A

GLOBAL/COUNTRY STUDY AND REPORT

ON

"CANADA & ITS VARIOUS SECTORS"

Submitted to

Gujarat Technological University

Submitted by

SHRI M.H KADAKIA INSTITUTE OF MANAGEMENT AND COMPUTER STUDIES

IN PARTIAL FULFILLMENT OF THE

REQUIREMENT OF BUSINESS ADMINISTRATION

BATCH: 2010-2012

INSTITUTE'S DECLARATION

The Kadakia Institute of Management and Computer studies (KIMCOS) declare that the Global Country Study Report (GSCR) on Canada is our own students efforts and studies and the results are based on our own work and our indebtedness to other work publications, references, if any, have been duly acknowledged.

Date: 07/05/2012

Place: Ankleshwar

Dr. Nimesh Joshi

I/c Director

PREFACE

There is a rapid increase in the economic activity across the national boundaries due to globalization. The world has become smaller due to the revolution in Information & Communication Technology which has helped for better connectivity across the globe. This has increased the opportunities of the business or investments across the borders. Studying international business gives us an understanding of how business activities are influenced by the political, economic, and cultural diversity of today's multinational business environment.

Global Country Report, brain child of Gujarat Technological University as a part of MBA curriculum plays a vital role in acquiring the knowledge of global country / business and at the same time opens the door of opportunities to enter in global market or ignite some business idea in our own country.

By studying GCR, our budding managers will be able to understand the scope of doing business or managing investment successfully across national boundaries. Students will be able to understand the ebbs and flows of investment both within and between countries and continents.

As a part study, our institute has taken **Canada** as a country to be studied where both students and faculty members has collected information through secondary sources. Information includes economic environment, demographic environment, political environment, industries/sectors and the scope of doing business in Canada as well as in India. This report has helped the student to understand global issues, understand the value of diverse cultures; helped to study various sectors operating in Canada.

We have studied various sectors of Canada like IT, Pharmaceuticals, Transportation, Banking, Petroleum, Port and Manufacturing in which we have learnt how business operates in these sectors, its scope, compared these sectors with India, specially the state of Gujarat. By studying this report, students will be able to find the ways to resolve and cope up the issues and challenges within these selected sectors.

ACKNOWLEDGMENT

Right from the genesis of the idea to work or the subject to its completion stage has incurred both intellectual and moral depths. Therefore we would like to express my sincere gratitude those who helped me in bringing out this project report.

We express our profound gratitude towards Gujarat Technological University (GTU) for providing us an opportunity to take a study globally and identify the opportunities globally which gives us global exposure and necessary knowledge and guidance in preparing this report.

We are deeply thankful to for their cooperation of all the students and faculty who has helped us directly and indirectly for completion of global report study.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF GRAPHS

LIST OF FIGURES

EXECUTIVE SUMMARY

GTU in the form of Global Country Report has given a wonderful opportunity to MBA student for getting exposure to learn about international business.

We have studied CANADA – country as a part of Global Country Report. The study gave opportunities to both students and faculty members to peep into the stranger world i.e. foreign country. We have learnt various aspect of Canada's Economic, political, demographic, cultural environment. As a part of study, we have taken various sectors / industry, studied in depth about those sectors like how it operates, major issues and challenges of these sectors, scope of expansion of business in Canada as well as in India

We have compared Canada's different business with that of India and also tried to find various ways to solve these issues. We have tried to understand the scope of operating this business in Gujarat boundaries too.

After studying major sectors like IT, Pharmaceuticals, Port, Transportation, Petroleum, Manufacturing, Banking, the major sector wise conclusions are as under:-

The **transportation industry** of Canada addressed their capacity issues through increasing efficiency by investing in new technologies, better information management, just-in-time deliveries, improved management practices and fuel efficiencies. Here by we conclude that transportation is gaining much technological support there and they have opened many gate ways for future growth and opportunities which help India for building up transportation industries here through support of advancement of technology.

As per **pharmaceutical sector** is concerns from the study we conclude that Gujarat also the biggest pharmaceutical hub of India by holding 42% of total Indian pharmaceutical turnover. It also contributes 22% in total pharmaceutical products export from India and on the Canadian part we found that how vast opportunity is available in the Canada & how it's R & D &supportive environment hence, business could be started as pharmaceutical company in Canada or else there is an opportunity for business with Canada because Canada has all type of facilities which influence our business growth.

Canada's banking system is grown-up, complicated and extremely aggressive. Canadian banks gain immovability from their wide diversification in Canada and U.S. with a strong customer credit culture. They include developed a dominant wealth management business, they have a world-leading infrastructure with a high level of computerization and strong organization control system.

Gujarat has electrifying opportunity of banking business but should focus more on service, quality, and customer relationship, invest in banking technology, infrastructure etc… Gujarat is covered more by rural areas, thus all the facilities should be extended to rural areas also and focus more on rural banking.

This Global Country study report of Canada shows the positive factors to initiate the Business in **Information Technology Sector**. This Positive Factor Includes infrastructure, availability of highly Skilled Manpower, Business supportive Legal Framework, Trade alliance (FTA) with USA and many Other developed Nations. One of the important issues is regarding to the prospective user of Information Technology Enabled services, as per the Canadian Internet usage survey 80 % people of Canada uses Internet directly or indirectly, Canadian Government is enhancing the R&D Activities though Information Technology. In concluding lines, this study shows that there is a high Business potential in Canadian **Information Technology** sector for Indian Companies.

Due to globalization and liberalization, there is and will be huge increase in international trade. It is expected that import and export business in India will increase in big way and therefore the demand of the **port industry** will be still very high because of rapid industrialization in Gujarat and other north India states.

For expanding the scope of this business, the Government of Gujarat should attract private investors and should give focus on Public Private Partnership model for expanding the existing port capacity, bring changes in ship size, design special ships, upgrade port operation efficiency, make Hugh and heavy investments. Thus Government of Gujarat should take full advantage of strategic location of Gujarat state.

Petroleum Industry in Canada is a major sector which is a vital to the economy of North America. Canada is the sixth largest oil producing nation in the world. In 2008 it produced an average of 438,000 cubic meters per day (2,750,000 bbl/d) of crude oil, crude bitumen and natural gas condensate. Of that quantity, 45% was conventional crude oil, 49.5% was bitumen from oil sands, and 5.5% was condensate from natural gas wells. Most of Canadian petroleum manufacture, approximately 283,000 cubic meters per day (1,780,000 bbl/d), was exported, almost all of it to the United States. Canada is the major single resource of oil imports into the United States. It can be state that Canada has huge opportunity in the field of exporting to Indian market.

Manufacturing Industry has adapted to changes in the economic environment and has shown considerable resilience in the face of challenges, whether from demand shifts, relative price shifts or changes in tariff regimes. Over the past 45 years, manufacturers have dealt with Canadian and U.S. recessions, trade liberalization (including the introduction of NAFTA). Throughout all of these events, manufacturers grew their output at basically the same pace as the rest of the economy, raised their productivity by an annual average of 1.1%, shifted manufacturing shares to match those of the United States and moved to producing more durables, and fewer non-durables, in the face of intense international competition and rising resource prices. Industrial strategy, in the way of trade liberalization and the intensity of competition from foreign producers, has dramatically reshaped opportunities for expansion in Indian markets.

PART – I

ECONOMIC OVERVIEW OF THE CANADA

1. INTRODUCTION OF CANADA

A. History

The prehistory period of Canada refers to 1492 AD. This is a random date which reflects the impact of European influence, technology, culture, and settlement on the Americas. This era starts with the arrival of people in the America's and their growth and development throughout almost every area of Canada. The various different cultures which form the mixture of cultural development among these different people is represented by the native bands, nations or groups as defined by the navigation bar above.[1]

Canadian Flag

Figure No. 1

[Source: - https://www.cia.gov/library/publications/the-world-factbook/flags/flagtemplate_ca.html]

B. The Name “Canada”

Two Indian Youths told Jacques Cartier about the route to "kanata” In 1535.They were referring to the village of Stadacona; "Kanata" was simply the Huron-Iroquois word means a "village" or "settlement." But for want of another name he used "Canada" to refer not only to Stadacona but also to the entire area subject to its chief, Donnacona. In 1547 name was applied to a much large area designated

everything north of the St. Lawrence River as "Canada."Cartier also called the St. Lawrence River the "rivière de Canada", a name used until the early 1600s. By 1616, although the whole area was known as New France, the area along the great river of Canada and the Gulf of St. Lawrence was still called Canada. Soon explorers and fur traders opened up country to the west and to the south and the area depicted as "Canada “grew. In the early 1700s, the name referred to all lands in what is now the American Midwest and as far south as the present day Louisiana. The first use of "Canada" as an official name came in 1791 when the Province of Quebec was divided into the colonies of Upper and Lower Canada. In 1841, the two Canada's were again amalgamated under one name, the Province of Canada. At the time of amalgamation, the new country assumed the name of Canada. [1]

C. Culture

Canadian Culture has been supporting business and artists’ throughout Canada for 14 years now, focused on sharing ideas to improve their economy, promote good intentions, support our local communities, and preserve their culture. [1]

D. Business

Canada has a strong vibrant westernized economy; Canada is a member of the Group 8, it has one of the largest trading relationships in the world and has a long established and stable financial system. Trade and business have long formed not only a naturally central theme in Canadian history but has also been the reason for its exploration and growth as a country. [1]

1.1 DEMOGRAPHIC PROFILE OF THE CANADA

Table of Demographic Overview

Table No: 1

Population	31,612,895	
Median age	39.5 years	
Population growth rate	5.4%	
Birth rate	10.28 births/1000population	
Death rate	7.98 deaths/1000population	
Sex ratio	0.98 male/female	
Religions	Roman catholic	42.6%
	Protestant	23.3%
	Other Christian	4.4%
	Muslim	1.9%
	Other and unspecified	11.8%
	None	16%(2001 census)
Languages(2006 census)	English	58.8%
	French	21.6%
	Other	19.6%
Literacy	Total population	99%
	Male	99%
	Female	99%
Major Cities Population	Toronto	5.377 million
	Montreal	3.75 million
	Vancouver	2.197 million
	OTTAWA (capital)	1.17 million
	Calgary	1.16 million
population of Canada	Rural population	6,216,135
	Urban population	25,295,452

Source: https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html

1.2 ECONOMIC OVERVIEW OF CANADA

Canada is the Developed nation having strong reliance on its service Sector, Canadian Economy is growing at 6 % growth rate. Recent Economic meltdown has downsized the growth rate of Canada, in order to revive the economy Canada is concentrating to optimize its business with South Asian nations in order to boost up the Economic growth. Some Economic Indicators regarding to the Canadian economy.

Table of Economic Indicators of Canada

Table No. 2

Rank (GDP)	10th (nominal) / 14th (PPP)
Currency	Canadian dollar (CAD)
Fiscal year	1 April – 31 March
GDP	$1.574 trillion (2010)
GDP growth	5.6% (2009/Q1 to 2010/Q1)
GDP per capita	PPP: CAD 43,100 (2008) (US$41,016)
GDP by sector	Agriculture (2.3%) Industry (26.4%) Services (71.3%) (2010 Est.)
Inflation (CPI)	1.6% (2010 Est.)
Population below poverty line	10.8% (relative) (2005)
GINI index	32.1 (2005)
Labor force	18.59 million (2010 Est.)
Labor force by occupation	Agriculture (2%) Manufacturing (13%) Construction (6%) Services (76%) Other (3%) (2006)
Unemployment	7.2 % (July 2011)
Main industries	transportation equipment, chemicals, processed and unprocessed minerals, food products,

	wood and paper products, fish products, petroleum and natural gas,
Ease of Doing Business Rank	7th (2011)
Public debt	$582.5 billion (2010)
Budget deficit	$55.6 billion CAD (Federal, 2009-10)
Revenues	$218.6 billion CAD (Federal, 2009-10)
Expenses	$274.2 billion CAD (Federal, 2009-10)
Economic aid	$4.1 billion (donor) (2010)
Credit rating	AAA (Domestic) AAA (Foreign) AAA (T&C Assessment) (Standard & Poor's)
Foreign reserves	US$63.019 billion (April 2011)
Exports	US$406.8 billion (2010 Est.)
Export goods	Motor vehicles and parts Industrial machinery Aircraft Telecommunications equipment Electronics Chemicals Plastics Fertilizers Wood pulp Timber Crude petroleum Natural gas Electricity Aluminum
Main export partners	U.S. 75.02%, UK 3.37%, China 3.09% (2009)
Imports	$406.4 billion (2010 Est.)

Import goods	Machinery And Equipment, Motor Vehicles And Parts, Electronics, Crude Oil, Chemicals, Electricity, Durable Consumer Goods
Main import partners	U.S. 51.1%, China 10.88%, Mexico 4.56% (2009)
FDI stock	$528.7 billion (31 December 2010 Est.)
Gross external debt	$1.009 trillion (30 June 2010)

Source:-https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html-Accessed on 16.10.11

1.3. OVERVIEW OF INDUSTRIES TRADE & COMMERCE OF CANADA

1.3.1. Canada Industry Sector

1.3.1.1 Manufacturing and materials: Manufacturing is Canada's major business sector, accounting for $163 billion (more than 18%) of our trade and industry activity and retaining more than 2 million persons. It feeds expressively into other industries ($1 manufacturing output makes $3 in economic activity). [2]

1.3.1.2 Aerospace: - Aerospace is one of Canada's most actively industries. While it delivers modernizers with large market chances in a swiftly evolving and extremely economical industrial sector, original equipment manufacturers (OEMs) and small and medium-size enterprises (SMEs) also face many risks and experiments. [2]

1.3.1.3 Information technology: Information technology change at an astonishing pace. The IT sector in Canada is composed of nearly 32,000 companies producing over $130 Billion in yearly incomes. It is serious to recognize opportunity in IT when developing a plan in order to fully capitalize on the potential of this area for Canada. [2]

1.3.1.4 Agriculture: - Canada's $87.9 billion agriculture industry increases 8.8% of the country's GDP and engagements 2.1 million Canadians. By 5% of the world's available land, Canada is the fourth largest exporter of agricultural and Agriculture-food products.[2]

1.3.1.5 Chemicals: -The Canadian chemical industry is one of the main manufacturing sectors in the country – the third largest manufacturing exporter in the country – engaging 78,000 workers at nearly 3,000 firms. With northern natural gas pipelines and off-shore resource development in the offing, the sector's future promises even greater prizes for savvy investors who get in on the ground floor. [2]

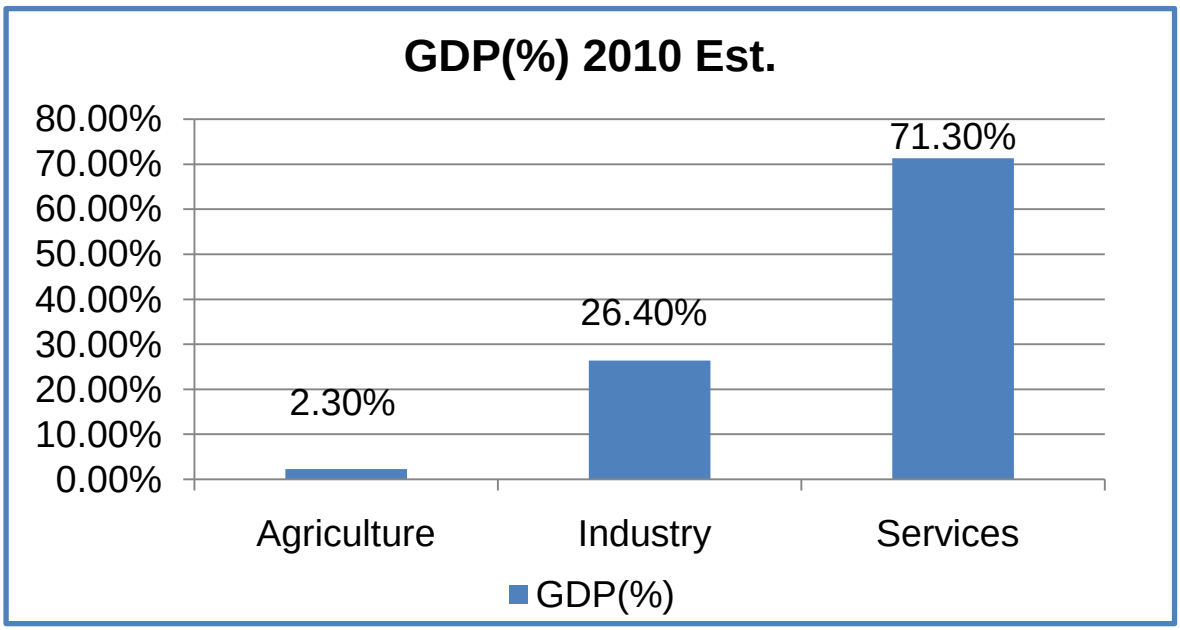
1.3.1.6 Transportation: Canada is a developed country whose economy contains the extraction and export of raw materials from its huge area. Because of this, it has a transportation structure which contains more than 1,400,000 kilometers (870,000

mi) of roads, 10 major global airports, 300 smaller airports, 72,093 km (44,797 mi) of functioning railway track, and more than 300 commercial ports and harbours that provide access to the Pacific, Atlantic and Arctic oceans as well as the Great Lakes and the Saint Lawrence Seaway. In 2005, the transportation sector made up 4.2% of Canada's GDP compared to 3.7% for Canada's mining and oil and gas extraction industries. [2]

1.3.1.7 Service Industry: It comprises noncommercial activities, such as fitness and safety, Education, religion and charity; commercial services, such as restaurants, recreation, amusement, personal care, etc.; trade, including wholesale and retail; transportation, communications and utilities; and financial and legal, including insurance, real estate, banking and investment. [2]

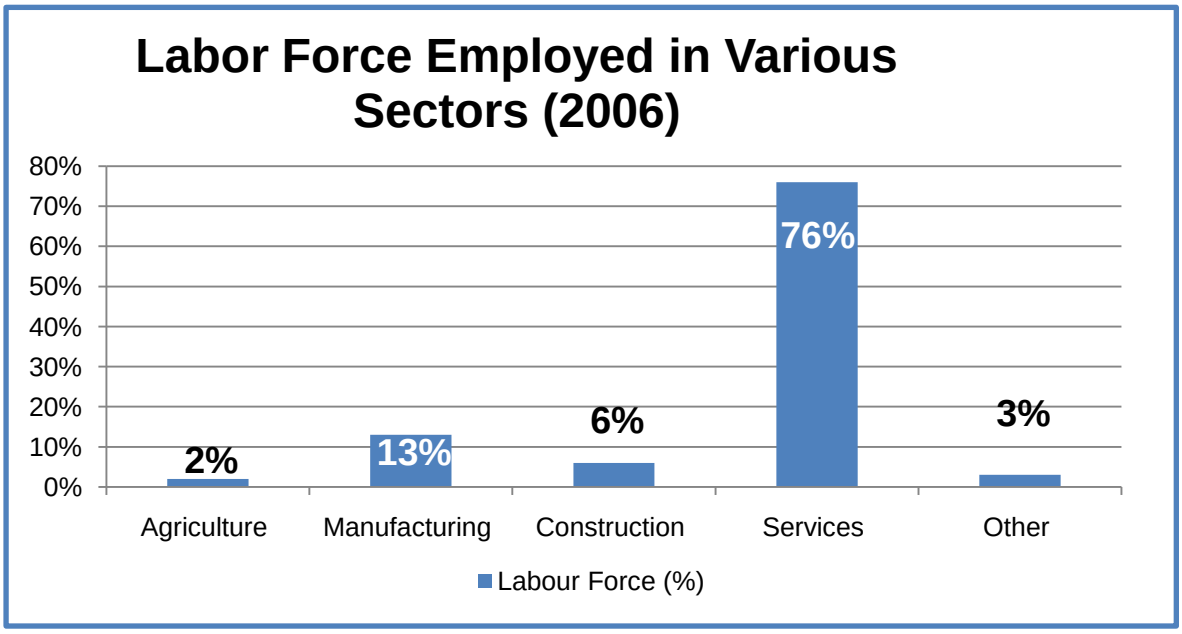
1.4 OVERVIEW DIFFERENT ECONOMIC SECTORS OF CANADA

Graph: 01 GDP contribution by Sector (2010 Est.)



