

Team Canada finishes India leg with more than \$2.9 Billion in deals

January 13, 1996

New Delhi

Prime Minister Jean Chrétien and seven provincial premiers today witnessed the signing by Canadian businesses of 44 new business deals worth \$2.952 billion. Today's signings in the Indian capital bring the amount of business deals signed during Team Canada's visit to India to \$3.39 billion.

The business deals in New Delhi include \$676.85 million in commercial contracts and \$2.275 billion in agreements in principle, including memoranda of understanding and letters of intent.

"Team Canada is winding up its mission in India having catapulted our relationship with India to a whole new level," said Prime Minister Chrétien. "We have shown that when it comes to India, Team Canada means business. The big chill in our relationship is over for good. Canada is here in India to stay."

The value of the signings in India is particularly impressive considering that two-way trade between Canada and India totalled only \$750 million in 1994, the last year for which complete figures are available. In a speech earlier today, Prime Minister Chrétien challenged members of the Canada-India Business Council to double the two-way 1994 figures by the end of 1996 and quadruple them by the end of 1999.

Today's signings come on top of \$444 million in business deals signed during Team Canada's visit to Mumbai on Wednesday. Team Canada continues its mission through South Asia with its next stop in Pakistan tomorrow. Backgrounders on the business deals are attached.

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NEW CANADIAN BUSINESS INITIATIVES IN INDIA

Background to Signing Ceremony in New Delhi

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Akran Systems, Ottawa, Ontario

Akran Systems, a division of Compufacts Canada Inc., has signed a memorandum of understanding with Compage Automation Systems (CAS) Private Limited of New Delhi to enter into discussions on a contract to manufacture personal computers and notebooks for global markets and distribute various high-tech products. The contract would also involve industrial automation and security systems projects. Estimated value of the potential contract is \$135 million.

B.C. Hydro International Ltd., Vancouver, British Columbia

B.C. Hydro International Ltd. (BCHIL), a subsidiary of B.C. Hydro, a provincial crown corporation in British Columbia, has signed an agreement with the Punjab State Electricity Board (PSEB) on an action plan to carry out joint studies of the potential measures and investments needed to modernize PSEB's power supply systems. As the agency responsible for the generation, transmission and distribution of electricity in the Punjab, PSEB is looking for modern technologies and financial assistance to upgrade its system, with emphasis on reducing technical losses and improving the quality and cost effectiveness of its customer services.

B.C. Hydro International Ltd. has also signed a memorandum of understanding with JVG Group of New Delhi to co-operate in the development of 140-megawatt hydro power and further thermal power projects on a build-own-operate basis in the state of Bihar. The hydro power would supply an industrial park as well as a 2500-house town site. JVG is a group of companies with interests in power production, housing, finance, leasing, department stores and food products. This joint venture project is valued at \$200 million.

B.C. Hydro International Ltd. has also signed a memorandum of understanding with Dalmia Brothers of New Delhi for a number of hydro and thermal build-own-operate projects as well as co-operation in providing a range of consulting services to other developers.

B.C. Hydro International Ltd. has signed a memorandum of understanding with Subhash Projects & Marketing Limited (SPML) to co-operate on the development of the 168-megawatt Shahpur Kandi Hydroelectric Dam Project, which will be built and operated as a joint venture. The project is valued at \$300 million, and BCHIL will be responsible for undertaking feasibility studies, engineering, design, training, operation and project management. SPML is one of the largest engineering construction companies in India, implementing power projects in hydro, thermal, diesel and wind.

Bell Helicopter Textron, Mirabel, Quebec

Bell Helicopter Textron has signed a \$5-million contract with Pawan Hans Limited of New Delhi, India's largest helicopter operator, is purchasing two Bell 206 L-4 Long Rangers. These helicopters are specially equipped to support the Indian Customs' anti-smuggling activities.

British Columbia Institute of Technology, Burnaby, British Columbia

The British Columbia Institute of Technology has signed a one-year memorandum of understanding with Eklavya Education Foundation (EEF) of Ahmedabad to identify, develop and implement activities to help Eklavya create a technical vocational college in India. EEF is involved in education, research and development, consulting, mass communications, education, and educational loans and scholarships.

