



*INDIA AND CANADA
A NEW ERA OF COOPERATION*

REPORT TO MINISTERS OF THE
INDIA-CANADA CEO ROUNDTABLE
PREPARED BY THE
CANADIAN COUNCIL OF CHIEF EXECUTIVES AND
CONFEDERATION OF INDIAN INDUSTRY

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EXECUTIVE SUMMARY

In June 2007, India's Minister of Commerce and Industry, Kamal Nath, and Canada's Minister of International Trade, David Emerson, asked India-Canada CEO Roundtable participants for advice on the possibility of launching negotiations toward a free trade agreement between India and Canada.

CEO Roundtable participants have concluded that Canada and India should enter into a new era of cooperation, and should move quickly to deepen and accelerate the growing ties between our countries. The suite of bilateral agreements and understandings negotiated thus far (including the recently negotiated Foreign Investment Protection and Promotion Agreement) should be augmented by new arrangements and combined into a single, modern, high-quality and comprehensive Free Trade Agreement (FTA). Such an agreement would include, but would not be confined to, the elements outlined in this Report.

Given current global, regional, and country-specific economic conditions, further study will be needed in a number of sectors that are not yet ready for full bilateral liberalization, including the agricultural and cultural sectors. Nevertheless, CEO Roundtable participants agreed that there are no major impediments to beginning bilateral negotiations immediately.

The following principles should underpin a Canada-India FTA: product coverage for industrial goods should be as comprehensive as possible, encompassing substantially all trade; for agriculture, the negotiations should take into account the livelihood issues in India and develop areas of complementarity; non-tariff barriers should be eliminated between the two countries; and the FTA should include a binding dispute settlement mechanism.

CEO Roundtable participants pledged to sustain their efforts and agreed to continue to offer advice to Ministers should a decision be made to launch FTA negotiations.

In addition to more active private sector engagement, CEO Roundtable participants recommend that our Prime Ministers agree to meet annually on bilateral, regional and multilateral priorities.

OVERVIEW OF CEO ROUNDTABLE ACTIVITIES

In early 2005, the Prime Ministers of India and Canada met to review bilateral trade and economic cooperation and to address vital international and regional challenges. In addition to a number of other bilateral initiatives, both Leaders supported the creation of a CEO Roundtable to recommend options for strengthening economic ties.

Two India-Canada CEO Roundtables took place in 2007. At the conclusion of the first Roundtable, in New Delhi, participants put forward a roadmap for growth in the bilateral trade and investment relationship and signaled their willingness to provide further strategic and high-level advice in ongoing trade policy consultations.

The second CEO Roundtable took place in Montreal in the presence of Kamal Nath, India's Minister of Commerce and Industry, David Emerson, Canada's Minister of International Trade, and Jean Charest, Premier of Quebec. The discussions focused in part on investment promotion and the potential for enhanced private sector exchanges. At the same time, business leaders were asked to provide advice to the Ministers on the possibility of launching negotiations toward a free trade agreement.

Since that meeting, both the *Canadian Council of Chief Executives* and the *Confederation of Indian Industry* have examined the bilateral trade context and have exchanged information and views on a set of far-reaching recommendations. Both organizations circulated draft reports to reference groups composed of CEO Roundtable participants and experts.

Building on the Joint Statement released after the first India-Canada CEO Roundtable, this report outlines the major areas where closer cooperation is needed between policymakers and business leaders in each country.

INDIA-CANADA ENGAGEMENT

Despite the obvious differences between their economies, India and Canada have much in common. In addition to a common language and Commonwealth heritage, the two countries share a commitment to democratic principles, the rule of law and the promotion of diversity. They are linked through the ingenuity and innovation of their people, as well as their shared aspirations for expanded prosperity and opportunity in a safer and more secure world.

In recent years, the India-Canada relationship has evolved through more sustained engagement among political leaders, federal, provincial and state government officials, academics and scientists, business leaders and other organizations. In the view of CEO Roundtable participants, however, the

time has come for a much stronger bilateral commitment. While moving forward on a number of bilateral and global fronts, there remains significant scope to bolster and deepen our partnership and to cooperate more closely.

Canada and India should enter into a new era of cooperation, and should move quickly to deepen and accelerate the growing ties between our countries. The suite of bilateral agreements and understandings negotiated thus far (including the recently negotiated foreign investment protection and promotion agreement) should be augmented by new arrangements and combined into a single, modern, high-quality and comprehensive Free Trade Agreement (FTA).