[Source:-https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html]-Accessed on 21.10.11

Graph: 02 Labor Forces Employed in Various Sector (2006)



[Source:-https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html]-Accessed on 21.10.11

1.4. A Classification of the Economical Sectors in Canada

1. Agriculture sector

2. Manufacturing Industries

3. Resource Industries

4. Service Industries and Consumer Products

5. Technologies

Table of Detailed Sector and Industries in Canada

Table No. 3

Sectors	Industry
1. Agriculture sector	• Pesticides
2. Manufacturing Industries	• Apparel • Assistive devices • Automotive • Boats, recreational • Chemicals • Commercial printing • Footwear • Forest industries • Hydrogen and fuel cells • Furniture • Giftware and crafts • Household appliances, major • Hydrogen and fuel cells • Information and communications technologies • Medical devices • Oil and gas • Pharmaceuticals • Plastics • Primary metals

	• Rubber • Shipbuilding and industrial marine • Sporting goods • Textiles • Aerospace and defense
3. Resource Industries	• Fish and seafood • Fisheries and oceans • Forest industries • Hydrogen and fuel cells • Oil and gas • Minerals and metals • Nuclear energy • Wind energy
4. Service Industries and Consumer Products	• Apparel and Textiles • Logistics • Consumer Products • Innovation, research and technology • Regulations and standards • Statistics, analysis and industry profiles • Trade and exporting

[Source: - http://www.ic.gc.ca/eic/site/ic1.nsf/eng/h_00066.html] -Accessed on 2.11.11

Most of Canadian Labor workforce is employed in Service sector and Manufacturing sector in Canadian Economy. Service sector contributes 71.3 % part in GDP and provides 76 % Employment in Canadian Economy. Strong reliance on service sector indicates the substantial Sector Structure of Canadian industries.

1.5 OVERVIEWS OF BUSINESS AND TRADE AT INTERNATIONAL LEVEL

- Advanced Materials
- Aerospace and Defense
- Agricultural Technology and Equipment
- Agriculture, Food and Beverages
- Automotive
- Bio-Industries
- Building Products
- Chemicals
- Consumer Products
- Education
- Electric Power Equipment and Services
- Environmental Industries
- Fish and Seafood Products
- Forest Industries
- Health Industries
- Information and Communications Technologies
- Manufacturing Technologies
- Metals, Minerals and Related Equipment, Services and Technology
- Ocean Technologies
- Oil and Gas Equipment and Services
- Rail and Urban Transit
- Service Industries and Capital Projects
- Space
- Tourism

In International trade Canada is slowly and gradually increasing its trade. But, Recession of 2008 has affected the Canadian trade that can be shown in import and export data of last five years. After 2008 Imports and Exports of Canada are declining.[3]

1.6 PRESENT TRADE RELATIONS AND BUSINESS VOLUME OF DIFFERENT PRODUCTS WITH INDIA

Table of Canada's Merchandise Trade with India, 2010

Table No. 4

	Canadian Imports from India		Canadian Exports to India	
	Merchandise Classification	%	Merchandise Classification	%
1	Organic chemicals	13.24	Edible vegetables, roots and tubers	20.61
2	Pearls, precious stones or metals	9.50	Fertilizers	16.30
3	Knitted or crocheted apparel	6.74	Paper and paperboard	14.72
4	Woven clothing and apparel articles	6.57	Boilers, mechanical appliances, etc.	8.22
5	Boilers, mechanical appliances, etc.	5.50	Wood-pulp; paper or paperboard scraps	7.38
6	Iron or steel articles	5.40	Pearls, precious stones or metals	5.66
7	Electrical machinery and equipment	4.82	Iron and steel	4.46
8	Other textile articles, etc.	3.80	Electrical machinery and equipment	2.89
9	Pharmaceutical products	3.70	Ores, slag and ash	2.59
10	Mineral fuels, oils	2.40	Aircraft and spacecraft	2.29
	Top 10 as % of total from India	61.68	Top 10 as % of total to India	85.12
	Indian imports as % of Canada total	0.53	Indian exports as % of Canada total	0.54

Source: http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/Home

1.7 PESTLE ANALYSIS

1.7.1 Political Analysis

1.7.1.1 The Government

Canada is a democracy with a parliamentary government. Canadian government consists of three parts: Federal, Provincial and Municipal. It is a constitutional monarchy with a federal system of parliamentary government. The Parliament of Canada is located in the Ottawa and is formed by 3 major entities - Canadian House of Commons, the Canadian Senate, and the sovereign of Canada. The Canadian Senate has 105 members appointed by the Governor General of Canada. The Canadian House of Commons has 308 seats, and the Canadian people directly elect the House of Commons members. Canada and this fact make it a federation. The present Prime Minister of Canada is Stephen Harper from Conservative party. Stephen Harper is the head of the Conservative Party of Canada. He had been sworn in by Governor General Michaela Jean on February 6, 2006. Stephen Harper is the 22nd Prime Minister in Canada.

Table of Major Political Parties in Canada

Table No: 5

House of commons	Conservative (165), new democratic(101), liberal(35), bloc Quebecois (4), Green (1), Independent (1)
Senate	Conservative (61), Liberal (41), Progressive conservative (1).
Other parties	Canadian action, Christian heritage, communist, first people, Libertarian, marijuana, pirate, progressive Canadian, united, western block.
Notable historic parties	Anti – confederate, bloc popular, labor.

1.7.2 Economic Analysis

Canada is resource rich nation of the world; it is a fellow member of the Organization of the Economic Cooperation and Development (OECD), G-7, G-8, G-20, NATO, WTO, APEC and UNO. [4]

Canada's economy is dominated by the service sector. One of the few nations in the world to be a net exporter of energy, Canada finds its place amongst the top ten trading nations in the world. Canadian Economy is diversified economy. [4]

The services sector produces two thirds of the output of the country. It employs around 3/4 of labor force of the Canada. Primary sector employs just around 3% of the working population of the country. [4]

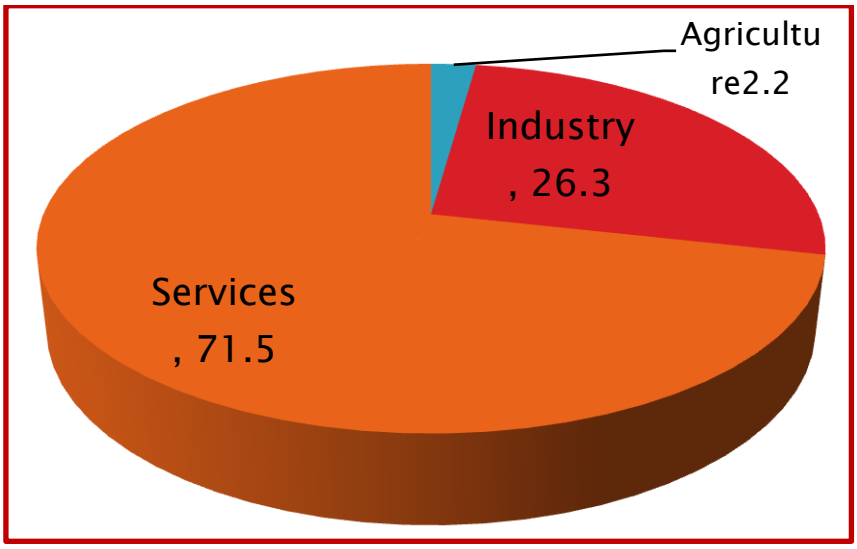
Primary sector produces 1/4th of the exports of the country; Canadians have high levels of disposable income. Disposable income is a key factor of the Canadian economy as individuals spends their excess income on a various services and products. This creates demand for more products and the development of new products, which also means more and better-paying jobs. [4]

76 % part of GDP is employed by Service sector. Recession of 2008 has it the Canadian import-Exports, albeit Canada is concentrating upon the economic development through bilateral and multilateral Trade Agreements with South Asian Countries. According to the ease Do of business Survey, Canada was at 7^{th} rank in the year 2011.That reflects that Canada is taking more initiatives in order to develop Business Opportunities. Service sector is the leading sector in Canadian economic growth. Investment in Canada can be lucrative due to the economical Environment and low procedure time to startup a new business, AAA credit rating of Canadian economy by standards & Poor's reflects the Stability and Soundness of Canadian economy. [5]

1.7.2.1 GDP by Sectors (2011)

Graph of Canadian GDP by Sectors

Graph No: 3



1.7.2.2 External Trade

Table of Canadian External Trade

Table No: 6

Exports	**$393 billion (2011)**
Export goods	Motor Vehicles and Parts, Industrial Machinery, Aircraft, Telecommunications Equipment; Chemicals, Plastics, Fertilizers; Wood Pulp, Timber, Crude Petroleum, Natural Gas, Electricity, Aluminum
Main Export Partners	US 74.9%, UK 4.1% (2010)
Imports	$401.7 billion (2010)
Import goods	Machinery and Equipment, Motor Vehicles and Parts, Crude Oil, Chemicals, Electricity, Durable Consumer Goods
Main Import Partners	US 50.4%, China 11%, Mexico 5.5% (2010)
FDI Stock	$528.7 billion (31 December 2010)
Gross External Debt	$1.181 trillion (30 June 2011)

1.7.2.3 Public Finance

Canada's Marginal Propensity to consume is 0.6 that means Canadian spend and save 40% of their total income.[6]

Table of Canadian Public Finance

Table No: 7

Public debt	$519.1 billion (2010)
Budget deficit	$55.6 billion CAD (Federal, 2009-10)
Income	$218.6 billion CAD (Federal, 2009-10)
Expenses	$274.2 billion CAD (Federal, 2009-10)
Credit Ratings by	AAA (Domestic)
'Standards & Poor's'	AAA (Foreign)
Foreign reserves	US$63.019 billion (April 2011)

1.7.3 Social Analysis of Canada

Canadians' sense of belonging to their community and their country, their participation in civic, community and volunteer activities, the social and family relationships they have with one another and the presence of a social safety net equally available to all citizens are important components associated with our well-being as citizens. [6]

About 85% of Canadians reported their sense of belonging to Canada as being 'very strong' or 'somewhat strong'. [6]

Overall, 53% of Canadians said that in general people can be trusted, whereas 43% said that one cannot be too careful in dealing with other people. Quebeckers were less inclined to trust people but more likely to express confidence in institutions. [6]

A research on seniors, widowers is 70% more likely to die than men who are married or living with a partner. The protective effects of marriage for men—an indicator of

social support and social integration—with respect to mortality has been widely observed. [6]

1.7.4 Technological analysis of Canada

Internet use in Canada: - A study says 80 per cent of Canadians aged 16 and older, or 21.7 million persons, used the Internet for private reasons in 2010. That's a large increase over 2007, when the figure was just 73% per cent. Canadian 15-year-old scholars use of information and communication technologies at home and at school. The agency says Internet use was highest at 85% per cent in both British Columbia and Alberta, followed by 81% per cent in Ontario. Calgary and Saskatoon were the most online-savvy cities, with web-usage rates at 89 per cent apiece. They were followed by Edmonton, Ottawa—Gatineau, Vancouver and Victoria, each at around 86 per cent.[6]

Since the first coal mine opened on Nova Scotia's Cape Breton Island some 350 years ago, the mining industry in Canada has changed considerably. Currently, Canada has more than 800 mines. The industry employments at least 363,000 Canadian and is one of the greatest technologically advanced sectors in Canada. [6]

1.7.4.1 Technologies in Agriculture

Farms operating on heavy clay soils often install tile drainage systems to eliminate extra water from grounds. Getting crops the precise amount of water at the correct time has always been a challenge for farmers. Scientists at Agriculture and Agriculture-Food Canada are helping farmers accomplish this balance and, at the same time, decrease their impact on local water quality and quantity. Scientists there have advanced an innovative closed loop water management technology that combines tile drainage, reservoir and controlled drainage with Irrigation system. [6]

1.7.5 Legal Analysis of Canada

Canada is a federal state with a parliamentary political system. Governmental structure is based on both the British North America Act of 1867 and unwritten customs. Britain´s influence ended with the Constitution Act of 1982. Supreme

political authority rests with Canada’s bicameral Parliament, Which consists of a Senate and a House of Commons. The leader of the majority party becomes automatically the ‘Prime Minister’. [6]

Canada's constitution is its supreme law, and any law passed by any federal, provincial, or territorial government that is inconsistent with the constitution is invalid. Laws passed by the federal government are initially declared in the Canada Gazette, a regularly published newspaper for new statutes and regulations. Only the Supreme Court of Canada has authority to bind all courts in the country with a single ruling. [6]

1.7.6 Environmental Analysis of Canada

Canada is the world’s second largest country after Russia by covering the northern two-fifths of Northern America. The wealth of this country, which stretches 4.600 km from north to south and 5.380 km from east to west, is Ottawa. The highest mountain of Canada, Mount Logan is situated in the Canadian Cordillera. Canada’s rivers and lakes are sensations, too. Canada’s climate is dominated by extreme long and cold winters. With the exception of the Pacific coast. Just 8% of Canada’s land area is farmland; more than 30% of Canada is forest. The forest between Newfoundland and the Yukon is one of the world’s major. More northern areas are engaged by tundra and the arctic islands are covered by permanent ice caps. [6]

PART – II

INDUSTRY / COMPANY SPECEFIC

TO

CANADA

1. Transportation Industry

1. INTRODUCTION OF TRANSPORTATION INDUSTRY

1.1 Introduction

Transportation is important sector in every human and country's social, economical and political activities. By sailing both people and goods in a country as huge as Canada, transportation has a considerable impact on where people choose to stay, enjoy holidays, shop, and work. It is also leading user of resources such as fuel, raw materials and land, therefore impact on the environment. [7]

As a result, the transportation industry remains a significant force in the Canadian economy, representing 4.7% of the GDP. [7]

All transportation and warehousing industries gained in 2010 with the exception of pipeline transportation, which fell 6.9%, but still produced $4.2 billion worth of GDP. From 2000 to 2010, transportation GDP expanded 16.3%, to reach $58.4 billion. [7]

GDP of Transportation and Warehousing industries, by mode of transport, 2010

Table No. 8

Area	Share of transportation and warehousing GDP (%)	Change from 2009 (%)
Air transportation	9.8	8.7
Rail transportation	9.2	11.8
Water transportation	1.7	5.6
Truck transportation	29.3	8.3
Passenger transportation	10.0	1.9

Source: statistic Canada, CANSIM table 379-0027

1.2. MAIN TRANSPORTATIONS IN CANADA

1.2.1 Air Transportation

1.2.2 Marine Transportation

1.2.3 Rail Transportation

1.2.4 Surface Transportation

1.2.5 Pipeline Transportation

1.2.1 Air Transportation

The Canadian government continues its ownership on 26 major airports, which handle 94% of air passengers and it is leased under NAP to Canadian airport authorities. Local operators are responsible for financial and operational management. Ownership of regional/local and other smaller airports has been transferred to regional interests. [8]

Advantages

- One of the market leader
- They have innovative space technology
- very strong R&D system across Canada
- workforce are highly skilled, educated and specialized
- having collaboration with NAFTA and have worldwide export markets
- differentiated and aggressive clusters

1.2.2 Water transportation/Shipbuilding and Industrial Marine Industry

Water transportation is separated into three particular areas: ocean transportation, inland water transportation and coastal transportation.[30] Ocean transportation is significant to Canada, because about 1/3 of all that Canada producers are exported their goods. About 1/3 of all transport of the overseas which depart by sea go through the largest port of West Coast of America, Vancouver.[9]

In 2011, Canada's ports and marine terminals handled 409.1 million tones cargo, down 11.8% from 2010, as the volume of both domestic and international cargo declined. Regionally, the largest decreases in international cargo were in shipments originating from the Great Lakes of the United States (down 12.4 millionntonnes) followed by shipments destined for Europe (down 7.4 million tons). [9]

1.2.3 Rail Transportation

In past years Canadian major mainline rail carriers faced important change and expected that more changes will evolve in near future. Two main railways are Canadian National railway roots and Canadian pacific railway root. Canadian Pacific railway is also gone for changes to become more competitive. [10]

Canadian pacific railway consolidated its head office in Calgary. Main business of Canadian pacific railway is transport of bulk commodities such as grain, coal, sulphur, potash, fertilizers, petrochemicals and international and domestic container traffic. Canadian National railway and Canadian pacific railway movers of coal in North America and moving of grain transportation in Canada and the US. Canadian rail network is largest in the world With 48,000 kilometers of track. British Columbia's rail network plays an important role western Canada fright transportation system. [10]

1.2.4 Road Transportation

For business good highway infrastructure is critical and for economic health. The Surface Infrastructure Programs Directorate (Highways) helps in providing the best surface transportation system for Canada and Canadians. Easy accessibility, flexibility of operation, door to door services and reliability have earned road transport an increasingly higher share of both passenger and freight vis-à-vis other transport modes. Canada has close to one million kilometers of roads. This extensive network provides a safe, efficient, and affordable means of surface transportation and supports a wealth of economics and social activities. The number of Canadian road motor vehicle registrations increased by 12% from 2004 to 2009, reaching a total of 21 million vehicles. As the number of vehicles on the roads increased over the course of the 20th century, the number of people per vehicle declined. [11]

The number of vehicles on the road also increased in 2009, up 1.7% from 2008. Across the country, driving to work is by far the most popular commuting method. Surface Transportation Policy is responsible for the development, formulation and implementation of the surface transportation policies, and for the management of all developmental and economic regulatory activities of the Department in support of surface transportation. [11]

1.2.5 Pipeline Transportation

Pipelines transportation, the underground carrier, is used for transport tremendous quantities of petroleum, gasoline, chemicals and other products, for domestic as well as internationally. The Canada's the pipeline transportation system delivers natural gas, National Gas Liquid (NGLs), crude oil, and petroleum products which are critical to Canada's well-being and economic activity.

Round about pipeline network is extended over 700,000 kilometers throughout Canada of Canada's oil and natural gas but it is not covered Prince Edward Island and Nunavut.

Transportation Sector Stakeholders - Sector Councils

Table No. 9

Sr. no.	Councils
1	The Canadian Automotive Repair and Service (CARS) Council
2	Canadian Aviation Maintenance Council (CAMC)
3	Canadian Supply Chain Sector Council (CSCSC)
4	The Canadian Trucking Human Resources Council (CTHRC)
5	The Motor Carrier Passenger Council of Canada

Source - http://wwwapps.tc.gc.ca/Corp-Serv-Gen/5/ctrg-prtc/100-eng.aspx

1.3 POLICIES AND NORMS OF CANADA FOR TRANSPORTATION INDUSTRY FOR IMPORT/ EXPORT INCLUDING LICENSING /PERMISSION, TAXATION ETC.

Canadian trade policy involves encouraging the interests of the Department and its stakeholders and also ensuring that the Department's activities follow with international treaties. These treaties primarily govern the cross-border movement of goods and services, but also govern, inter alia, international investment, government procurement, and technical barriers to trade in the transportation sector. [12]

The Directorate is comprised of five organizations, described below. Each organization performed their activities on behalf of the Canadian air transportation industry including airlines, airports, Navy Canada, travelers and shippers. Several amendments will remove unnecessary impediments to the manufacture and delivery of aircraft by Canadian manufacturers or clarify conditions pertaining to the import or export of aircraft. [12]

An amendment to CAR 201.01 (Aircraft Identification Plates) will permit aircraft operated under CAR 202.14 (Aircraft Manufacturers) to be flown without aircraft identification plates. CAR 202.17 (Types of Registration) and CAR 202.37 (Importing an Aircraft), among other items, deal with the requirements for a provisional registration for an aircraft being imported into Canada. [12]

1.3.1 For import export and safety and security of Canada civilization air polices includes following four polices

- National Air Services Policy
- National Airports Policy
- International Air Policy
- Canada's Permanent Mission to the International Civil Aviation Organization

1.3.1.1 Documents required for the Exporter

- Packing List
- Bill of Lading
- Commercial Invoice
- Canada Customs Invoice (CCI)

- Certificates of origin if applicable (e.g. NAFTA certificate of origin, Form A certificates of origin)

1.3.1.2 Documents required for the Importer

The importer has to keep books and records to substantiate what goods were imported, the quantities, the prices paid, and the goods' origin. These records must be kept in Canada, in either paper or electronic format, for six years plus the current calendar year.

