

## **India-Canada Partnership -The Past, Present and the Road ahead**

Canada and India have longstanding bilateral relations, which have been built upon shared traditions of democracy, pluralism and strong interpersonal connections. Canada possesses vast natural reserves and has a lot to offer in terms of lucrative investment opportunities for Indian corporates. As one of the fastest growing and emerging economies across the globe, India also offers potential demand and a huge market for Canadian high-tech commodities and products. Canada's advanced technological base can be used by India in plethora of fields such as agriculture, food processing, education, science and technology, infrastructure, energy, mining, health, environment etc., and contribute towards the new Government's initiatives of 'Make in India' and 'Digital India' campaign, making it a win-win situation for both the economies.

Many Canadian based business houses have done and are doing business in India over so many years and have been successfully achieving success-milestones. For some, the road has not been so smooth and the local level issues have proven to be a major deterrent. Similarly, very few Indian conglomerates have entered the Canadian markets successfully.

While a lot has opened up between the two nations in respect of trade and investments, a lot is still in the waiting. The business and regulatory environment in India still remains complex, despite, various initiatives being put to force to ease the process of doing business in India. The infrastructure challenges, regulatory bottlenecks, delays in approvals, tax ambiguities etc poses some major challenges to foreign investors investing into India. There is a need of a stronger economic relationship between the two countries to create value together and partner in each other's growth at all levels.

Canada is internationally recognized in engineering and architectural services, and its expertise can be used effectively in the Indian market, that is witnessing an increased demand for investment in construction and infrastructure sector. Strong technology base and solutions from Canada can be a fillip to India's automobile, oil and gas and IT industry sector. Further, Canadian companies can exploit India's service sector space that aligns with Canadian expertise. The recent Digital India initiative, launched by Indian Prime Minister, Mr. Narendra Modi, could potentially translate into a tremendous business opportunity of \$3-4 billion annually and can be actively explored by Canada.

Amongst others, one note-worthy development in improving Indo-Canadian trade relationship is evident from the progress made in finalizing the India-Canada Comprehensive Economic Partnership Agreement (CEPA). CEPA is an economic treaty that aims to improve bilateral trade between two countries by reducing tariffs on items of trade. Unlike a Free Trade Agreement ('FTA'), which is an economic pact between two nations to eliminate tariffs completely, CEPA aims at lowering trade barriers. Several rounds of discussions have

been completed and substantial progress has been made in the areas of rules of origin, trade facilitation, technical barriers to trade, sanitary and phytosanitary measures, and trade in services, including temporary entry for business persons, telecommunications, and financial services. Certain aspects are still under negotiations and it is anticipated that Indo-Canadian CEPA shall be formalized soon.

The India – Canada CEPA is expected to be a win-win deal for both the countries and is proposed to be a comprehensive, balanced and qualitative one. Not only is it aimed to bring down the trade tariffs, it is also aimed to remove non-tariff barriers to Indo-Canada trade and investment relations. One can expect that the India-Canada CEPA brings business-friendly regulations in all respects whether it is for rules of origin, or export-import procedures or intellectual property rights and opens way for a smooth trade and investment between both the nations. Having said that, a lot needs to be done towards strengthening this partnership between the two States and take it to the next level which should go beyond the bilateral agreements such as CEPA.

Indo Canadian Business Chamber (ICBC) is the only exclusive bilateral organization dedicated to the promotion of Indo-Canadian economic and bilateral relations. ICBC has played a significant role in improving the bilateral ties and making them more inviting, besides delinking economic relations from political differences and it continues to work towards eliminating trade impediments and promote healthy and strong business relationships and bilateral trade.

Looking closely at the initiatives taken by both the countries, the day is not far when both the economies start to reap multidimensional benefits therefrom and achieve greater heights in their trade, investment and diplomatic relationships.

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