



Interview of the Month

“ For 35 US States, Canada is their No. 1 customer ”

.....By : Vipul Jani

Navdeep Bains is Canada's Minister of Innovation, Science and Economic Development. A liberal member of Parliament from Mississauga-Malton, Bains has been an M.P. since 2004 and he is not even 40 yet. He served as Privy Councillor and Parliamentary Secretary to Prime Minister Paul Martin and then as Critic



Navdeep Bains

Minister of Innovation, Science & Economic Development
Govt. of Canada

for Public Works and Government Services, the Treasury Board, International Trade, Natural Resources, Small Business and Tourism. He has also held Director positions with several social and cultural organizations within the non-profit sector.

Back from a recent trip to India where he met ministers in the Narendra Modi Cabinet

as well as Chief Ministers in India, Navdeep sat down with Vipul Jani, the Executive Director for Canada India Foundation for a candid interview. Here are the excerpts :

Tell us about your recent visit to India. You met with Tata, Reliance as well as Chief Ministers and Federal Ministers there. What did u bring back for Canada ?

The objective for this mission was to strengthen the relations between Canada and India and it was a very positive experience. I met Finance Minister Mr. Jaitley, my counterpart Minister Prasad, Minister for Science and Technology Dr. Harsh Vardhan. With Minister Jaitley, we were able to advance discussions around the Canada India Foreign Investment Protection Agreement and possible discussions about free trade. We signed an M.O.U. on Infrastructure with the Chief Minister of Maharashtra.

There is a lot of speculation about Prime Minister Trudeau's visit to India. Can you shed some more light on that ?

No dates have been finalized yet. Natural Resources Minister Carr visited his counterpart in India. I was there with Immigration Minister McCallum. The idea is to continue to build the momentum at the ministerial level, for the visit by Prime Minister Trudeau. Prime minister Modi and Trudeau have very good relationship. They have had many official and unofficial meetings. They are both eager to meet, it's just to get the timing right.

Since becoming a minister, which new initiatives have you taken in your ministry ?

We introduced the mandatory long form census, brought forward a very ambitious budget, committed \$ 2 billion for universities and colleges across the country, allocated \$ 500 million for broadband connectivity and major investments

Continued ...Page 2

CIF announces Health Summit in India

Canada India Foundation (CIF) formally announced it's upcoming bilateral Health Summit in India, at a launch event at Ontario Investment and Trade Centre (OITC) in downtown Toronto on November 29.



The Health Summit will be held in New Delhi on March 30-31, 2017. The launch event was attended by senior executives from Trillium Health Partners Foundation, William Osler, University Health Network, Apollo Hospitals (India) as well as Ontario Minister for Seniors Dipika Damerla, MPP Amrit Mangat and Akhil Tyagi from Ontario's Ministry of International Trade and several other prominent business leaders.

Key objectives of this Health Summit are :

To promote Canada as a preferred investment destination for both strategic investments as well as state-of-the-art technologies in the healthcare sector; Promote partnerships between healthcare companies in both countries in a mutual synergistic manner; Identify opportunities for education and research collaboration; Share best practices in developing and managing a sustainable healthcare ecosystem resulting in cost-efficient, socially relevant quality care and creation of knowledge jobs and Develop Policy recommendations to be presented to governments in Canada and India.



Session Topics will be chosen from :

- Pharmaceuticals • Healthcare Institutions • Major healthcare issues for people of South Asian origin • Rural and Remote Healthcare • Healthcare for the Disabled • Holistic Healthcare • Rehabilitation • Innovations in Healthcare • Investment in Healthcare • Big Data in Healthcare, while Expected Speakers and Attendees will include :

CEOs and Senior Executives of Healthcare institutions (hospitals, pharma companies, medical device manufacturers etc.); healthcare practitioners at grassroots level as well as at institutional level; Investment institutions, healthcare innovators; specialists in addressing South Asian health issues; healthcare policy experts; researchers in healthcare demographics; Rural community representatives; decision makers and healthcare policy experts in governments.

