact between Canada and India have strengthened the cordial relationship between the two countries. Are there any plans for a cultural exchange or student exchange programmes between the two countries in the near future?

The "people to people" dimension is tremendously important between our two countries. Wherever I go in India, I meet people with Canadian connections, and this does not always relate to members of the Indo-Canadian community. For example, the Prime Minister and Mrs. Singh know Canada quite well because their daughter and son-in-law received their doctorates from McGill university in Montreal. Likewise, growing numbers of Canadians have spent time in India: in the business community, in the education sector, in the field of

NGO cooperation—which is a rich one in both our countries; and working for multilateral organisations or international businesses. So, knowledge of India in Canada is increasing all the time, and while the Indo-Canadian community contributes to that very importantly, but it is not confined to the Indo-Canadian community. Knowledge of Canada in India is increasing, although I would like to see it increase further. It is through growing economic relationships, growing educational relationships, that we'll see a growing understanding of each other.

Shared challenges, new ones, arise all the time. Both countries are increasingly concerned about climate change; we are both affected by it. We can learn a lot from each other in terms of how we're tackling this problem. We can cooperate on technological approaches to the problem. There is a growing disposition and political commitment to do so.

Any other comment(s) that you may wish to make ...

I have had the good fortune of being able to combine a career as a diplomat—I joined the Canadian foreign service when I was twenty-one—and as a scholar. And, in my life as a scholar and researcher, India has been very much present. In the fields of public international law and international relations, Indian scholars loom very large. So, in the universities in which I was working either as a student or as a professor—Columbia, NYU, Oxford, the University of Toronto—Indians were always present, producing work of the highest quality and much admired. When I went to head up a think tank in New York ten years ago, the International Peace Academy, one of our great scholars, a former Indian journalist who turned himself into one of the leading scholars of his generation in geo-strategic studies, was WPS Sidhu, highly regarded in Britain, the United States, and elsewhere. In virtually every project that we launched, Indians were involved. So, India has been extremely present in my life as a researcher, and that's an area where I have known the strengths of India for many years. I have had the honour of being published in India over the years; my most recent book, on the UN Security Council and Iraq, came out in India as well as more globally. So, my past involvement with India's research community has greatly intensified my enjoyment of living here in India and has also expanded my knowledge of Indian achievement. Since I have been here, I have mainly been reading Indian history by Indians, and it has been a great, inexhaustible experience. I very much look forward to as many more years in India as my government will allow me.



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Canada's Private Sector Leaders Visit India

By Thomas d'Aquino*

Representing the heads of 150 leading Canadian companies, the Canadian Council of Chief Executives (CCCE) is Canada's private sector leader in the promotion of international trade and investment liberalization. It should come as no surprise, therefore, that we have a long history of close cooperation with our counterparts in the Confederation of Indian Industry.

This month marks a major milestone in that relationship, for I am honoured to be leading the first purely private-sector visit to India by a broadly based group of chief executives from among Canada's largest enterprises.

I remember warmly my lecture tour of four major Indian cities in 1995 when India was at the twilight of its profound transformation, en route to the opening of its economy and the unlocking of its enormous potential.

A dozen years later, the results of that opening are everywhere to be seen.

We are mounting this mission to Delhi and Mumbai at a time when India is transforming at a meteoric pace, transcending recent descriptions of an elephant that is "poised", "rising", "emerging", or "shedding its past."

The *Economist* magazine more accurately describes the India of today as a "tiger on the prowl." The symbolism of Tata Steel's recent takeover of Anglo-Dutch Corus Group plc, the Birla Group's purchase of Novelis Inc. (a former subsidiary of Canada's Alcan), and the recent transfer of Teleglobe International Holdings Ltd. to three Indian powerhouses sends an unmistakable message to business leaders in Canada and elsewhere: India has arrived.

Indeed, not only has the dynamic giant awakened, it is advancing rapidly upon a globalized world on a number of very important levels.

India, for us, is a strategic priority. The Canadian business leaders who are visiting India at this time understand fully that Canada needs to accelerate the development of the Canada-India bilateral economic relationship and to open new avenues for cooperation.

It's true that two-way trade between Canada and India rose by an impressive 25 percent between 2005 and 2006, and has grown by almost 80 percent over the past four years. But our two countries have still only scratched the surface of the enormous potential for increased bilateral trade. Going forward, much more can and will be achieved.

A primary focus of our mission, therefore, will be to deepen commercial linkages with Indian business leaders. To that end, while in Delhi, CCCE Mission participants intend to take part in the first

Canada-India CEO Roundtable with the Confederation of Indian Industry.

While in Mumbai, we will make calls on several of India's major enterprises, including the Birla Group, the Tata Group, ICICI Bank, and Reliance Industries.

Another focus of our mission will be to project to India's political leadership the importance that Canadian business leaders attach to developing stronger commercial, social and political ties.

In addition, the visiting delegation will receive a series of high-impact briefings on doing business in India,

developing a strategy on India, as well as advice from those who have a long-standing presence and expertise in India, such as GE - India, Sun Life Financial, Accenture and McKinsey & Co.

During the 2007 mission of the CCCE to India, we look forward to hearing provocative analysis, and to discussing creative ideas about what Canadian and Indian business leaders can do next in forging a stronger and deeper economic partnership.



Left to right: Mr. Thomas d'Aquino, Chief Executive and President, CCCE; H.E. Ms. Shymala B. Cowsik, (then) High Commissioner of India for Canada; and Mr. Tarun Das, Director General of CII; during the latter's visit to CCCE in June 2005

* Thomas d'Aquino is Chief Executive and President of the Canadian Council of Chief Executives (CCCE), which is composed of 150 chief executives of major enterprises and leading entrepreneurs. Member CEOs lead companies that collectively administer \$3.2 trillion (Cdn.) in assets, have annual revenues of more than \$750 billion, and are responsible for the vast majority of Canada's exports, investment, research and development, and training.

Big Things Coming on the Biotechnology Front

Recognised globally for research and innovation, Canada's National Research Council (NRC) is a global leader in the development of an innovative, knowledge-based economy for the country through science and technology. A high-level delegation, led by Dr. Arthur J Carty, the former NRC President and current Scientific Advisor to the Prime Minister of Canada, attended the 'India-Canada Biofuels Workshop: Opportunity for Collaborations,' which was held in New Delhi on 03 February 2007. In addition to NRC research scientists and researchers, the Canadian delegation included government officials and diplomats. The workshop was

organised by the Department of Biotechnology (DBT), Government of India, and eminent speakers from both sides addressed the gathering.

Main objective of the workshop was to explore potential areas of future collaboration in science and technology between the two countries. The areas include sectors such as information and communication technology, biotechnology, pharmaceuticals, and nanotechnology. Speakers from both the countries addressed different perspectives on Indian and Canadian scenarios in biofuel developments in a wide range of issues regarding value-added products from biomass, biorhythms of biofuel, bioelectricity generation from biofuel, and applications of Canadian research to enhance energy production from agro-forestry feedstock. During their weeklong stay, the Canadian delegation visited some biotechnology labs in the country. Apart from focusing primarily on biotechnology, the NRC's mission contributed to deepening science and technology (S&T) relations between India and Canada.

Canola is a Canadian success story, says Dr. Arthur J Carty, Scientific Advisor to the Prime Minister of Canada, in an interview with Jyaneswar Laishram, during the 'India-Canada Biofuels Workshop: Opportunities for Collaboration'.

What is the objective of the India-Canada Biofuels Workshop: Opportunities for Collaboration?

