



**Report of the Canadian Parliamentary Delegation
on the Bilateral Visit to India**

**Canadian Branch of the
Commonwealth Parliamentary Association (CPA)**

**Mumbai, Bangalore, Trivandrum and Kochi India
August 31 - September 8, 2012**

Report

A delegation of the Canadian Branch of the Commonwealth Parliamentary Association visited India from August 31 – September 8, 2012. Mr. Russ Hiebert, M.P. Chair of the Canadian Branch of the Commonwealth Parliamentary Association led the delegation composed of Hon. Raynell Andreychuk, Senator, Hon. David Smith, Senator, Joe Daniel, M.P., and Devinder Shory, M.P. The delegation was assisted by Elizabeth Kingston, Executive Secretary of the Federal Branch.

The CPA constitution encourages visits between member countries with the objective of giving parliamentarians the opportunity to discuss matters of common interest in bilateral relations and issues within the international Commonwealth organization. This visit constituted the second in a series of trade-focused visits to India undertaken by the Commonwealth Parliamentary Association. Building on the June 2010 joint statement by Prime Ministers Singh and Harper, the visit served to highlight the development of stronger economic, diplomatic, educational, scientific and cultural linkages between the two countries as the key to building a more effective and beneficial partnership. Most importantly, it sought to reinforce the mutual commitment by both Prime Ministers to triple annual bilateral trade and investment to 15\$ billion by 2015 as both countries work to complete a Comprehensive Economic Partnership Agreement (CEPA). In essence, the objective was as follows:

To emphasize the importance of the bilateral relationship in terms of common values, shared regional and global concern, a growing trade and investment partnership and strong people-to-people ties; and advance Canadian economic interests in India with a focus on trade and investment, tourism, agriculture, information technology, education, business and infrastructure.

India, a union of states, is a sovereign, secular, democratic Republic with a Parliamentary system of Government. The Indian Polity is governed in terms of the Constitution, which was adopted by the Constituent Assembly on 26 November 1949 and came into force on 26 November 1950.

The President is the constitutional Head of Executive of the Union. Real executive power vests in a Council of Ministers with the Prime Minister as head. Article 74(1) of the Constitution provides for a Council of Ministers headed by the Prime Minister to aid and advise the President who shall, in exercise of his functions, act in accordance with such advice. The Council of Ministers is collectively responsible to the Lok Sabha, the House of the People.

India can be described as a rather noisy democracy, with over 600 newspapers and fifteen 24 hour news channels. Its population is 60 – 70% rural, 30 – 40% urban. India is also home to a third of the world's poor with over 300 million people living below the poverty line.

Meetings in Mumbai

Mumbai, the capital city of the state of Maharashtra, is the most populous city in India with a population of over 20.5 million people. Known for its industrial, rural and cultural diversity, it is also considered the wealthiest city in India and has the highest GDP of any city in South, West or Central Asia, generating over 5% of India's entire GDP.

The delegation had the opportunity to meet with representatives of the Indo-Canadian Chamber of Commerce (ICBC). This meeting was designed to promote Canada's position of deepening and expanding its trading opportunities with India and its population of over 1.2 billion people. India is projected to become the world's third largest economy by 2050, and its growing middle class is estimated at between 150 and 200 million. Moreover, with its rising per capita income levels, rapidly expanding manufacturing, high-technology and services sector, and the associated infrastructure and natural resources requirements, it makes for an important opportunity for Canadian companies.

The Chair, Russ Hiebert addressed the ICBC representatives assembled. He stressed the fact that under Canada's Global Commerce Strategy, the federal government aims at finding new opportunities for Canadian exporters, investors and innovators. The strategy includes an aggressive trade negotiation agenda, and Canada has been negotiating with over 50 countries. With the help of government, academic and Canadian and business representatives, the federal government has identified 13 priority markets around the world where Canadian opportunities and interests have the greatest potential for growth and considers India to be one of its priority markets. Both Canada and India agree that bilateral trade, at its current level, does not reflect the true potential of the commercial relationship. Four key areas have been identified as priorities for bilateral cooperation: energy security, food security, infrastructure and education. Currently top Canadian merchandise exports include vegetables, mostly peas and lentils, fertilizers, paper and paperboard and aircraft. Top merchandise imports from India include organic chemicals, precious stones and metals, iron and steel products, knit apparel and woven apparel. Both countries have recognized the enormous potential and seek an increased bilateral trade of \$15 billion by 2015. To assist in attaining this objective, priority has been placed on the successful conclusion of the Foreign Investment and Protection Agreement (FIPA) in addition to the Comprehensive Economic Partnership Agreement (CEPA). A focussed effort will also be made to triple, within the next several years, the number of Canadian companies active in the Indian marketplace.

A meeting was then held with representatives from ICICI Bank Limited, an Indian multinational bank and financial services company headquartered in Mumbai. It is India's largest private sector bank and the second largest bank in the country with

consolidated assets of US \$119 billion as of March 31, 2012, and operating in 19 countries. ICICI Bank Canada is a full-service direct bank with an asset base of C \$5.3 billion as of March 31, 2012. It presently has offices in Vancouver, Calgary and Toronto and has been in Canada since 2003 and has a diversified customer base of over 110,857 people, with 55% being Indo-Canadians.