CIF Lecture : CG Israel to be the next Speaker



The second lecture in the Canada India Foundation Speaker Series will take place on December 13, 2016 in Mississauga. The Consul General of Israel, Ms. Galit Baram will be the next speaker sharing her views on a wide range of issues, including India-Israel relations, Canada-Israel relations and more.

This free, 2 hours event with the lecture, followed by audience Q & A, is by invitation only. To attend, send us an e-mail at : vipul@canadaindiafoundation.com

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- Editor

Narendra Modi's Cash Ban to Usher in a New Digital Economy for India

Hailed by many as a ‘masterstroke’, Prime Minister Narendra Modi’s surprise announcement to ban 500 and 1,000-rupee notes is expected to lay the foundation for a new digital economy in a country where 98 percent of all consumer payments are still made in cash.¹

One week after the landmark demonetization move, over US \$ 30 billion had reportedly been deposited in banks across the nation, as millions of Indians began to see the long-term merits of taking two of the most popular currency denominations out of circulation.²

Greater Tax Compliance Equals More Spending on Infrastructure

The government also acted in order to curb activity in India’s ‘underground’ market, where money laundering and tax evasion are common. As a result of this move, India will see a vast portion of its economy formalized and with that, heightened transparency and tax compliance. An increase in the tax base to the estimated tune of around US \$ 45 billion would see a substantial uptick in infrastructure investment, which is a key sector for unlocking additional growth in what is already one of the fastest-expanding economies in the world.²

Transition to Digital Economy a Major Boost for Tech and E-Commerce

The move towards digitalizing its economy is by and large a positive development for India.

While a short-term crunch is still underway, Indians only have until December 30th of this year to deposit the now illegal notes, an encouraging longer-term trend is already beginning to take root. Street-side vendors are stepping up their acceptance of digital payments. Paytm, India’s largest digital wallet start up, is one of the immediate benefactors, with the

founder praising the move and declaring the present time, “a golden age to be a tech entrepreneur in India.”

According to a company statement, Paytm saw a 1,000 percent surge in money added to its platform right after the announcement, indicating that Indians are indeed on board with going digital.¹

With cash to GDP levels in India at a much higher level compared to many of its peers, shifting to a digital society will be a major boost for the fintech and e-commerce sectors, both of which are still in their early stages of development.

Another Win for the Narendra Modi Administration

A shift in household saving habits is also anticipated, whereby Indians will store less of their wealth in physical assets, such as gold and jewellery, and more in financial assets, as they grow more confident in the country’s financial ecosystem. Foreign investors will view India in a similar light, ramping up their interest and investment in ‘new wave’ sectors. These advances are largely pro-growth.

Following the launch of a financial inclusion initiative, which has seen over 200 million bank accounts opened in the past two years, the Narendra Modi administration continues to show its commitment to implementing ground-breaking reforms in India. In that respect, the long-term significance of this latest move cannot be understated.³

¹ Bloomberg Technology, Modi’s ‘Masterstroke’ Cash Ban to Boost India Digital Push, November 9, 2016.

² Quartz, One week of demonetisation in India: the good, the bad, and the ugly, November 14, 2016.

³ Government of India, Pradhan Mantri Jan Dhan Yojana data, accessed on November 15, 2016.

Article compiled by :



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CIF meets NDP

Canada India Foundation leadership team met with Andrea Horwath, leader of the provincial NDP at Queen’s Park on Friday, November 18. Various issues were discussed, including those affecting the Indo Canadian Community. The meeting served as an ice breaker and both Canada India Foundation (CIF) as well as NDP leader Horwath agreed to meet again soon.



Interview of the Month....cont. from page 1

around Infrastructure (\$ 180 billion) So, I have been promoting Innovation agenda with the Industry and with academic institutions.

With Donald Trump’s victory and his views on NAFTA, TPP and preventing US companies from going abroad, how do you see Canada-US relations going forward ?

