

**Consulate General of India
Toronto**

No. Tor/Com/201/1/2013

June 18, 2013

Report for April 1, 2013 to April 30, 2013

**1. Trends in Bilateral Trade:
(USD million, from January 1, 2013 to April 30, 2013)**

(i) Bilateral Trade

(in US \$ Million)

	Export	Import	Total	Growth % of Export	Growth % of Import
Canada's Trade with India	803.77	937.61	1,741.38	24.2%	-10.5%
Canada's Total Global Trade	154,475	154,023	308,498	0.8%	-1.4%

(ii) Top 10 items of Export to India

S. No	Commodity	Period	Percentage Growth (%)	% Share in total Export
1.	07 - Edible Vegetables and Certain Roots and Tubers	Jan 1- April 30	212.6%	29.01%
2.	88 - Aircrafts and Spacecrafts	"	162.6%	12.32%
3.	31 - Fertilizers	"	74.8%	9.21%
4.	48 - Paper, Paperboard and Articles Made From These Materials	"	36.3%	8.90%
5.	47 - Pulp of Wood and The Like; Waste and Scrap of Paper or Paperboard	"	6.9%	6.44%
6.	71 - Pearls, Precious Stones or Metals, Coins and Jewellery	"	-41.2%	5.63%
7.	84 - Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	"	11.8%	5.62%
8.	27 - Mineral Fuels, Mineral Oils, Bituminous Substances and Mineral Waxes	"	-35%	5.07%
9.	85 - Electrical or Electronic Machinery and Equipment	"	16.8%	2.88%
10.	72 - Iron and Steel	"	-1.8%	2.67%

(iii) Top 10 items of Export to the World

S. No	Commodity	Period	Percentage Growth (%)	% Share in total Export
1.	27-Mineral Fuels, Mineral Oils, Bituminous Substances and Mineral Waxes	Jan 1- April 30	-2.2%	26.24%
2.	87-Motor Vehicles, Trailers, Bicycles, Motorcycles and Other Similar Vehicles	"	-0.8%	12.70%
3.	84 -Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	"	-5.3%	6.71%
4.	71-Pearls, Precious Stones or Metals, Coins & Jewellery	"	7.1%	5.73%
5.	85 -Electrical or Electronic Machinery and Equipment	"	-7.3%	3.04%
6.	44-Wood and Articles of Wood (Incl. Wood Charcoal)	"	35.9%	2.71%
7.	39-Plastics & Articles Thereof	"	-1%	2.69%
8.	88 -Aircrafts & Spacecrafts	"	25.6%	2.26%
9.	76 -Aluminum and Articles	"	-4.0%	1.91%
10.	10-Cereals	"	16.5%	1.86%

(iv) Top 10 items of Import from India**(in US \$ Million)**

S. No	Commodity	Period	Percentage Growth (%)	% Share in total Import
1.	29-Organic Chemicals (Including Vitamins, Alkaloids and Antibiotics)	Jan 1- April 30	-20.9%	9.43%
2.	84 -Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	"	34%	8.05%
3.	73-Articles of Iron or Steel	"	-22.3%	7.53%
4.	62-Woven Clothing and Articles of Apparel	"	4.4%	7.49%
5.	71-Pearls, Precious Stones or Metals, Coins and Jewellery	"	12.2%	7.33%
6.	30-Pharmaceutical Products	"	-13.2%	5.66%
7.	63-Other Made-Up Textile Articles and Worn Clothing	"	7.5%	4.62%
8.	61-Knitted or Crocheted Clothing & Articles of Apparel	"	4.5%	4.61%
9.	27-Mineral Fuels, Mineral Oils, Bituminous Substances and Mineral Waxes	"	-71.4%	3.45%
10.	85-Electrical or Electronic Machinery and Equipment	"	-17.9%	3.27%

(v) Top 10 items of Import from the World

(in US \$ Million)