Other Government Department Requirements

- Atomic Energy Control Board
- Canadian Food Inspection Agency (CFIA)
- Canadian Grain Commission (CGC)
- Canadian Heritage
- Canadian Wheat Board
- Environment Canada
- Canadian Wildlife Service (CWS)
- Fisheries and Oceans
- Department of Foreign Affairs and International Trade (DFAIT)
- Health Canada, Industry Canada
- International Boundary Commission
- Department of Justice Canada

Additional Documents

Certificate of Origin: There are five main types of certificates of origin

- NAFTA (North American Free Trade Agreement)
- CIFTA (Canada-Israel Free Trade Agreement)
- CCFTA (Canada-Chile Free Trade Agreement)
- CCRFTA (Canada-Costa Rica Free Trade Agreement)
- Form "A" Certificate of Origin from certain developing countries

1.4 BUSINESS OPPORTUNITIES

Overall Transportation network

For many years the transportation industries of Canada addressed their capacity issues through increasing efficiency by investing in new technologies, better information management, just-in-time deliveries, improved management practices and fuel efficiencies. User pay, payment for social cost, etc. while likely to correct some distortion in demand is also unlikely to alter the need for large investment. This has led to concentration on the need for investment as a solution. [13]

Several sources have identified a second crossing at Windsor – the world's single most important gateway for land trade – as an immediate need. A few crossings have also been singled out as opportunities and projects have already been initiated such as: a new river crossing at the Detroit-Windsor Gateway; a fifth lane at the Niagara Falls Queenston-Lewiston Bridge. [13]

Asia-Pacific Gateway and Corridors

This opportunity was recently seized upon by the Federal government when it announced Canada's Asia-Pacific Gateway and Corridor initiative. It committed $591m to the Gateway project. A total of $283m was committed immediately to the following infrastructure projects: the PittRiver Bridge and Mary Hill Interchange, Roberts Bank Railway Corridor Overpasses and Underpasses, Twinning of the Trans Canada Highway in Banff National Park, and South Fraser Perimeter Road. [13]

Atlantic Gateway

The recent $5.7b decision by Panama to widen the Panama Canal may create opportunities. The Premier of Nova Scotia is seeking federal backing of $400m for an Atlantic Gateway which includes improvement to the Port of Halifax and highway upgrades to NB. [13]

2. Pharmaceutical Industry

2. INTRODUCTION OF PHARMACEUTICAL INDUSTRY

2.1 Introduction

Canadian pharmaceutical market is projected to grow at a moderate rate between 2011 and 2016, and will remain the second largest in the Americas region, behind the USA. Canada's generic pharmaceutical industry is a rapidly growing R&D, manufacturing and export-intensive industry that provides a positive contribution to the Canadian society in terms of both the cost of prescription drugs and industrial benefits. [14]

Canada's generic pharmaceutical industry has a tough industrialized base centered in the Montreal, Toronto and Winnipeg regions, In R&D and manufacturing positions more than 11,000highly skilled Canadian employs. In addition to producing most of the generic drugs sold in the local market, generic products manufactured in Canadian facilities are exported to more than 115 countries around the world. The worth of these low-cost exported products exceeds more than $1 billion annually Canada maintains 668 biotechnology firms. [14]

The global demand for generic pharmaceuticals is growing at a rate of 10 percent each year, and the global market is expected to grow to $358 billion by 2016.Canada is currently well positioned to benefit from the global growth of this industry through existing generic pharmaceutical R&D and manufacturing facility investments by several global companies and Canadian-based companies, as well as the infrastructure expansions announced earlier this year. [14]

Major Global Investors In Canada

Table No. 10

Amgen	Jubilant Life Sciences
AstraZeneca	Novartis
Bayer	Pfizer
Bristol-Myers Squibb	Roche
GlaxoSmithKline	Merck
Johnson & Johnson	Sanofi- Aventis

Source: http://investincanada.gc.ca/download/833.pdf

Leading Canadian Companies

Table No. 11

Apotex	Bioniche Life Sciences
Cangene	Cardiome Pharma Corp.
Immuno Vaccine Technologies	MDS Nordion
Medicago	QLT
Valeant	Oncolytics Biotech Inc.
Thera technologies	Teva pharma Canada

Source: http://investincanada.gc.ca/download/833.pdf

2.2 STRUCTURE, FUNCTIONS, & BUSINESS ACTIVITIES OF PHARMACEUTICAL INDUSTRY

Pharmaceutical sales in Canada have a 3 percent share of total pharmaceutical sales of global market making Canada the 8th largest world market. From 2005 to 2009 average annual growth of this sector was 7%.Therefore Canada is the 3rd fastest growing market worldwide, after Brazil and China According to IMS Health Pharma focus 2015.[15]

The manufacturing part of the sector employed almost 27 000 people (2/3rd in brand-name companies) and provided 35 000 indirect jobs in 2011. Over the last 10 years employment has increased by 12 percent. The industry is clustered mainly in the urban areas of Montreal and Toronto. The location of R&D facilities is strongly influenced by the place of major biosciences clusters and by supportive government policies. [15]

2.2.1 Leading companies with market share

In June of 2011, the top ten companies accounted for 35 percent of total pharmaceutical sales and the top 5 companies accounted for nearly 45 percent of total sales in Canada. (IMS Health)[15]

Top Pharmaceutical Companies in Canada in 2011 Rank

Table No. 12

Rank	Company Name		Market Share (%)
1	Johnson & Johnson	Toronto	7.7
2	AstraZeneca	Montreal	7.7
3	Pfizer	Montreal	7
9	Teva	Toronto	6.4
4	Apotex	Toronto	5.6
6	Merck	Montreal	4.8
7	Novartis	Toronto	4.7
5	GlaxoSmithKline	Toronto	4.3
8	Abbott	Montreal	3.9
10	Bristol-Myers Squibb	Montreal	3.4

Source: http://www.ic.gc.ca/eic/site/lsg-pdsv.nsf/eng/h_hn01703.html#size Accessed on 7/4/2012

2.2.2 R& D Activities

Canadian pharmaceutical companies spend $1.2 billion in 2010 for R&D development. R&D has increased by 26 percent from 2000 to 2010. [17]

Information Technology (IT) sector is first in R&D intensity& second is Pharmaceutical sector. As per the Research Info source's Top 100 Corporate R&D Spenders 2011 26 pharmaceutical and biotechnology companies are listed for this thing. [17]

Table of Total Canadian R&D Spending From 2000 To 2010 Year

Table No. 13

Year	Expenditures (in $ billions)
2000	0.94
2001	1.06
2002	1.2
2003	1.19
2004	1.17
2005	1.23
2006	1.21
2007	1.33
2008	1.31
2009	1.27
2010	1.18

Source: http://www.ic.gc.ca/eic/site/lsg-pdsv.nsf/eng/h_hn01703.html#size Accessed on 7/4/2012

From the above table we can say that Canada is more important to R&D & therefore they spend huge money on R&D related activities from 2000 to 2010.

2.2.3 Canadian Drug Sales

From 2000 to 2010 Total Canadian pharmaceutical sales doubled to $21.6 billion in which 88 percent sold to retail drug stores and 12 percent sold to hospitals. In that Government pays 42 percent and private sector pays 58 percent (private coverage and individuals). Pharmaceuticals a high growth sector in Canada with local

production valued at almost $12 billion in 2010 and growing 8.6 percent annually since 2000. From 2000 to 2003Cross-border internet pharmacy sales between Canada and the U.S. grew rapidly, but have since steadily declined to 2 percent of total exports. [17]

Table of Manufacturer's Sales of Patented and Non-Patented Drugs (2000 to 2010) (in $ billions)

Table No. 14

Year	Patented	Non-Patented
2000	6.3	3.7
2001	7.6	4.1
2002	8.9	4.3
2003	10.2	3.8
2004	11	4.2
2005	11.5	4.8
2006	12	5.7
2007	12.7	7.2
2008	13	7.1
2009	13.3	7
2010	12.9	9.3

Source: http://www.ic.gc.ca/eic/site/lsg-pdsv.nsf/eng/h_hn01703.html#size Accessed on 7/4/2012

From the above table we can interpret that there is huge increase in sales of pharmaceutical products in both the segments patented &none patented from 2000 to 2010.

2.2.4 International Trade

From 2000 to 2010, pharmaceutical exports and imports between Canada and the rest of the world have increased by 250 percent and 130 percent respectively. Just over half of Canadian production is exported (primarily to the United States) and a significant portion of the Canadian market is supplied by foreign imports (29 percent from the U.S. and 57 percent from EU) [17]

Total Canadian Pharmaceutical Trade from 2000 to 2010 (in $ billions)

Table No. 15

Year	Exports	Imports	Trade Deficit
2000	1.6	5.3	3.7
2001	2.1	6.4	4.3
2002	2.3	7.3	5
2003	3	8.2	5.2
2004	3.6	8.6	5
2005	3.9	9.1	5.2
2006	5	10.4	5.4
2007	6.3	11.3	5
2008	6.2	11.6	5.4
2009	7	13.4	6.4
2010	5.6	12.2	6.6

Source: http://www.ic.gc.ca/eic/site/lsg-pdsv.nsf/eng/h_hn01703.html#size Accessed on 7/4/2012

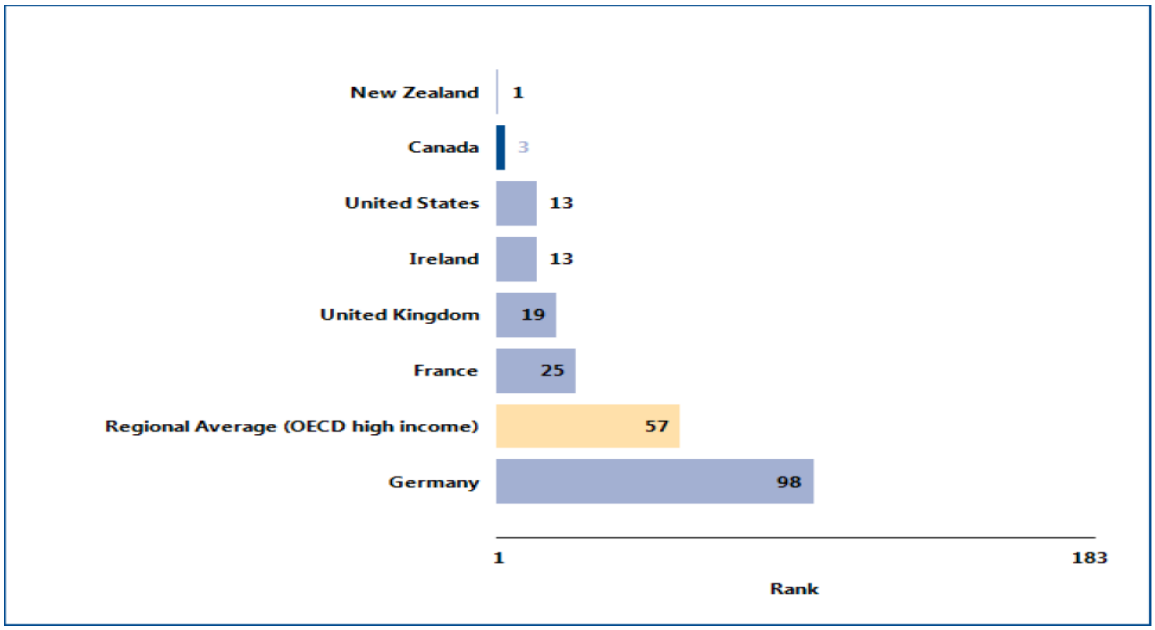
From the above table we can interpret that Canada do more import than export of those products.

2.2.5 Canadian Government Requirements and Processes for export & import

- Acquire Business Number with an import-export account
- Decide the country of origin of the goods (are they produced in Canada or somewhere else) and potentially full a Canadian certificate of origin
- Find out if the goods can be exported or if they are prohibited or restricted in any way
- Find out if you need an export permit
- Classify the goods according to the Harmonized System (HS codes) or the Canadian Tariff Classification Number
- Report your exports to Canada Border Services Agency
- Ship your goods, which could involve an assessment of your shipment by Canada Border Services Agency and could bring about penalties, if you do not comply with customs necessities

Comparison of other economy with Canadian economy on the basis of easiness to start business in Canada

Graph No. 4



2.3 OVERVIEW OF PHARMACEUTICAL INDUSTRY IN INDIA & GUJARAT

India is among the fastest growing pharmaceuticals market in the world. It has grown at 12% annually in the last five years. In last year December 2011 Indian pharmaceuticals industry grew by 15.7%. Healthcare budget of Indian household is expected to grow 7% in 2005 to 13% in 2025. Indian pharmaceuticals industry is projected to grow at CAGR of 14% from 2010-2013.the share of Indian companies in the total drug master files (DMF) filed with the USFDA increased from 14.5 in 2000 to 49% in 2009. By 2012, exports are expected to touch USD 23.5 Billion, with most of the value generated by generics & active pharmaceuticals ingredients (API). India is the **fifth largest producer** of bulk drugs. [16]

2.3.1 Advantages of Indian pharmaceuticals industry

Indian manufacturing cost of producing pharmaceuticals product is **50% less** then U.S manufacturing cost. **30-50%** low depreciation, **85-90%** manpower cost saving, **40-50%** saving in raw material, Recipients and intermediate source locally at **20-30%** lower cost. More than 20000 registered units are fragmented across the country and reports says that 250 companies hold 70% of market share. [16]

Table 1.14 Sales of Pharmaceutical Companies in Gujarat

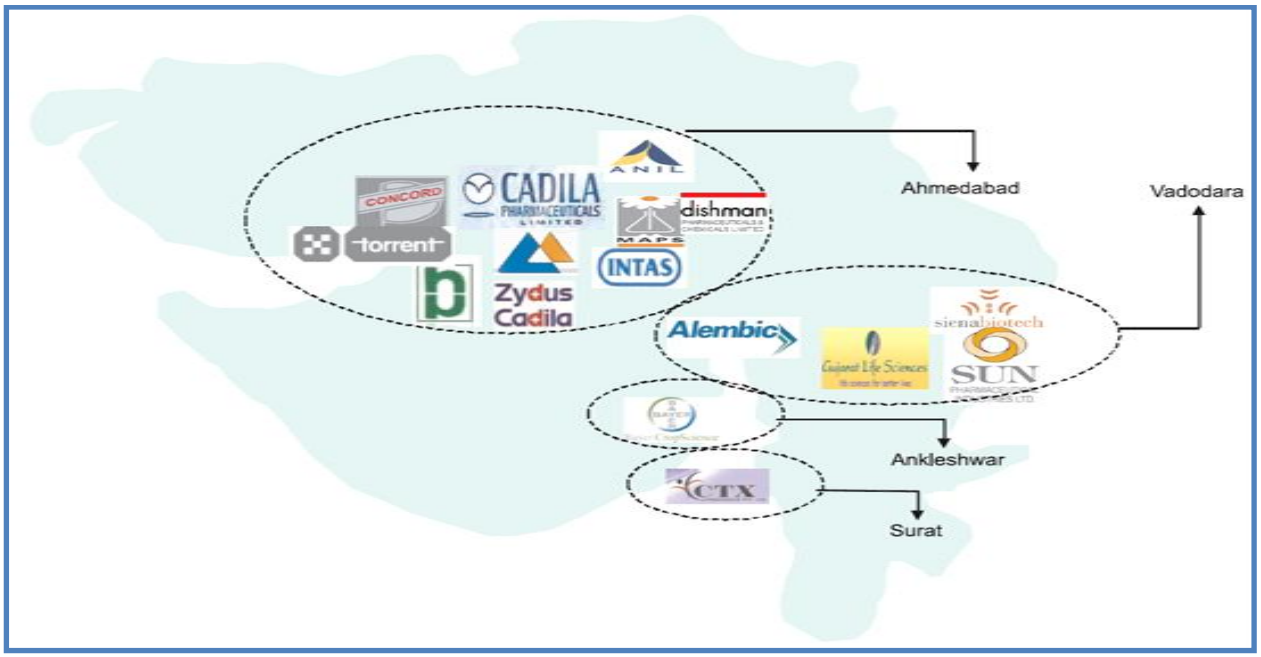
Table No. 16

Company Name	Sales in US$ million	Year End
Cipla	6368.06	March 2011
Ranbaxy	5687.33	December 2010
Dr.Reddy's Labs	5285.80	March 2011
Sun Pharma	1985.78	March 2011
Lupin Ltd.	4527.12	March 2011
Piramal Health	1619.74	March 2011
Cadila Healthcare	2213.70	March 2011
Matrix Labs	1894.30	March 2011

Wockhardt	651.72	December 2011
AurobindoPharma	4229.99	March 2011

Leading Pharmaceuticals Companies in Gujarat

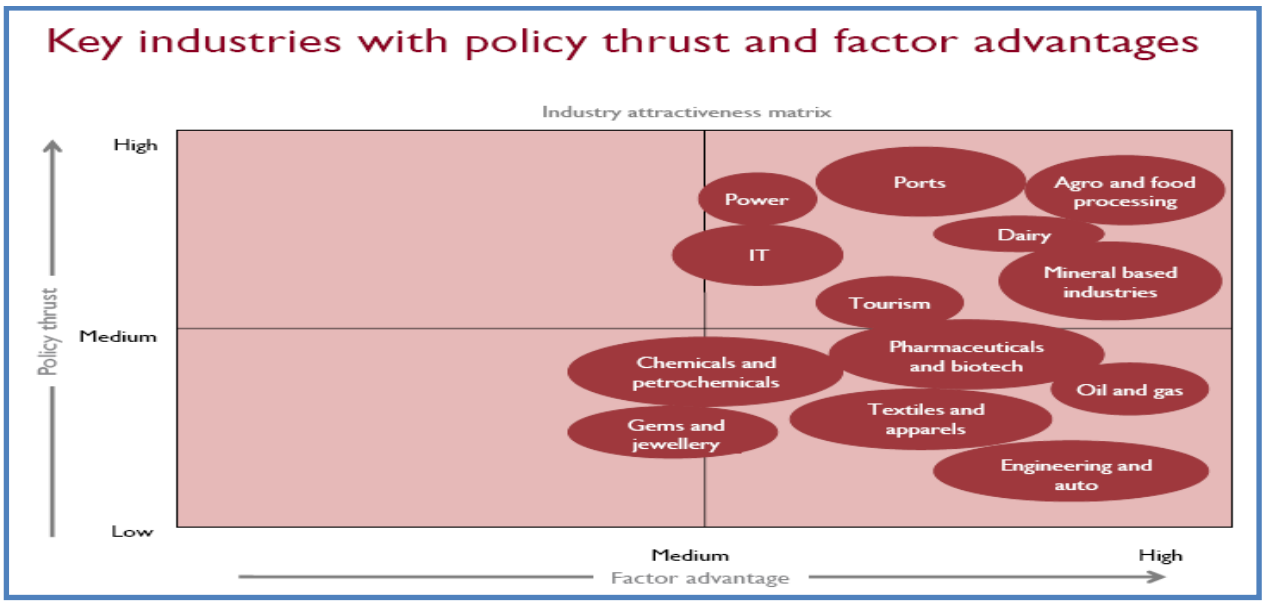
Figure No. 2



Source http://www.vibrantgujarat.com/images/pdf/biotechnology-details.pdf Accessed on 8/4/2012

Key Industries with Policy Thrust and Factor Advantage

Figure No. 3



Source http://www.vibrantgujarat.com/images/pdf/biotechnology-details.pdf Accessed on 8/4/2012

2.3.2 Key Statistics

- All manufacturing unit compliance with schedule M
- 310 License holder with WHO-GMP certification
- 42+ with international certification
- 100+ new drug application filed by various companies
- 109+ pharmacy college in Gujarat
- Gujarat-Export hub export to 200+ countries

Export Import of Indian Pharmaceuticals Industry

Table No. 17

Year	Export (US$ Billions)	Growth (in Percentage)
2007-2008	6.3	14.4
2008-2009	8.6	35.7
2009-2010	9.1	5.9

Source: http://www.canadabusiness.ca/eng/guide/1312/Accessed Accessed on 8/4/2012

2.3.3 Amendments in FDI Policy for India's Pharmaceutical Sector

The government of India has already permitted 100 percent FDI into the pharmaceuticals industry. Recently, the government has reviewed its policy in the particular sector. Below are the specific points:

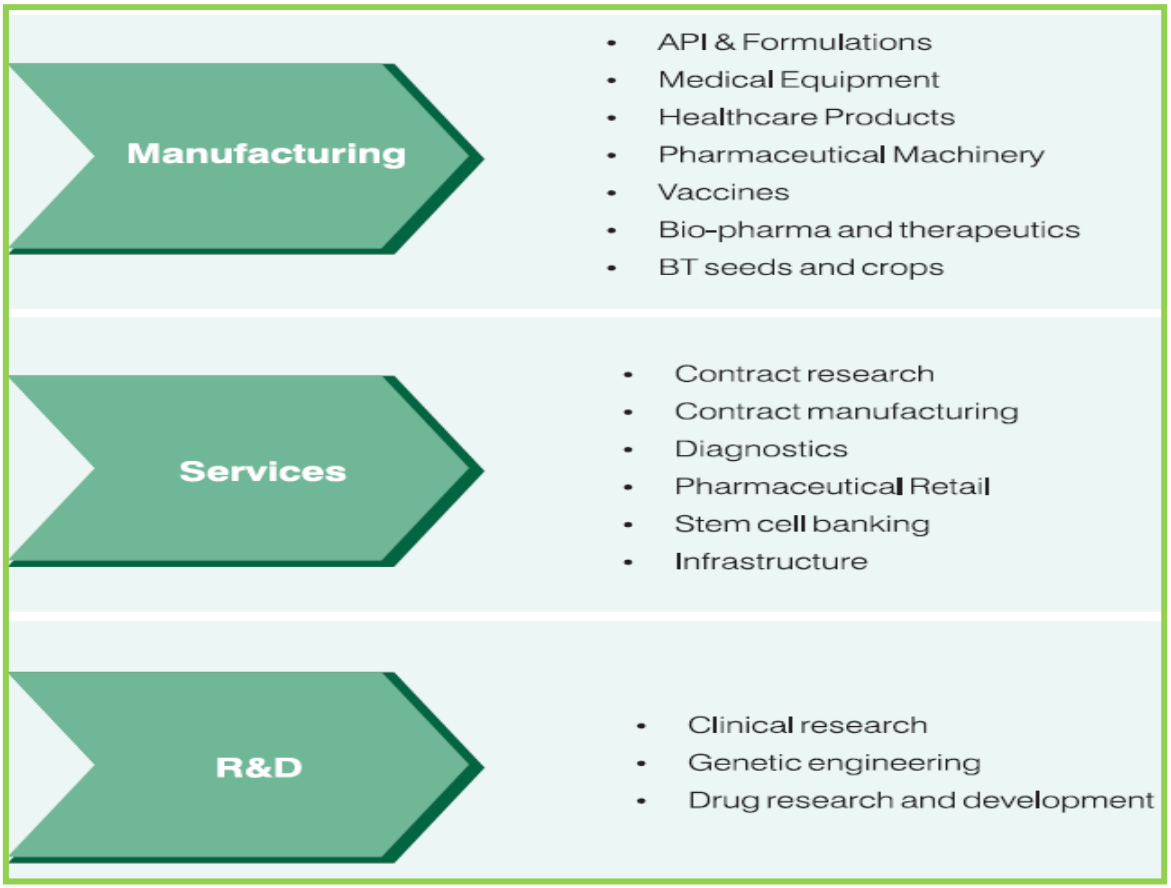
FDI, up to 100 percent, under the automatic route, would continue to be permitted for Greenfield investments in the pharmaceuticals sector. FDI, up to 100 percent, would be permitted for brown field investments (i.e. investments in existing companies), in the pharmaceuticals sector, under the government approval route. The above modification is made in "Circular 2 of 2011- Consolidated FDJ Policy," dated September 30, 2011, issued by the Department of Industrial Policy and Promotion.