Well, I hope you are aware of the agreement signed between Canada and India on S&T in November 2005 in New Delhi. We have decided certain areas with priorities where we should concentrate on our initial efforts. And one of those is optimisation

Dr. Arthur J Carty addresses the audience during the 'India-Canada Biofuels Workshop: Opportunities for Collaboration'.



of sustainable environmental technologies. I feel that the potential and mutual interests in both countries where biofuel is an area would lead to both short and long term returns for India and Canada. Now, one has to understand that India and Canada are, in a sense, agricultural countries and we both have vast landmass used for agriculture. We both need to make significant progress in developing biofuel as alternative sources of energy. In Canada, we have 10 percent of the overall forest on earth. Giving you an example, the significant cellulosic waste from corn straws collected from fields in Canada is biotechnologically processed.

Are there any new plans between India and Canada for developing joint projects in the biotech sector?

Certainly, under the S&T agreement signed between the two countries, we hope that there will be collaborations not only amongst the government sector enterprises but also in private sectors. All these things might come as joint ventures in the near future. The idea here is to develop a strong working relationship particularly in biofuel areas. It would be a combination of research & development (R&D) and commercialisation, because it is a question of how we would develop the most effective plans. Innovation is basically a private sector activity. So, we would like to connect up R&D to commercialisation through private sector units.

How will such a workshop help to develop cooperation between the two countries in the biotech industry?

Well, the first thing in developing bilateral relations is to build bridges amongst researchers and companies to get to know one another and learn to work together. And everyone has to try to build on their strengths and complementarities, so we can have an integrated approach. That's what the S&T agreement between the two countries is meant to produce – a positive approach from both sides through science and technology. And we would do it by working together increasingly in a productive way towards our goals.

What are the challenges in Canadian biotech sector?

Many genetic and modified crops are growing across Canada. Canola, which is grown in many parts of the country, is a major crop. In Canada, 80 percent of the canola crops are genetically modified. We also have other crops like flax as a new crop for Canada. So, there is also a significant amount of genetically modified soy used in biofuel extraction in Canada. But generally speaking, it has been recognised over the last two years that the overall agricultural food sector needs to undergo a transformation. That transformation is from just producing commodity crops, which are sold in world market places, to adding value to the crops for biomaterials, biofuels, and biopharmaceuticals. The strategy is underway, it has been designed and it will be implemented.

Will using biofuel help to reduce India's crude oil imports?

First, we have to say, as industrial development occurs more rapidly in India, the country's economy is increasing by 9 percent in the year 2006. India's use of fossil fuel will have to increase because the demand will be so large. So, it's a double challenge for India and it's a question of how the country has been generating bio-energy while at the same time trying to bring it to the stream as much as possible. Dr. Renu Swaroop mentioned that biofuel contributes around 2-3 percent of the total energy in India. And of course, this alternative is usually one of those potentials in the future development of fuel technology that wouldn't emit CO₂. It will definitely be a big challenge

for India because of the growing use of energy fuel. So, in a sense you can see biofuel as a role of a small piece of overall action. But, I don't want to suggest you that biofuel is a solution to all of India's energy progress.

Brazil is an absolute example of remarkable success in ethanol use. Are there any lessons to be learnt from them?

Every country is unique in its own way. Brazil is unique as the country has a big landmass to grow large amounts of sugarcane. And almost all of the ethanol in Brazil comes from sugarcane. But unlike Brazil, a country like Canada doesn't have a big amount of sugarcane. By and large Brazil has taken the strategy of growing sugarcane to be used in biotechnology. But India probably uses much more of its sugar production for food rather than energy. It is an example that one shouldn't think it (sugarcane) is a solution for everybody.

Could you give us some of your country's views towards biotech cooperation with a country like India?

Obviously we have a quite significant biotechnology industry in Canada. Giving you an idea, our revenue from the biotechnology sector is about CAD5 billion a year. We have about 500 companies with around 490 small and medium size enterprises which are growing almost exclusively over the last twenty years. So, this is a Canadian success story in many ways. In terms of the number of companies, we would be second in the world to the United States in biotechnology. We've really got a number of specialty areas and 'Agbiotech' is one of the areas of specialisation. In Canada, we transformed plants such as canola into marketable crops through biotechnology by reducing the non-nutritional components of the seed oil. In fact, canola is a Canadian success story. And our country has a very open policy in collaboration with other countries like India.

During the Technology Summit in New Delhi in 2005, the two countries planned for a joint Indo-Canadian Nanotechnology Centre in India. How much progress has been made in this regard?

There was a mission of NRC to India in December 2006 with a focus on biotechnology. Now, in terms of nanotechnology, it is true that there were suggestions from Mr. Kapil Sibal at the S&T agreement signing ceremony in November 2005 about the nanotechnology centre in India. Both countries have identified nanotechnology as one of the five focused areas we would concentrate on. So, that was quite a legitimate discussion. I am sure Mr. Sibal would have been pleased if Canada responded immediately that we are going to jointly set up the nanotechnology centre in India. This is certainly an intentional move forwards on nanotechnology front. In Canada, we have a National Institute of Nanotechnology, which just opened in 2006, with new concepts of collaboration between University of Alberta and NRC. There will be a workshop on nanotechnology probably in April or May in India this year. This workshop is the result of 2005 S&T Summit. There is also an Indian initiative, which is collaboration in a sense, that NRC and some of our universities will provide expertise in the development of biotechnology facility in Mohali, Punjab. That's the model for development of a biotechnology institute providing help and expertise in design and implementation of new facilities in India.

How has the Canadian Government evolved its policy-making with the aim of maintaining and enhancing the country as a global leader in biotech?

That's an interesting question. Generally speaking, the India-Canada

Agreement 2005 is the first country-to-country S&T agreement Canada signed in the last ten years. So, it represents a significant step for us and in addition to that, a fund was created to enable collaboration to happen according to National Sciences and Technology programmes. I think Canada is reaching at international level with India as one of the countries with which we would be collaborating, and also we have major initiatives underway with the United States. Canada also signed S&T agreement with China. As biotechnology is on everyone's mind, I am sure that there would be a component of most of the special international collaboration programmes we have developed. It is more disciplinary activity and the need for Canada to collaborate internationally is totally demonstrated by the fact that as a country we have 32 million people and we produce about 4 percent of the world's knowledge from our 4.5 percent of the population. But, in terms of science, we recognise that 96 percent of knowledge comes from somewhere else. So in these days of globalisation, development can come from anywhere. You cannot be isolated in these days both in S&T or trade. It's very important to take a global perspective.

Montreal, Toronto, and Vancouver are world-class biotech clusters containing more than 500 companies and ranking top-class in biotechnology revenues. What's your suggestion for establishing a world-class biotech industry in India?

India has world-class bio-pharma industries. The emphasis to this point of time must be on the development of generic drugs in India. In fact, India plays a unique role in developing another developed world of pharmaceutical companies. I think, when you take up these steps, this is going to be the chance for India moving from generic drugs to rediscovery drugs. The changing world will develop itself through research and development. That's the chance India is going to take on in the next ten years. Hopefully, some Indian companies are going to build partnerships with Canadian companies because we already have a very significant drug discovery industry in Canada. For example, Ranbaxy has established a collaboration unit in Toronto. I see that as a significant growth area for India-Canada collaboration.

What's your impression of Indian biotechnology?

Let me just say that last week I had the opportunity to visit some labs in India. And I have to say that since the first time I came here in 2002, India has made tremendous progress in biotechnology. We visited labs which have state-of-the-art facilities with the latest of equipment. So, I have to say that the infrastructures in biotechnology labs are significantly improving in India over the last five years. For any collaborating country, if the infrastructure is not available, that's an unequal collaboration. But, India-Canada collaboration is not unequal anymore, because India clearly has the brains and people, and the country now also has some of the infrastructure.