S. No	Commodity	Period	Percentage Growth (%)	% Share in total Import
1.	87-Motor Vehicles, Trailers, Bicycles, Motorcycles and Other Similar Vehicles	Jan 1- April 30	1.7%	15.98%
2.	84-Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	"	-2.2%	14.14%
3.	27-Mineral Fuels, Mineral Oils, Bituminous Substances and Mineral Waxes	"	-----	11.38%
4.	85-Electrical or Electronic Machinery and Equipment	"	-2.3%	8.96%
5.	71-Pearls, Precious Stones or Metals, Coins & Jewellery	"	8.7%	3.50%
6.	39-Plastics and Articles Thereof	"	1.1%	3.26%
7.	90-Optical, Medical , Photographic, Scientific and Technical Instrumentation	"	-1.3%	2.88%
8.	30-Pharmaceutical Products	"	-2.2%	2.65%
9.	73-Articles of Iron or Steel	"	-3.8%	2.54%
10.	94 - Furniture, and Stuffed Furnishings; Lamps and Illuminated Signs; Prefabricated Buildings	"	1.5%	1.93%

(vi) Top 5 competitors of India's top 5 exports

1.	29-Organic Chemicals (Including Vitamins, Alkaloids and Antibiotics)	United States, Ireland, China, France (incl. Monaco, French Antilles), Switzerland
2.	84 -Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	United States, China, Germany, Mexico, Japan
3.	73-Articles of Iron or Steel	United States, China, Japan, Mexico, Taiwan
4.	62-Woven Clothing and Articles of Apparel	China, Bangladesh, United States, Vietnam, Mexico
5.	71-Pearls, Precious Stones or Metals, Coins and Jewellery	United States, Peru, Argentina, Dominican Republic, Mexico

(vii) Significant Trends

S. No	Details of significant trends	Analysis
	NA	NA

2. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc.

In a speech on April 8th at Cameco Corporation headquarters, the Honourable Joe Oliver, Canada's Minister of Natural Resources, announced that the Appropriate Arrangement pursuant to the Canada-India Nuclear Cooperation Agreement has now been signed by both sides and will take effect as soon as the Nuclear Cooperation Agreement is brought into force by the two countries. "This is an important step towards full implementation of the Nuclear Cooperation Agreement between Canada and India which will create new opportunities for the Canadian nuclear industry," said Minister Oliver. "By opening the doors of trade, we will keep Canada at the forefront of the global economy for years to come." When brought into force, the Agreement will allow Canadian nuclear companies to export controlled nuclear materials, equipment and technology to India, for peaceful uses, in accordance with Canada's nuclear non-proliferation policy and under the safeguards applied by the International Atomic Energy Agency. Canada's nuclear regulator, the Canadian Nuclear Safety Commission will oversee the implementation of the Agreement via the Appropriate Arrangement which was recently signed.

Source: Natural Resources Canada

Amid negotiations for Comprehensive Economic Partnership Agreement between the two countries, Canadian federal government this month decided to increase the tax on goods coming from India recently. While announcing its budget, Canadian Finance Minister Jim Flaherty said that from January 1, 2015 onwards, its government will impose an extra three percent tax on goods coming from India. India was one of the 72 countries that the Canadian government decided to drop out from the list of "general preferential regime" which offers lower tariff for export. Canada introduced the special tariff system in 1974 to offer preferential market access to the list of developing countries. According to Stephen Harper's government, the decision was based on the economy status criteria set by the World Bank. Though India was excluded from the favorable list, it is believed that the removal from the list won't impact India's export if the Comprehensive Economic Partnership Agreement (CEPA) between the two countries is signed in time. The latest and the seventh round of Comprehensive Economic Partnership Agreement talks between the two countries were held in New Delhi in February.

Source: International Business Times

On April 23rd, the Honourable Diane Finley, Minister of Human Resources and Skills Development, tabled in the House of Commons the Social Security Agreement between Canada and India, which will coordinate pension benefits between both countries. "Our government is committed to ensuring retirement security for Canadians, whether here or abroad," said Minister Finley. "This agreement will reduce the pension contribution costs for Canadian companies sending employees to India and ensure that those same Canadian employees receive the pension benefits they are entitled to for time spent working abroad." Once in force, this agreement will also make it easier for people who have lived and worked in both India and Canada to qualify for public pension benefits from either, or both, countries. Periods of coverage under the Employees' Pension Scheme of India may help towards eligibility for Canadian benefits and vice versa. Canada has signed 57 social security agreements; 53 are currently in force. The Social Security Agreement between Canada and India is expected to enter into force in 2014, once both countries have completed their legislative procedures. Source: Canada Newswire

Chatham-Kent Mayor Randy Hope and Michael Burton, Director of Economic Development Services, visited India for a week starting from April 6 to strengthen relationships and solidify investment opportunities. The mayor said Chatham-Kent officials previously met with contacts

from India while they were on a trip to Canada. This is the municipality's first foray into India for economic development purposes. Burton said Chatham-Kent's relationship with India has been "below the radar a bit. "We have primarily fairly good relationships and we want to develop them further with Indian companies, as opposed to government officials," he added.