2.4 BUSINESS OPPORTUNITIES

A concerted effort by academia, industry, government, associations and the financial community has helped Canada become a world leader in biotechnology. Canadian companies and research organizations are attractive international business partners as the country is well-placed to provide access to other NAFTA markets. Canada currently has 301 health biotech products in the pipeline and 60 therapeutic medicines on the Canadian market as a result of R&D in Canada. [17]

Opportunities in Pharmaceuticals In Gujarat Region

Figure No. 4



Source: http://www.vibrantgujarat.com/images/pdf/biotechnology-details.pdf Accessed on 8/4/2012

3. Banking Industry

3. INTRODUCTION OF BANKING INDUSTRY

3.1 Introduction Banking Industry

In Canada 1st bank was established by small group of local customers in the Montreal year 1817. The banking business become a main supplier to economic development job creation and plays a important role in supporting the development of the economy through huge investments in know-how, modernism and the financing of latest economy companies.[18]

Up to the mid of the 20th century the primary role of the bank was to allow deposits and funding business loans. In current years the banking business has undergone an impressive transformation, Growth in business and shifting customer desires along with the rapid growth of global trade and led to the introduction of more computerization, new products and services. Banks ongoing to face increased competition from other monetary institution and revision to Canada's Bank Act 1954 and 1967 enable banks to suggest new services such like mortgages and customer loans. Successive changes to financial institutions legislation in 1987 and the major revisions to the Bank Act1992 also increased competition by permit banks to operate trust and securities subsidiaries. [18]

The top 5 banks of Canada is

1. Toronto Dominion,
2. Bank of Nova Scotia,
3. Canadian Imperial Bank of Commerce,
4. Bank of Montreal,
5. Royal Bank of Canada

These banks have a joint share of more than 90 % on the Canada market and also they have worldwide banks with branches and offices in US, Asia, Latin SA and Caribbean.[19]

Nowadays Canada's banking system is grown-up, complicated and extremely aggressive. Canadian banks gain immovability from their wide diversification in

Canada and U.S. with a strong customer credit culture. They include developed a dominant wealth management business, they have a world-leading infrastructure with a high level of computerization and strong organization control system.[18]

Canada has steady and extremely well developed banking organization and Canadian banks play important role in Canadian economy and society. Canadian banks are among the top Canadian employer, employing over 200,000 public. Canadian banks are amongst the top duty payers also. Canadian Banks have shaped extensive financial network consisting of over 8,000 bank branches over 18,000 ABMs. Canadian banks present numerous electronic services like online banking and debit cards.[20]

Canada's remarkable growth is by a financial system that is the envy of the world. The sovereign debt crisis in Europe and renewed concerns about the global economic outlook has once again put a spotlight on bank safety. Canada, which has the soundest banking system in the world according the World Economic Forum, has become even more attractive than ever for global business leaders.[21]

3.2 A Strong and Stable Banking System Benefits All Canadians As Taxpayers

To maintain consumers' right to use to credit in an environment of slow down worldwide credit market, the Canadian administration acted to boost liquidity by trade more than $69 billion of secure and insured mortgages from the banks through the Insured Mortgage Purchase plan, which is now finished. The Canadian administration likely to earn a earnings from this proposal. [22]

As consumers

- Canadians continue to have access to a banking structure that is available, reasonable and competitive. [22]

As business owners

- Canada's banks stay open for industry and commit to provide credit. Banks have been satisfying a credit gap as various other lenders have exited the market. [22]

As investors

- The majority of the Canadians are the shareholders of the Canada's banks either directly or through the CPP, pension and mutual funds. Pension funds and RRSPs are key beneficiary of the billions of dollars of dividend that banks pay every year.[22]

3.3 ROLE OF THE BANKING SECTOR IN CANADIAN ECONOMY

- $ 8.3 billion in duty paid to all level of government.
- It is contribute around 3.4% to Canada's GDP.
- In employment is 267,000 Canadians. Permanent bank employment has increased 21.5% in the last ten years.
- It is provided finance to 1.6 million small size and medium sized business.
- It also provided multi-million dollar support for Canada's charity and not-profit organization.

Source: Office of the Superintendent of Financial Institutions as of December 31, 2011

3.4 STRUCTURE OF CANADA BANKING SECTOR

The banking business include 23 domestic banks and 26 foreign bank subsidiaries and 23 full-service foreign bank branches and 5 foreign bank branches working in the Canada. These institutions run close to $3.7 trillion in property. [23]

Several worldwide banks have a presence here through a subsidiary, representative office or branch of the parent bank. Most focus in corporate and investment banking and have only one or two branches. A important exemption is HSBC Bank Canada which has a strong retail presence with branches across Canada.[24]

3.5 COMPARATIVE POSITION OF CANADA BANKING WITH INDIA

An efficient financial services sector is essential for a strong national economy. Liberalizing a country's financial services sector improves capital market efficiency, bolsters financial sector stability, and supports economic growth and job creation. The terms and conditions governing the Indian insurance and banking sectors have changed since the 1990s. Since the passage of the Insurance Regulation and Development Authority Act of 1999, the monopolies enjoyed by the state-owned General Insurance Corporation and Life Insurance Corporation have been opened up to foreign competition by allowing private participation with a 26 percent limit on foreign equity. Liberalization reforms have also intensified in the banking sector since new guidelines were issued in 1993. The Reserve Bank of India (RBI) has granted approval to 25 new foreign banks or bank branches and as of September 2004, 35 foreign banks and 217 branches were operating in India (United States Trade Representative 2005). [25]

Continued liberalization in the financial services sector in India provides opportunities for Canadian financial services providers to invest in this growing market and for India to continue strengthening its financial sector. For example, large insurance companies, such as Sun Life Financial, who are currently well established in India's insurance sector, are developing new high quality and innovative products for the Indian marketplace. [25]

"RBC is applying for local regulatory approval to establish a representative office in Mumbai, India. Through direct representation in India, RBC will be better placed to begin exploring its strategic options in the country," said a company spokesperson. It is still not known, whether the bank plans to roll out retail banking operations in India or will have a presence only in corporate banking and investment banking.[26]

Canada's Approach for Financial structure

Canada's financial structure is grow, classy and well-managed. Financial stability is corroborated by sound macroeconomic policies and sturdy prudential regulation and supervision. The need for financial stability and prudence gained importance in the context of the global financial crisis. Canada's financial sector came through the

global financial turmoil much less affected than many of its peers, reflecting both the robustness of its regulatory framework and the strength of its financial institutions. The regulation of financial services is critical in ensuring market stability, so Canada comes from a position of strength in any discussion of financial services. [27]

Canadian financial institutions have identified India as a priority market and are interested in bringing their strength to the Indian market. Canadian insurers would be interested in making an even deeper commitment to their Indian partners, for example, by making investments up to 49% in insurance joint ventures. Although banks may now establish ***de novo*** operations in India through a subsidiary or branch, practical realities strongly favor making investments in an existing bank (e.g. up to 20% in any one bank). However, restrictions on foreign direct investment in the banking and insurance sectors, while slowly liberalizing, are major obstacles to Canadian institutions entering the Indian market and continue to limit the ability of other Canadian institutions to expand within the Indian market. [27]

Canada maintains a liberal foreign entry regime in its financial sector. For example, foreign banks wishing to engage in wholesale business can benefit from lightened regulation by establishing as a foreign bank branch. Foreign bank branches have most of the same business powers as a domestic bank, subject to prudential requirements that lending branches may not accept deposits and full service branches may not accept deposits under C$150,000. This is a model adopted by other jurisdictions, that allow bank branching but do not permit the taking of retail deposits. Canada's foreign bank branching regime has proven quite popular as there are currently 29 foreign bank branches operating in Canada. [27]

Foreign banks wishing to engage in wholesale business or retail deposit taking in Canada may also choose to establish as a federal financial institution, and have all the same powers as a domestic financial institution. Further, foreign banks may set up a non-regulated financial entity. There are currently 26 foreign bank subsidiaries in Canada. Similarly, foreign banks wishing to grow through strategic partnerships can benefit from the same treatment as domestic investors as there is no distinction in the treatment of foreign and domestic investment in Canada's financial sector. [27]

India's Approach for Financial System

Significant steps to liberalize the financial sector have been taken in India since 1991, when the sector operated in a heavily regulated environment, for example state-owned banks controlled 90% of bank deposits, a high proportion of funds were channeled to the government and credit was allocated on the basis of government policy. The administered interest rate structure, meant banks could earn a reasonable return (spread) without much effort. Despite this, bank profitability was low and non-performing loans levels were high, reflecting a lack of efficiency. There were also significant barriers to entry which protected the sector. Foreign banks have since been allowed some access to the Indian market, and the banking sector is increasingly able to lend freely. [27]

Under India's autonomous regime, foreign banks are allowed to operate in India either through a wholly-owned subsidiary (WOS) or branches. At present, individual foreign banks are restricted to holding less than 5% equity in any one private sector bank. For a shareholding of more than 5%, an acknowledgement is required from the RBI which is subject to conditions stipulated in RBI's Guidelines on ownership and governance in private sector banks. Also at present there is a limit of ten per cent on voting rights in respect of banking companies. In aggregate, foreign investment in a private sector bank from all sources is allowed up to a maximum of 74% of the paid up capital of the bank and 20% of equity of any Indian public sector bank. It is worth noting that for non-banking finance companies (NBFC), FDI up to 100% is allowed automatically subject to minimum capitalization norms. In respect of NBFCs in India, 18 areas have been opened for FDI including portfolio management services, stock broking, credit rating agencies, housing finance and rural credit among others. In the insurance sector in India, foreign equity up to 26% is allowed. Foreign investment permitted in the banking and insurance sector will be in accordance with the FDI policy of the Government of India and notifications issued from time to time, rules and regulations and the terms and conditions of the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority and any other competent authority in India. [27]

India has a WTO commitment to allocate 12 new bank branch licenses per year to foreign banks, subject to a minimum initial capital requirement. The WOS treated on

par with the existing branches of foreign banks for branch expansion with flexibility to go beyond the existing WTO commitments of 12 branches in a year and preference for branch expansion in under-banked areas. The grant of a license to operate an ATM is not counted in the WTO commitment of 12 bank branches of foreign banks. In its Revised Offer at the WTO, India has offered to allocate 20 new bank branch licenses per year to foreign banks. The grant of ATM is governed by the Branch authorization policy of September 2005. There are more than 311 foreign bank branches in India and more than 800 ATM's of foreign banks in India.[27]

3.6 PRESENT POSITION AND TREND OF BUSINESS (IMPORT/EXPORT) WITH INDIA

India is a very important trade partner for Canada. Canada's business strategy for India involves the co-ordination of efforts by Canada's mission in India, central government departments, provinces, and the private sector. According to Statistics Canada, two-sided products trade between Canada and India in 2010 totaled just about C$4.2 billion, an boost of 46.6 percent since 2005. While Canadian products exports to India in 2010 totaled C$2.1 billion, imports from India reached C$2.1 billion. in spite of the little decrease in Canadian exports to India in 2010, exports to India have improved by 92.2 percent since 2005. Top Canadian exports to India contain vegetables, fertilizers, term paper and paperboard, machines, timber pulp, valuable stones, and iron and brace. Canadian imports from India include unrefined chemicals, valuable stones and metals, woven apparel, machines.[28]

India is Canada's main trading associate in South Asia, but is ranked as Canada's 18th biggest export market. There is a room for enhancement in the trade between the two nations as India's share in Canada's imports is not even 0.5%.[29]

"A Canada-India deal agreement has the latent to boost Canada's financial system and create jobs and economic wealth for hard-working Canadians. Our government is dedicated to building on our already strong ties with India to form a partnership that will guide to new opportunities and stronger economies in both nations,"

3.7 POLICIES AND NORMS OF CANADA FOR BANKING

Starting a Financial Institution in Canada

I. Institutional and Legal Framework

The Office of the Superintendent of Financial Institutions is the authority to assess applications for incorporation of banks or a federal trust or loan company [collectively referred to as federally regulated financial institution (FRFI)] in Canada and makes recommendations to the Minister of Finance (called as the Minister) who has the ultimate responsibility for approving the incorporation of financial institutions under the Bank Act, 1991.

The applicants for incorporation of FRFIs that intend to take deposits are also required to become members of the Canada Deposit Insurance Corporation. However, if the proposed FRFI is a bank that will only be taking wholesale deposits (deposits greater than $ 1, 50,000); it may apply to CDIC for authorization to accept deposits in Canada without being a CDIC member. The banks on incorporation are also required to register with the Canadian Payments Association (CPA) for membership.

For establishing a FRFI in Canada, there are two parts to the application process. The first part deals with requirements to obtain "letters patent of incorporation", which are issued by the Minister upon recommendation of the Superintendent of Financial Institutions.

II. Criteria for Issuance of Letters Patent of Incorporation

Statutory criteria

- the nature and adequacy of the financial capital of the applicants as a source of lifelong financial support for the FRFI;
- the reliability and feasibility of the policy of the applicant/s for upcoming conduct and expansion of the business of the FRFI;
- the business evidence and experience of the applicants
- the character and integrity of the applicants or, if the candidate or any of the candidates is a body corporate, its status of character and integrity;

- whether the FRFI will be operate conscientiously by persons with the capability and experience suitable for involvement in the process of a financial institution;
- the impact of any incorporation of businesses and operations of the candidate/s with those of FRFI;
- the view of the Superintendent concerning the level to which the proposed corporate structure of the candidate and their affiliate may affect the direction and guideline of the bank, having regard to environment and level of the proposed financial services actions to be carried out by the bank and its affiliate, as also the nature and level of supervision and regulation applying to the proposed financial services actions to be carried out by the affiliate of the bank.

(2) Minimum initial capital requirement:

For this purpose, the OSFI has established two minimum standards: assets to capital multiple, and risk-based capital ratio. The first test provides an overall measure of the adequacy of an institution's capital. The second measure focuses on risk faced by the institution. Under Assets to capital multiple total assets should not be greater than 20 times capital, although this multiple can be exceeded with the Superintendent's prior approval to an amount not greater than 23 times. Institutions are expected to meet minimum risk-based capital requirements for exposure to credit risk, operational risk and, where they have significant trading activity, market risk. The minimum capital requirements, whichmust be maintained on a continuous basis, are a tier 1 capital ratio of 4% and a total capital ratio of 8%.

(3) Ownership Criteria: The ownership criterion is based on the size of the FRFI, i.e. Small Bank, Medium Bank, Large Bank and Trust or Loan Company. If a financial services group wishes to establish a FRFI, it is required to select, as the applicant, through which most of the group's banking business or financial activities is conducted.

(4) Limitation on shareholding: No person can be a major shareholder of a bank with equity of $ 8 billion or more, except for cases mentioned above. However, if a person is a major shareholder of a bank with equity of less than 8 billion dollars and the bank's equity reaches 8 billion dollars or more, the person is required to reduce the same within a period of 3 years from the date of bank's equity reaching eight billion dollars so as to ensure that he is not a major shareholder of the bank.

(5) Information requirements: The applicant is required to submit various types of information for assessing the principal shareholders' commitment to the FRFI and in ensuring that the new FRFI has and will maintain to have enough capital and that it has enough risk management controls in place to carry its operations thereby dropping the likelihood of failure. These, inter-alia, include current association chart for the candidate and its vital parent, if any, and all entities in the business group; entities in which the candidate beneficially owns 10% or additional of the voting rights; names and details of all people owning more than 10% of any group of shares or possession interest in the applicant and the percentage of shares or possession interest held; summary of the monetary and other actions carried on by the candidate and its affiliate; etc. OSFI also required

III. Requirements for Making of an Order to Commence and Carry on Business by the Superintendent

In terms of Bank Act, 1991 of Canada, a bank cannot carry on any business until the Superintendent has, by order, approved the commencement and carrying on of business by the bank.

Before issuing an Order to Commence and Carry on Business, OSFI must be satisfied that the FRFI has the necessary systems, management structure, control processes and compliance managements systems in place. An on-site review is also done to assess the control processes and management systems and to ensure that the FRFI is capable of producing the required statutory and supervisory information in an accurate and timely fashion as soon as it starts operations.

IV. Limiting asset size

On considering the Superintendent's opinion on the nature and extent of the financial services activities carried out by entities affiliated with the bank and its impact on the supervision and regulation of the bank, the Minister may, in the best wellbeing of the financial structure in Canada, could stipulate additional restrictions on the Assets to capital multiple in the order of Commencing and Carrying on Business.

V. Can Industrial Companies own banks?

Any entity or person is eligible to own a FRFI, provided they satisfy the statutory criteria.

3.8 POLICIES AND NORMS OF INDIA FOR IMPORT OR EXPORT TO THE CANADA

Banks should ensure that the imports into India are in conformity with the Foreign Trade Policy in force and Foreign Exchange Management Rules, 2000 framed by the GOI and the Directions issued by RBI from time to time.

- Follow normal banking events and adhere to the necessities of Uniform Customs and practice for Documentary Credits while opening letters of credit for import into India on behalf of their constituent.
- Fulfillment with the requirements of Research & Development Cess Act, 1986 in respect of import of drawings and designs.
- Adhere to KYC guidelines issued by RBI in all their dealings.
- Ensure that the importer furnishes proof of import and Exchange Control photocopy of the Bill of Entry, Postal Appraisal Form or Customs Assessment Certificate, etc., and convince himself that goods equivalent to the value of transmittal have been imported, etc. [31]

3.9 POTENTIAL FOR IMPORT/EXPORT IN INDIA

- **EXIM Policy India**

- The foreign trade of India is directed by the Import Export procedure of the Government of India.