Canada's National Research Council

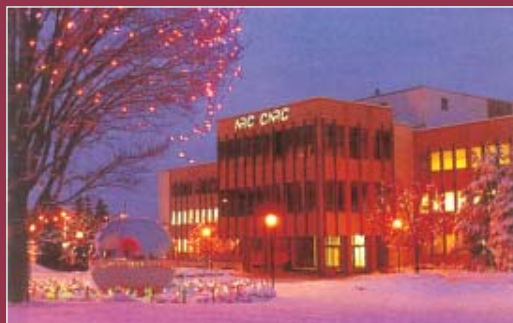
NRC is composed of over 20 institutes and national programs, spanning a wide variety of disciplines and offering a broad array of services. They are located in every province in Canada and play a major role in stimulating community-based innovation.

NRC institutes and programs are organized into five (5) key areas: Life Sciences; Physical Sciences; Engineering; Technology and Industry Support; and, Corporate Services

NRC is an agency of the Government of Canada, reporting to Parliament through the Minister of Industry. It is governed by a council of 22 appointees drawn from its client community.

The NRC mandate is set out in the *National Research Council Act (NRC Act)*. Under the *NRC Act*, NRC is responsible for:

- undertaking, assisting or promoting scientific and industrial research in different fields of importance to Canada;
- establishing, operating and maintaining a national science library;
- publishing and selling or otherwise distributing such scientific and technical information as the Council deems necessary;
- investigating standards and methods of measurement;
- working on the standardization and certification of scientific and technical apparatus and instruments and materials used or usable by Canadian industry;
- operating and administering any astronomical observatories



established or maintained by the Government of Canada;

- administering NRC's research and development activities, including grants and contributions used to support a number of international activities; and
- providing vital scientific and technological services to the research and industrial communities. This mandate is discharged to a great extent through the operation of the NRC Industrial Research Assistance Program,

the NRC Canada Institute for Scientific and Technical Information and the Canadian Technology Network.

NRC employs close to 4,000 people across Canada, providing substantial resources to help Canada become one of the world's top five R&D performers by 2010.

NRC also benefits from the efforts of guest workers, drawn from Canadian and foreign universities, companies and public and private sector organizations. In 2004-2005, the number of guest workers was approximately 1,200, reflecting exciting research collaborations and partnerships.

Areas of research and industry support are as follow: **Aerospace** (1 research institute, one technology centre); **Biotechnology** (6 research institutes); **Engineering and Construction** (3 research institutes, 3 technology centres); **Fundamental Sciences** (3 research institutes); **Industry Support** (One institute, one national program); **Information and Communications Technologies** (2 research institutes); and, **Manufacturing** (4 research institutes, one technology centre).

How EDC Serves Canadian and Indian Trade

Export Development Canada (EDC), Canada's official export credit agency, just concluded several new deals with key Indian companies on behalf of Canadians. Here, President and CEO Eric Siegel looks at EDC's growing activities in India and how they benefit Canadian and Indian trade.

In 2005, EDC recognized that much more trade had to take place between Canadian and Indian companies and we had to be on the ground 24/7 to help make it happen. We analysed market growth and our clients' capabilities in India and then posted our first permanent representative in this country, Peter Nesbitt, in New Delhi.

Since then, EDC has established relationships and financing transactions with a cross-section of India's leading corporations. These include the Tata Group, VSNL, Reliance Industries, Essar Steel, Birla Group, Reliance Energy and ICICI Bank.

This month, we are concluding several new financing deals. For example, EDC is signing an agreement with Larsen & Toubro, India's largest industrial engineering firm, for a US\$20 million participation in a US\$200 million debt syndication. This will open new opportunities for Canadians in construction, transportation and energy infrastructure.

Today, EDC is helping lead Canadian trade into India. We facilitated nearly half of the volume of Canadian trade in India last year. That's nearly \$730 million out of some \$1.5 billion total Canadian exports, still a relatively small amount, but a jump of nearly 95 percent over 2005.

Overall, EDC facilitated \$66 billion in exports and investments in more than 180 markets around the world. Of that trade, over \$15 billion was accomplished in 150 emerging markets. India is EDC's sixth largest emerging market by volume.

Our first major deal since posting Mr. Nesbitt and one of EDC's largest financing transactions in India was in telecommunications in 2005, with Reliance InfoComm, for US\$250 million, a complex structured-finance deal.

Since then, other telecom transactions included:

- \$56 million financing last year for Bharti Airtel in support of telecom suppliers such as Ericsson of Canada;
- \$85 million facility for the acquisition of Teleglobe Canada by VSNL; and
- \$17 million financing to GTL on behalf of Canada's Nortel.

In other industry sectors, EDC has contributed:

- \$22.7 million participation in syndications with SREI Infrastructure Finance to open up infrastructure opportunities to Canadian suppliers of all sizes;

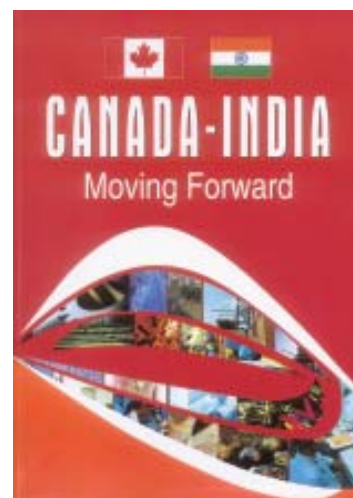
- \$56.6 in financing to Reliance Energy to encourage procurement from Canadian companies; and
- \$55 million loan to Tata Steel and \$17 million to Essar Steel for the purchase of Canadian goods and services.

Altogether, about 45 percent of our volume in India last year involved financing facilities with these and other partners. And the list is growing.

More and more, EDC is a key catalyst in bringing international business together for important infrastructure players and projects around the world, as well as public-private partnerships. EDC has worn many hats in facilitating these deals – advisor, arranger, underwriter and direct lender – and our depth and breadth of financing activities continue to grow.

When it comes to Indian-Canadian trade, EDC helps both sides establish the right contacts and build crucial relationships – then provides financial capacity and manages credit risks – to grow everyone's business.

For more information, visit www.edc.ca or contact our Chief Representative in India, Peter Nesbitt, pnesbitt@edc.ca.



This publication was published with EDC cooperation in 2005. Much of the content still holds true today. Download it in PDF from <http://www.diplomatist.com/page/pdf/canada2004.pdf>

Canada in India's top 25 Investors' Club

If India had such a club as the title suggests, Canada would be a member, but at number 24, just barely. Some of the countries that top Canada on the list however, such as Mauritius, British Virgin Islands and Cayman Island represent investment by foreigners taking advantage of tax breaks in these 'middle-man' countries. For instance in Mauritius, the investment was not by locals, but by foreign subsidiaries of large companies looking to reap the special tax benefits under the Indo-Mauritius Tax Avoidance Treaty. We can then surmise that if we eliminated the middle man factor and reconstructed the list according to where the money originated, Canada would hold a higher position. And of course, so would other countries. The US at number two, for instance, weighs in at one third of the Mauritius total. Can this be the actual case? We think not, but this isn't a contest.

Canada got off to a few false starts over the years, but their "Re-Engagement Phase" which commenced in 2001 is showing positive results. Expectations are that the March 2007 Canadian Trade Mission to India will commence another phase in the advancement of the bilateral relationship. Let us now look at the Indian Investment Scenario.

The Indian Investment Scenario

Continuous liberalization in FDI policy and simplification of procedures are contributing immensely to attracting increased Foreign Direct Investment into India. The fact that the government is now annually conducting a review of the FDI Policy & Procedures has given an added confidence to the foreign investors that their concerns are addressed on a continuous basis. Inflows of FDI equity alone amounted to US\$7.3 billion cumulatively

between April and November 2006, compared to US\$3.5 billion during April-November 2005, representing a record increase of 117 percent over the previous year. Inflows in the month of November 2006 were US\$1.15 billion, compared to US\$0.73 billion in November 2005, representing an increase of 54 percent.