Source: Chatham Daily News

3. Market Access

a. Alerts on SPS/ TBT notifications, import procedures, export restrictions put in place; change in trade policy:

S. No	Notification no. and date	Details	Effective from
	None		

b. Alerts on Trade Defence Measures taken by respective country: (Special Safeguard, antidumping, CVD or Anti-subsidy)

S. No	Notification no. and date	Details of products/ sectors affected	Effective from
	None		

c. Feedback from major Indian industries/ other commercial concerns set up in Canada and Indian trade visitors to Canada

S. No	Name of business house	Activity sector	Trade barrier issues if any	General feedback
	N.A.	N.A.	N.A.	N.A.

d. Feedback on major trade fairs / BSM including Indian participation (whether or not supported by MAI funds):

S. No	Particulars of Trade Fair, dates etc.	Number of participants from India	List of large participants	Feedback received
	N.A.	N.A.	N.A.	N.A.

e. Feedback from local commercial visitors to trade fairs in India, including under BSM. Number of Business Visas issued:

S. No	Particulars of Trade Fair, dates etc.	No. of participants	List of large participants	No. of Business Visas issued	Feedback received
	N.A.	N.A.	N.A.	Total 348	None

4. Investment:

a. Opportunities for investments / assets on offer / major company divestment:

S. No	Particulars of the asset/ company	Contact details
	N.A.	N.A.

b. Information on Tender Notices of Interest to Indian project exporters (USD 15 million & above) None

Information on tender notices of value less than USD 15 million can be accessed from www.merx.com

c. Information regarding upcoming major investments in India from Canada:

S. No	Particulars of the asset/ company	Sector of investment	Quantum of investment
1.	EDC concluded a USD 100 million financing agreement with Tata Steel Ltd (TSL). EDC also signed a protocol agreement with Aditya Birla Group (ABG), under which EDC will make available up to USD 500 million in financing for the Indian multinational.	Financing	Total USD\$ 600,000
2.	The United Nations Children's Fund (UNICEF) Canada and Canadian mining company Teck launched a new \$5 million program on April 3th, which will save over 150,000 children's lives in India. Launched under the Zinc Alliance for Child Health, the program aims to scale up the use of zinc supplementation and oral rehydration salts (ORS) to treat diarrhoea while strengthening health care systems across India. The new partnership will concentrate on Uttar Pradesh, Odisha and Madhya Pradesh-three states with the highest burden of childhood diarrhoea in India.	Health Care	US\$ 5 million
3.	Sarona Asset Management, a private equity investor based in Waterloo, Ontario, announced an investment of C\$750,000 in Khyati Foods Limited, a Mumbai, India-based processor of organic cotton and soybeans, primarily for export to Europe and North America. The	Food Processing	C\$ 750,000

investment was made alongside Sarona's private equity partner, SEAF Agribusiness India Fund. Khyati purchases its products from 10,000 certified-organic smallholder farmers in India.		
--	--	--

5. Details of activities carried out of Trade Promotion budget:

BE for 2013-14	RE for 2013-14	Amount utilized	Details of activity
Rs. 2,50,000	-----	Nil	N.A.