- Regulated by The Foreign Trade Development and Regulation Act 1992.

- **EXIM** policy contains different policy decisions with respect to exports and import and from the nation.

- **EXIM** Policy is agreed and announced by the central government.

- **EXIM** Policy of India aims to mounting export potential, improving export routine, cheering foreign trade and creating productive balance of payment position. [32]

EXIM Bank's study titled, 'Select West African Countries: A revision Of India's Trade & Investment Potential', covers eight associate States of the West African Economic & Monetary Union (UEMOA), viz. Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo, and delineates potential areas for enhancing India's trade and investment relations with these nations.[33]

3.10 Business Opportunities In Future

There is plenty of electrifying business opportunities in India. We have started a list of business ideas for those entrepreneurs who are attracted in Internet ventures, outsourcing technology, e-commerce opportunities, software development opportunities, business trends and other business ideas. We hope to add to this file as we find case studies in Bangalore, India. [34]

4. Information Technology Industry

4. INTRODUCTION OF INFORMATION TECHNOLOGY INDUSTRY

4.1 Introduction Of Information Technology Industry Of Canada

Calgary is IT hub of the Canada, Approximately 1,543 companies in Calgary belong to the Information Technology (IT) sector; the majority of these businesses classify themselves as providing an IT service. About 800 companies work in software development and approximately 200 work in hardware design and system integration. The majority of the companies can be classified as system integrators with a software development component. Information Technology Industry empowers economy by enhancing the information systems that enables other industries to store, process, transmit and receive data and information.[35]

Among the three sub–sectors, Hardware manufacturing stands out as the one with important sub-sector. In 2010, 14% of the hardware manufacturing companies had more than 50 employees while for the whole IT sector, this share was only 3.7%.[36]

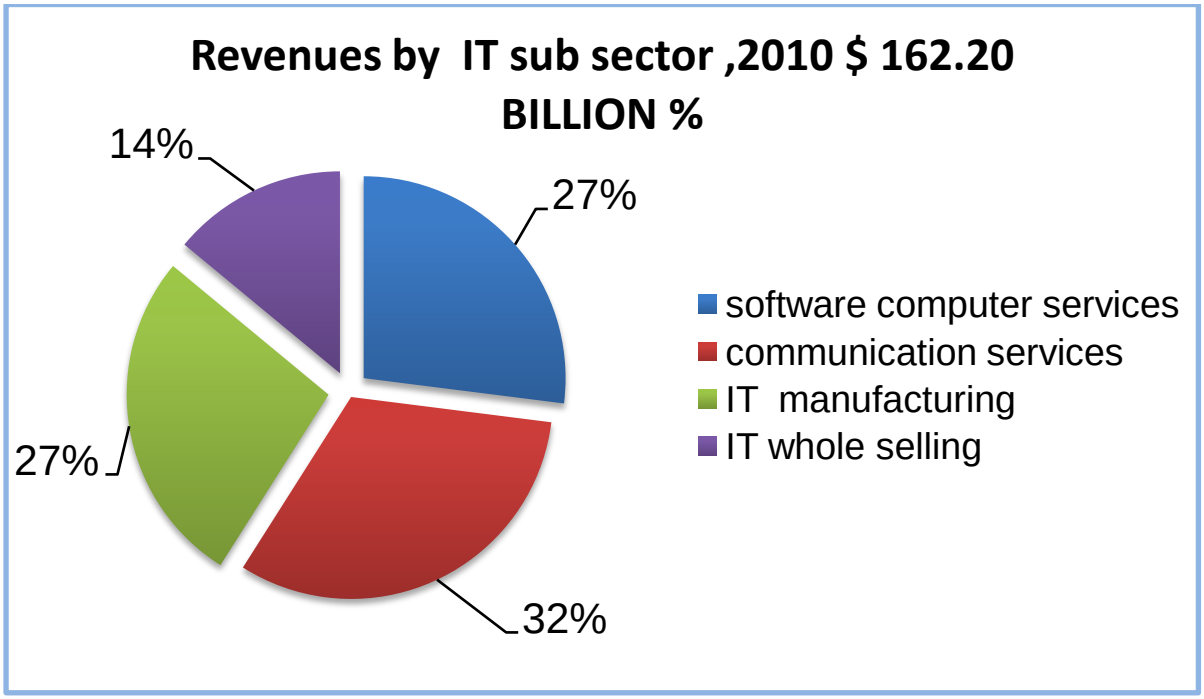
4.2 ROLE OF INFORMATION TECHNOLOGY SECTOR IN CANADIAN ECONOMY

Information technology plays a significant role in Canadian Economy, following details shows the Economical dimension of IT sector of Canada.

- In the year 2010 Revenue of Canadian IT Sector were raised by 6.0 %, recovered from the decline in 2009 which was -0.7 %.
- Leading subsector for growth was electronic hardware wholesales industry which was grown by 14.3% and accounted for 59 % of Canadian IT sector growth.
- Service Sector especially Software designing were grown by 3.3% and accounted for 34 % of Canadian It sector growth. In the year 2010.
- Canadian IT sector revenues were increased from $129 to $162 billion between 2002 and 2010, a 25% rise.
- The IT sector contributed $60.8 billion to Canadian GDP and in 2010 it was accounting for 4.9% of Canadian production, improving from 4.2% in 2002. [36]

Graph of Revenues by IT sub sector, 2010 $ 162.20 billion

Graph No. 5

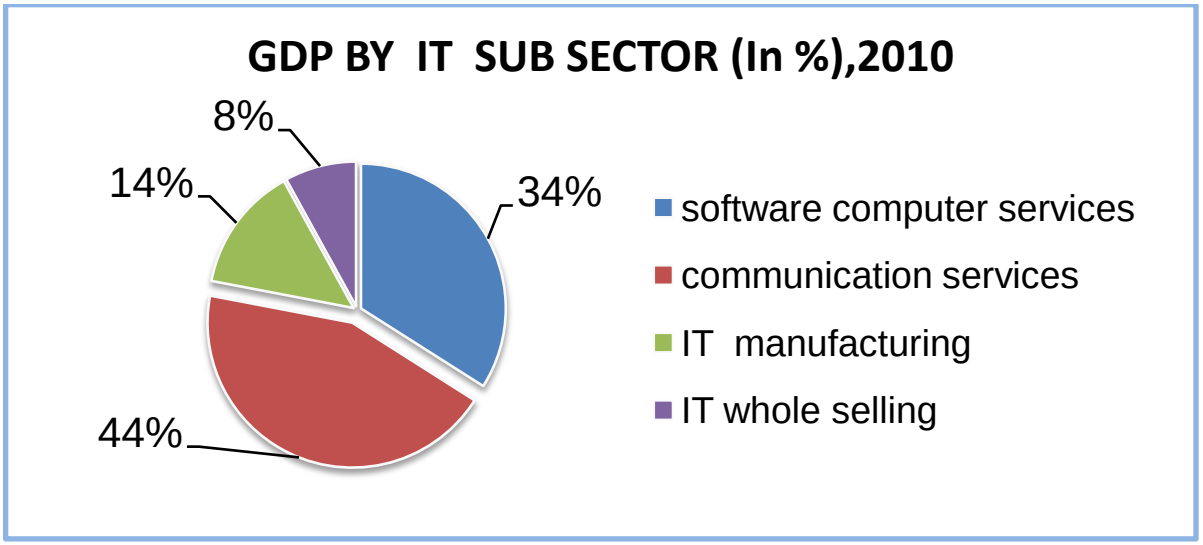


Source: - http://www.ic.gc.ca/eic/site/ict-tic.nsf/eng/h_it07229.html-Accessed on 18.1.12

Canadian IT sector categories contribution in Canadian GDP in 2010:

Graph of GDP by IT sub sector $ 60.8 billion, 2010 %

Graph No. 6



Source: - http://www.ic.gc.ca/eic/site/ict-tic.nsf/eng/h_it07229.htmlAccessed on 18.1.12

- The IT sector regain from the downswing in the year 2009, up 3.0%. However, for the first time since 2002, the IT sector has been grown at a low rate than the other sector in economy; it was increased by 3.6% in year 2010. On average, annual growth in this sector has been 3.8% since 2002, which is two times higher than that of the overall economy (1.8%).
- GDP in the services industries only increased by 0.9% in year 2010 due to very slow growth in the communications services industries (0.5%). In spite of that, since 2002, the services industries have driven the Information technology sector by generating 72% of the growth.
- In 2010, 3.3% of all Canadian workers were employed by the IT sector. Employment in the IT sector elevated by 2.7% in 2010 to reach 563,269 Employment.[36]
- Majority of the employment gains in the IT sector in 2010 took place in the computer system design industry. This industry's workforce increased by more than 12,200 people while employment in the whole IT sector brought up by 14,600.
- Major changes in Structure of Canadian IT sector took place during 2002 to 2010; the share of the Hardware manufacturing industries in total IT sector employment has been declining from 18.5% in 2002 to 14.9% in 2010, while the share of the services industries has been increasing from 67.7% to 71.6% over the same time period.
- 44.4% of employees had a university degree in 2010, compared to a national average of 25.6%. It indicates that IT sector employment is qualified by a highly educated workforce.
- There were 52.5% university educated employees in software and computer services, 48.4 % in communications equipment manufacturing and 46 % in computer equipment manufacturing (46.0%).[36]

4.3 STRUCTURE, FUNCTION & BUSINESS ACTIVITIES OF INFORMATION TECHNOLOGY SECTOR IN CANADA

The Canada Business Network provides existing and potential business entrepreneurs and Canadian small and medium-sized enterprises (SME) with information on relevant federal, provincial and territorial government services,

programs and regulations. This information is available on the Internet, by telephone (toll-free), by email and through a network of service centers providing access to business-related publications, directories and electronic databases. This provides SMEs with convenient, one-stop access to government data, programs and services, saving them time and helping them to make well-informed business decisions. [37]

Canadian Business is managed by four lead departments — Industry Canada, Atlantic Canada Opportunities Agency, Canada Economic Development for Quebec Regions and Western Economic Diversification Agency — in collaboration with the provinces and territories. Each lead department has its own program activity architecture and associated performance measures. Information Technology enables these all Agencies to integrate Business Activities so that it can run smoothly. [37]

The Community Access Program (CAP) provides public access to the net, to associated information and communication technologies (IT) and applications, and to skills training, and it delivers public and private sector services and information to Canadians in need of this critical support. CAP sites across Canada contribute to the economic and social development of Canadian communities and their residents who face roadblocks to the use of IT.[37]

Table of Canadian IT Sector Divided in Four Categories Sub sector

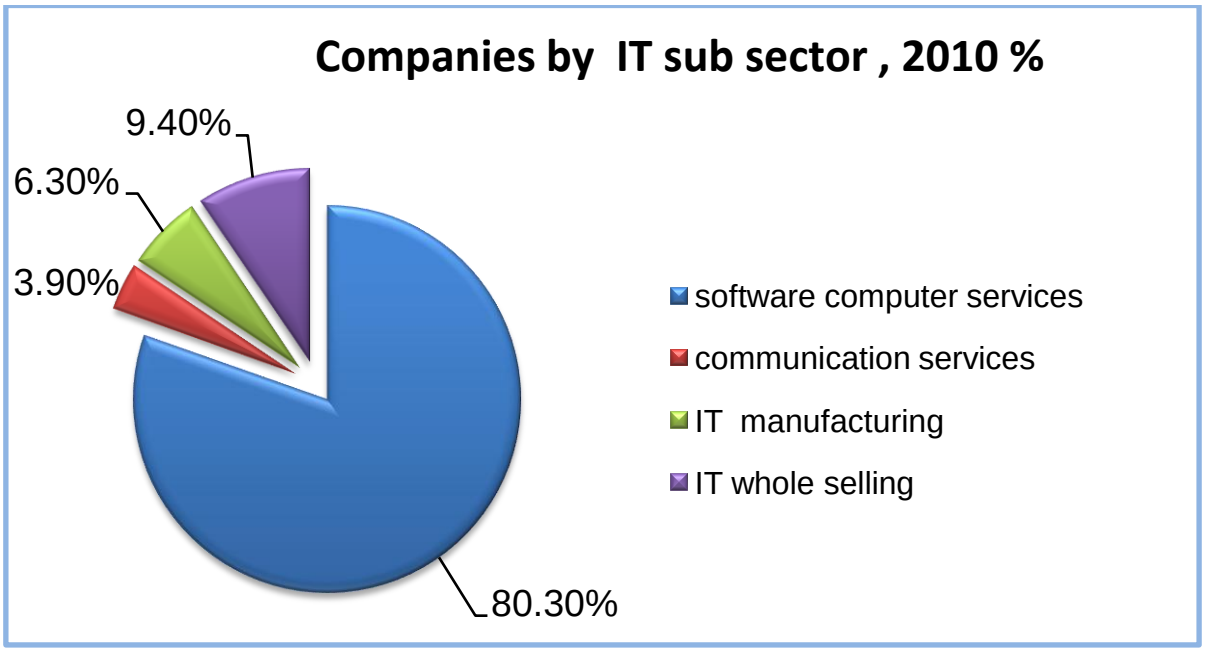
Table No.18

Sr. No	Companies by IT sub sector , 2010	Percentage
1	Software Computer Services	80.30%
2	Communication Services	3.90%
3	IT manufacturing	6.30%
4	IT whole selling	9.40%

Source: -[http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06234.html]- Accessed on 23.1.12

Graph of companies by IT sub sector, 2010%

Graph No. 7



Source: - http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06234.html]Accessed on 23.1.12

Software and Computer service companies were the major part of Canadian IT Sub sector, whereas smallest sub sector was communication services in the year 2010. This indicates the dominance of Software and computer services sub sector in Canadian Information Technology Sector.

4.4 COMPARATIVE POSITION OF CANADIAN IT SECTOR WITH INDIAN IT SECTOR

The services sector in India has been a major source of economic growth in recent years. Deregulation of services sectors has been one of the highlights of Indian economic reforms. Significant steps have been taken to liberalize the Financial and the Telecom Sectors in India since 1991. Telecommunications has, thus, been substantially opened up to competition. Newer sectors such as Information Technology (IT) and IT-enabled services (Business Process Outsourcing, Knowledge Process Outsourcing, and Business Transformation Services) are largely open and have been prominent among the faster growing services sectors, assisted by technological advances and a low-cost, educated workforce with well English language capacities.

Canadian imports of IT services from India have been increasing since the beginning of the last decade. Indian IT companies with substantial operations in Canada include Tata Consultancy Services, Satyam, Wipro and Infosys. A possible Canada-India CEPA could assist in further increasing trade in this sector.

Table of Canadian IT Sector Business Activities (Canadian Dollars in billions)

Table No.19

CANADIAN IT SECTOR BUSINESS ACTIVITIES	2006-07	2007-08	2008-09	2009-10	2010-11
Information and technology, manufacturing	7,757	8,079	7,317	7,887	8,308
Information and technology, services	49,760	50,517	50800	51714	53089
Total production of information and technology , manufacturing	57488	58574	58068	59566	61368

Source:http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/trade26-eng.htm-Accessedon27.1.12

Table of Indian It Sector Business Activities (Rupees in Crore)

Table No.20

INDIAN IT SECTOR BUSINESS ACTIVITIES					
Indian IT Sector	2006-07	2007-08	2008-09	2009-10	2010-11
Information and technology, manufacturing	66000	84410	97260	110720	128870
information and technology , SERVICES	178000	211410	275190	304800	347310
Total production of IT sector services & manufacturing	244000	295820	372450	415520	476180

Source:http://www.mit.gov.in/sites/upload_files/dit/files/downloads/annualreports/AnnualReport_2011-12/AnnualReportE_2011-12_8412.pdf] Accessed on 27.1.12

4.5 PRESENT TRADE SCENARIO OF IT SECTOR

INDIA

- A significant part of the industry continues to be export driven. India's exports of software and ITES increased to US$46.3 billion in 2008-09 from just US$1.8 billion in 1997-98, a compound annual growth rate of 35%, and are estimated to be around US$49.7 billion in 2009-10.
- The Indian BPO industry itself is worth almost US$15 billion. India is the number one outsourcing destination in the globe with almost a 50% share in the global off-shoring business. India now aims to be a global IT research and development hub.
- Though India's export of IT/ITES to Canada has been increasing since the beginning of the last decade, it is hoped that a possible Canada-India CEPA will provide a further boost.[38]

CANADA

- IT goods exports experienced decreases in all product groups, with the exception of Audio and video equipment (1.7%). The product groups that experienced the largest declines were wired communications equipment (-30.0%), electronic components (- 19.6%), and cables (-18.3%).
- Canadian imports of ICT goods also decreased in 2009, down by 9.5% to reach $40.0 Billion. Imports of computer and peripheral equipment and audio and video equipment decreased the most in 2009, down 15.8% and 15.4%, respectively.
- Instruments (21.1%) accounted for the largest proportion of exports of ICT goods in 2009, while computer and peripheral equipment represented 27.9% of the imports that year.
- Canada’s trade deficit in IT goods decreased by 2.9% in 2009, totaling $21.4 billion. Computer and peripheral equipment alone accounted for 37% of this trade deficit, followed by audio/video equipment (20%) and electronic components (16%). Until 2009, the wired communications equipment product group had been running a positive trade surplus. In 2009, the wired communications equipment product group ran a trade deficit of $844 million. IT Services, 2009.

- IT services exports decreased by 5.4% in 2009. Since 2002, international receipts from IT services have grown by 16.1%; at an average annual rate of 2.2%. International payments for IT services also fell down 4.4% in 2009. Since 2002, payments have increased by 14.2% or 1.9% on an annualized rate. [39]

4.6 POLICIES AND NORMS OF INDIA FOR IMPORT OR EXPORT

Indian Government has set up the Software technology Parks of India (STPI) in the year 199, in order to promote the software Exports. STPI renders various services to Software Exporting Communities. This service includes data communication servers, incubation facilities, training and value added services.

- STPI is key accelerator for SME's and startup units for software exporting. This scheme was Successful in upbringing the software industry. Total Exports made by STPI registered unit during 2008-09 were Rs.215571 crore which is about 90% of total software exports from the country.
- 51 STPI centers were established up till now, since the inception of the STPI scheme. These centers were establish to boost up the IT and ITES exports. Various exemptions were provided to STPI Units, this includes exemptions from service tax, and rebate from central sales tax and most important incentives was 100% exemption from income tax on Export profit. This exemption was ended on 31st march.
- STPI scheme allows software firms to establish their operations in the cheapest locations to plan their investments according to need of business.
- STP scheme is a pan India scheme which has center spread across India; around 8000 units are registered under STPI scheme. [40]

Benefits under STP Scheme:

- Income Tax benefits under Section 10 A& 10 B of the IT Act up to 31st March 2011.
- Full Exemption on customs duty on Imports
- Full Exemption from Central Exercise on indigenous procurement
- All relevant equipment / goods including second hand equipment can be imported (except prohibited items).
- Sales in the DTA up to 50% of the FOB value of exports permissible.

