



India Canada Biz Digest

Delivering news impacting Indo-Canadian trade relations

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Week of 3rd - 10th July 2017

Opinion

The Canadian brand is emerging in India, especially in key corporate circles. This was the welcome message that we heard at the Mumbai roundtable on July 3 led by the India-Canada Business Chamber. The Canada-India Business Council (C-IBC) was honoured to collaborate at this roundtable so ably organized by ICBC.

The recommendations that emanated from this ICBC session were consistent with the Toronto Partnership Summit of May 26th. See <https://www.canada-indiabusiness.com/toronto-partnership-summit-report---2017> for more information.

Canada-India economic relations are at an important juncture. Two-way trade and investment have increased but we are still well below our potential. Renewed focus on the CEPA and FIPA negotiations are underway and we at the Council will play our role in advocating for their completion. Tourism numbers are up both ways and of course the people-to-people connections continue to thrive. The remarkable levels of investment by our leading institutional investors underscore the long-term opportunities of the Indian market.

Underpinning all of these promising developments is the launch of the direct Toronto-Mumbai flight by Air Canada. It augments the existing Toronto-Delhi and Vancouver-Delhi direct routes. Connecting the two global cities of Mumbai and Toronto materially advances business connectivity.

Excellent Canadian brands such as Fairfax Financial, McCain Foods, Sunlife Financial, and the Canadian banks have done much to position our strengths in India. Similarly, the presence of major Indian corporates notably ICICI, SBI, TCS and PayTM show the growing presence of Indian corporations in Canada. There are newer vistas for collaboration which need to be developed in the coming years. Both Canada and India have undertaken major reforms that emphasise the increasing primacy of the innovation agenda and talent mobility. This combined with agri & clean technologies and sustainable urban development are areas in which Canada excels.

India is in the midst of a major transformation with path-breaking reforms such as the rollout of GST, passage of its revised bankruptcy code and a devolution of power from the centre to states. This renewed emphasis on federalism is an opportunity for Canadian businesses to get the best possible deals at the sub-national level.

The Canada-India Business Council will be leading or part of some key upcoming events in the near future – “Invest India” in Toronto (September 8) with Fairfax Financial and India’s IIFL, our Vancouver Summit (September 19), Toronto Diwali Gala (October 17) and our Annual Mumbai Forum (mid-November). Together, these events will strive to reinforce the mutually beneficial bilateral economic relationship.

Mr.Kasi Rao

President and CEO





Canada-India Partnership Summit: May 2017

Taking “Why India” to “How India”: Opportunities to deepen Canada-India business relations

Recommendations and Next Steps

1. The bilateral relationship, while growing, is still at a modest level. As the rise of India continues, Canada needs to deepen and broaden its activities in India. Canadian companies will need to focus more in India in the coming years.
2. India’s innovation agenda—digitization, demonetization, mobile payments, clean technology, etc.—represent the emerging transformation in Indian economic growth. Broadening Canada’s focus to recognize the changing nature of India’s economic rise will become increasingly relevant.
3. India is a diverse and complex country. Recognizing policy changes at the state levels, not just the national level, will provide a sharper focus to Canadian companies looking at opportunities in India.
4. Indian companies are looking to Canada for North American access. A number of them have representative offices in the US. Canadian governments and businesses should reach out and engage them.
5. Diaspora knowledge networks should be tapped to position Canada’s diversity and our globally-renowned institutions of higher learning.
6. Positioning Canadian strengths beyond commodities and resources broadens the Canadian brand offering. Agri-tech and mining technologies are related examples.
7. Expertise within the federal and provincial governments should be augmented with closer linkages to key business associations in Canada and India. The Canada-India Business Council and the US-India Business Council can look at North American positioning for specific sectors.
8. Direct connectivity matters. The launch of direct flights by Air Canada enhances cargo and passenger traffic, and advances the Canadian brand.
9. Tourism will witness a significant rise in the coming years and Canada can stand to benefit. Canada should continue its focus on India as a key market.
10. Talent mobility can become a key positive differentiator for Canada. Equally important is developing student mobility to encourage more young Canadians to learn about India through first-hand experience, thus building their “India Competence.”



The Indian Economy

With GST, India heading towards a transparent tax regime: Narendra Modi

Prime Minister Narendra Modi termed the Goods and Services Tax (GST) as by far the biggest economic reform and said India is now moving towards a modern, transparent, stable and predictable tax regime.

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Sectors of Interest

Amazon invests USD 258 million more in its India unit

Amazon, the world's biggest online retailer, has invested another USD 258 million in its Indian unit as part of its commitment to invest USD 5 billion to expand its local business, which is locked in a battle with arch-rival Flipkart to dominate what is seen as the world's last major unconquered Internet market.

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'Think big and strategic' – Nadir Patel, High Commissioner for Canada to India

Leaders and business delegates from India and Canada, have been constantly engaging with each other to strengthen their bilateral relationships. But at trade level, there are some unresolved issues that both governments have to agree on and these are among the top priorities for Canada.

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Apple's India expansion plans in full throttle

Primarily a premium segment player, Apple is slowly opening up new avenues to expand its presence in India - a price-sensitive market with a gigantic user base scouting for devices in the US \$230 - \$460 range. The number of smartphone users in India is expected to reach 340 million by the end of this year and, currently, Apple has three per cent market share by volume and 11 per cent share by value in the country.

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Air Canada Inaugurates Toronto-Mumbai Direct Flight

Destination Canada announced the inauguration of Air Canada's maiden Toronto-Mumbai non-stop service at an event organised at Trident Hotels Nariman Point, Mumbai, on July 3, 2017. The four times weekly flight, linking the two cities, is aimed at increasing Canada's presence among Indian travellers and making it more convenient for them to fly-down to the world's largest country and experience the wonders offered by it.

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India in talks with Canada's Teck Resources to buy coking coal

India is in talks with Canada's Teck Resources Ltd, the largest North American producer of coking coal used to make steel, for long-term purchase agreements after a cyclonic disruption in Australia cut supplies earlier this year. Steel Minister Chaudhary Birender Singh will be in Canada along with executives of Steel Authority of India Ltd (SAIL) for talks with Vancouver-based Teck over long-term, formula-based price deals.

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Digital transactions' value rose by 2.4% in June

Digital transactions rose in June in terms of value from the previous month, according to the Reserve Bank of India (RBI). Total digital transactions rose 2.36% to USD 1.75 trillion, from USD 1.71 trillion in May, according to the provisional data released on Wednesday by RBI.

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Warehouses to see Automation with Country's introduction of GST

As the GST subsumes a range of central and state taxes to turn India into a single market, it removes all variations in local taxation rates that once forced businesses to operate multiple warehouses across 29 states and seven union territories. Structured primarily to avoid paying multiple taxes for the same goods, this warehousing network is now primed to rationalise itself to trim costs and improve efficiency.

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India's growth prospects improve as key reforms pay off: IMF

India's economic growth outlook has improved as impact of demonetisation is fading and some key reforms are paying off, but concerns are growing on corporate debt and banking system vulnerabilities, as per the IMF.

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Indian IPO market to pick up pace in coming months

IPO activities in India and certain other markets are expected to gather momentum in the coming months amid strengthening investor sentiment and diminishing political uncertainty. IPO activity has been particularly strong and Bombay and National stock exchanges and their SME markets as a whole led EMEIA by deal number. Indian exchanges saw 57 IPOs raising USD 2.3 billion in the first half of 2017.

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Need any guidance regarding doing business in India?

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