According to the Ministry of Commerce and Industry, FDI for the FY 2006-2007 is expected to touch US\$12 billion, growing 120 percent compared with the inflow last year. Net capital inflows during April-September, 2006 at US\$19.3 billion were composed of both debt and non-debt inflows. While portfolio investment slowed down markedly from US\$5.4 billion in April-September, 2005 to US\$1.6 billion mainly due to stock market turbulence. In May-June, 2006 FDI doubled to US\$4.2 billion from US\$2.1 billion. Debt flows (net) in the form of external assistance, external commercial borrowings (ECBs), non-resident Indian (NRI) deposits and short-term credit put together increased substantially to US\$9.4 billion in April-September, 2006 from US\$4.5 billion a year ago.

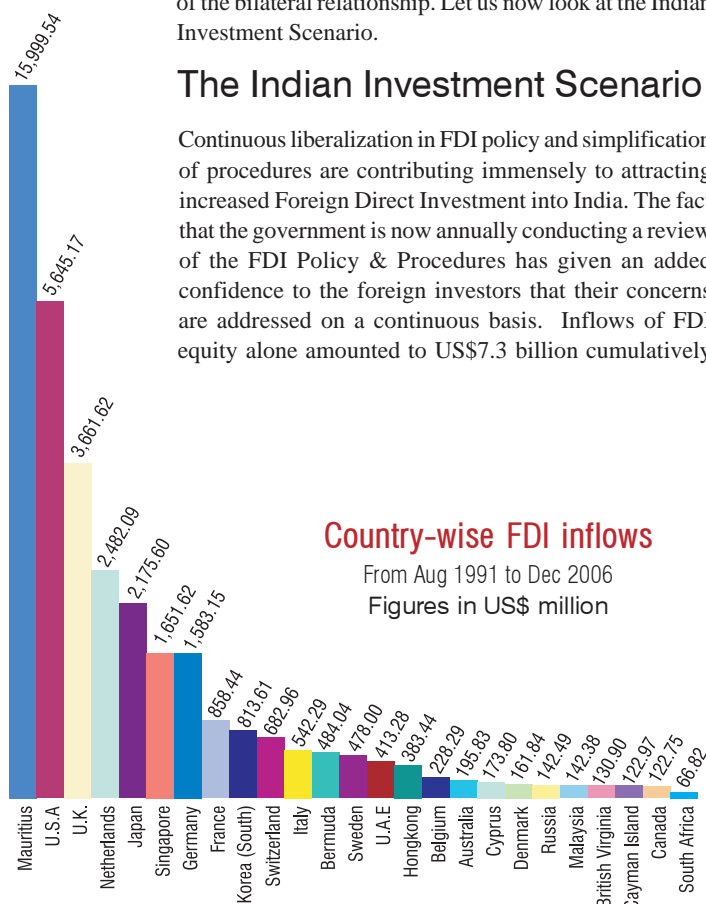
Capital flows to India are sizeable during 2006-07 so far, taking the form of FDI, capital issues under American Depository Receipts (ADRs)/Global Depository Receipts (GDRs) and net accretions to NRI deposits.

Foreign institutional investors (FIIs) were net sellers during May-July 2006 against the backdrop of weakness in domestic equity markets in consonance with the trends in international markets. During August-November, 2006 FIIs made large purchases in the Indian stock markets. Since December 2006, however, FIIs registered outflows against the backdrop of volatility in Asian equity markets subsequent to the tightening of capital controls by Thailand.

The net cumulative FII inflows during 2006-07 (up to January 19, 2007) amounted to US\$2.4 billion as against US\$5.7 billion during the corresponding period last year. Amounts mobilised by corporates through ADRs/GDRs were also higher during April-November 2006. NRI deposits recorded inflows in the order of US\$2.7 billion during April-November 2006 as compared with inflows of US\$0.5 billion registered during the corresponding period of 2005, partly reflecting higher interest rates offered by banks on such deposits. The foreign exchange reserves rose to US\$178.1 billion by January 19, 2007 from US\$151.6 billion at the end of March 2006.

Potential for Investment in India

One of the most promising sectors in the Indian economy is the retail sector. To date, organised retail accounts for only three percent of the total retail pie. However, organised retail sector is expected to generate 10 to 15 million jobs over the next 5 years, and the value of the organised retail sector by 2010 should be around US\$45 billion.



Huge investment potential exists in the upcoming Knowledge Process Outsourcing (KPO) sector. According to the Ministry of Communication and Information Technology, India is likely to capture around 15 percent of the over US\$54 billion knowledge process outsourcing (KPO) industry worldwide by 2010.

According to a report by Ernst and Young (E&Y) and FICCI, an estimated investment of US\$200 billion will be required to add 1,00,000 MW of additional generation capacity and bridge the supply deficit in the power sector by FY 2012. Huge investment opportunities exist in electricity generation, transmission, and distribution.

Another up and coming sector in the Indian economy is that of healthcare. The healthcare industry is expected to increase in size from its current US\$17.2 billion to US\$40 billion by 2012.

The Infrastructure sector including roads, power, railways and aviation require a whopping \$320-350 billion by 2012 to raise the rate of investment in key areas to match economic growth, 20 percent of which will have to be chipped in by the private sector. Huge private sector funding is required since public investment in the area is constrained by limitations on the government-borrowing programme imposed by the FRBM Act and demand for investment by other growing sectors of the economy.

Policies and Procedures

The Government of India has put in place a liberal and transparent FDI policy. FDI up to 100 percent is allowed under the automatic route in most sectors/activities. The FDI policy of India is reckoned to be among the most liberal in emerging economies. The FDI cap/equity for investing companies in infrastructure/services sector (except telecom sector) has been raised from 49 to 100 percent. The entry route is through prior permission from Foreign Investment Promotion Board (FIPB). Other conditions are applicable to such sectors. For instance, where there is a prescribed cap for foreign investment, only the direct investment will be considered for the prescribed cap and foreign investment company will not be set off against this cap provided the foreign direct investment in such investing company does not exceed 49 percent and the management of the investing company is with the Indian owners.

The government is set to make significant changes in the FDI regime in March 2007, allowing foreign investment in commodity exchanges, liberalizing FDI in asset reconstruction companies—where the limit stands at 49 percent with FIPB approval—and a review of the cap on voting rights in the banking sector. According to sources, a Cabinet note on the changes would be circulated after a review of the FDI regime is carried out in the light of the experiences over the past one year. Other sectors where changes have been proposed include petroleum, aviation and retail. In the petroleum sector, the proposed changes in the FDI regime may include a dilution of the stipulating divestment of 26 percent of equity in favour of Indian entities within five years. In aviation, the government is considering a proposal to set up a separate chapter dedicated to policy on air traffic services. The government will take a call on what constitutes the services and whether they should have different FDI rules and limits. At present, every aviation activity, other than airports and airlines, are clubbed in one segment and this includes areas such as charter and helicopter services and ground handling. The government has already allowed 100 percent FDI in Greenfield airports, 74 percent in existing airports and 49 percent in airlines. The review of FDI in retail could also boost retailers wanting to set up multi-brand retail outlets. The government is already considering allowing FDI in multi-brand retail in sports goods, stationery and electronics. At present, 51 percent FDI in single-brand retail is allowed. In wholesale cash-and-carry, up to 100 percent FDI is allowed.

Further Information

The Department of Industrial Policy and Promotion is the nodal agency for information and assistance to foreign investors. Their website www.dipp.nic.in has comprehensive information for foreign investors and gives weekly updates on proposals for foreign investment under consideration. It also gives information on projects available for foreign investors and contains online applications for clearances. A manual called “Foreign Direct Investment Policies and Procedures” has been published by the Indian Ministry for Commerce and Industry and can be downloaded from www.dipp.nic.in/manual/fdi_manual_11_2006.pdf. A wealth of information for the Canadian investor is also available on the Business in India website <http://indianbusiness.nic.in/>.