- Use of computer imported for training permissible subject to certain conditions.
- Depreciation on computers at accelerated rates up to 100% over 5 years is permissible.
- Computers can be donated after two years of use to recognized non-commercial Educational Institutions/Hospitals without payment of duty.
- Export proceeds will be realized within 12 months.
- Units will be allowed to retain 100% of its export earnings in the Exchange Earners Foreign Currency Account (EEFC) account.[41]

4.7 POLICIES AND NORMS OF CANADA FOR IMPORT OR EXPORT

Canada follows a positive list approach in all her FTAs, in accordance with the GATS and hopes to achieve a commercially meaningful broad based agreement with India which is both GATS consistent as well as GATS plus. Canada's commitments to services trade negotiations have offered openness, credibility, and strengthened the globalization process. India, however, has adopted a calibrated approach towards liberalization. [42

Canada has now offered eleven sectors and one hundred three sub-sectors, thus adding four sectors (Distribution Services, Education Services, Environmental Services and Recreational, Cultural and Sporting Services) and 56 sub-sectors to her initial offer. However, Canada's revised offer to the WTO is conditional on other WTO Members making substantive and satisfactory offers in sectors and modes of supply where India has indicated its interests. It is also conditional on the outcome of the negotiations underway on the development of disciplines on domestic regulations. In the case of bilateral FTAs, it follows reciprocal obligations undertaken by either Party. India's offer has been found as trade-creating through gradual liberalization. [42]

Canada identifies the following sectors where improved bilateral market access on a "GATS-plus" basis could assist in improving the efficiency of the domestic sector in both countries. Information Technology Enabled services (ITES) sector - The

Canadian IT industry, which has now grown to a size of nearly US$60 billion, has been completely liberalized during the last decade. [42]

4.8. PRESENT TRADE BARRIERS FOR IT SECTOR

4.8.1. Intellectual Property Rights (IPR) Protection

Canada is a member of the World Intellectual Property Organization (WIPO) and is a Part to several international intellectual property agreements, including the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works. Canada is also a signatory to the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty (together the WIPO Internet Treaties), which set standards for intellectual property protection in the digital environment. Canada has not yet ratified or implemented either treaty.[43]

In addition to pirated software, many stores sell and install circumvention devices that allow pirated products to be played in a legitimate console. Once pirated and counterfeit products clear Canadian Customs, enforcement is the responsibility of the Royal Canadian Mounted Police (RCMP) and the local police.[44]

The RCMP lacks adequate resources, training, and staff for this purpose. Few prosecutors are willing or trained to prosecute the few cases that arise. Where an infringement case has gone to trial, the penalties imposed can be insufficient to act as a deterrent. [44]

4.8.2. Non-Tariff Barriers

- **Security Issues**

Modern Information Technology enables the individual to Access and manipulate data, for e.g. one can easily process data stored on any computer in Canada with the help of cloud computing from India. If that data is essential and sensitive then in this case manipulation is a subject matter of an international law. Main argument in favor of security reason in international transactions is that data should be stored locally in order to integrate the data retrieval system and to maintain security of main database. Key question is who will store data and who has the authority to maintain database, if both Local and foreign companies are going to start new Business or any strategic alliance?[45]

- **Information flow restrictions**

In this Global Economy it is said that Information is power. There are certain restrictions of law in International dataflow. Information technology enables the poorer nations to export data and import information, in this process raw data sent to developed nations for processing in a huge data processing centers. For this data processing job developed nations earn revenues and developing nations earns processed data for furthers strategic use for development, it is important for developing nations to import information from outside because it may be possible that they cannot afford high-level processing technologies. Above situation was the ideal situation but each country has its own regulatory framework that determines the amount of data to be provided to foreign nations for data processing. Majority of nations are concerned about security of data, they believe that data should be stored locally because it may be possible that foreign nation can misuse the process data of developing nation. India has had several confrontations with IBM over equity in the Indian subsidiaries. [45]

- **Regulatory issues – Technical regulations and standards**

Canadian Exporters were facing certain regulatory issues with China, India and Japan for software exports of Medical Equipments. Canadian companies were progressively become a part of global supply chains, differences in regulations increase the cost of contribution in the global economy and reduce the competitiveness of local companies in the global market Such Barriers can have Impact for Service providers. This has potentially affected Canadian exports worth around CAD 13.7 Billion for the year 2009.[45]

- **INVESTMENT BARRIERS**

General Establishment Restrictions Under the Investment Canada Act, the Broadcasting Act, the Telecommunications Act, and standing Canadian regulatory policy, Canada screens new or expanded foreign investment in the energy and mining, banking, fishing, publishing, telecommunications, transportation, film, music, broadcasting, cable television, and real estate sectors. [46]

- **Investment Canada Act (ICA)**

The ICA has regulated foreign investment in Canada since 1985. Foreign investors must notify the government of Canada prior to the direct or indirect acquisition of an existing Canadian business of substantial size (as defined below). [21]The government of Canada must be notified of any investment by a non-Canadian to establish new Canadian business (regardless of size);An investment is reviewable if there is an acquisition of an existing Canadian business and the asset value of the Canadian business being acquired equals or exceeds the following thresholds (which are adjusted annually based on changes in Canadian gross domestic product): For investors from non-WTO Members, the review threshold is CAD 5 million for direct acquisition and over CAD 50 million for indirect acquisition; Investors from WTO Members benefit from higher direct acquisition thresholds. As of January 1, 2008, the review threshold for investors from WTO Members is CAD 295 million.[46]

4.9 BUSINESS OPPORTUNITIES IN CANADIAN IT SECTOR

4.9.1 Potential for Business in Canada

Canada with its advanced technological base can become India's partner in, education, science and Information technology, innovation, environment cleaner technologies, agriculture, food processing etc. India would welcome investment from Canada in sectors such as infrastructure, energy, mining, health, education, communication, food processing, information technology, etc. India would like Canada to make use of India's skilled and trained manpower base and establish manufacturing units or enter into joint ventures in India. [47]

4.9.2. A Canadian Internet user survey 2010

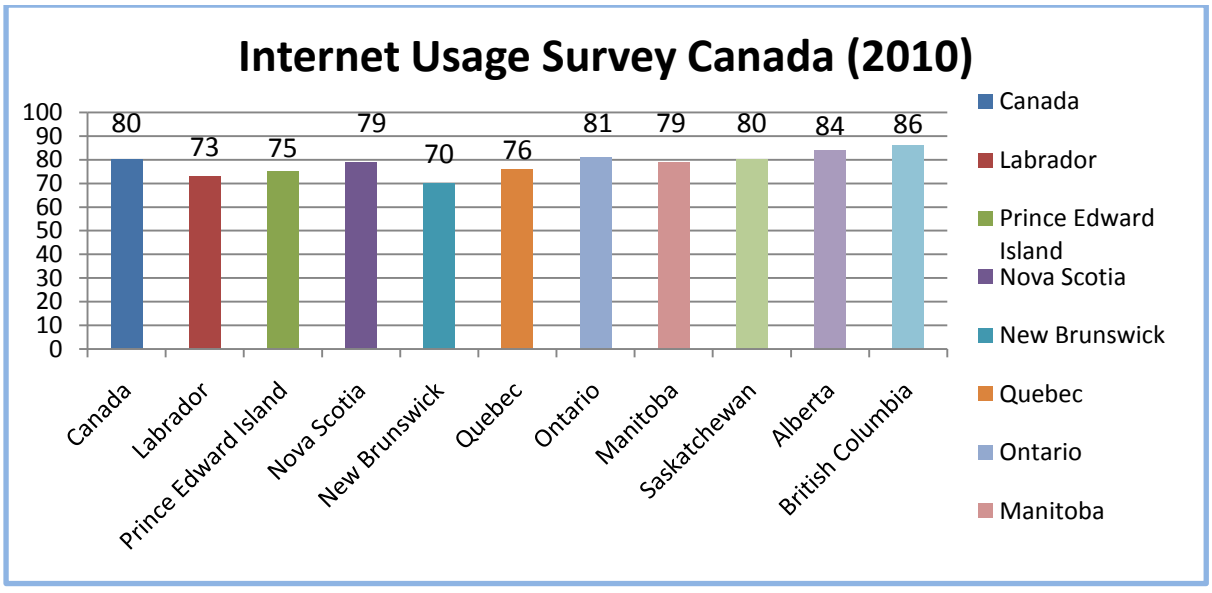
Certain Implications for Information Technology Business, in 2010, 80% of individuals aged 16 years and older were active Internet user. There is a Major difference in the Internet utilization rate exist in variables like age, income and other factors. Occupants of British Columbia were using 86% whereas rate found in Alberta was 84%. Lowest internet utilization rates were found in 73% in Labrador and 70% in New Brunswick. [47]

4.9.2. B Age and Income Categories of Internet Users:

Internet usage in Canada, based on age variable indicates that 94% internet users are fewer than 45 aged peoples whereas 80% users are in between 45 to 64 years old, and 51 % users are more than 65 years age people, another important thing found in this survey was 47 % people were using internet from last 10 years that shows that Canadian are Experienced user of Internet services. According to Internet User Survey Canada 2010 Canadian internet users are divided into four quartiles, it had been found that 94 % of higher income class is using broadband internet facilities in compare to 59 % of low income category households. [47]

2010 Canadian Internet Use Survey

Graph No: 08



Source: - http://www.statcan.gc.ca/daily-quotidien/111012/t111012a2-eng.htm Accessed on 3.3.12

4.9.2. C Mobile use

Internet User Survey Canada had identify that 59 % Internet user under the age of 35 year and out this 33% users were using internet with a wireless handheld devices.[47]

4.9.2. D Online activities

It had found in Internet User Survey Canada 2010

- 68 % Users Online banking facility and prefer to save time of physical bank visit
- 65 % Users Interacted with government websites to resolve various issues.
- 64 % users searched for Health-Medical related information on Internet
- 58 % users are part of Social Networking Sites like Facebook, My space, twitter
- 62 % female users and 54 % male users are using Social Networking Sites.[47]

4.9.3. Opportunities in Canadian IT Sectors

1. Indian Scenario

IT sector employees 2.2 Million professionals directly and another 8 million people indirectly that accounts for 5 % of GDP. Fortune 500 companies are sourcing IT related services from India. India is prime destination for globe destination for the ITES sourcing that accounts for 55 % of world market in Offshore IT services. India has around 28 % of IT and BPO skilled force amongst 28 low cost nations. India has benefit of factors like low delivery cost, Conducive Business Environment and Quality Leadership. [48]

2. Canadian Scenario

Indian investment in Canada has been raised steadily in the recent years, particularly in the information technology and software sectors. As per 2009 figures, India figured 13th in terms of FDI inflows of CAD 2.97 billion into Canada while India figured 42nd among the FDI destinations of Canadian outflows at CAD 601 million. The cumulative figure of Indian investments in Canada since 2000 is approximated at CAD 7.67 million as against Canadian investment of CAD 3.80 billion in India. [48]

About 31,500 companies comprise the Information and Technologies (IT) sector, of which 78.6% are part of computer and software services producers and 10.6% in the wholesaling industries. Within the software and computer services industries, over 94% of the companies specialize in computer systems design services. [49]

Total revenues rose from $130.8 to $155.3 billion between 2002 and 2008, 19% increase (or 2.9% annual growth). Depicted at right is a clear shift from IT manufacturing towards IT services (as a share of the total IT sector). Since 2002, manufacturing grosses have turned down by 7.0%, while services grew by 33.4%. In fact, between 2002 and 2008, the communications services and computer systems design industries accounted for 81.7% of growth in total sector revenues. [49]

5. Port Industry

5. INTRODUCTION OF PORT INDUSTRY

5.1 Introduction of Canadian Port Sector And Its Role In Economy

Canada Ports performances important parts in the economic growth of Canada. This holds true not only in terms of generating income but also in terms of generating engagement. Canada's Port Authorities manage over 300 million tons of cargo every year, the worth of which exceeds $162 billion. The port industry in Canada generates more than 250, 000 engagement opportunities. The port industry forms an integral part of the supply chains worldwide. There are few top ports in Canada that you can come crossways when you strategy a trip to this part of the globe.[50]

Canada has 17 Port Authorities. These form the National Ports System. The major ports in Canada have legal designations and are known as Canada Port Authorities. They are governed by Canada Marine Act. More than 50% of the marine cargo in the country is handled by these 17 ports. The approximate value of these marine cargoes equal $162 billion. [50]

There are many ports in Canada. These ports serve as entry and exit points for cargoes (local and overseas), cruising, and fishing. [50]

The names of Ports in Canada

Table No. 21

1.	Vancouver Fraser Port Authority	2.	Saguenay Port Authority
3.	Montreal Port Authority	4.	Saint John Port Authority
5.	Halifax Port Authority	6.	Sept-Iles Port Authority
7.	Hamilton Port Authority	8.	St. John's Port Authority
9.	Nanaimo Port Authority	10.	Thunder Bay Port Authority
11.	Port Alberni Port Authority	12.	Toronto Port Authority
13.	Prince Rupert Port Authority	14.	Windsor Port Authority
15.	Quebec Port Authority	16.	Belledune Port Authority

Source -http://www.acpa-ports.net/pr/facts.html

- In 2011 the marine transportation system contributed $9.1 billion (at market prices) in Canadian production and produced an estimated 93,000 employments.

- The marine sectors influence on both taxes and benefits served to increase federal government incomes in 2010 by up to $2.5 billion and provincial government incomes by up to $2.6 billion.

5.2 STRUCTURE FUNCTION AND BUSINESS ACTIVITIES OF CANADIAN PORT

- Necessitating these Authorities to be fully ‘commercial’ and completely ‘self-sufficient’ with no further funding from the Government of Canada.
- The marine industry functions are multi-faceted, and each coastline has a unique component of both native and global marine transport sectors supporting key transport corridors. Canada’s port system provides critical infrastructure connecting the movement of goods by water to important landside services including critical connections to road and rail.
- Transfers of goods and services account for more than 40% percent of commercial activity in Canada. Nearly 75% percent of the value of Canada’s trade is with the US and this trade has grown speedily since the North American Free Trade Agreement in 1994. [50]

5.3 COMPARATIVE POSITION OF CANADIAN PORT WITH INDIA / GUJARAT

Comparative position of Canadian port with India / Gujarat

Table No. 22

Country	
Canada	India
Population	
34,030,589	1,189,172,906
Life Expectancy	
81.380 years	66.800 years

Capital City	
Ottawa	**New Delhi**
Largest city	
Toronto (population: 4,612,190)	**Mumbai (population: 12,691,800)**
Human Development Index	
0.967	**0.609**
GDP per capita	
$39,400 US	**$3,500 US**
Literacy Rate	
99%	**61%**
Corruption Perception Index	
8.7	**3.4**
Percentage of Women in Parliament	
24.9%	**9.2%**
Wealthiest Citizens	
David Thomson & family ($13.0bn US)	**Mukesh Ambani ($19.5bn US)**
Unemployment Rate	
8.000%	**10.800%**
Death Penalty	
Abolished	**Legal**
Political System	
constitutional monarchy that is also a parliamentary democracy and a federation	**federal republic**

Independence date	
1 July 1867 (union of British North American colonies); 11 December 1931 (recognized by UK)	**15 August 1947 (from UK)**
Religions	
Roman Catholic 42.6%, Protestant 23.3% (including United Church 9.5%, Anglican 6.8%, Baptist 2.4%, Lutheran 2%), other Christian 4.4%, Muslim 1.9%, other and unspecified 11.8%, none 16%	**Hindu 80.5%, Muslim 13.4%, Christian 2.3%, Sikh 1.9%, other 1.8%, unspecified 0.1% (2001 census)**
Languages	
English (official) 59.3%, **French (official) 23.2%,** **other 17.5%**	**Hindi 41%, Bengali 8.1%, Telugu 7.2%, Marathi 7%, Tamil 5.9%, Urdu 5%, Gujarati 4.5%, Kannada 3.7%, Malayalam 3.2%, Oriya 3.2%, Punjabi 2.8%, Assamese 1.3%, Maithili 1.2%, other 5.9%** **Note:** English enjoys associate status but is the most important language for national, political, and commercial communication; Hindi is the national language and primary tongue of 41% of the people; there are 14 other official languages: Bengali, Telugu, Marathi, Tamil, Urdu, Gujarati, Malayalam, Kannada, Oriya, Punjabi, Assamese, Kashmiri, Sindhi, and Sanskrit; Hindustani is a popular variant of Hindi/Urdu spoken widely throughout

	northern India but is not an official language (2001 census)
Exports	
motor vehicles and parts, industrial machinery, aircraft, telecommunications equipment; chemicals, plastics, fertilizers; wood pulp, timber, crude petroleum, natural gas, electricity, aluminum	**petroleum products, textile goods, gems and jewelry, engineering goods, chemicals, leather manufactures**
External Debt	
$1,009,000,000,000 $	**$238,000,000,000 US**
Exchange Rate	
Canadian dollars (CAD) per US dollar - 1.0364 (2008 est.), 1.0724 (2007), 1.1334 (2006), 1.2118 (2005), 1.301 (2004)	**Indian rupees (INR) per US dollar - 43.319 (2008 est.), 41.487 (2007), 45.3 (2006), 44.101 (2005), 45.317 (2004)**
Military Budget as percentage of GDP	
1.100%	**2.500%**
Beijing Olympics Medal Count	
18	**3**
Location	
Northern North America, bordering the North Atlantic Ocean on the east, North Pacific Ocean on the west, and the Arctic Ocean on the north, north of the conterminous US	**Southern Asia, bordering the Arabian Sea and the Bay of Bengal, between Burma and Pakistan**

Area	
9,984,670 km sq	**3,287,263 km sq**
Coastline	
202,080 km	**7,000 km**
Climate	
varies from temperate in south to subarctic and arctic in north	**varies from tropical monsoon in south to temperate in north**

Source -http://www.aneki.com/comparison.php?country_1=Canada&country_2=India

5.4 GUJARAT MARKET

Gujarat is advantageously situated with India's lengthiest coastline of 1,600 km and is the nearest marine outlet to Middle East, Africa and Europe. The state has 42 ports which comprise 1 major port and 41 non-major ports. The state also has the highest number of operational ports and commercial cargo ports. The total port capacity of Gujarat grew by 80%, from 135 MMT in 2001 to 244 MMT in 2009-10 and the total capacity of non-major ports of Gujarat is expected to almost double to 508 MMT by 2015-16. [51]

Due to its innovative approach and transparent policy framework, Gujarat is making a remarkable place in the Indian port sector. Considering 1,600 km long coastline as the important competitive advantage, Gujarat intends to pursue the model of port led development. To emphasize this concept, Gujarat Maritime Board (GMB) has organized this seminar during the Vibrant Gujarat 2011 Summit, with the theme "Gujarat Ports: a catalyst for India's development". [51]

The goods movement through sea is economically cheaper and environment friendly transportation compared to rail and road. The current share of coastal movement in total maritime trade in India is 7% while Gujarat share is 12.4% - the comparable share of EU is 43% and US is 15%. However, considering the long coastline of India, there is an excellent opportunity to increase coastal cargo movement. Gujarat

expects coastal shipping to be a major growth area and hence, is focused on developing suitable port infrastructure for this purpose. With this perspective, the first session of the seminar was with the theme “Coastal and transshipment shipping” [51]

Gujarat provides connectivity to Northern and Central India, which contribute 30% of the total exports of India. Gujarat’s long coastline is the nearest sea link to these Northern states of India. Gujarat’s ports provide connectivity to support industrial development not only in Gujarat but also to this Northern hinterland. This requires integrated port planning along with comprehensive multi-modal transport connectivity. Session II of the seminar, therefore, is based on the theme of “Port led hinterland development”. [51]

5.4.1 Gujarat Port traffic and capacity

Cargo handled at GMB ports has risen from a mere 3.18 million tons in 1982-83, to 31 million tons in 2010-11. GMB ports now handle approx. 26% of total national cargo and 72% of cargo handled by ports under State Governments of India. If we include Kandla port as well, Gujarat handles 35% of the national cargo. In 2010-11, traffic at ports under control of State government showed an impressive growth rate of 12.34%, especially when compared to the growth rate of 1.6% achieved by the major ports during the same period. It is mainly due to progress by GMB ports that the share of ports under the control of other State Governments in total maritime cargo of the country increased from 10% in 1995 to 36% in 2011. To keep pace with the rising traffic, careful planning and execution has ensured corresponding increase in capacity at Gujarat ports. In the last decade alone, capacity of GMB ports has more than doubled from 135 million tons to 284 million tons at the end of 2010-11. It is envisaged that by 2015-16, ports in Gujarat will have traffic handling capacity of more than 500 million tons, and of more than 1000 million tons by 2020. [51]

5.4.2 Gujarat Port achievements

The period since 1995 has seen Gujarat achieving many milestones, such as building:

- India’s first private port at Pipavav in 1996
- India’s deepest draft port at Mundra in 1998

- Largest SPMs (Single Point Moorings) for POL export in the country at Sikka in 1999
- The country's first dedicated chemical terminal at Dahej in 2001.[51]

Today, Gujarat ports sector is a promising sector churning immense opportunities for investors. GMB has undertaken dedicated efforts to develop various port sub-sectors on apriority basis creating a plethora of opportunities for investment such as development of new specialized Greenfield ports, Port mechanization, Port services, Shipbuilding and Repairing, Coastal shipping Rail-road connectivity, Port based Special Economic Zones, logistic parks and industrial parks, Ferry services, Bunkering Maritime Institutes etc. [51]