Canasia Power Corp., Vancouver, British Columbia

Canasia Power Corp., a power development company, through its wholly-owned subsidiary, Jawaharpur Power India Pvt. Ltd. (JPL), has signed and received a counter-guarantee from the Uttar Pradesh State Government for its 800-megawatt, US\$1.1 billion thermal electricity generating station. The state government document guarantees the obligations of its utility, the Uttar Pradesh State Electricity Board, which last year signed a contract with JPL to buy all the power produced by the station for 30 years. The power plant will be designed and built by a consortium of foreign and Indian companies through an international tender bid process with an emphasis on Canadian participation, which could total \$300 to \$400 million. The majority ownership will also be Canadian, through Canasia.

Cancoil Thermal Corp., Kingston, Ontario

Cancoil Thermal Corp., which designs, manufactures and markets commercial and industrial refrigeration and environmental control equipment, has signed a \$7-million contract with SKMC International Pvt. Ltd. of New Delhi to build a manufacturing plant to produce Cancoil's equipment in India. The plant will be located in the industrial area of Lairu in the state of Punjab. Cancoil's refrigeration equipment will be suitable for use in agricultural industries from the farm to the retailer. The company's environmental control equipment will be used in several industrial applications including telephone exchanges and data processing centres. A viability study,

supported by the Canadian International Development Agency (CIDA), aided in business planning.

Chalmers Suspensions International Inc., Brampton, Ontario

Chalmers Suspensions International has signed a memorandum of understanding with the A.K.A.L. Group of Ludhiana to enter into a joint venture agreement to manufacture suspension systems in India. Chalmers will maintain a 51 per cent equity stake in this joint venture.

Commercial Transport International (Canada) Ltd., Mississauga, Ontario

Commercial Transport International (Canada) Ltd., which specializes in international transportation, logistics and project management, has signed an exclusive marketing and sales agreement with Continental Carriers Pvt. Ltd. of New Delhi. Under this agreement, each company will market each other services between India and Canada. Sales are expected to reach \$1.2 million a year.

Commercial Transport International (Canada) Ltd. has also signed a memorandum of understanding to start a joint venture company with Continental Carriers Pvt. Ltd. The joint venture company, based in Canada, will be responsible for the North American market and it will promote of use of Canadian carriers, airports and seaports. The joint venture could result in sales of \$8 to \$10 million a year.

Conference Board of Canada, Ottawa, Ontario

The Conference Board of Canada has signed a two-year memorandum of understanding on co-operation with the Centre for Monitoring the Indian Economy of Bombay. The parties will exchange information on the economies of both countries. The Conference Board of Canada will also provide technical assistance in economic forecasting.

The Conference Board of Canada has also signed a memorandum of understanding with the Confederation of Indian Industry (CII) to extend and expand a co-operative relationship. This agreement states that the companies will co-operate on projects of mutual interest, specifically in strategic information sharing and dissemination, and the promotion of business and investment opportunities, among other signs.

Diesel Controls Ltd., Willowdale, Ontario

Diesel Controls Ltd., which manufactures advanced emission control systems for internal combustion engines, has signed a memorandum of understanding with G & T Resources Worldwide of New Delhi to market and manufacture emission control devices for urban transportation vehicles in India. The estimated total value of this agreement is \$9.7 million.

Dominion Textile Inc., Montreal, Quebec

Dominion Textile Inc. has signed a memorandum of understanding to establish a joint venture between its Swift Textiles Denim Group and the LNJ Bhilwara Group of India. The joint venture company, Swift Bhilwara Ltd., will construct, own and operate a denim manufacturing facility in the state of Madhya Pradesh. Construction is expected to begin in late Spring of 1996 and will be completed in 18 months. Capital investment is expected to reach \$119 million, with Dominion Textile owning 51 per cent of the equity capital of the joint venture company and Bhilwara holding 49 per cent. Swift Textiles Group produces value-added denim and the LNJ Bhilwara Group operates several manufacturing companies throughout India, particularly in textiles.