SECTORS ATTRACTING HIGHEST FDI EQUITY INFLOWS (US\$ MILLION)

Sector	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07 (Apr – Dec)
Electrical Equipment (including computer software & electronics)	532	721	1,451	1429
Services Sector (financial & non-financial)	269	469	581	3820
Telecommunications (radio paging, cellular mobile, basic phone services)	116	129	680	490
Transportation Industry	308	179	222	368
Fuel (Power + Oil Refinery)	113	166	94	192
Chemicals (other than fertilizer)	20	198	447	147
Drugs & Pharmaceuticals	109	292	172	157
Food Processing Industries	111	38	42	49
Cement and Gypsum Products	10	0	452	210
Metallurgical Industries	32	192	153	148

Enormous Opportunities for Canadian Construction Companies

Infrastructure is the foundation of economic, industrial and social development. The multiplier effect of infrastructure development on the economy is significant and its role as a stimulator of economic growth is indisputable. — *Confederation of Indian Industry*

Just a decade ago, it was almost a tenet of faith that infrastructure services in India were best provided by the state. However, with liberalization and technological upgrading, private sector participation in infrastructure services gained momentum. Today public-private partnership has emerged as a vital tool to build, manage and operate infrastructure services efficiently.

The economic reform initiative in India has raised the annual growth rate to above 6 percent. This has exerted the pressure on the existing infrastructure that is reaching (or in some cases has already reached) saturation. It is evident that to sustain and accelerate higher economic growth rate in the country, India urgently needs to build, upgrade and modernise its infrastructure.

Speaking at a conference on infrastructure on 07 October 2006, India Prime Minister Dr. Manmohan Singh stated that the Indian government is working on a policy to attract more private investment in infrastructure development. He said, "In the coming weeks and months we will finalise the remaining elements of the policy, regulatory and institutional framework for Public Private Partnerships in infrastructure." He went on to say, "India requires investments of US\$320 billion in infrastructure by 2012," revising his earlier estimate of US\$150 billion on the premise that an economy growing at 8 percent needs matching investments in infrastructure.

Opportunities for Canadian Construction Firms

Several Canadian construction companies, with expertise based on Canada's long experience in infrastructure development, are already participating in this rapidly expanding market. Some have been in the country since shortly after Indian Independence. In a nutshell, the Indian infrastructure market has enormous potential for growth, and Canadian firms with experience, products and skills suited to this market may find that they can expand right along with it. Let us take a look at what's on offer.

Roads and Highways – Since the onset of liberalisation in 1991, sweeping changes have taken place in policies, approach and regulatory regime in the Roads and Highways Sector. The introduction of cess on fuel proved to be a revolutionary initiative that has transformed the scenario and provided the much needed impetus to

"India requires investments of \$320 billion in infrastructure by 2012," says Indian Prime Minister



improvement and expansion of the road network. Today approximately an investment of Rs. 150 billion (US\$3.4 billion) is being made by the Central Government alone. It includes annual budgetary allocation by central government, revenue from cess on petrol and diesel, lending from multilateral agencies and private sector investments. At the time of initiation of the fund, the cess was expected to generate Rs. 20 billion (US\$352.3 million) per year, which has grown to Rs. 60 billion (US\$3.5 billion) at present. Further the private sector participation in highways is also growing gradually. As of now BOT projects worth Rs. 31 billion (US\$701 million) and Annuity Projects worth Rs. 22 billion (US\$497 million) have been awarded to the private sector. With a conducive policy framework in place and specific measures by the Government to augment finance, the road and highway sector presents most lucrative business and investment opportunities in India.

Ports – India has a 6000 km long coast line, studded with 12 major and around 139 other ports (minor and intermediate). The major ports are administered and run by a Board of Trustees, governed by the Major Port Trust Act 1963 and Indian Ports Act 1908 under the overall control of the Central Government. The other ports are administered by the Port Departments or respective maritime Boards of State Governments. The Indian Ports Act 1908 automatically applies to all ports irrespective of category.

The ports in India account for 95 percent of the country's foreign trade in volume terms and 75 percent in value terms, emphasising its importance to ensure sustainable economic growth by facilitating trade. The role of ports is being redefined from mere trade gateways to integral components of the global logistics and transportation chain. It has been assessed that major expansion is required to the Port Sector, keeping in view the sea-borne traffic on account of increasing

foreign and coastal trade. The traffic at ports is expected to rise from 300+ MT at present to 850 MT per annum by 2009-10 and 1275 by 2012. The overall investment required in the ports sector has been estimated to be US\$15-20 billion.

The port sector has been going through a major transformation phase. The private sector participation is gradually picking up both in major and minor ports, providing much needed additional resources, increasing competition, bringing about higher productivity and focusing on quality of services

Civil Aviation – Airports today are an integral part of the aviation industry and no longer the mere providers of airline infrastructure. Airports have become the pillars of economic development and gateways to growth for their airline customers and the regions they serve. They are therefore critical for the development of a dynamic and vibrant economy.

Over the last two decades the aviation industry has seen two fundamental changes. This is the opening up of airspace to international traffic over the erstwhile USSR and the introduction of long range passenger aircraft capable of flying non-stop to virtually any point on the globe. This has meant that many international air routes no longer fly over India. Therefore to compete effectively with the international airports like Singapore, Dubai etc., India needs to create airport to infrastructure comparable if not superior to them. This would require the infusion of private sector investment.

Indian Prime Minister Dr. Manmohan Singh flanked by Ministers of Commerce; Shipping, Road Transport and Highways; Power; Finance; Railways; Tourism; and Deputy Chairman Planning; stressing the importance of infrastructure development on the national agenda

Conference on Building Infrastructure: Challenges & Opportunities



Railways – The Railway Minister has announced investment of Rs 30,000 crore (US\$6.78 billion) for freight corridor project. This is a timely announcement.

Indian Railways is the backbone of the national transport infrastructure. It is the world's second largest system under one management which has an extensive route length of over 62,800 kilometers, with 1.6 million employees running 8049 passenger trains and 5500 goods trains every day, moving 13.6 million passengers and 1.2 million tonnes goods daily. It is often described as the nation's lifeline. However, Indian Railways stands at cross roads. It faces a serious problem with respect to its competitiveness vis-à-vis other means of transportation, particularly the road transport. Railways share of the freight and passenger traffic has come down from 89 and 80 percent in 1950-51 to 40 and 20 percent respectively at present.



Several foreign companies are actors in construction of the Delhi Metro. Website www.delhimetrorail.com lists the latest tenders.

With Best Compliments From

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Hey! Canada is also Open to Foreign Investment

Going global seems to be the mantra of corporate India in the new millennium, and Indian companies have entered into an acquisition spree on an unprecedented scale. Corporate India's hunger for sound investments abroad in a wide and diverse range of sectors is reaffirmed with any number of mergers and acquisitions, and even greenfield projects being undertaken across the globe.

A case in point: Indian firms have about 450 investments/joint ventures in the UK, mostly technology oriented. India is the eighth largest investor in UK and 2nd largest from Asia. There are 1441 Indian companies operating in Singapore. Of these more than 450 are technology enterprises. Eight Indian companies are listed in New York Stock Exchange and three on the NASDAQ, and there are over 18 companies listed in London Stock Exchange.

There are significant investments by Indian companies in Canada, especially in the information technology and financial sectors. But, as the adage goes, there is always room for more. So far in this publication—the one you are reading—we've been making big of the investment opportunities in India. **Now hear this: Canada is also open to Foreign Investment.**

Invest in Canada

It's no surprise that many of today's most innovative companies from across the globe have chosen to establish facilities in Canada, where they can take advantage of a skilled and educated work force, low operating costs, and R&D incentives that rank among the best in the world, while enjoying an enviable quality of life. A pro-business government—at both the federal and provincial levels—that is committed to fostering economic development also supports these firms. What follows below is a roundup of a few good reasons to invest in Canada. It should be mentioned that the following has been condensed from the Canadian Government website: www.investincanada.com. Full amplification and more information for potential foreign investors in Canada are available on the website. Some good reasons to invest in Canada follow:

Smart Workforce

Brilliance and Diversity – Canada believes in its people and welcomes talent from around the world. That's why as a percentage of its GDP, **Canada spends more dollars on education than any**



Young female students in a Burnaby BC college

other country in the world. In addition, Canada has implemented progressive immigration policies and invites skilled people from around the world to make Canada their home. The pay-off on that investment has been huge – especially in terms of developing sophisticated knowledge workers.