The bank's structure includes retail banking, including private banking, personal loans, credit cards and mortgages; rural banking including micro finance and agri-banking and wholesale banking including investments, corporate banking and project finance. It has over 2,700 branches, 7,000 bank machines and 56,000 employees and over 25 million customer accounts and is considered one of the top 60 banks globally and one of the most technologically advanced banks in India.

ICICI Bank anticipates a substantial increase in trade and capital growth between Canada and India for the following reasons: the Comprehensive Economic Partnership Agreement (CEPA) is expected to be completed soon, there exist higher Indian investments in oil and gas and resource sectors in Canada, and Canadian investments are expected to take advantage of India's growth potential in infrastructure and consumer products, with remittances in this corridor expected to grow due to higher immigration, investments and travel needs. Its Canadian company investments include such as Bombardier, Magna, Husky and Holcim.

A meeting with Essar Group then followed. Essar Group is an Indian multinational group headquartered in Mumbai. Essar Steel Algoma, a subsidiary of Essar Group, is a major steel producer based in Sault Ste. Marie, Ontario. Essar Group has a presence in sectors including steel, energy, power, communications, shipping ports, logistics and construction.

Essar Group acquired Algoma Steel in 2007, and since then has been successful in producing 50% of sales in Canada, 46% to the United States and 4% to the rest of the world. It has a strong social responsibility record and has invested in the Sault area, including both Algoma University and the Sault area Hospital.

Meetings in Bangalore

Bangalore is the capital city of the Indian state of [Karnataka](#) and India's third most populous city. It is known as the [Silicon Valley of India](#) because of its role as the nation's leading Information Technology (IT) exporter.

The delegation had the opportunity to visit the World Trade Centre (WTC) Bangalore. Designed by one of the world's leading architectural firms, the World Trade Centre is

Bangalore's tallest commercial tower. The Brigade Group is a leading real estate company in India.

The World Trade Center (WTC) Bangalore is a member of the World Trade Centres Association, headquartered in New York, comprising a network of 330 Centres in around 100 countries.

The primary objective of WTC Bangalore is to foster international trade by providing various services and facilities designed specifically to meet the needs of participants in global commerce.

Bangalore has become one of the preferred destinations for multinational organizations to set up their Indian operations, attracting business investments worth millions of dollars from across the globe. The WTC Bangalore is at the heart of Bangalore's business hub and in close proximity to both the railway station and International airport.

The delegation then visited the M.S. Ramaiah Dental College, one of the leading dental education and training institutes in the Bangalore area. Since it was founded in 1991, it offers Bachelors and Master's degrees in Dentistry and currently has 400 students studying at the college. It also operates a dental hospital. The College is part of the Gokula Education Foundation, which is part of a series of educational institutions offering programs in Engineering, Medical Sciences, Pharmacy, Nursing, Physiotherapy, Neurosciences as well as Hotel Management. Altogether, over 30,000 students are enrolled in various educational institutions run by the Foundation. It offers placements to Indian Nationals, foreign nationals, as well as non-resident Indians and people of Indian origin. The delegation was informed that to further the cause of education, research and service to society, the Foundation is constantly exploring opportunities with institutions of learning both in India and abroad. Moreover, it reaches out to the rural population within India with its community based services to serve the underprivileged majority of the country. It also is well known for its growing potential in offering hospital tourism, especially for those patients from the United States who could otherwise not afford health care at home. It offers services in open heart surgery, pediatric heart surgery, hip and knee replacement, cosmetic surgery, bone marrow transplants and cancer therapy.

A visit was then arranged to Jain University campus, and particularly the Centre for Research in Social Sciences and Education (CERSSE). The research focus of the Centre is to undertake research in the field of democracy studies with a particular focus on Indian politics. It is ranked 22nd amongst the 100 top universities in India and first among the private universities. It has an enrollment of 9500 students in total, with 450 of those pursuing doctorates. Its goal is to foster human development through excellence in quality education, research and entrepreneurial development, and in this capacity has

undertaken a project with the Richard Ivey School of Business at the University of Western Ontario, London, Ontario.

Visit to Trivandrum, Kerala

Kerala is a state in the south-west region of India on the Malabar coast, having the lowest population growth rate in India (3.44%) and the highest literacy rate at 95.5%. Trivandrum has been ranked by the **Times of India** as the best place to live in Kerala and one of the greenest cities in India.

The delegation had the opportunity to meet with the Chief Minister for Kerala, the Honourable Oommen Chandi. This was a courtesy call that allowed delegation members to explain Canada's interest in expanding its linkages with Kerala. Mr. Chandi's portfolios include general administration, all India services, administration of civil and criminal justice, technology and the environment, scientific institutes, personal and administrative reforms, elections, integration, welfare, distress relief, state hospitality and inter-state river waters.

The delegation arrived prior to the beginning of the Trade Fair – Emerging Kerala, which included a strong Canadian presence of 13 Canadian companies and 22 educational institutions. Canadian interest in Kerala is strong, predicated on the large Kerala population living in Canada.