Our Ministers should begin negotiations as soon as possible but should be mindful that more study will be needed in a number of sensitive sectors, including the agriculture and culture sectors.

The robustness of our relationship will depend in large measure on the commitment of our respective leaders in the political, business and non-government communities.

- *More active engagement and support is needed at the highest political levels, in particular by our Prime Ministers. Meetings should be organized on an annual basis to maintain and add momentum to issues and respond to developments. Ministers should continue to meet at least annually but should also engage directly with Indian and Canadian business leaders.*
- *The India-Canada CEO Roundtable should be sustained and should provide ongoing advice to senior government and elected officials on the bilateral economic relationship. Canadian and Indian CEO participants suggested the establishment of rapid-action business groups on high priority issues.*
- *Exchanges between Canada and India should be enhanced, particularly with respect to students and other people-to-people linkages. As one CEO participant noted, "Students are our best ambassadors and greatest promoters."*

THE MULTILATERAL FRAMEWORK

India and Canada recognize the benefits of the rules-based multilateral trading system and the World Trade Organization (WTO). Despite the impasse over the Doha Development Agenda negotiations, CEO Roundtable participants expressed confidence and strong support for the WTO.

CEO Roundtable participants agreed that deepening bilateral trade relations should support rather than upstage or undermine the multilateral agenda.

INDIA AND CANADA AS STRATEGIC PARTNERS

India-Canada CEO Roundtable participants believe that the scope to conduct business bilaterally is limitless and that the time to engage is now. The products and services that Canada and India produce and what each country needs are complementary. The strong linkages offered by a vibrant Indo-Canadian community represent further untapped potential in the relationship.

In discussions at both Roundtables, as well as in other business fora, private sector leaders raised priority concerns that are beyond the scope of a traditional Free Trade Agreement. A more aggressive but strategic approach to the bilateral relationship is needed to produce benefits for both India and Canada in the form of new markets for goods and services, opportunities for investment and stronger economic growth.

Pursuit of deeper commercial relations would result in greater competitiveness and prosperity for Canada and India. India and Canada are both globalization success stories. Working together bilaterally, regionally and multilaterally, India and Canada can and should advocate for the elimination of protectionist policies globally.

To strengthen the existing partnership, our Prime Ministers should move beyond the 2003 and 2005 joint declarations and endorse the launch in 2008 of negotiations toward a Free Trade Agreement. Such an agreement would enable closer bilateral cooperation in priority areas such as: security, commercial exchanges, culture, science and technology, education, infrastructure and energy and the environment.

THE POTENTIAL OF INDIA

India represents a large and growing economy, one with which Canadian businesses must engage more actively. With a GDP of US\$821 billion in 2006, India is the 14th largest economy in the world (the fourth largest economy in the world using purchasing power parity). Its population of 1.1 billion is more than 30 times that of Canada. Per capita income in India rose 14.2 percent in 2006-07, prompting dramatic increases in business investment, consumer spending and savings, but its GDP per capita (at purchasing power parity) is still low at US\$3,652.

India's gross domestic product has expanded by an average of nine percent in each of the past three years, primarily due to strong performances in the services, mining and manufacturing sectors. India is on a path to become a global economic heavyweight and has the potential to become the world's third-largest economy by 2050.

India's strengths include a growing middle class and a large pool of educated and skilled workers, many of whom speak English fluently. This has contributed to the rapid expansion of the services sector and to India's emergence as a regional manufacturing centre. The opportunities for Canadian firms are therefore significant in terms of investment and linkages into India's large and quickly growing domestic market as well as key global value chains. The potential to collaborate with an Indian partner -- whether inside India or through outsourcing, joint ventures or partnerships in third countries -- is equally important.

Moving forward, many intrinsic advantages will continue to drive India's competitiveness in global trade. For example, more than 50 percent of India's population is under 25 years of age. This demographic reality will continue for the foreseeable future, providing an abundant supply of labour. At the same time, India is transitioning toward a knowledge-based economy with strengths in many sectors, including information and communication technology (ICT) and pharmaceuticals. A key challenge for India will be to build competitive advantages in these areas through enhanced education and training.