Leading Economy

Canada is a magnet for the best and the brightest – It is easy to think of Canada’s beauty and abundance of natural resources. But today, Canada is also home to one of the most technologically advanced economies in the world. While commodities are still important to the Canadian economy, high-tech exports are leading Canada’s export activities. This has enabled Canada to mesh its economy perfectly with the US economy, and win large shares of U.S. technology markets. The label “*Made in Canada*” is well-respected and competitive around the world. Today, Canada enjoys growing exports with the United States, Europe, Asia and the rest of the world.

Strong Fiscal Policies

Meet Canada, the Fiscal Rock – Canada has been the only G7 country running surplus budgets in recent years. The 2006 Canadian budget plan projected the country’s 9th straight surplus — the longest stretch of surpluses since 1867 when Canada became a country.

NAFTA Advantage

Canada is America’s Number One Trading Partner by a Long Shot – Canada is America’s largest trading partner. The United States does more business with Canada than with all the countries of the European Union combined! Investors will have access to more than 425 million consumers and a combined GDP of more than US\$11.4 trillion. Two-way goods & services trade between Canada and the United States was valued at C\$710 billion in 2005, or nearly C\$1.3 million a minute in trade.



Toronto's financial district as seen from CN Tower

Rainbow Bridge between Canada and United States at Niagara Falls, and several other bridges have facilitated the transport of a great deal of Canadian exports since NAFTA came into effect





Cost Competitive

Canada's proven cost advantage – There are places in the world where production costs are lower than they are in Canada, but there is no other place where costs this low are enhanced by a world-class business environment. Canada offers first-class knowledge workers, access to low-cost R&D, and easy access to huge markets.

Sophisticated Infrastructure

A dynamic, educated and connected Canada – Today, Canada is ranked third in the Economist Intelligence Unit's global business rankings for the forecast period (2007-11), down slightly from first place from the historical period (2002-2006).

A Great Place to Live

Strong and Free – Canada is a large country in both size and spirit. It is a land known for its immense natural beauty and as a place where big dreams come true. Canadians are proud of their heritage and welcome immigrants from around the world. Almost all of the world's ethnic groups are represented in Canada and Canadians truly encourage and appreciate multicultural diversity. Canadians pride themselves on a quality of life that is one of a kind in the world.

Incentives and Taxes

The *World Trade* magazine has ranked Canada in the top 3 for investment and trade opportunities. Today, Canada can guarantee investors the overall lowest tax rate among developed countries and the most preferable R&D tax credit program among G7 countries. To truly welcome foreign investment, Canada has introduced many incentives to ensure new businesses will be successful.

With Best Compliments

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NIKO RESOURCES LTD.

An Ideal Place to Study and International Students are Welcome in Canada

By Hazel Siromoni

Canada has a tradition of welcoming people from all over the world and Canadians have a reputation as a friendly, tolerant people. At Canadian campuses you will meet students from around the country and the globe, in an environment where different perspectives are respected and learning together is encouraged.

Canada is among the best countries to live in. Many factors contribute such as: higher education enrollment levels; high quality, low cost education; universal healthcare system; an uncompromising respect for fundamental rights and human dignity; and clean and safe cities and cosmopolitan, multi-ethnic cities with unparalleled cultural and recreational amenities.

Canada spends more per capita on education than any other country in the Organization for Economic Cooperation and Development (OECD), 7.1 percent of GDP versus 6.1 percent in other countries. In Canada education falls under the jurisdiction of the provincial governments, though the federal government plays an important role in providing additional financial support for education, student assistance, funding for research and support of international education. Canadian institutions have the latest in research labs, wired classrooms and Internet access in many of the residence rooms. To

maintain high standards and current programmes, provincial bodies and government departments review and appraise all new programmes and monitor existing programmes, usually on a five to seven year cycle.

Canadian degrees and diplomas are recognised around the world, and on par with those of other Commonwealth countries. Canadian work experience is recognised and sought after by multi-national companies, who actively recruit on Canadian campuses. Sixty percent of animation technology in Hollywood comes from Canada. The 1998 Gourman report, an independent US report, scored 18 Canadian Electrical Engineering programmes in the top 40 such programmes in North America. The 1997 Global Competitiveness Report ranked Canada first in the G-7 in priority on developing knowledge workers.

Twenty-five percent of Canada's research capacity is found within the education system; students are frequently involved in research projects, often in their undergraduate years. Canada's commitment to education extends to distance education and a variety of co-op programmes enabling Canadian and international students to gain valuable work experience as a part of their studies. Job prospects are enhanced not only by the skills and training received, but by the



A college in British Columbia



networking contacts that are established during the co-op experience. Canada's community college system is one of the world's best in training students to meet the needs of business, through co-op programmes and working closely with business and industry in an effort to understand current needs, and develop programmes which will address those needs, and produce graduates in demand by business and industry.

The Canadian Universities and Colleges teaching methodology, the presentations by the professors, and the nature of the assignments given, develop many valuable skills and encourage independent thinking. The selection of programmes to study in Canada is vast and the opportunity for mobility within the programmes themselves will broaden your experience and interests. Traditional programmes are available in business and management, computer sciences and engineering. Additional programmes such as tourism and hospitality, media communications, multicultural studies, aerospace engineering, genetics, early childhood education, artistic make up, e-commerce, toxic waste management, marine biology, veterinary medicine and fashion, to name a few, are available to study at various levels.

Canada's Education System

It is not without reason that Canada's education system is considered to be one of the best in the world today. Education tops the list of priorities of the Canadian government and policy makers. Education being a provincial responsibility, each state or province draws up its own policy and directives regarding education. But education standards are uniformly high across the country.

Schools

Canadian children attend kindergarten for one of two years at the age of four or five on a voluntary basis. All children begin Grade One at about six years of age. The school year normally runs from September through to the following June but in some instances, January intake dates are possible. Secondary schools go up to Grades

11, 12 or 13 depending on the province. From here, students may attend university, college or Cegep studies. Cegep is a French acronym for College of General and Vocational Education, and is two years of general or three years of technical education between high school and university.

There are two kinds of schools in Canada. Government-funded public schools and private, independent schools. Publicly funded schools are managed at the local level by elected school boards. All private schools must be registered with the Ministry of Education in their province or territory and must meet the curriculum and other standards set by their respective ministries.

Higher Education

Canada's post-secondary system includes not only 92 Universities but 175 community colleges as well. Colleges respond to the training needs of business, industry and the public service. Canadian institutions offer a range of regular study programmes as well as co-operative study programmes that allow students to combine work-based training with classroom study





Universities: Canadian universities offer the academic route to higher education. Universities offer various levels of academic degree programs leading to either a Bachelor's degree (four years in duration), Master's degree (two year's in duration) or Doctorate degrees (involves four to seven years of full-time study).

University Colleges: University colleges combine the best of Canadian university and college traditions, with a strong base of applied and academic programs offered in campus environments. As the name suggests, a university college offers university degrees as well as college diplomas and certificate programs.

Community Colleges: Community and career colleges offer the vocational route to higher education. Community colleges have a primary function of responding to the training needs of business, industry, the public service sectors, and the educational needs of vocationally oriented secondary school graduates and adults. These colleges commonly offer one to three years diploma or certificate programs which prepare you in some way to enter the marketplace by giving you specialized skills training.