East West Insurance and Financial Services Limited, Edmonton, Alberta

East West Insurance and Financial Services Limited and Capital Trust Limited of New Delhi have signed an agreement to collaborate in the spheres of life insurance, leasing and financing, merchant banking, and mutual funds. Under the agreement, East West is buying common stock valued at \$250,000 from Capital Trust, a Class 1 merchant bank. East West identifies projects for Canadian investors in India in the fields of leasing, financing and mutual funds, environmental products and services, pipelines, telecommunications and broadcasting.

Edwards International, Mississauga, Ontario

Edwards International has signed a distribution agreement with Philips India Ltd. of New Delhi to market Edward's fire detection systems in India. This agreement could generate \$20 million over three years in new export opportunities, mainly in the industrial but also commercial and hotel sectors. Edwards International is a manufacturer of conventional and intelligent fire detection systems, serving commercial and industrial markets.

Export Development Corporation, Ottawa, Ontario

EDC has signed a declaration of financial co-operation with the Kerala State Electricity Board in support of a \$33-million contract between the electricity board and SNC-Lavalin Inc. of Montreal, Quebec. Under this agreement, EDC will provide a loan in US dollars equivalent to approximately \$28 million. SNC-Lavalin under contract to supply equipment and services, including project management, design, engineering, supervision and procurement for a project which will add 50 megawatt of capacity to the 75-megawatt Kuttiyadi power station in Kerala State in southwest India.

Harris Farinon Canada, Dollard-des-Ormeaux, Quebec

Harris Farinon and Tata Telecom of Delhi have signed a memorandum of understanding to establish a joint venture to sell and support Harris Farinon's wireless telecommunications systems in the Indian market. These systems consist of microwave radio equipment, multiplex equipment, antennae, network management systems and design, engineering and technical support services. Harris Farinon will supply the equipment and Tata Telecom will provide marketing, system design and services.

Hitek Computer Systems, Brampton, Ontario

Hitek Computer Systems, a consulting and software development company, has signed a letter of intent with Dext Parental Private Ltd. of Moga, Punjab and Lucky Modern of Patiala, Punjab to enter into a joint venture to market and sell Hitek's business management products in India. The project could generate \$1 million in business over the next two years.

Indo-Canadian Enterprises, Calgary, Alberta

Indo-Canadian Enterprises, which specializes in retail marketing, consulting and pharmaceutical projects, has signed a memorandum of understanding with Anand Pharmaceuticals Ltd. of Chittorgarh to manufacture and distribute over-the-counter generic drugs in India, Africa and the Middle East. Indo-Canadian will contribute funds, technology transfer, management and marketing services to the 50-50 joint venture. The project is valued at \$5 million, and the two companies will proceed with the initial phase of the project, which involves a capital investment of \$500,000, immediately.

Info-Tek Consulting and Training Inc., Edmonton, Alberta

Info-Tek Consulting and Training Inc. has signed a memorandum of understanding to establish a joint venture with Manipal Education Medical Group of Manipal to explore the possibility of

providing post-secondary distance education to Indian students by Canadian universities and technology companies. Through the partnership, Manipal Education & Medical Group would also offer courses for post-secondary courses. Info-Tek offers international training, consulting services and research and development in advanced technologies including software engineering, telecommunications, and voice technologies, such as speech recognition.

InterHealth Canada Ltd., Toronto, Ontario

InterHealth Canada, a corporation which pursues international contracts for Canadian health sector firms and on behalf of the Sir Edward Dunlop Hospitals (India, has signed an agreement to develop 56 hospitals, polyclinics and diagnostic centres in India. The first of these projects is a 110-bed Sir Edward Dunlop cardiac hospital to be developed on the Delhi and Haryana border. InterHealth has an equity position in the project and is acting as the main source of planning, design, training, implementation and on-going management.