CANADA AS A PARTNER

Canada represents the eighth-largest market in the world with a GDP of US\$1,430 billion in 2007. Its population of 33 million is small in comparison with India's but GDP per capita (at purchasing power parity) is high, at US\$33,981. While currently experiencing slower economic growth, Canada has enjoyed the second-longest economic expansion in its history with unemployment at a 33-year low. It is one of the few industrialized countries with public sector surpluses and declining public debt.

Canada's private sector is facing challenges as a result of high commodity costs and the related -- and dramatic -- appreciation of the Canadian dollar compared to other currencies, in particular the U.S. dollar. Yet Canada's business community is experiencing its 12th consecutive year of investment expansion with solid average growth in profits. The country's strengths include a highly qualified workforce, robust education systems, a strong services infrastructure and a critical mass of technologies in a number of sectors.

Canada's resource potential is well known. It has the second-largest petroleum reserves in the world. It is the largest exporter of oil to the United States and of forest products to the world. Canada ranks third in global production of natural gas, aluminum and diamonds, second in the production of hydroelectric power and nickel, and first in the production of potash and uranium.

Canada represents an excellent base from which to serve customers in North America and globally. Canada enjoys unparalleled access and linkages to the markets of both the United States and Mexico. However, despite the heavy dependence on the world's largest market, Canadian merchandise trade with the United States fell from 87 percent of total shipments in 2002 to 79 percent in 2007 as exporters aggressively pursued opportunities in other markets in Asia, Europe and Latin America.

Open markets are a powerful stimulus to competition, innovation and productivity growth. That is why Canada is committed to being one of the most open markets in the world.

CONCENTRATED BUT GENERALLY COMPLEMENTARY TRADE

Trade between Canada and India is concentrated in a few sectors. Almost 30 percent of India's exports to Canada are in textiles and apparel while almost 50 percent of Canada's exports to India are in pulp and paper, cereals, vegetables and other produce, and minerals.

The Confederation of Indian Industry notes that 67 percent of India's exports to Canada, and 90 percent of Canada's exports to India, are accounted for by products that are among the top 10 exports of each country.

India's exports to Canada comprise mostly textiles and apparel, jewellery, and chemicals, iron and steel products. Canada's most significant exports to India are: aerospace and aircraft parts; cereals, vegetables and fertilizers; pulp and paper products; machinery and equipment (electrical and nuclear/boiler), and ores, slag and nickel products.

India's tariffs are on average higher than those of Canada. India's average applied tariff on non-agriculture products is about 10 percent, based on the February 2007 Union Budget. Canada's applied most favoured nation rate is about 4 percent.

Services trade offers great potential to Canada but especially to India. In terms of commercial services trade, the WTO ranks India 12th and Canada 15th globally. However, it is universally recognized that India is a services trade powerhouse, and will continue to grow in stature.

The Conference Board of Canada (CBOC), in a report titled *The Rise of the BRICs: What Does it Mean for Canada?*, bemoaned the poor quality of global services trade data in Canada and in India. The Asia-Pacific Foundation suggests that services trade between Canada and India is severely under-reported and that sales of services by Canadian firms to India could be as

much as three times official estimates. Canada's Department of Foreign Affairs and International Trade agrees that the official figure is too low, and estimates that services exports from Canada to India totaled \$310 million in 2006.

One area in our bilateral relationship that deserves further study is the degree to which there is intra-firm trade or supply chain development in various product and service sectors. The CBOC shed some light on this subject in its recent report on the BRIC countries. It concluded that the majority of Canada's exports to India are still so-called "entry-point" goods. Meanwhile, the volume of exports to India in the "middle-point" doubled from 2000 to 2005 while actually declining in terms of overall share of exports.

TRENDS IN BILATERAL TRADE AND INVESTMENT

Despite the concentrated nature and relatively small scale of our bilateral commercial exchanges, the recent trend in overall trade and investment between Canada and India is impressive.

India-Canada bilateral merchandise trade in goods currently stands at \$3.8 billion and has almost tripled from its fiscal year 2002-03 levels of \$1.3 billion -- a growth rate of about 20 percent per year on average.

India's merchandise exports to Canada surpassed \$1.9 billion in 2006 and reached \$2.0 billion in 2007. India's exports to Canada have grown at a rate of about 10 percent per year over the past several years.

India's imports from Canada totaled \$1.77 billion in 2005-06, according to the Confederation of Indian Industry, representing a 93 percent increase over the previous year.