- The first private rail link in the country at Mundra in 2003
- Country's first LNG Terminal at Dahej in 2004; followed by another LNG terminal at Hazira
- India's first double-stack container train at Pipavav in 2006
- India's largest coal terminal, established for Ultra Mega Power Plant (UMPP) in 2010 at Mundra
- Country's most advanced Vessel Traffic Management System (VTMS) in 2010
- Nation's first 'Shipbuilding Policy' rolled out in 2010 New Initiatives for Multifaceted Development of Gujarat Ports Sector Following the vision, the State Government has taken up various initiatives which will ensure integrated development of ports and port related industry:
- "Excellence Award" in the Global Maritime Expo – INMEX 2007 held in October 2007.
- "Indian Maritime News Maker of the year 2008-09″ by Maritime Gateway of India
- "Special Jury Award" in function held by Maritime Gateway of India on 12th November, 2010 at Mumbai
- "Best Initiative taken by a state in Maritime Industry" award at "Shipping, Marine

5.5 OPPORTUNITY IN GUJARAT

Gujarat Port Beaconing Investments in Gujarat Today, Gujarat ports sector is a promising sector mixing huge chances for investors. GMB has undertaken enthusiastic efforts to grow various port sub-sectors on a primary basis creating a plethora of opportunities for investment such as expansion of new specialized Greenfield ports, Port mechanization, Port services, Shipbuilding and Repairing, Coastal shipping Rail-road connectivity, Port based Special Economic Zones, logistic parks and industrial parks, Ferry services, Bunkering Maritime Institutes etc. [52]

There are One hundred and three MoUs with proposed investments of Rs 1.03 lakh crore were signed in the ports and shipbuilding sector on the final day of VGGIS on Thursday. The MoUs were signed during a seminar, “Gujarat Ports: A catalyst to India’s Development,” organized by Gujarat Maritime Board at Mahatma Mandir. [52]

Seventy MoUs with proposed investments of Rs 100 crore and upwards each were signed between GMB and various groups. Among the MoUs with the highest investment proposals were four with the Adani Group worth a total of Rs 12,500 crore. Two of these were towards expansion of the Mundra Port and Special Economic Zone at Mundra. GVK Group signed anMoU worth Rs 7,000 crore to set up new facilities at Jamnagar, while Essar signed an Rs 4,057 crore deal to expand its jetty at Hazira. [52]

Sterling Port Limited signed an Rs 5,400-crore deal to develop SEZ-linked facilities at Bharuch in phases. ShapoorjiPaloonji Co. Ltd signed an Rs 500-crore MoU to build a Greenfield port at Chhara in Junagadh. Twenty-four MoUs with investment proposals of less than Rs 100 crore each were also signed, which included ship-building and ship-repairing units and adding facilities at existing ports in Gujarat. [52]

Two government sector MoUs were also signed — one with Gujarat State Petroleum Corporation (GSPC) LNG Ltd worth Rs 3,500 crore to develop port facilities along the coast, and the second, a Rs 1,500-crore MoU with GIDC to develop utilities at various locations. At present, GMB operates 41 non-major ports, which handle four-fifths of all cargo handled by non-major ports in India. In total, the state’s ports handle a third of all the country’s cargo at 206 million tones. [52]

6. Petroleum Industry

6. Introduction of Petroleum Industry

6.1 Introduction

Petroleum Industry in Canada is a major sector which is a vital to the economy of North America. Canada is the sixth largest oil producing nation in the world. In 2008 it produced an average of 438,000 cubic meters per day (2,750,000 bbl/d) of crude oil, crude bitumen and natural gas condensate. Of that quantity, 45% was conventional crude oil, 49.5% was bitumen from oil sands, and 5.5% was condensate from natural gas wells. Most of Canadian petroleum manufacture, approximately 283,000 cubic meters per day (1,780,000 bbl/d), was exported, almost all of it to the United States. Canada is the major single resource of oil imports into the United States.[53]

History of Petroleum Industry:

The Canadian petroleum Sector grows in similar with that one of the United States. The first oil well in Canada was dug by hand (rather than drilled) in 1858 by James Miller Williams close to his tarmac plant at Oil Springs, Ontario. At a deepness of 20 meters (66 ft) he struck oil, one year before "Colonel" Edwin Drake drilled the first oil well in the United States Williams later went on to found "The Canadian Oil Company" which succeed as the world's first integrated oil company. [54]

6.2 MAJOR PLAYERS IN PETROLEUM INDUSTRY

- EnCana Corporation
- Canadian Natural Resources Limited
- Husky Energy Inc.
- ConocoPhillips
- Talisman Energy Inc.
- Devon Canada Corporation
- Suncor Energy
- Cenovus Energy[55]

6.3 STRUCTURE OF THE PETROLEUM INDUSTRY

There are various segments in the crude-oil and petroleum industry in Canada:

- the upstream oil and gas industry run oil and gas properties during activities such as examination, drilling, manufacture and field processing;
- a multiplicity of firms provide support services to oil and gas extraction operations, on a contractual or fee basis, such as drilling and well maintenance;
- petroleum refineries procedure crude oil into a number of refined petroleum products;
- oil pipelines convey crude oil and petroleum products between production areas, refineries, export or import border points, and end-use markets;
- A variety of firms distribute refined petroleum products at the wholesale and retail levels.[56]

6.3.1 About Suncor Energy Ltd

Suncor is Canada's premier included energy Firm, the 5th major North American energy Firm and has a put on the worldwide stage as one of the major self-governing energy companies in the entire world. [57]

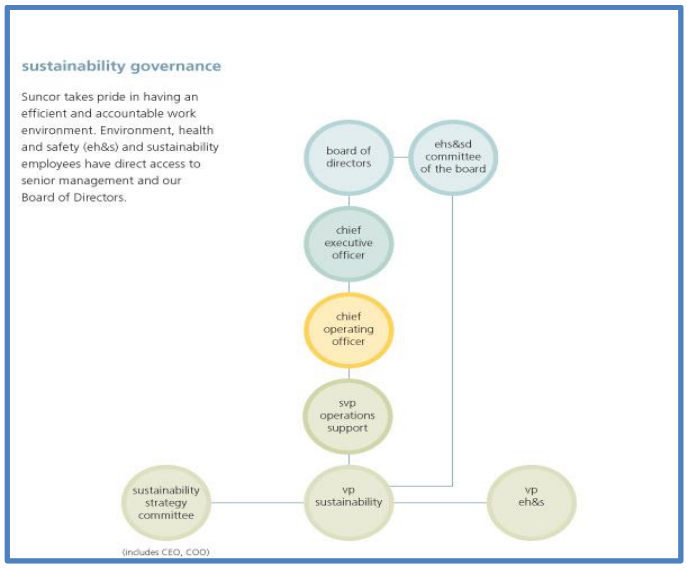
Suncor give thousands of Employment, place millions of dollars into Canadian businesses each year, get act on environmental issues, and support our community by funding local initiative. Suncor path record as an oil sands lead the way is both reason for festivity and motivation for the future. Seems to Suncor to carry on leading the way increasing their oil sands operations to one of the world's major position, rising renewable power and invest in new technology to get better Suncor environmental act. [57]

6.3.1.2 Structure of Suncor Company

- Suncor's Board of Directors and its teams have clearly defined distinct oversight roles to defend the interests of our shareholders and stakeholders set out in terms of orientation. These footings of reference are reviewed and confirmed on an annual basis.
- The Panel's Environment, Health, protection and Sustainable Development Committee monitors management's presentation and emerging trends and issues in the zones of health, environment, safety and sustainable development to guarantee we are anticipating future challenges and positioning ourselves to minimize risks. Senior management team integrates key operational and functional accountabilities for maximum efficiency and effectiveness [27].
- Suncor's Sustainability Strategy Committee, which includes the Chief Executive and Chief Operating Officers, stewards the company's sustainability vision and performance and is charged with developing sustainability strategies, objectives and targets and assessing progress.
- Suncor's Vice President, Sustainability reports directly to Suncor's Senior Vice President, Operations Support.[58]

Sustainability Governance

Figure No. 5



http://sustainability.suncor.com/2011/en/responsible/1859.aspx

6.3.1.3 Functions and business activities of Suncor Company

- Suncor has principles that we use to guide all levels of our business.
- Safety – Each of us is individually responsible for our own safety and the safety of others.
- People – We work with one another in a positive way that builds mutual trust and respect.
- Leadership – We prime with courage, integrity, respect and wisdom.
- Sustainability – We grow energy in a way that provides economic prosperity, promotes
- Social well-being and preserves a healthy environment.
- Accountability – We have clear errands and deliver on our commitments.
- Performance – We deliver outstanding results[59

6.4 COMPARATIVE POSITIONS OF SUNCOR ENERGY

Market capitalization (December 2011), Revenue 2011, Profit (2010), Production, reserves

Table No. 23

Cumulative Market cap. rank	Name	Market cap. rank	Market cap. (bln USD)	Revenue (bln Cdn)	Profit (mil Cdn)	Prod (000 bpd)	*Proved Reserves (bill barrels)
1	Suncor	133	45.4227	39.34 22.9%	3,571 212%	546 (2011)	7.2
2	Canadian Natural Resources	159	41.0327	14.322 29.3%	1,697 75%	598 (2011) 632.2 (2010)	6.9 bbl (1.10 m^3) equivalent Proved: 4.51 bbl (0.717 m^3) equiv.
3	Imperial Oil	174	37.7828	29.154 23.4%	2,210 40%	297 (2011)	2.153 bbl (0.3423 m^3) equivalent
4	Cenovus Energy	302	25.0339	15.696 12.2%	993 21%	230 est.	1.9
5	Husky Energy	333	23.0856	24.489 35.4%	1,173 17%	312.5 (2011)	0.430 petro & *0.364 bbl (0.0579 m^3) natural gas

Source:http://canadaonline.about.com/od/oilandgascos/Oil_and_Gas_Companies_in_Canada.htm

6.5 POLICIES AND NORMS OF CANADIAN PETROLEUM SECTOR FOR IMPORT &EXPORT

Canada as a main player in international trade, but exports make up about 45% of the country's Gross Domestic Product (GDP). Canada also imports a wide range of products, though until recently it was a net exporter of goods. [60]

6.5.1 Rules and Regulations

Canada does put a variety of limits and taxes on certain goods imported into the country. Licenses or other restrictions control the import of textiles, clothing, firearms, steel, and agricultural products. There are a variety of products subject to export controls. These include textiles and clothing, logs, softwood lumber, sugar and sugar-containing products, and peanut butter. There are also controls on military and strategic goods and technology and firearms. Other regulations and controls may apply, so make sure you research this area. The import export Canada market, while dominated by imports from and exports to the United States, is an exciting one full of possibilities. [60]

6.6 EXPORTS AND IMPORTS OF PETROLEUM PRODUCTS

The Canadian oil industry operates in a dual market. On the one hand, about two-thirds of domestic crude oil production is exported. The oil produced in the western provinces is used in refineries in Western Canada and is exported to the United States. On the other hand, crude oil imports satisfy about half of domestic refinery demand. Due to logistics and transportation costs, refineries in Quebec and the Atlantic provinces refine primarily imported oil. Refineries in Ontario utilize a mix of both imported and domestically produced oil. [60]

Overall, Canada is a net exporter of crude oil given that exported volumes amount to more than twice the volume of imports. In 2006, Canada exported 646 million barrels of crude oil, amounted at about $38 billion. Almost all of these exports were to the United States, especially the Midwest states that are close to the oil production facilities in Western Canada. Canada is the largest exporter of crude oil to the United States. [60]

In 2006, Canada imported 310 million barrels of crude oil amounted at $23 billion. The imports originated from a variety of countries including Norway and the United Kingdom. [60]

Canada also exports and imports petroleum products refined from crude oil. For example, due to the huge demand for petroleum products in the northeastern United States, refiners in Atlantic Canada export considerable volumes of petroleum products to those areas. In 2006, Canada exported 25 billion liters of refined petroleum products and imported 17 billion liters.[60]

6.7 POLICIES OF INDIA FOR IMPORT EXPORT

Exports and Imports shall be free, except in cases where they are regulated by the provisions of this Policy or any other law for the time being in force. The item wise export and import policy shall be, as specified in ITC(HS) published and notified by Director General of Foreign Trade, as amended from time to time. [61]

Every exporter or importer shall comply with the provisions of the Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders made thereunder, the provisions of this Policy and the terms and conditions of any licence/certificate/permission granted to him, as well as provisions of any other law for the time being in force. All imported goods shall also be subject to domestic Laws, Rules, Orders, Regulations, technical specifications, environmental and safety norms as applicable to domestically produced goods. No import or export of rough diamonds shall be permitted unless the shipment parcel is accompanied by Kimberley Process (KP) Certificate required under the procedure specified by the Gem &Jewellery Export Promotion Council (GJEPC). [61]

If any question or doubt arises in respect of the interpretation of any provision contained in this Policy, or regarding the classification of any item in the ITC(HS) or Handbook (Vol.1) or Handbook (Vol.2), or Schedule Of DEPB Rate the said question or doubt shall be referred to the Director General of Foreign Trade whose decision thereon shall be final and binding.If any question or doubt arises whether a licence/ certificate/permission has been issued in accordance with this Policy or if any

question or doubt arises touching upon the scope and content of such documents, the same shall be referred to the Director General of Foreign Trade whose decision thereon shall be final and binding. [61]

The Director General of Foreign Trade may, in any case or class of cases, specify the procedure to be followed by an exporter or importer or by any licensing or any other competent authority for the purpose of implementing the provisions of the Act, the Rules and the Orders made there under and this Policy. [61]

Any request for relaxation of the provisions of this Policy or of any procedure, on the ground that there is genuine hardship to the applicant or that a strict application of the Policy or the procedure is likely to have an adverse impact on trade, may be made to the Director General of Foreign Trade for such relief as may be necessary. The Director General of Foreign Trade may pass such orders or grant such relaxation or relief, as he may deem fit and proper The Director General of Foreign Trade may, in public interest, exempt any person or class or category of persons from any provision of this Policy or any procedure and may, while granting such exemption, impose such conditions as he may deem fit. [61]

Every license/certificate/permission shall be valid for the period of validity specified in the license/ certificate/ permission and shall contain such terms and conditions as may be specified by the licensing authority which may include:

- The quantity, description and value of the goods;
- Actual User condition;
- Export obligation
- The value addition to be achieved; and
- The minimum export price.[61]

6.8 POTENTIAL FOR INDIA FOR IMPORT EXPORT OF PETROLEUM PRODUCT

There are 18 refineries in India working both in public and private sector with a total capacity of 2.5 mbd (million barrels per day). Reliance refinery at Jamnagar is the biggest. As a matter of fact this refinery is the fourth biggest in the world. After expansion in four years, this refinery will process 1.2 million Barrels a day. The smallest refinery is in Guwahati, Assam with 0.1 million barrels a day capacity. Other refineries are medium sized with high cost of production and are spread all over the country to help distribution. Essar in Jamnagar is also one of the important refinary. Its refining capacity is about 0.7 million barrels a day. This location together with all existing refineries is sufficient to meet India's demand. A 10% surplus is exported out. In the current year, statistics indicate that about 0.15 mbd of petroleum products were exported. The value added contents of exports earn about $3 to 4 per barrel margin. In four years, India's demand will boost to about 3.2 mbp. The capacity at that time is expected to be about 3.6 mbd. This will allow the country to export about 0.4 mbd of the petroleum products. It is a significant boost to the county's value added exports. [62]

6.8.1 India as Petroleum Products Export Hub

India has a slight surplus in petroleum refining today with installed capacity of 126 million tones a year as opposed to the demand of 111.7 million tones a year The surplus has been exported in last two years. Worldwide there is a huge demand for the refined petroleum products, especially the middle distillates – gasoline, jet fuel, diesel etc., but capacity to deliver the refined products has been lacking behind demand. The latter came to a sharp focus withthe rise of crude oil prices in last one year (from about $ 35 a barrel to current $65 a barrel). [62]

6.9 FUTURE OF THIS BUSINESS FOR INDIA

If India is to be an exporter then export oriented refineries are to be built instantly. Current export orders, to increase the supply chain can be met from the current refineries. But efforts to become an exporter will require a serious rethink on the part of Government of India. All obstacles to this business will have to be removed. A

green field refinery on Gujarat coast will cost about $3 Billion. It will yield its investment back in about five years. This is a good return, which should interest a lot of investors. Hence with financing available these large projects should be on the same priority as the rest of the infrastructure modernization in India. In all GOI has planned some new refineries.[62]

7. Manufacturing Industry

7. INTRODUCTION OF THE MANUFACTURING INDUSTRY

7.1 Introduction

In year 2010, manufacturers enjoyed their early annual sales boost since 2006, as sales rose 8.9% to $530 billion. Sales grew significantly in the first half of year 2010, but the growth slowed in the direction of year-end. Provincially, sales increased majority in New Brunswick (21.2%) and in Newfoundland and Labrador (18.1%). [63]

The primary metals (23.8%) and the petroleum and coal products (15.2%) industries recorded the largest sales growth for the year 2010. [63]

7.1.1 Reduction in employment

Canada's manufacturing industry lost 278,000 jobs from year 2000 to 2007, which reduced the sector's share of total employment from 16% to 12%. Sector share then declined to 10% in year 2009 after the 2008–2009 recession when manufacturers faced xweaker demand and cuts to manufacturing capacity, resulting in the loss of 188,000 jobs. [63]

7.1.2 Job stability gap widens

Recent job losses in manufacturing were accompanied by a go down in job stability and longer unemployment spells—trend seen in previous recessions. This time, however, the gap between manufacturing and non-manufacturing job stability grew and has never been so wide. [63]

Besides suffering large wage losses when laid off, these workers' situations are often weak: they are too young to retire, have firm-specific skills that may not relocate to other industries and are likely to have reliant children. [63]

7.1.3 Manufacturing job stability lower in large urban centers

In spite of their varied economies, large urban centers were hit harder by declining manufacturing job stability than were smaller centers—in 2008, the adjusted manufacturing preservation rate was 46% in large urban centers, compared with 50% in non-metropolitan areas. [63]

7.2 ROLE OF MANUFACTURING SECTOR IN THE ECONOMY: GDP AND GROWTH

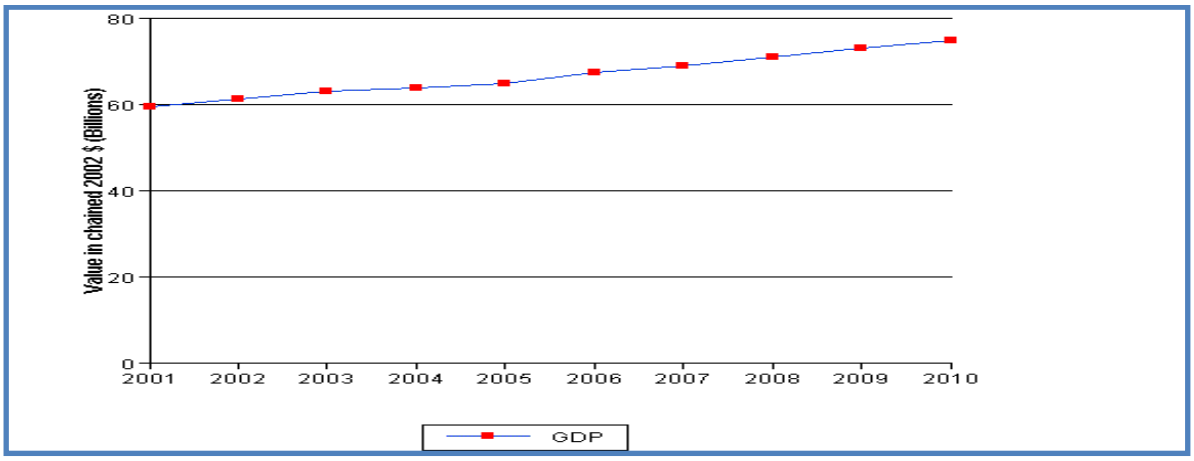
The subsequent graphs illustrate annual GDP for the manufacturing sector between 2001 and 2010.