Well, it’s still early stages. He is still assembling his team and we look forward to working with him. We still have a very good relationship with President Obama and have been working with Mike Froman on a lot of trade related issues. NAFTA is very important to Canada, but it is also very important for the US. 9 million US jobs are directly impacted by the Canadian economy. For 35 US states, Canada is their No. 1 customer. So, it’s a two-way relationship. I am confident they will see the benefits of free trade with Canada and benefits of an integrated economy.

Canadians are divided on the Syrian refugees. At a time when many Canadians are struggling amid a slow economy, can we really afford it at this time ?

Absolutely. We are a G-7 country, one of the wealthiest countries in the world with a \$ 2 trillion economy. 30,000 refugees are not going to have a profound impact on our economy. Our debt is 30 % to the GDP, strongest among all G-7 countries. There is a cost to it, but it also sends a signal that Canada is open for people, for trade and for businesses. We are a country of 35 million people and globalization is important for us.

We need to show that we are an open country if

we have to succeed. Diversity is our strength. While there is a humanitarian and compassionate side to it, there are tremendous positive benefits on the economic side as well.

What is the status for Canada-India Free Trade Agreement ? Why is it moving so slowly ?

Yes, there is a lot of interest. Canadian Pensions have already invested \$ 12 to 13 billion in India, bi-lateral trade is at \$ 8 billion. So, imagine the potential if we have a free trade agreement with India. We are also committed to FIPA. We need to remind India and the world that when you do business with Canada, you have access to the US because of NAFTA. You have access to Europe now because of CETA.

Ontario has now banned political fundraisers. Do you think something similar can be done federally ?

We have strict rules federally. No corporations are allowed to donate, no unions can donate and there is a limit of \$ 1500 per person. All these amounts are disclosed online and are subject to Canada Elections Review or to a public disclosure. We have been following the law.

Anything else you would like to add ?

It’s been a year since we have been in office and we have worked very closely with industry to create 139,600 jobs. We have been very focused in making major investments in infrastructure, provided a very generous Canada Child Benefit and we are very clear that as a country we are going to be open to people, ideas and trade, so we can continue to see growth long term.

CIF launches Speaker Series with CAPP



Canada India Foundation launched the much awaited Speaker Series on November 16. The first speaker was Mr. Tim McMillan, President and CEO for Canadian Association of Petroleum Producers (CAPP). The event, held at Hilton Garden Inn Toronto Airport Hotel was a great success as Tim made a beautiful presentation and the audience also responded with very specific questions regarding Oil and Natural Gas Industry in Canada. CIF would like to thank everyone for attending and making the launch of our speaker series a memorable one.

Photos Courtesy : Y Media

Business Snippets (India)

- A multi-layered tax structure has been finalized by GST Council. As a result, tax on most consumer goods will come down from over 30 % to 28 % and even to 18 % in the case of certain categories including soaps, oils and some white goods. A committee of secretaries will decide on each item and it's applicable tax bracket. (The Economic Times)
- The Centre's fiscal deficit ballooned to 83.9 % of the Budget Estimates (BE) in H1FY17, the highest in the first six months of a financial year since FY99, on account of elevated capital spending and higher salaries outflow. On revenue side, lower realizations from disinvestment and other streams hurt the exchequer. (Business Standard)
- To surpass the target of 23,000 circuit kilometer (CKM) during FY17, the Union (Federal) Power Ministry has expedited work on the long term "20 year



Perspective Plan" for power transmission. Along with states that would offer transmission projects, the centre is looking to unleash investment opportunity of nearly \$ 15 bn for the sector. Private investment in power transmission is still tepid due to the slow pace of project approval and award. (Business Standard)

- Leading Indian drug makers (generics) have raised serious concerns over a Commerce Ministry proposal

to extend the validity period of an approved "new drug" from four years to ten years. Backed by the Department of Industrial Policy and Promotion, an arm of the Commerce Ministry, the proposal is likely to be discussed at a meeting of the Drug Technical Advisory Board, a high level consultative body in the health ministry. (The Economic Times)