6. Action taken on the previous JWG's, Joint Commissions, sub-commissions etc. (issues that Mission had to follow up with host government):

S. No	Details of JWG/ JEC	Action Point	Action Taken
	N.A.	N.A.	N.A.

7. Trade Queries for Imports / Exports

S. No	Enquiry originator	Product	Nature Import / Export	Action taken
1.	Genus Power Infrastructures New Delhi	UPS, batteries, Back up inverters, electric meters etc.	Export	Lists of importers of products requested sent
2.	Star International Madurai, Tamil Nadu	Jute, jute yarn, agricultural & allied products	Export	Lists of importers of products requested sent
3.	Fauna International Kolkatta	Bouquets, floral arrangements, potpourri and Dried flowers	Export	Lists of importers of products requested sent
4.	Amber Engineering Enterprise Rajkot, Gujarat	Electric motors	Export	Lists of importers of products requested sent
5.	Shilpi India Gurgaon, Haryana	Leather garments	Export	Lists of importers of products requested sent
6.	Coach Nutrachem India Pvt. Ltd. Bangalore	Standardized herbal extracts, spice extracts, phytochemicals and speciality fine chemicals	Export	Lists of importers of products requested sent
7.	Mother Consumable Foods India Pvt. Ltd. Agra, Uttar Pradesh	Wheat flour	Export	Lists of importers of products requested sent

8.	Shree Royal Polyplast Industries Rajkot, Gujarat	Synthetic ropes & other plastic products such as polyethylene monofilament ropes & polypropylene film rope	Export	Lists of importers of products requested sent
9.	VKS Farms Pvt. Ltd. Chennai	Table eggs, hatching eggs, frozen whole chicken & edible salt	Export	Lists of importers of products requested sent
10.	Bhagwati Fibers Industries Ahmedabad, Gujarat	Fiber glass high temperature aluminum filtration	Export	Lists of importers of products requested sent
11.	Ratnagarbha Jewels Jaipur, Rajasthan	Precious and Semi precious stones and Gold Jewelry, Silver Jewelry, diamond and colored stones and Victorian Jewelry	Export	Lists of importers of products requested sent

8. Any other issue of importance

Union Finance Minister P. Chidambaram visited Toronto from April 14-15 for conducting a road show for attracting investments in India. He was accompanied by 8 member delegation including Secretary (Economic Affairs), Chief Economic Adviser, Deputy Governor of RBI, Member, SEBI, and other senior officials from the Ministry of Finance and Reserve Bank of India. The Minister delivered a keynote address at an event organized by the Canada India Business Council which was well attended by a large Canadian business community. He had focused meetings with the Canadian pension funds organized by Canada Pension Plan Investment Board and with CEOs of top Canadian companies organized by the Canadian Council of Chief Executives.

Finance Minister P. Chidambaram said the government will set up independent regulators for coal and road sectors in four months and vowed to bring down fiscal deficit. Beginning his campaign in North America for wooing foreign investments, he said India sees no difficulty in concluding a free trade pact with Canada. "There will be a road regulatory authority and a coal regulatory authority within two to four months," he said at the Canada India Business Council meeting on April 15th. The Minister said the regulatory authorities would become effective mechanisms to address problems being faced in implementation of road and coal projects. "We are committed to fiscal consolidation. Right now the fiscal deficit is 5.3 per cent (of GDP) and we want to reduce it by 0.6 per cent every year till it comes down to 3 per cent (by 2016-17)...We have drawn the red line to implement our target," he said. Projecting India as an attractive investment destination with stable fiscal regime, he invited Canadian investments in sectors like infrastructure and food processing. India, he said, wants both foreign direct investment as well as FII inflows. Source: Bloomberg News

India is considering freeing prices of oil and natural gas drilled locally from state controls in a bid to lure more foreign investment, Finance Minister Palaniappan Chidambaram said. "We are at an advanced stage -a cabinet paper is under consideration on how to move from an administratively fixed price to a market-related price for oil and gas explored and excavated by companies," he told investors in Toronto. Measures to cap prices of diesel and cooking gas to

make them affordable to farmers and poor households have widened the budget deficit. A threat of a sovereign credit downgrade by Standard & Poor's and Fitch Ratings has prompted Chidambaram to rein in subsidies amid the slowest pace of economic growth and the biggest 12-month decline in foreign direct investment in a decade. A panel headed by Chakravarthy Rangarajan, Chief Economic Adviser to Prime Minister Manmohan Singh, has recommended benchmarking gas rates to global prices, a move that may boost production of the fuel by companies including Reliance Industries Ltd. Chidambaram said he "hopes" the Reserve Bank of India has taken note of the recent easing of inflation after the benchmark wholesale-price index in March cooled to an unexpected 5.96 percent, the smallest gain in 40 months.