Except in 2006-07, India has maintained a trade surplus with Canada over the past five years. However, while India's trade with Canada is increasing in absolute numbers, it is falling relative to India's total trade (and is now just 0.87 percent of India's total trade). The fact that Canada-India trade is just 10 percent of Canada-China trade is another sign of unrealized potential.

As of the end of 2006, cumulative foreign direct investment to India from Canada was a meager \$327 million. This figure represents less than one percent of total foreign direct investment in India during the period and less than one percent of total Canadian direct investment abroad. Cumulative foreign direct investment from India to Canada amounted to just over \$200 million as of the end of 2006, representing almost a 50 percent increase over 2005.

Despite the impressive recent expansion in Canada-India trade and investment, the overwhelming consensus of CEO Roundtable participants is that current levels are well below potential. In addition, Roundtable participants agreed that the Canadian private sector needs to develop a stronger presence in India. In the words of one Canadian participant, "India may not need Canada, but Canada certainly needs India."

TOWARD A COMPREHENSIVE MARKET ACCESS AGREEMENT

During both India-Canada CEO Roundtables, business leaders discussed a number of specific challenges and issues of relevance to any future bilateral market access agreement. These discussions revolved around two key objectives: a much higher level of business exchanges between the two countries, and improved bilateral investment (in particular in the power and transportation infrastructure sectors).

Canada has experienced stronger economic growth and higher levels of employment and prosperity as a result of successive reductions in barriers to trade and investment bilaterally, regionally, and multilaterally. Since signing the North American Free Trade Agreement, Canada has negotiated FTAs with Chile, Israel, Costa Rica, the European Free Trade Association, Jordan, Peru and Colombia. Currently, Canada is negotiating FTAs with Singapore, South Korea, and a number of Caribbean and Central American countries. Canada is engaged in a joint study with the European Commission to examine and assess the costs and benefits of closer economic partnership. Leaders will review the results of this study at the 2008 Canada-EU Summit with a view to pursuing a comprehensive Canada-EU economic partnership.

India has benefited enormously from its domestic economic reforms although much more remains to be done. Increasingly, its international agenda is driven by economic growth. Current initiatives include: negotiations for a comprehensive agreement on goods, services and investment with the European Union, Japan and South Korea as well as a Free Trade Agreement on goods with the ASEAN and FTAs with Thailand; possible long-term trade and economic cooperation agreements with Malaysia and the Gulf Cooperation Council; completed framework agreements for cooperation with the South Africa Customs Union, MERCOSUR and the Andean Community; an Early Harvest Agreement with Thailand; and a Comprehensive Economic Cooperation Agreement with Singapore.

TRADE IN GOODS

India and Canada would benefit enormously from an agreement to eliminate tariffs on a substantial majority of their trade in goods. Exporters and supply-chain businesses would benefit directly from the opportunity to develop their businesses and diversify the export base.

India-Canada CEO Roundtable participants agreed that a future bilateral FTA would have to be WTO-compatible. A model for tariff liberalization should follow the principles below:

- Elimination of duties on substantially all trade in non-agricultural products within 10 years of the agreement's entry into force.
- The liberalization of trade in agricultural goods could be favourable to both India and Canada. However, the livelihood issues in agriculture in India need to be kept at the core of these discussions and areas where complementarities can be developed need to be identified for negotiations.
- Reciprocal but flexible commitments to negotiate rules of origin.
- A dispute-settlement mechanism that would be binding on state-to-state disputes but that could also help resolve commercial and contractual disputes on a timely basis.
- Agreement on a flexible mechanism to eliminate non-tariff barriers (imposed on products included in this agreement) such as import licensing, safeguard mechanisms, disciplines on subsidies and countervailing duties and anti-dumping measures.
- A commitment to transparency in customs rules and procedures and an agreement to provide clear, concise and legally enforceable rights and obligations in this and other regulatory areas.

TRADE IN SERVICES

Services trade and investment would be an important area of focus in any potential commercial agreement between India and Canada. Growth in India's information technology sector and success in business process outsourcing depends on open markets globally for these services. CEO Roundtable participants, as well as government officials, have repeatedly expressed interest in foreign direct investment targeted toward India's infrastructure sector, including in the financial, telecommunications, computer and related services sectors.