Employment:

Canada's manufacturing industry lost 278,000 jobs from 2000 to 2007, which reduced the sector's contribute tototal employment from 16% to 12%. That share then declined to 10% in 2009 after the 2008–2009 recessions when manufacturers faced weaker demand & cuts to industrial capability, resulting in the loss of 188,000 jobs. Regions where employment is highly concentrated in the manufacturing sector primarily in Quebec and Ontario—experienced the greatest manufacturing job losses. From 2000 to 2007, Canadian manufacturing workers aged 20 to 29 in these regions were the most affected by the employment turn down in this sector, as they were up to twice as likely to experience a loss of income as those share a comparable job in a region with a low concentration of manufacturing. [64]

Gross Domestic Product (GDP): 2001-2010

Graph No. 9



Source:http://www.ic.gc.ca/cis-sic/cis-sic.nsf/IDE/cis-sic91vlae.html

GDP in this sector increased from $59.7 billion in 2001 to $74.9 billion in 2010. [64]

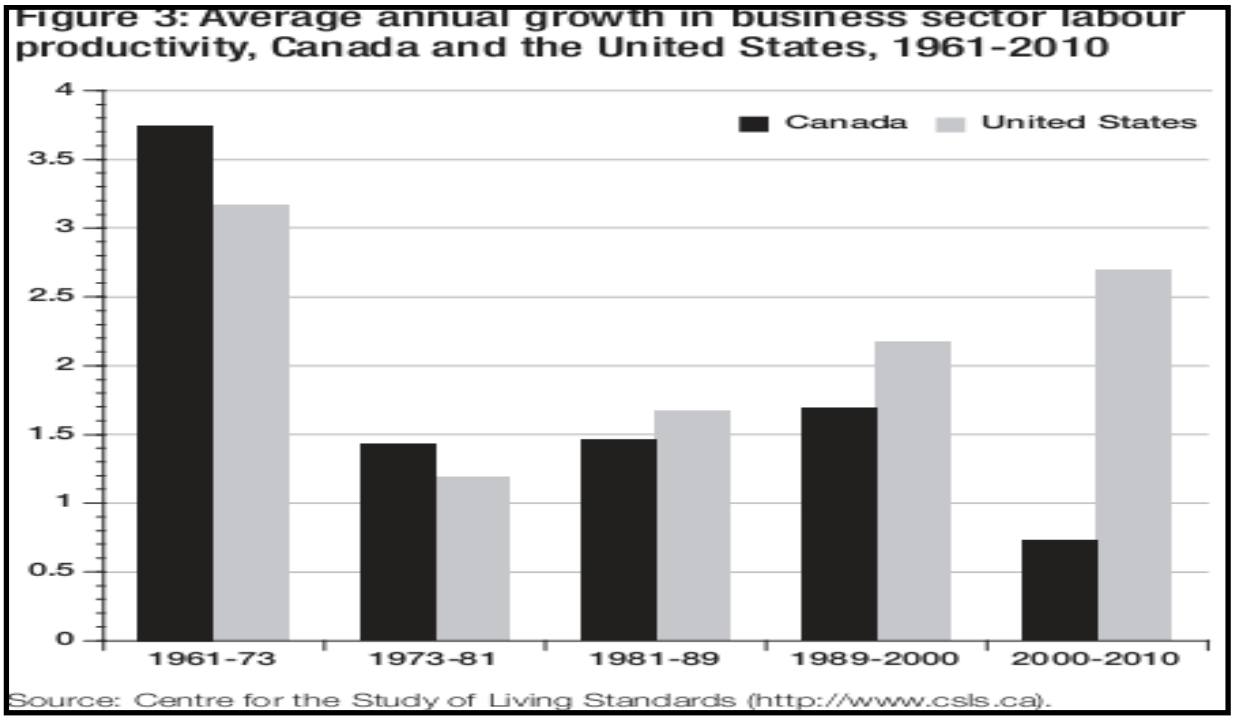
Productivity

The Canadian economy has outperformed those of the other G7 countries since 2000 by manyheadline measures. Between 1999 and 2009, it grew at an average

annual rate of 2.1 percent,compared with 1.8 percent in the United States.Canada is also expected to be a growth leader among the G7 countries in 2011 and 2012. [65]

Labor Productivity

Graph No. 10



Source http://www.irpp.org/pubs/IRPPstudy/IRPP_Study_no25.pdf

7.3 STRUCTURE AND ACTIVITY OF CANADA MANUFACTURING SECTOR

Structure of Manufacturing Sector

1. Food industries
2. Beverage industries
3. Tobacco products industries
4. Rubber products industries
5. Plastic products industries
6. Leather and allied products industries
7. Primary textile industries
8. Textile products industries
9. Clothing industries
10. Wood industries

11. Furniture and fixture industries
12. Paper and allied products industries
13. Printing, publishing and allied industries
14. Primary metal industries
15. Fabricated metal products industries
16. Machinery industries
17. Transportation equipment industries
18. Electrical and electronic products industries
19. Non-metallic mineral products industries
20. Refined petroleum and coal products industries
21. Chemical and chemical products industries
22. Other manufacturing industries. [66]

7.3.1 Food Manufacturing: Activity

Establishments primarily engaged in:

- Manufacturing beverages or tobacco. [66]

7.3.2 Textile Mills: Activity

Establishments primarily engaged in:

- Manufacturing textile products, except clothing, from purchased fabric.
- Manufacturing clothing. [66]

7.3.3 Clothing Manufacturing: Activity

Establishments primarily engaged in:

- Finishing clothing not made in the same establishment.
- Embroidering clothing not made in the same establishment.
- Printing on articles of clothing not made in the same establishment.
- Manufacturing safety clothing. [66]

7.3.4 Leather and Allied Product Manufacturing: Activity

Establishments primarily engaged in:

- Manufacturing leather clothing . [66]

7.3.5 Wood Product Manufacturing: Activity

Establishments mainly engaged in:

- Classification; and chipping logs in the field.
- Manufacturing wood pulp, paper & paper products.
- Manufacturing wood kitchen cabinets & counters, bathroom vanities.
- Manufacturing wood signs & coffins . [66]

7.3.6 Chemical Manufacturing: Activity

Establishments primarily engaged in:

- Field dealing out of crude petroleum and natural gas.
- Processing crude petroleum and coal.
- Smelting and refining ores and concentrates . [66]

7.3.7 Plastics and Rubber Products Manufacturing: Activity

Establishments primarily engaged in:

- Manufacturing synthetic resins from basic organic chemicals.
- Compounding plastics resins from recycled materials. [66]

7.4 COMPARATIVE POSITION OF MANUFACTURING SECTOR OF CANADA WITH INDIA

India has appear as one of the world's top 10 countries in manufacturing production as per UNIDO's new report titled 'Yearbook of Industrial Statistics 2010'. India exceed Canada, Brazil & Mexico in 2009 and arrive at the 9th position from the 12th position it held in 2008. The Index of Industrial Production (IIP) quick estimates data for October 2010 shows a growth of 11.3% in the manufacturing sector as compare to October 2009. [67]

India is ranked second in terms of manufacturing competence, according to report '2010 Global Manufacturing Competitiveness Index', by Deloitte Touche Tohmatsu and the US Council on Competitiveness. The report state that the country's ability pool of scientists, researchers, and engineers, jointly with its English-speaking workforce and democratic government make it an attractive end for manufacturers. As per the manufacturing Outlook study conducted by the Reserve Bank of India (RBI) for October-December 2010 quarter the Indian manufacturing sector showed positive overall business sentiment in the quarter. Around 50 segments in the manufacturing sector grow by 39%, entering the 'excellent growth' group, during April-December 2010-11, according to a survey by the Confederation of Indian Industry and ASCON. Segments in the excellent category included air conditioners, natural gas, tractors, nitrogen fertilizers, ball bearings, electrical & cable wires, auto components, construction equipment, electric fans and tyre industry. [67]

Global Manufacturing Hub

India is rapid rising as a global manufacturing center with a huge number of companies shifting their manufacturing foundation to the country. Moreover, India has the largest number of companies, outside of Japan, that have been known for superiority in quality. 21 companies have received the Deming brilliance awards; 153 companies have achieved Total Productive Maintenance quality Award for their total productivity management practices by the Japan Institute of Plant Maintenance committee. [67]

7.5 OVERVIEW OF EMPLOYMENT IN THE INDIAN MANUFACTURING SECTOR

As hiring trends in the industry are picking up, the manufacturing sector is poised to make grand contribution to the overall industry scene. In the near future, the manufacturing sector will witness a high demand for experienced professionals that will drive operations in the sector. India is also rising as the worldwide manufacturing hub with a lot of companies shifting their manufacturing base to India. This is mainly because of availability of strong English–speaking workforce including researchers and engineers. Indian manufacturers are now more optimistic about growth in business activities to bring considerable profits. According to market analysts, close to 30 lakh employments spread across all strata will be created this year and by 2015 the working population in the manufacturing sector is predicted to grow by 2.8 crore. India's current GDP is estimated at US$650 billion and is expected to grow to US$1,390 billion by 2016 of which the automobile sector is presently contributing nearly 5%. [68]

Manpower shortage:

In the coming years, numerous high-tech companies will encounter a shortage of manpower due to the following reasons:

With the industry expected to grow at a 20-30% annual rate, Indian companies will need to hire thousands of engineers and scientists over the next decade. These numbers are based on an estimate of 20% employment growth. Companies might not grow at a smooth pace as predicted; there will be years when workers are added at a very fast rate and others when few are hired. However, job growth overall will follow the trend indicated. This industry especially in India employs a high percentage of engineers and scientists with M.S. or Ph.D. degrees. Consequently, the demand for these degree holders is much greater than the supply. The supply of graduates is assumed to increase at 15% per year. Demand is greatest for Ph.D. engineers and scientists; ranging from 20% of the total supply in 2007 to 52% of the total supply in 2011. Thus, it is clear that there is soon to be a critical shortage of M.S. and Ph.D. engineers with the skills the industry needs. [68]

Canada

Canada's New Government understands how important the manufacturing sector is to their economy. Manufacturing output makes up one sixth of Canada's Gross Domestic Product & employs more than two million people across Canada. [69]

There is no hesitation that a strong manufacturing sector is critical to a vibrant national economy. When Canadian manufacturers succeed, Canada succeeds. [69]

Over the past a number of years, this vital sector has faced major challenges, including a higher Canadian dollar, competition from rising economies, fluctuating energy and commodity prices, and a slowdown in the United States. [69]

Strength of the Canadian economy

Canadians are experiencing the second longest period of economic expansion in Canadian history. A strong economy enables Canada to decrease its debt at a record rate. In fact, Canada is on the best financial grip of any country in the G7 and the only country with ongoing budget surpluses plus a falling debt burden. Canada has the lowest unemployment rate in over 30 years, low inflation, continuing budget surpluses & an economic expansion that is now in its 15th in a straight line year. To put this into an international background, Canada ranked 1st among G7 countries for both employment growth & GDP growth over the last decade. [70]

Manufacturing Growth

The manufacturing production grew at 11% in 2008-09 as against the growth of 8.2% in the year 2007. Mining & electricity sectors too pressed in general manufacturing growth posting a high growth of 5.1% and 7.2% in 2006-07. [71]

Canadian sectors have improved their performance were basic metals, transport tools, cotton textiles, machinery &equipment, wood, non metallic mineral products, rubber, metal products and parts, manmade textiles, paper and food products. [71]

7.6 PRESENT POSITION AND TREND OF BUSINESS WITH INDIA

Canada is one of the wealthiest and top ten trading nations in the world. It is a member of the Organization for Economic Cooperation and Development and the G8. Canada has strong democratic traditions upheld through parliamentary government. Canada is gifted with vast natural reserves in potash, uranium, coal, oil & gas, diamonds, forest products, etc. Canada is famous for its advanced technological base in agriculture, food processing, education, science & technology, innovation, environment, cleaner technologies, etc. [72]

India-Canada Bilateral Trade during 2005-2009 (January-December)

Table No. 24

[Figures in billion US Dollars]

Details	2005	2006	2007	2008	2009
India's Exports to Canada	1.474	1.692	1.841	2.065	1.754
India's Imports from Canada	0.897	1.477	1.667	2.268	1.881
Total	2.371	3.169	3.508	4.333	3.635

[Source: Statistics Canada]

7.6.1 India-Canada bilateral trade grows

India-Canada bilateral trade figures indicated an upward trend during the period. January-October 2010 as compared to same period in 2009. India's exports to Canada registered a 11.4 per cent increase whereas India's imports from Canada were up by 7.9 per cent over the same period in 2009. Overall bilateral trade during January-October 2010 showed 10.28 per cent increase over the same period in 2009.Bilateral trade figures for the period. [73]

Bilateral trade of January-October 2010

Table No. 25

[Figures in thousand US dollars at the current rate

Description	Jan-Oct 2009	Jan-Oct 2010	Percentage change
India's Total Exports	1,490	1,660	11.4%
India's Total Imports	1,525	1,645	7.9%
Total Trade	3,015	3,305	11.29

[Source: Statistics Canada]

7.6.2 Bilateral Investment

The two-way investment figures for the period 2000-2009 are as under:

India-Canada Bilateral Foreign Direct Investment [2000-2009]

Table No. 26

[figures in millions C$]

Year	Indian FDI in Canada	Canadian FDI in India
2000	NA	129
2001	29	145
2002	31	222
2003	59	204
2004	92	214
2005	171	319
2006	211	677
2007	1,439 (estimated)	506
2008	2,667	785
2009	2,972	601
Total	7,671	3,802

[Source: Statistics Canada]

Bilateral Investment [2005-2009]

Table No. 27

[Figures in million US dollars]

Details	2005	2006	2007	2008	2009
India's investments in Canada	163	201	409	2538	2828
Canada's investments in India	304	644	481	747	572
Total	**467**	**845**	**890**	**3285**	**3400**

[Source: Statistics Canada]

Canadian Outward and Inward Foreign Direct Investment during 2000-2009

Table No. 28

[Figures in millions C$]

Year	FDI Outward	FDI Inward
2000	356,506	319,116
2001	399,253	340,429
2002	435,494	356,819
2003	412,217	373,685
2004	448,546	379,450
2005	452,195	397,828
2006	518,839	437,171
2007	513,140	510,139
2008	641,641	540,830
2009	593,291	549,400

[Source: Statistics Canada]

7.7 BUSINESS OPPORTUNITIES IN FUTURE WITH CANADA

India has a new opportunity of doing business with the Canada in the future because of the following some strengths of the Canada.

Canada's solidity

Canada is measured one of the world's safest countries to invest and Indian investor has a great opportunity to start a new business in the Canada and can take the maximum advantage of the Canadian resources.

Canada's highly-skilled labor force

Canada is considered one of the most highly educated population in the OECD and Canada attracts the best and brightest labor force from every corner of the globe so India has a advantage of skilled work force in Canada.

Canada's industry strengths

Canadian has a leadership in the industry such as fiber optics, aerospace and biopharmaceuticals. The Canada is also a globe leader in fields as varied as medical devices, digital gaming, and agri-food.

Canada's strategic location

Canada is the “junction between the North American marketplace and the successful economies of Asia”.soindia can take the advantage of its location.

Canada's standard of living advantage

Clean, peaceful and fabulous sums it up. It's a planetary place to work, live and raise a family.

Tax advantage

At present, Canada has the lowest payroll taxes among the G7 countries and by 2012 Canada's corporate income tax rate will reduce from 18 percent in 2010 to 15 percent in 2012 - which is less than half of the U.S. rate.

Abundant natural resources

India can take the advantage of the natural resources of Canada. Canada has plentiful resources as compared to the India so trade between two countries will help both the countries in future.

7.8 TRADE BARRIERS IN CANADA

- **Duty peaks**

  In definite product categories, the Canadian government imposes tariffs that are high enough to make up "excise peaks". Affected products contain: textiles and clothing; vegetables; flowers; cigarettes; certain leather products. [74]

- **Barriers to trade in services**

  The Canadian government imposes boundaries on market access to certain service sectors based on national attention and concerns for political, economic and cultural self-government. All three of these areas need direct attention. Indian industry looks forward to a promise of these issues so as to improve market access for Indian goods and services. [74]

- **Barriers faced by Canadian manufacturing in India**

  Canadian companies face a number of obstacle of doing business in India. These consist of: Restrictive import regulations and internal policies; Infrastructure shortcoming, including troubles in distribution and transportation; A multipart tax system and lack of transparency across government processes.[74]

8. CONCLUSION

TRANSPORTATION INDUSTRY

The transportation industry of Canada addressed their capacity issues through increasing efficiency by investing in new technologies, better information management, just-in-time deliveries, improved management practices and fuel efficiencies. Here by we conclude that transportation is gaining much technological support there and they have opened many gate ways for future growth and opportunities which help India for building up transportation industries here through support of advancement of technology.

PHARMACEUTICAL INDUSTRY

As per **pharmaceutical sector** is concerns from the study we conclude that Gujarat also the biggest pharmaceutical hub of India by holding 42% of total Indian pharmaceutical turnover. It also contributes 22% in total pharmaceutical products export from India and on the Canadian part we found that how vast opportunity is available in the Canada & how it's R & D &supportive environment hence, business could be started as pharmaceutical company in Canada or else there is an opportunity for business with Canada because Canada has all type of facilities which influence our business growth.

BANKING INDUSTRY

India's banks face challenges rather different from those faced by their counterparts in the developed economies. Much more interesting from the point of view of the developed countries is the case of the Canadian banking system, which has proved remarkably resilient in spite of the very close integration of the Canadian economy with that of the US. The Canadian banking system has performed relatively well during the current financial turmoil.

Canada's banking system is grown-up, complicated and extremely aggressive. Canadian banks gain immovability from their wide diversification in Canada and U.S. with a strong customer credit culture. They include developed a dominant wealth

management business, they have a world-leading infrastructure with a high level of computerization and strong organization control system.

Gujarat has electrifying opportunity of banking business but should focus more on service, quality, and customer relationship, invest in banking technology, infrastructure etc… Gujarat is covered more by rural areas, thus all the facilities should be extended to rural areas also and focus more on rural banking.

INFORMATION TECHNOLOGY INDUSTRY

This Global Country study report of Canada shows the positive factors to initiate the Business in **Information Technology Sector**. This Positive Factor Includes infrastructure, availability of highly Skilled Manpower, Business supportive Legal Framework, Trade alliance (FTA) with USA and many Other developed Nations. One of the important issues is regarding to the prospective user of Information Technology Enabled services, as per the Canadian Internet usage survey 80 % people of Canada uses Internet directly or indirectly, Canadian Government is enhancing the R&D Activities though Information Technology. In concluding lines, this study shows that there is a high Business potential in Canadian **Information Technology** sector for Indian Companies.

PORT INDUSTRY

Gujarat is one of the most important states amongst 9 coastal state of India. Port & Marine industry is acting as important growth engine in Gujarat, having 1600 kms long coast line and 43 ports under its headships. Kandla is one of the major port administered under Kandla Port trust and Daman & Diu port governed by central government. 40 other ports are under state government.

Due to globalization and liberalization, there is and will be huge increase in international trade. It is expected that import and export business in India will increase in big way and therefore the demand of the port industry will be still very high because of rapid industrialization in Gujarat and other north India states.

For expanding the scope of this business, the Government of Gujarat should attract private investors and should give focus on Public Private Partnership model for expanding the existing port capacity, bring changes in ship size, design special ships, upgrade port operation efficiency, make Hugh and heavy investments. Thus Government of Gujarat should take full advantage of strategic location of Gujarat state.

PETROLEUM INDUSTRY

Canada has one of the maximum levels of economic independence in the world. Today Canada closely resembles the U.S. in its market-oriented economic system, and pattern of production. Canada has considerable natural resources spread across its varied areas. Oil and Gas industry is important in Alberta, Saskatchewan and Newfoundland and Labrador. Northern Ontario is home to a wide array of mines, while the fishing industry has long been central to the character of the Atlantic Provinces, though it has recently been in steep decline. Canada has mineral resources of coal, copper, iron ore, and gold.

Petroleum Industry in Canada is a major sector which is a vital to the economy of North America. Canada is the sixth largest oil producing nation in the world. In 2008 it produced an average of 438,000 cubic meters per day (2,750,000 bbl/d) of crude oil, crude bitumen and natural gas condensate. Of that quantity, 45% was conventional crude oil, 49.5% was bitumen from oil sands, and 5.5% was condensate from natural gas wells. Most of Canadian petroleum manufacture, approximately 283,000 cubic meters per day (1,780,000 bbl/d), was exported, almost all of it to the United States. Canada is the major single resource of oil imports into the United States. It can be state that Canada has huge opportunity in the field of exporting to Indian market.

MANUFACTURING INDUSTRY

Manufacturing has adapted to changes in the economic environment and has shown considerable resilience in the face of challenges, whether from demand shifts, relative price shifts or changes in tariff regimes. Over the past 45 years, manufacturers have dealt with Canadian and U.S. recessions, trade liberalization

(including the introduction of NAFTA). Throughout all of these events, manufacturers grew their output at basically the same pace as the rest of the economy, raised their productivity by an annual average of 1.1%, shifted manufacturing shares to match those of the United States and moved to producing more durables, and fewer non-durables, in the face of intense international competition and rising resource prices. Industrial strategy, in the way of trade liberalization and the intensity of competition from foreign producers, has dramatically reshaped opportunities for expansion in Indian markets.

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