Source: Live Mint

Finance Minister P. Chidambaram has again made a pitch for lowering interest rates. He pointed to the latest inflation numbers to make his case. "Both core inflation and WPI inflation have come down for the month of March, CPI is down to 10.4 per cent, so these are indicators. Referring to the delay in ratifying the investment protection treaty between India and Canada, the FIPA (Foreign Investment Promotion and Protection Agreement), he said two issues needed to be resolved first. "In a purely commercial dispute between the investor partner and the investee partner, the sovereign cannot be dragged into a dispute and an attempt cannot be made to resolve that dispute through an arbitration panel," he said. Explaining the second problem, he said, "We cannot subject a decision of the highest court of the country to another arbitration process. Commercial disputes must be resolved through the domestic courts of a country." The minister said India's internal review of its investment treaty would be completed in a few months. But, he added, if the two problems could be addressed, India could in the meantime sign a bilateral agreement on investment protection with Canada. Chidambaram invited investment in steel, mining, roads, ports, power and construction, especially housing. Mr. Chidambaram also visited Ottawa to meet his counterpart Jim Flaherty and the Governor of the Bank of Canada, Mark Carney. Source: Business Standard

Canada and India have taken the next step towards full implementation of a nuclear co-operation agreement. The Canadian Nuclear Safety Commission and India's Department of Atomic Energy have finalized an arrangement that is to allow Canadian companies to export nuclear items to India for peaceful uses. The announcement made at Cameco Corp. in Saskatoon on April 8th came after Prime Minister Stephen Harper and his Indian counterpart, Manmohan Singh, sealed a nuclear deal last November. A nuclear co-operation agreement had been signed more than two years ago, but its implementation stalled over the details. Canada wanted more oversight over where the products wound up. The agreement ensures Canadian exports only go to facilities in India under International Atomic Energy Agency safeguards. India has announced plans to build 12 new reactors by 2021, so the Asian country's demand for uranium yellowcake is expected to triple to about \$650 million in annual purchases. All of the Canadian uranium to be exported to India is produced in Saskatchewan, the world's second-leading producer of uranium behind Kazakhstan. "It is a robust, civilian nuclear market in that country," Saskatchewan Premier Brad Wall said after the announcement. "They are building more reactors, second only to China. Premier Wall pointed out that of all India's imports from Canada, Saskatchewan accounts for 44 per cent. Source: Canadian Press

Indian insurance sector may see the entry of a new foreign player, as Canada's largest insurer Manulife Financial is actively studying this market to find a workable business model to set up shop in India. A host of global insurance companies, including Allianz, Prudential, Standard Life, Aviva, Aegon and Nippon Life, are already present in the Indian insurance market through joint ventures with their respective Indian partners. Now, Manulife has begun contemplating a foray

into the Indian insurance market, industry sources said, adding that the Canadian insurer is closely studying various rules and regulations for the sector including those for the foreign ownership restrictions. The rules currently cap foreign stake in Indian insurers at 26 per cent, but the proposals are underway to hike this limit to 49 per cent. Manulife Financial is a Canada-based financial services group with principal operations in Asia, Canada and the United States.

Source: Press Trust of India

Secretary (West) Shri Sudhir Vyas accompanied by Ms. K. Nadini, Dir(AMS) and Dr. Piyush Singh, Under Secretary (AMS), visited Canada during 29-30 April, 2013 for Foreign Office Consultations. The delegation visited Toronto on April 30. A luncheon roundtable was organised by C D Howe Institute and a dinner reception by Canada-India Business Council (C-IBC) and IIT Alumni Association of Canada (IITAC). Secretary addressed the participants at the Institute, comprising mainly of academics, think tanks and universities, on the topic 'Canada-India Relations: The Untapped Potential'. The reception audience consisted of business representatives and professionals active in India-Canada economic corridor. Speaking at these two events Secretary pinpointed three pillars for Canada and India to build on viz Energy, Food Security and Trade & Economic Co-operation. Secretary had separate meetings with University of Toronto and NASSCOM Canada chapter members.