Career Colleges: A technical/career college is a privately owned and operated school with the main objective of preparing students for the job market after a short period of instruction.

When to Apply:

In most Canadian Universities and Colleges, the academic year is divided into two semesters, the fall semester (Sept-Dec), and the winter semester (Jan-May), with a short vacation at Christmas. Many colleges also offer a summer semester beginning in May.

Upcoming Events:

- The 2nd Canadian Application Forum from 18th to 22nd April 2007 in Delhi, Ludhiana and Ahemdabad.
- The 11th Annual Canadian Education Fairs in September in Delhi, Chandigarh, Bangalore and Mumbai.

Look for details on our website www.studykanada.ca/india

Where to Start?

Contact the Canadian Education Centre with your inquiry via e-mail, fax, letter or call us at our New Delhi or Bangalore office whichever is closest:

New Delhi

12th Floor, Dr Gopal Das Bhawan,
28 Barakhamba Road, Connaught Place,
New Delhi 110001, India
Tel: 91 11 4151 5560; 4151 5561
Fax: 91 11 4151 5558
E-mail: cecindia@studykanada.ca
Website: www.studykanada.ca/india

Bangalore

No 105, First Floor, The Presidency, 1, St. Marks Road,
Bangalore-560 001
Tel: 080-41120183/84
E-mail: cecbangalore@studykanada.ca
Website: www.studykanada.ca/india

Other Good Reasons to Visit Canada Besides Visiting Family and Friends

By William Hawke

I must let you know right from the start that I'm a Canadian permanently domiciled in India. I tell you this in order to make the following point: Whenever I'm asked the question, "Where are you from basically" my answer, "Canada" usually provokes the reply, "Oh, one of my sisters/brothers/cousins/aunts and her/his family live in Canada.* Most Canadians serving in India temporarily or living here permanently like myself will tell you the same story.

One can find persons of Indian origin in all parts of Canada—some reports mention close to a million persons of Indian origin in the country. Major pockets are located in Montreal, Toronto and Vancouver. This leads me to believe that a large proportion of Indian visitors to Canada go there with the sole purpose of visiting family and friends, although I haven't got any figures in front of me to prove it. But for those who don't have relatives and friends living in Canada, there are many other good reasons to visit.

Canada has Spectacular Cities

Due to the vastness of Canada, you most likely won't have time to visit all of them, but the most popular for tourists are Vancouver,

Calgary, Niagara Falls, Toronto, Ottawa, Montreal, Quebec City, Halifax and Victoria. Look up any of these on the Internet with search phrases like "Visit Toronto," or "Vancouver tourism," and you'll be presented with a whole range of attractions. All of these cities are well-connected to the world by international airlines.

Canada has Wonderful Natural Treasures

Few countries of this world can match the range and number of natural attractions that are available in Canada. National and Provincial parks of the Canadian Rocky Mountains, Nahanni National Park Reserve, Dinosaur Provincial Park, The Cabot Trail, Niagara Falls—these are but a few.

Canada is Affordable

Are there budgetary constraints? Rest assured. Canadian cities were ranked amongst the world's most affordable in the *2005 Mercer Worldwide Cost of Living Survey*. Even Toronto, which is probably the most expensive Canadian city ranked 82nd out of 100 in the report. Ottawa was ranked as North America's most affordable city. So don't let your budget hold you back.

Vancouver skyline





Calgary Stampede

Activities in the Great Outdoors

Canadians are more than happy to share their mountains, trails, forests and lakes with visitors from other countries. And believe me, there is no dearth of these. Depending upon the season, activities could include: skiing/snowboarding; camping; fishing; golfing; mountain biking & climbing; canoeing; dog sledding; hiking; snowshoeing; you name it.

Cultural Events and Festivals

Find out how friendly Canadians really are. The following are in no way the full gamut, but do represent a few 'must-see' events: The Celebrations of Light (Fireworks competition) in Vancouver; Edmonton Folk Music Festival; The Calgary Stampede; The Toronto International Music Festival; the Quebec Winter Carnival; and the Celtic Colours International Festival in Nova Scotia. Just look them up on the Internet learn all about them.

French Cultural Heritage

French culture is a distinct aspect of Canada, especially in Quebec and parts of Ontario and the Atlantic provinces. There is nothing like visiting a Cabana Suc (Sugar Shack) in the spring to experience a variety of food flavoured with maple sugar. Quebec City, by the way, has a definite European feel and is rich in heritage, and is thus a unique Canadian tourism destination. And don't worry about the so-called language barrier. Most personnel in tourist centres speak English due to the large numbers of Americans and English Canadians who visit the province.

Shopping Opportunities Galore

If "Shop till I drop" is your mantra, you won't be disappointed in Canada. Here you will find everything from high-end fashion boutiques to bargain basements; modern shopping malls to community flea markets. With bargains galore, the Canadian shopping experience is indeed delightful.



Making toffee from maple syrup in a Quebec sugar shack



Scenic Cabot Trail in Nova Scotia

Fun for Children of all Ages

Canadians, like Indians, are family oriented and therefore most of her attractions are fit for the whole family. There are, however, safety precautions that disallow children onto some carnival rides, but generally speaking, Canada is enjoyable for children of all ages.

Man-Made Attractions

Not everything in Canada was carved out by nature. Take the CN Tower in Toronto for instance—completed in 1976, it's still the world's tallest manmade structure. And then there is the walled portion of Quebec City—the only walled city north of Mexico. Not to mention the world-class museums and art galleries.

** Don't get me wrong; I'm just poking a little fun, but for the life of me I don't know why Indians add 'basically' to the question, "Where are you from," but they invariably do.*



Singers in one of Canada's large shopping malls



CN Tower, at 30 years old, is still the world's tallest manmade structure



Dog Sledding is a popular Canadian outdoor activity

Keeping Informed on the Scope of Indo-Canadian Bilateral and Economic Relations

Keeping informed is a vital, but sometimes frustrating aspect of business. Keeping informed on the scope of Indo-Canadian bilateral and economic relations, however, is not a daunting task. There is a great deal of information in the public domain.

Canada India Business Portal

Team Canada Inc is a network of federal departments and agencies working with the provinces, territories and other partners to help Canadian businesses prepare for the global marketplace. Their Canada India Business Portal <<http://canadaindiabusiness.ca/>> offers one stop access on the Internet to information for and about the promotion and enhancement of commercial relations between Indian and Canadian companies. Over 2,000 links connect users to information from both government and non government sources in both countries. Through the Portal visitors will find information on topics such as market information, sector trade information, key business contacts, reports, travel guides, tools, training, upcoming trade events and opportunities as well as background information on India, its culture and economy. The portal also provides assistance for Indian business persons looking for opportunities in Canada.

The Asia Pacific Foundation of Canada

The Asia Pacific Foundation of Canada is an independent, not-for-profit think tank on Canada's relations with Asia. The Foundation functions as a knowledge broker, bringing together people and knowledge to provide the most current and comprehensive research, analysis and information on Canada's transpacific relations. It promotes dialogue on economic, security, political and social issues, helping to influence public policy and foster informed decision-making in the Canadian public, private and non-governmental sectors. In their website (www.asiapacific.ca/) one will find a wide range of information, analysis, statistics, news and Internet links detailing Canada's economic, political, social and institutional relations with Asia Pacific. A person wishing to keep informed can subscribe to the Foundation's daily email newsletter. Back dated information on India can be found by entering 'India' into the website search engine. The following represent excerpts of the newsletter from the beginning of 2007:

Feb 15, 2007: Eckler and India's HCL Technologies Form Partnership in Global Actuarial Consulting. HCL Technologies Ltd. (HCL), an India-based IT services company, has formed a strategic alliance with Eckler Ltd., a Toronto-based actuarial consulting company. Under the alliance, HCL and Eckler will collaborate on

various actuarial consulting and implementation projects around the world. Eckler will also provide assistance in strengthening HCL's insurance-related services. *Information summarized from: HCL Technologies Ltd. Press Release (India)*