The Chief Minister informed the delegation that the event was aimed at bringing together business leaders, investors, corporations, thought leaders, policy and opinion makers and advertised as a platform to understand and highlight investment opportunities available in Kerala and to advertise to the world its state of readiness to receive investors.

Kerala has a strong academic tradition, and is increasingly successful in the areas of high-tech and telecommunications, as well as banking and health tourism, attracting clients particularly from Europe, the Middle East and Australia.

The delegation then visited Technopark Trivandrum, the first Information Technology based park in India and the largest in the country, all fully owned by the Government of Kerala. It describes itself as India's most cost-effective software park. Technopark is spread out across 340 acres, making it one of India's largest and the most advanced locations for the Information Technology industry.

Technopark is spread out across 340 acres, making it one of India's largest and the most advanced locations for the Information Technology industry. Moreover, it provides investors and companies with a low operational cost, a grid power that is 99% stable, world class infrastructure, simple start-up procedures and a favourable tax system by

virtue of its specially designated economic zone, offering 0% tax for the first 5 years of operation, followed by 15% for the second 5 years up to a maximum of 30%. It houses among many other businesses, Infosys, specializing in software development and engineering, beginning its operations in Trivandrum in January 2004.

The delegation then met with The Honourable A.P. Anil Kumar, Minister of Welfare of Scheduled Castes and Backward Classes and Tourism. The discussion centred around the vibrant tourism industry in the state of Kerala, primarily from Europe, including the United Kingdom at a number of 50,000 annually, followed by Germany at 35,000 and then France at 70,000. Kerala is also considered a prime tourist destination among Indians, particularly from Bangalore, Mumbai and Chennai. The Minister is hoping to increase tourism from Australia, Russia, the Middle East as well as Canada.

Following this meeting, the delegation met with the Honourable Kunjalikuttyl, Minister of Industries (including Industrial Co-operatives), Commerce, Mining and Geology, Handlooms and Textiles, Information Technology, Waqf and Haj Pilgrimage. The Minister expressed his gratitude that there was such a strong Canadian representation at the Emerging Kerala meeting, both from industry and educational institutions. He discussed the need for increased investment in Kerala, particularly in the areas of new technology, waste management and tourism. It was expressed by delegation members that a representation from Kerala should come to Canada to promote its enormous potential and business friendly environment, particularly from the success of the Technopark structure.

Visit to Kochi

The delegation met with the Kerala Management Association (KMA) and the Kerala Chamber of Commerce and Industry (KCCI). The purpose of the KMA is to promote education and training in industrial administration and business management throughout Kerala. The Association provides for lectures, conferences, symposia, seminars as well as the promotion of course and training in educational and research institutions.

The KCCI was established in 1951 and its aim is to promote opportunities designed to stimulate the Kerala economy. The Chamber has been actively involved in the development of the state's infrastructure system, and has been instrumental in the establishment of the Kerala Trade Centre.

This interactive meeting demonstrated the vibrant economy of the state of Kerala by stating that with a population of less than 3% of India's population, accounts for more than 14% of the country's consumption. It served to increase the awareness among the delegates that Kerala is aggressively pursuing new avenues of investment and revenue streams and is very much open for business. Its high rate of literacy allows for a well-

educated and motivated workforce It was noted that a free trade agreement would open the way for mutually beneficial increases in trade flow, and Canada has a firm advantage given that English is a common language. Moreover, India is projected to be the world's third largest economy by 2050.

The potential for Canadian trade and investment is enormous. It is expected that by 2013, India will become the third largest superpower. While China is expected to peak in its demographic capacity by 2015, India will reach its maximum population potential by 2035. India has already proven itself as a primary supplier of Information technology services, and is working to develop its manufacturing base.

In closing, the delegation would like to express its appreciation to the Mumbai and Chennai Consulates and particularly Nicolas Lepage and Kyle Nunas, for their valuable advice and assistance in arranging the meetings throughout the visit. These meetings served to enhance an understanding of the unique political and economic environment that is India as it faces challenges in its transformation to a world economic powerhouse.

Respectfully submitted,

Joe Preston, M.P.
Chair
Canadian Branch of the
Commonwealth Parliamentary
Association (CPA)

Travel Costs

ASSOCIATION	Canadian Branch of the Commonwealth Parliamentary Association (CPA)
ACTIVITY	Bilateral Visit to India
DESTINATION	Mumbai, Bangalore, Trivandrum and Kochi, India
DATES	August 31-September 8, 2012
DELEGATION	Mr. Russ Hiebert, Mr. Joe Daniel, M.P., and Mr. Devinder Shory, M.P
SENATE	Hon. Raynell Andreychuk, Senator, Hon. David Smith, Senator
HOUSE OF COMMONS	
STAFF	Ms. Elizabeth Kingston, Executive Secretary
TRANSPORTATION	\$15,257.45
ACCOMMODATION	\$1,678.95
HOSPITALITY	\$1,479.61
PER DIEMS	\$2,145.99
OFFICIAL GIFTS	\$0.00
MISCELLANEOUS / REGISTRATION FEES	\$548.12
TOTAL	\$21,110.12