India and Canada submitted offers to engage in further services liberalization in the WTO Doha Round. However, there remain a number of limitations and sensitivities to services investment in key sectors of both countries. Negotiators at the WTO from both India and Canada should step up bilateral efforts to open up their respective services markets.

Any negotiation to expand the trade in services between Canada and India should build on current efforts at the WTO and should be fully compatible with the WTO's General Agreement on Trade in Services. In addition, any negotiation should progressively liberalize trade in services while ensuring extensive coverage (both by number of sectors and volume of trade). No mode of supply should be excluded from the negotiation, which should adhere to the principle of non-discrimination. CEO Roundtable participants expressed strong support for progress on the mutual recognition of professional qualifications and on the importance of greater regulatory transparency on services trade.

Indian business leaders at both Roundtables expressed concern about the difficulty of obtaining business visas, as well as other travel facilitation challenges. Applying for a business visa to Canada is a "very painful experience," one said. *Indian business leaders at the second Roundtable recommended that Canada create a fast-track or express program for business visa approvals to conduct business in Canada.*

Canadian Roundtable participants confirmed receiving many complaints from business colleagues regarding their experience with the Canadian visa application system. The system in place today is inhibiting business transactions and as a result sales are being lost.

In this regard, India-Canada CEO Roundtable participants fully endorse the recommendations on visa issues and labour mobility generally in the 2007 report of the Canadian Chamber of Commerce titled *Canada and India: Boosting Economic Ties and Cutting Barriers*.

Business leaders from India also expressed reservations on the residency rules for provincial incorporation of Boards of Directors. Residency rules vary for provincial incorporation. For example, Ontario, Alberta and British Columbia require at least half of the directors to be Canadian while British Columbia further requires that one director be a resident of the province.

This issue deserves attention among provinces with such rules in place and could be raised at the Council of the Federation under the chairmanship of Premier Jean Charest.

INVESTMENT

Business leaders from both India and Canada welcomed the conclusion of negotiations toward a Foreign Investment Protection and Promotion Agreement (FIPA). The agreement provides a solid platform on which to build a closer and more productive partnership and represents an important step on the road to a more comprehensive economic framework

agreement or FTA. *India-Canada CEO Roundtable participants highlighted the need for an even stronger focus on investment as well as the need for a level playing field for bilateral investment.*

Any future FTA should incorporate the India-Canada FIPA into an investment chapter, should strengthen investment promotion, and should respect the principles of national treatment in the rules of establishment, transparency of regulatory frameworks, and the free flow of payments and capital movements.

Important issues to be addressed should include consideration of expedited foreign direct investment in India's retail sector, an accelerated timetable to raise the foreign direct investment limits in India's insurance sector and foreign direct investment in Indian banks.

TRADE FACILITATION, CUSTOMS COOPERATION, MUTUAL RECOGNITION AGREEMENTS, AND TECHNICAL BARRIERS TO TRADE

As indicated previously, both governments should work toward an agreement on transparent and simplified customs procedures. There should be increased cooperation in areas where extensive documentation is required and in the application of discretionary customs valuation criteria to import transactions. Activities that lead to unnecessary bureaucracy, increased costs and time lost for business should be targeted for action.

Canada and India should eliminate or reduce substantially impediments to trade associated with onerous standards, testing, labeling and certification procedures through various mechanisms including possibly mutual recognition agreements (MRAs) and commercial bilateral dialogues. *It was noted at the second India-Canada CEO Roundtable that progress on trade facilitation would be of particular importance to small and medium-sized enterprises in both countries. The private sector should be included in the negotiation of MRAs and in dialogues on trade facilitation matters.*

Trade facilitation measures reinforce security, and promote a better investment climate. They also can result in higher customs revenues and reduced transaction costs. Cooperation in this area therefore has considerable potential to improve supply chains and trade logistics between Canada and India, and result in increased trade flows. India and Canada should adopt the highest possible scope of ambition in this area, including consideration of a customs cooperation chapter in the proposed FTA.

In recognition of the importance of technical cooperation, members of the India-Canada CEO Roundtable agreed that technical barriers to trade and sanitary and phytosanitary standards (SPS) should be addressed in any

possible future bilateral free trade agreement. Greater cooperation in SPS issues is warranted between Canada and India, possibly in the form of a bilateral mechanism to facilitate the exchange of information in this area.