International Road Dynamics Inc., Saskatoon, Saskatchewan

International Road Dynamics Inc. has signed a memorandum of understanding with AJS Scale International to enter into a joint venture agreement to manufacture road transportation and toll road equipment in India. Current projects under negotiation in this joint venture total \$1.9 million.

Kryton International Inc., Vancouver, British Columbia

Kryton International Inc. has signed a joint venture agreement with Prakausali Investments (India) Pvt. Ltd. of New Delhi to manufacture under license and distribute Kryton's line of concrete mixtures, waterproofing compounds and related chemicals for distribution in Northern India. Kryton develops, manufactures and distributes a range of specialty protection products for construction, industrial and home use. This agreement is expected to generate \$15 million in sales over a period of three years.

Kryton International Inc. has also signed a memorandum of understanding with NRI Capital Ltd. of New Delhi to develop the market for Kryton's cleaning products and safety coatings. The partners foresee the establishment of a plant to manufacture Kryton's products under license. This agreement could generate an estimated \$10 million in business.

MMC Canada Enterprises, a division of MMC Group/Ontario Ltd., Pickering, Ontario

MMC Canada Enterprises (MCE) has signed a memorandum of understanding with Unique Technologies Ltd. of Faridabad to provide management and investment consulting services related to development of energy conservation and efficiency improvement projects. The deal is valued at \$5 million.

In addition, MCE has signed a memorandum of understanding with Shivalika Proenergetics Ltd. of New Delhi to provide management and investment consulting services at an estimated value of \$2 million related to mini-hydro projects.

MET-CHEM Canada Inc., Montreal, Quebec

MET-CHEM Canada Inc. signed a \$200-million contract with Raunaq Industries Corp. Ltd. to provide engineering, project management, and procurement services and equipment for the Hospet Iron Oxide Pellet Plant in Karnataka, which will produce 4 million tons per year of high grade iron ore oxide pellets for the Indian and Southeast Asian markets. The feasibility study for this project was supported by the Canadian International Development Agency's Industrial Co-operation program. MET-CHEM Canada Inc. provides engineering, procurement, construction management services, operations and maintenance technical assistance in the mining and steel

sectors. MET-CHEM also undertakes construction projects such as roads, water drainage systems and airports

In addition, MET-CHEM Canada Inc. signed an agreement with Raunaq to set up a 1 million-ton-per-year steel plant in state of Karnataka. Estimated cost of the project is \$1 billion. Immediately, MET-CHEM will finalize a detailed study for the project.

MET-CHEM Canada Inc. has also signed a memorandum of understanding with U.P. State Ministry of Development Corp. Ltd. (UPSMDC) and Tantia Construction for the development of the U.P. Phosphate project in Lalitpur in the state of Uttar Pradesh. This project is valued at about \$30 million.

MET-CHEM Canada Inc. has also signed a memorandum of understanding with MESCO for the development of iron ore mines in the state of Orissa to feed the integrated steel plants being built by MESCO.

Micro-Chem Laboratories Inc., Mississauga, Ontario

Micro-Chem Laboratories Inc., a food industry consulting company, has signed a \$2 million memorandum of understanding with Garg Trading Co. of Delhi to create a joint venture which will manufacture convenience foods such as instant pudding mixes and instant drink crystals. The company to be formed in India, Indo-Canadian Foods Ltd., will have Garg Trading Company and Food Concepts International Inc. of Mississauga, Ontario as equity partners. Micro-Chem will provide technology for setting up the manufacturing operation and receive royalty payments and fees for technical expertise.

Mitel Corporation, Kanata, Ontario

Mitel Corporation has signed a technology licensing contract with Semiconductor Complex Ltd. (SCL) of Chandigarh to transfer analogue line and technology for use in Indian, domestically-designed, central office telephone switching equipment. Mitel Semiconductor supplies microelectronics to the telecommunications industry around the world. It is estimated that this agreement will result in future licensing fees and semiconductor product sales worth millions of dollars.