Feb 07, 2007: MedMira Receives Order for HIV Tests for Distribution in India. Halifax-based MedMira Inc., which develops, manufactures and markets a line of rapid diagnostic tests, announced that it has received a contract for one million rapid HIV tests from its strategic distribution partner in India, Venkateshwara Hatcheries Pvt. Ltd. (VHPL). Delivery of the tests will begin in the next several months and be completed in a series of shipments. The company said that according to India's Health Ministry, there are currently 5.2 million people infected with HIV. *Information summarized from: MedMira Inc. Press Release*

Feb 06, 2007: Magellan Aerospace to Establish Processing Facility in India. Toronto-based Magellan Aerospace Corporation, which designs, engineers, and manufactures aero-engine and aero-structure components for aerospace markets, advanced products for military and space markets, and complementary specialty products, announced that it has formed a 50-50 joint venture company with QuEST Machining and Manufacturing to establish a processing facility in India. The 10,000 sq. ft. facility, which will manufacture titanium, aluminum and stainless steel components, will open in 2008. *Information summarised from: Canada NewsWire*

Feb 02, 2007: CAE to Invest US\$20 Million in Indian Aviation Training Centre.

CAE, a Montreal-based provider of simulation and modeling technologies for civil aviation and military customers, will establish its first Indian aviation training centre in Bangalore, India. The training centre, which will open by the end of calendar 2007: and will train up to 1,000 pilots annually, involves an investment of approximately US\$20 million. Located near Bangalore's international airport, the training centre will serve India-based airlines and the surrounding region and will initially offer pilot, cabin crew and maintenance training as well as flight operations support on the Airbus A320 and the Boeing 737. The training centre will be part of the CAE-Airbus cooperation and will also serve the needs of the CAE Global Academy, a new

training alliance intended to address the global shortage of pilots.
Information summarised from: CAE Inc. Press Release

Jan 31, 2007: Canadian Chamber of Commerce to Hold Canada-India Business Forum in Toronto, February 5. The Canadian Chamber of Commerce, in partnership with the Canada-India Business Council and the Toronto Board of Trade will hold a one-day forum on the Canada-India economic and business relationship, on February 5 at the Toronto Board of Trade offices. The forum will explore trade and investment opportunities and impediments. Speakers include Sandra Pupatello, Ontario Minister of Economic Development and Trade, and Gary Comerford, Vice President, International, and General Manager India, Sun Life Financial. *Information summarised from: Canada NewsWire*

Jan 19, 2007: Premier McGuinty Addresses International Conference during India Mission. During a stop in Bangalore, India, Ontario Premier Dalton McGuinty addressed a session at the Confederation of Indian Industry's Partnership Summit 2007. Premier McGuinty also hosted a luncheon at the Partnership Summit where he delivered another speech to investors and employers specifically interested in Ontario. Several co-operation agreements have been signed, including agreements between Ontario and Indian educational institutions and a memorandum of understanding between the Confederation of Indian Industry, Northern Region and the Ontario Chamber of Commerce emphasising support for small- and medium-sized businesses in India and Ontario. The India mission concludes on January 22 and moves on to Pakistan from January 22 to 26. *Information summarised from: Office of Premier of Ontario Press Release.*

Jan 18, 2007: India's Subex Azure to Acquire Syndesis Limited for US\$164.5 Million. Subex Azure Limited, a Bangalore, India-based provider of revenue maximization solutions for telecom operators, has entered into a conditional contract to acquire Syndesis Limited, a Richmond Hill-based provider of telecom operations support software, for US\$164.5 million cash. Subex Azure has offices worldwide, including Beijing, Ottawa, Singapore and Sydney.

Jan 18, 2007: Teo Corp. Acquired by India's VVF Ltd. VVF Ltd. of India has acquired Milton, Ontario-based Teo Corp., a manufacturer of personal care products. VVF will use Teo, which will be managed as a wholly-owned subsidiary, to expand VVF's own product line and to enhance its contract manufacturing business in North America. Mumbai-based VVF is a maker of oleochemicals and personal care products for its own brands and for leading brands and the hospitality industry around the world.

Jan 15, 2007: India's Kavveri Telecom Acquires Til-Tek Antennae for C\$2.5 Million. Kavveri Telecom Products of Bangalore, India, announced that it has purchased Ontario-based technology company Til-Tek Antennae Inc. for C\$2.5 million. Til-Tek Antennae Inc. designs and manufactures antenna products. Applications include cellular, GSM, PCS, DECT, WLL/WLAN, WiMAX, public safety, point-to-point, and point-to-multipoint systems as well as special applications such as radar test targets and digital audio broadcast antennas. Kavveri's managing director, Shivakumar Reddy, said 'the strategic acquisition of Til-Tek will provide the platform for Kavveri to access North American markets for its products and to bring Til-Tek's products to India. This will also add a significant number of products in GSM CDMA and WiMAX markets to Kavveri's portfolio.'

Jan 03, 2007: Sun Life Financial Appoints New Vice President and Country Head for India. Toronto-based Sun Life Financial announced the appointment of Venky Mysore as Vice-President and Country Head, Sun Life Financial, India. In this role, Mr. Mysore will be responsible for Sun Life Financial's investment in the Birla Sun Life joint venture companies, comprising three companies: Birla Sun Life Insurance Company Ltd., Birla Sun Life Asset Management Company Ltd. and Birla Sun Life Distribution Company Ltd. He will also be responsible for the ongoing relationship with the Aditya Birla Group. Sun Life Financial re-entered the Indian insurance market in 1999 through a joint venture with the Aditya Birla Group.

Independent Publications

L.B. Associates (Pvt) Ltd, a fifty-percent Canadian owned, India-based publishing house has produced two publications on Indo-Canadian business relations over the past couple of years. The first of these, titled 'Canada-India Moving Forward' was published with Export Development Canada cooperation, while the other, 'Canada and India: Ready for Takeoff,' was published with support from the High Commission of India in Ottawa. Both are a couple of years old, but much of the information within remains relevant. These can be accessed and downloaded in PDF format at www.diplomatist.com/page/canada.htm.

High Commission of Canada

Another important source of information on Canada and her relations with India is the Canadian High Commission website: <http://www.india.gc.ca>.

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So, you're here in India with a Delegation from Canada are you?

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Interested?

Contact William Hawke for details at:
williamh@lbassociates.com or 011-9818397967



AV Group



Joint Venture of Aditya Birla Group of India and Tembec of Canada

The AV Group is a joint venture of the Pulp & Fibre Business of the Aditya Birla Group, one of the largest producers of Cellulosic Staple Fibres globally and Tembec Inc., a leading integrated forest product company in Canada.

Moving from an initial partnership beginning 1998 to produce dissolving Rayon Grade Wood Pulp at AV Cell, Atholville, the AV Group has further acquired another pulp mill St. Anne Nackawic in New Brunswick in 2006 now christened as AV Nackawic.

Like at AV Cell, the AV Nackawic Mill, which is at present producing paper grade pulp is now being converted for production of dissolving grade pulp which is the raw material for fibre operations of Aditya Birla Group.



Birla Cellulose
Fibres from Nature

'Birla Cellulose'- the umbrella brand of cellulosic fibres produced by Birla Group, encompasses all three generations of man made Cellulosic fibres, sub branded 'Birla Viscose', 'Birla Modal' & 'Birla Excel'. These brands represent an array of finest textile fibres, used in fabrics, garments and home-textiles, to provide you comfort, make you look good and feel great in timeless fashion. The Birla Cellulose fibres are exported to more than 50 countries.



Birla Cellulose
viscose
FEEL THE COMFORT



Birla Cellulose
modal
LOOK GOOD. FEEL GREAT.



Birla Cellulose
excel
TIMELESS FASHION



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