PUBLIC PROCUREMENT AND INFRASTRUCTURE OPPORTUNITIES

India-Canada CEO Roundtable participants expressed support for increases in Canadian involvement in infrastructure projects in India. India's infrastructure requirements have been estimated at greater than US\$450 billion over the next decade, with a particular need for investments in the transportation, power and telecommunications sectors.

Canadian business leaders suggested that the process of engaging in and agreeing to public-private partnerships should be streamlined and adopted as normal practice in India. They also suggested that bureaucratic processes needed to be more formalized and transparent.

In addition to the tremendous potential for ports development in India, the ports of Halifax and St. John are positioning themselves as alternative deep water ports for goods shipments on North America's Atlantic coast.

India's energy sector offers great potential, with an estimated need for more than US\$100 billion in investment to upgrade and build new nuclear power facilities. Canada's private sector has the expertise, technology and capacity to play a leading role in this area. Canada and India are natural partners based on technological compatibilities in this sector. *CEO Roundtable participants agreed that Canadian companies should be allowed greater flexibility to pursue commercial opportunities in the civil nuclear sector (beyond areas such as maintenance, security, and safety). To this end, Canada should actively reengage with India on civil nuclear cooperation in light of the recent agreement between the United States and India.*

There also have been wide-ranging discussions on opportunities in the transportation sector in India. Public-private partnerships in the building and maintenance of secondary airports across India hold great promise for Canadian private sector interests.

CEO Roundtable participants agreed that public procurement represents an important area of economic cooperation between India and Canada. *Rather than engaging in negotiations toward a bilateral public procurement agreement, business leaders recommended the launch of an ongoing dialogue. The dialogue would focus on developing a better appreciation of procurement practices and jurisdictional issues in each country, and on a possible agreement to improve the transparency of government procurement*

procedures commensurate with the WTO Agreement on Government Procurement. The dialogue would help build support in India for eventual accession to the WTO Agreement on Public Procurement.

Reciprocal market access in the area of government procurement would be a long-term objective, as would the privatization and deregulation of power development in India. But Canada should pursue the removal of regulatory barriers to investment in infrastructure projects as a short-term objective.

OTHER AREAS OF COOPERATION

Other areas of cooperation either discussed or agreed to during exchanges between the *Canadian Council of Chief Executives* and the *Confederation of Indian Industry* include:

- Greater cooperation between governments in the field of competition policy with a view towards recognition of shared principles in a comprehensive bilateral agreement.
- Support for closer cooperation in intellectual property rights protection and enforcement.
- Support for renegotiation of the 1996 India-Canada double taxation agreement to ensure that taxation is based on where the work is done and consistent with principles of the Organization of Economic Cooperation and Development. Attention may also need to be paid to withholding-tax issues.
- Support for a bilateral private sector task force on energy security and the environment. India's appetite for power and energy is growing while a shortage of reliable energy sources is hurting growth prospects. Indian business leaders are particularly interested in sustainable energy technology exchanges and environmentally friendly products, while Canadian business leaders have an interest in investing in the power sector in India given high rates of demand for electricity. The task force's mandate should include consideration of the critical global issue of climate change. There clearly is room for greater cooperation within the private sector between India and Canada as well as among our governments in ensuring that environmental initiatives go hand-in-hand with our ongoing efforts to strengthen the bilateral relationship.
- In consultation with the Canadian private sector, both countries should consider the need for a Totalization Agreement to ensure that social security contributions are made either in one country only or as part of a refund-on-return system.

- Support for enhanced tourism flows between India and Canada.
- Strong support for sectoral priorities established by our governments, including in the automotive, aerospace and biotechnology sectors.

RECOMMENDATIONS

It is time to elevate the trade and investment relationship between Canada and India to a new level. India-Canada CEO Roundtable participants recommend the launch of discussions toward a comprehensive economic partnership agreement consistent with the principles outlined in this report.

Such an agreement would deepen economic engagement to the benefit of both countries. Existing agreements and understandings would be reinforced, updated if necessary and folded into the overall partnership agreement. This process would be compatible with WTO rules, which India and Canada consider to be important trade policy principles.

While our bilateral trade and investment remains modest, significant benefits would accrue to both Canada and India if this agreement was substantial and comprehensive, covering a broad range of trade-related areas.

The Prime Ministers of Canada and India should meet at the earliest opportunity to consider the course of action recommended in this paper. India-Canada CEO Roundtable participants pledge to hold additional meetings to prepare for the launch of negotiations.