

TRADEWINDS



CANADA

Economy

Canada's GDP was C\$1.71 trillion at market prices (2011). Real GDP increased by 0.1% in January, after 0.5% increase in December. Manufacturing increased for the fifth consecutive month in January, up 0.7%.

Currency

The Canadian dollar traded close to parity in comparison with the US dollar during January. It closed at 0.99 US\$ on January 31, 2012.

Foreign Trade

Principal 5 export destinations:

US, UK, China, Japan, the Netherlands (India -21st)

Principal 5 import sources:

US, China, Mexico, Japan, Germany (India - 17th)

India's Investment interests

Aerospace, automotive, biotechnology, business services, chemicals, digital media - games, pharmaceuticals, plastics, agri-foods, renewable energy, mining, wireless and the software sectors in Canada are good options for investment by Indian companies.

India-Canada

Canada to enter Indian auto parts market via CEPA: Canada proposes to drive into the Indian auto component market through the Comprehensive Economic Partnership Agreement (CEPA) now being negotiated between the two governments. "We are looking at tariff reductions across sectors but the focus is to get maximum access to the Indian auto component industry where tariffs continue to be high. India, on its part, is looking at services sector as well as labour mobility to Canada under this agreement, which will be mutually beneficial to both the countries as we compliment each other," said Stewart G. Beck, Canada's High Commissioner to India. According to him,

Principal 5 export commodities of Canada (All figures in millions of US\$)

HS Code and Item	Total Export
27 - Mineral Fuels, Mineral Oils, Bituminous Substances and Mineral Waxes	10,811.33
87 - Motor Vehicles, Trailers, Bicycles, Motorcycles and Other Similar Vehicles	4,685.43
84 - Nuclear Reactors, Boilers, Machinery And Mechanical Appliances	2,598.94
71- Pearls, Precious Stones or Metals, Coins and Jewellery	1,952.74
85 - Electrical or Electronic Machinery and Equipment	1,176.67

(Source: Statistics Canada)

Principal 5 import items of Canada (All figures in millions of US\$)

HS Code and Item	Total Import
270900 - Crude Petroleum Oils And Oils Obtained From Bituminous Minerals	2,352.51
870323 - Motor Vehicles - Spark Ignition - Cylinder Capacity 1501-3000 CC	833.64
710812 - Gold In Unwrought Form (Non-Monetary)	688.08
300490 - Medicaments Nes - In Dosage	646.42
870324 - Motor Vehicles - Spark Ignition -Cylinder Capacity More Than 3000 CC	573.26

(Source: Statistics Canada)

Trade of top 5 items between India and Canada

Indian Exports

Item & HS Code
271019 - Petroleum Oils And Oils From Bituminous Minerals, O/T Crude, O/T Light, And Preparations
730820 - Towers and Lattice Masts - Iron Or Steel
300490 - Medicaments Nes - In Dosage
291470 - Halogenated, Sulphonated, Nitrated Or Nitrosated Derivatives Of Ketones And Quinones
710239 - Diamonds - Non-Industrial - Worked - Not Mounted Or Set

(Source: Statistics Canada)

Indian Imports

Item & HS Code
880230 - Airplanes of Unladen Weight (2,001 - 15,000 Kg)
293359 - Heterocyclic Compounds Containing a Pyrimidine Ring or Piperazine Ring, Nes
480100 - Newsprint - In Rolls or Sheets
470200 - Chemical Woodpulp - Dissolving Grades
310420 - Potassium Chloride

(Source: Statistics Canada)

the fourth round of negotiations between the two countries will be held in February in New Delhi and the agreement is likely to be concluded by 2013. The effective import duty on auto components in India, as of now, stands at 7.5% and Canada, which has free trade of components within the North American continent, finds it "very high" by all standards.

Tourism Commission will invest around C\$ 3 million in the Indian market in 2012: Canadian Tourism Commission (CTC) is aggressively tapping the Indian market, said Derek Galpin, Managing Director - China & India, CTC. "There are obviously some challenges affecting some of our traditional markets such as

UK, Europe and the US but for China we are seeing growth of some 24% year on year and in India growth of around 10%," he said. "We would see these trends continuing in 2012 as we invest more funds into these two markets. The economic difficulties in Europe and the US may have an impact on travellers and where they decide to spend their discretionary income. I think it is too early to judge if the weakening Indian currency will impact outbound travel. CTC will be investing around C\$3 million in the Indian market in 2012 with a focus on consumer advertising campaigns inspiring travellers to visit Canada across the four seasons and investing funds with key account travel agent partners in co-op advertising campaigns. ■