Ontario Hydro International Inc., Toronto, Ontario

Ontario Hydro International Inc., a wholly owned subsidiary of Ontario Hydro, has signed a two-year memorandum of understanding to provide support to three New Delhi companies: Amalgamated Transpower (India) Ltd., Marque Power (India) Ltd. and Larsen & Toubro Ltd., which are all engaged in the development of the proposed 125-megawatt Farakka Barrage Hydroelectric Project in West Bengal. Ontario Hydro International Inc. would be the project operator.

Ontario Hydro International Inc. has also signed a two-year memorandum of understanding with the same three companies, which are interested in potential power sector opportunities and improvement of the state electrical utility in Meghalaya. Ontario Hydro International Inc. would again be the project operator.

Ontario Ministry of Economic Development, Trade and Tourism, Toronto, Ontario

The Ontario Ministry of Economic Development, Trade and Tourism has signed a memorandum of understanding with the Federation of Indian Industry (FICCI) to promote co-operation in trade, investment, technology transfer, services and other industrial activities between the two parties. FICCI and the Ontario ministry will share business information, including the names and

background of Indian companies interested in joint ventures and technology transfers with Ontario companies.

Richberry Farms Ltd., Richmond, British Columbia

Richberry Farms Ltd. has signed a memorandum of understanding with Parjan Bros. of Delhi to manufacture, produce and sell agro-based products in India. Initially, both the parties have agreed to trade agro-based products, valued at \$8 million. They also plan to establish agricultural operations and undertake food processing activities, which are valued at \$18 million.

Royalton Medical Management Inc., Montreal, Quebec

Royalton Medical Management Inc., which develops integrated health-care systems for emerging markets, has signed a memorandum of understanding with Royalton Healthcare (India) Private Ltd., New Delhi, to build a tertiary care high-tech, multi-system hospital in Gandhinagar, Gujarat, and five supporting primary care and diagnostic centres in rural Gujarat. A separate portion of this project was signed in Mumbai on January 10.

SNC-Lavalin Inc., Montreal, Quebec

SNC-Lavalin Inc. has signed a consortium agreement with Jaiprakash Industries Limited and Birla Technical Services of India and B.C. Hydro International Limited of Canada to develop a 125-megawatt hydroelectric power plant on a build, own and operate basis downstream of the Farakka Barrage on the River Ganga in the state of West Bengal. The consortium will be led by SNC-Lavalin.

University of British Columbia, British Columbia

The University of British Columbia has signed a letter of intent with the Indian Institute of Technology of New Delhi. The agreement will cover the exchange of scholars, co-operation in scientific research and the exchange of academic information. A reciprocal student exchange agreement has been approved with scholarship support through endowment funds and will be signed later this month. The University of British Columbia has linkage agreements with 132 universities in 41 countries around the world.

WideCom Group Inc., Mississauga, Ontario

WideCom Group Inc. has signed a contract establishing a joint venture with Fast Scan Systems Ltd. of Noida (near New Delhi) to set up document archiving centres across India using Canadian equipment and expertise. The initial project cost is \$1.6 million with annual revenues expected to reach \$13 million. The document archiving centres will help large government organizations and other institutions manage their documents by creating a permanent electronic filing system that will save documents that are otherwise regularly destroyed by humidity and other environmental problems. WideCom Group Inc. develops, manufactures and markets hardware and software products for wide-format document handling needs, including facsimile machines and scanners.

Yugo-Tech Conversion Gas Systems Inc, Mississauga, Ontario

Yugo-Tech Conversion Gas Systems Inc. has signed a memorandum of understanding with G & T Resources Worldwide of New Delhi establishing a joint venture to develop and manufacture natural gas fuelling systems and electronics specific to vehicles in India. The initial target vehicle will be the most popular vehicle, the three-wheeled, two-stroke "autorickshaws," which have significant emissions. The companies intend to design and develop the conversion systems in Canada to export to India for installation. Projected annual sales are expected to increase exponentially from about \$5 million in the first year.

Information, including estimated costs, investment projections and contract values, contained in this document has been compiled based on press releases and other submissions provided by the companies listed. The Government of Canada takes no responsibility for the accuracy of this information