- The Boards of Dalmia Bharat and OCL India have decided to merge the two entities, a move that will create the fourth largest cement maker in the country with an installed capacity of 25 million tonnes per annum and annual revenues of about \$ 1.5 bn. (The Economic Times)
- Amid ongoing boardroom battle at Tata Group, Finance Ministry has asked financial institutions, including Life Insurance Corporation of India and banks, to keep a watch on Tata Group developments



to safeguard the interest of investors. LIC alone has an exposure of about \$ 5.5 bn to different Tata Group companies. (Business Standard)

- The private equity firm L Capital which is backed by LVMH Group, a global luxury conglomerate, has sold its 16 % stake in FabIndia International Pte Ltd to Hasham Investment and Trading Co. Pvt Ltd and two other individuals. Hasham Investment and

Trading is a subsidiary of Premjiinvest, the private investment firm owned by Azim Premji. It is believed that the sale is valued at \$ 110 mn, but no details are available about individual investments made by the two unnamed investors and Hasham Investment and Trading.

- Software-as-a-service (SaaS) provider Zarget has gathered around \$ 6 mn in its Series-A round of funding. The funding round was led by venture capital firm Sequoia Capital India, along with existing investors Accel Partners and Matrix Partners who also took part in this investment, The Chennai based company Zarget is an inclusive platform that can turn a business into an effective digital marketer. Besides, it can also improve the performance of the websites instantly without deploying costly IT personnel or learning to code.

- Caisse de Depot et Placement du Quebec (CDPQ) has announced an investment of \$ 155 mn to become a minority stakeholder in TVS Logistics Services Ltd. CDPQ is Canada's second largest pension fund. The fund invests in private equity, infrastructure, real estate and leading financial markets across the world. At the same time, the existing investors KKR and Co LP and Goldman Sachs Group Inc. will be exiting TVS Logistics. Most of their shares will be purchased by CDPQ while the remaining will be purchased by TVS management and TVS family members.



Caisse de dépôt et placement
du Québec

(Business Snippets are provided by Panvest Capital Corporation, a Canadian Investment firm with superior knowledge, network and execution capability covering 2 way investment flows in the Canada-India Corridor. For more info: www.Panvest.ca)

From the Premier's Office...

As the second-most populous country in the world and a large and rapidly growing domestic market, India is fast becoming a major global economic player.

Ontario has a strong partnership with India. As home to the largest Indo-Canadian community in Canada, with almost 700,000 members, Ontario is poised to strengthen its economic and cultural relationship with India even further.

Earlier this year, Premier Kathleen Wynne led a mission to India to create more opportunities for trade and investment and to promote Ontario's expertise in sustainable development. The mission was a success, with 65 new agreements valued at over \$240 million signed.

The Premier's mission also laid the groundwork for Ontario's first-ever agri-food trade mission, led by Jeff Leal, Minister of Agriculture, Food and Rural Affairs and Michael Chan, Minister of International Trade. The ministers arrived in India on November 14, 2016 for the mission, which will attract new investment and continue to grow Ontario's agri-food sector globally.

Two-way goods trade between Ontario and India totalled \$2.4 billion in 2015. The grocery food market in India is worth more than \$332 billion, with projections that it will become the fourth-largest such market in the world by the year 2020.

During their mission, Ministers Leal and Chan, along with 19 delegates from Ontario agri-food businesses, met with Indian business leaders in New Delhi, Mumbai and Chandigarh to showcase Ontario's cutting-edge agri-technology and products and identify new opportunities for greater agri-food trade and exports.

This mission will also help Ontario meet the Premier's Agri-Food Growth Challenge by promoting increased trade and investment in the province's agri-food sector. At her 2013 Agri-Food Summit, the Premier challenged the agri-food industry to double its annual growth rate and create 120,000 jobs by the year 2020. Since launching the Challenge, the industry has added more than \$1.3 billion in GDP and over 30,000 jobs.



Oil and Gas Sector



Honourable Jim Carr
Canada's Minister of Natural Resources

Canada's Minister of Natural Resources, the Honourable Jim Carr, and Canada's Minister of Transport, the Honourable Marc Garneau, announced several important decisions on November 29 that will have a major impact on one of Canada's largest employers, the Oil and Gas Industry. These include :



TRANSMOUNTAIN

\$6.8-billion project will create 15,000 new jobs during construction by twinning the existing Trans Mountain pipeline system between Edmonton, Alberta, and Burnaby, British Columbia. It will also provide access to global markets and generate significant direct economic benefits, including \$4.5 billion in federal and provincial government revenues.



Northern Gateway Pipelines Project application. The Government has determined that the project is not in the public interest, given that it would result in crude oil tankers transiting through the sensitive ecosystem of the Douglas Channel, which is part of the Great Bear Rainforest.

- Trans Mountain Expansion Project: the Government has approved Kinder Morgan's Trans Mountain Expansion Project, subject to 157 binding conditions that will address potential Indigenous, socio-economic and environmental impacts, including project engineering, safety and emergency preparedness. This
- Northern Gateway Pipelines Project: the Government has directed the National Energy Board (NEB) to dismiss Enbridge's

Member Profile



Bhim Asdhir

Bhim is the Founder, President and CEO of Excel Funds Management Inc. in 1996, he founded Excel Funds Management in Mississauga (Ontario). 2 years later, in 1998, he launched Excel India Fund and in 2000, launched Excel China Fund. In 2007, he established Excel Emerging Europe Fund, followed by Excel Latin America Fund (2008) and Excel Emerging Markets Fund in 2010. Today, his firm manages over 12 mutual funds and his Excel India Fund is the largest and longest running India-focused mutual fund in Canada. His company, Excel Funds is the only dedicated emerging markets mutual fund company in Canada And Bhim himself is known as a leading authority for emerging markets.

Nothing happened overnight though. Coming to Canada from New Delhi as a teenager, Bhim has worked his way to the top with sheer hard work, dedication and above all, his vision, ability to think long term and capacity to take calculated risks. He graduated from the University of Waterloo in 1987 with a double degree in Actuarial Science and Computer Science, and was the recipient of the prestigious Descartes Award in Mathematics. He also studied Investment Strategies and Portfolio Management at the Wharton School of Business. His professional career began in 1987 with a Toronto based actuarial consulting firm where he spent 10 years in the establishment and management of insurance companies.

A recipient of the Indo Canada Chamber of Commerce Male Entrepreneur of the Year Award in 2007 and a three time winner of the Lipper Award, Bhim is recognized as an expert in emerging markets and has featured in prominent Canadian Publications, such as the Globe and Mail, National Post, Toronto Star and Investment Executive. He is also a regular on Radio and Television, including BNN, CNBC, CTV and 680 News. His company, Excel Funds Management was recognized as one of Canada's top small and medium employers in 2015.

Bhim firmly believes that all the emerging markets are in a long term bull cycle and over the next few decades, they will outperform the developed markets. He works with the best portfolio managers and sub-advisers such as Birla Sun Life, China AMC, Itau Asset Management, and Amundi Asset Management.

A long time member and supporter of Canada India Foundation (CIF), Bhim excels at whatever he does. When he says for India the best is yet to come, the same applies to him as well.

To know more about Bhim or Excel Funds, please visit: www.excelfunds.com

US Vice President to visit Canada on Dec. 8

Joe Biden, Vice President of the United States of America, will undertake an official visit to Canada on December 8 and 9, 2016. During his visit, Vice President Biden will attend an official dinner in his honour and meet with Prime Minister Trudeau.



"I look forward to meeting with Vice President Biden and discussing the strength of our two countries' relationship. Canada has no closer friend, partner, and ally than the U.S., and our relationship with our neighbour to the south is critical to citizens on both sides of the border." Said Rt. Hon. Justin Trudeau, Prime Minister of Canada.

The U.S. is Canada's largest trading partner, and Canada is the most important foreign market for 35 U.S. states. Canada and the U.S. exchange approximately \$ 2.4 billion in goods and services every day. With Trump administration taking over on January 20, this will be the last official visit for the outgoing Obama Administration and Vice President Biden to Canada. (with inputs from www.pm.gc.ca)



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Canada India Foundation and
the work we do.
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