



**Report of the Canadian Parliamentary Delegation respecting
its participation to the Bilateral Visit to India**

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

**Delhi, Mumbai and Ahmedabad India
September 10 to 18, 2016**

Report

A delegation of the Canadian Branch of the Commonwealth Parliamentary Association visited India from September 10 – 18, 2016. Ms. Yasmin Ratansi, M.P., Chair of the Canadian Branch of the Commonwealth Parliamentary Association led the delegation composed of the Hon. Joan Fraser, Senator, Hon. Salma Ataullahjan, Senator, Ramesh Sangha, M.P., and Irene Mathyssen, M.P. The delegation was assisted by Elizabeth Kingston, Association Secretary of the Canadian Branch of the CPA.

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 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. 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 the 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. Above all, it is a country of much juxtaposition, one of tremendous economic growth while at the same time being home to more malnourished people than any other country on earth.

India and Canada bring a unique perspective to the work of the Commonwealth Parliamentary Association, with both countries sharing a heritage of being multicultural, multilingual and multi-faith democracies, standing as a testament to the fact that countries prosper not in spite of their diversity but because of it. Canada is home to a vibrant diaspora of over one million people of Indian origin, representing 3% of the overall population. Many Indo-Canadians hold key positions in the public and private sectors. Moreover, in 2015, over 35,000 Indian students attended Canadian universities, making India Canada's second largest source of foreign students.

India is currently Canada's second largest trading partner in South Asia. In 2015, two-way trade between Canada and India totaled 8.2\$ billion. Canada remains committed to concluding an ambitious trade agreement with India. The economic partnership between the two countries is growing, along with the diplomatic relationship. India is growing at a rate greater than most countries, specifically at 7% GDP, with 2% of profits aimed at CSR – Corporate Social Responsibility ventures. The delegation was advised by the Minister of International Trade that it was difficult to do trade deals with India, due to its unique state vs federal government. The delegation therefore focused on easing the way for other Ministers to come and further the negotiations.

The potential for Canadian trade and investment is enormous, with India expected to be the third largest superpower after China. India is expected to reach its maximum population potential by 2035 and has already proven itself as a primary supplier of information technology services, while working to develop its manufacturing base.

Meetings in Delhi:

Meeting with Preeti Saran – Secretary (East), Ministry of Foreign Affairs

Prior to taking up the role as Secretary (East), Ministry of Foreign Affairs, Preeti Saran was the Consul General of India in Toronto, Ontario. Ms. Saran confirmed the commitment on the part of India to cement further the already strong relationship with Canada, citing the favourable opportunity for Canadians to invest in India and a greater need to develop an enhanced awareness of such opportunities. India is growing at a rate greater than most countries, and is open to all measures of partnerships, whether it is in the areas of business, education, culture or natural resources.

In the area of relations with its neighbours, Ms. Saran expressed that the biggest problem for India is cross-border terrorism. She suggested that Pakistan is not doing enough to fight such terrorism; she asserted that it should halt the training and financing of such activities; In her opinion terrorism was being used as an instrument of state policy. Until such action ceases, there would be no means to negotiate with Pakistan. Her assertions did not sit well with the delegation, many of whom sit on the Foreign Affairs Committee and are well versed in geo-politics. As well her hard line stance was contrary to the stance of the Prime Minister who is trying to facilitate peace.

In response to the negative publicity received of Delhi due to the horrendous rapes, India was described as a country that lives in several centuries all at the same time, that rape is a problem, but not only in India. This was not appreciated by the delegation as statistics indicated that Delhi was regarded as an unsafe place for women, with 6 rapes per day. Ms. Saran stated that women do occupy many significant roles in Indian society, especially in business and politics. If you perform, you will succeed, she suggested. However, it was noted that mostly women from the upper caste and privileged class are able to secure better positions. The need for enhanced education opportunities and women's empowerment through civil society organizations and greater economic engagement was suggested as a means to improve this chronic injustice.

Meeting with Representatives of Canadian Companies in India:

The delegation had the opportunity to meet with a strong array of Canadian companies working in the Indian marketplace, including Bombardier, Datawind, Bell Helicopter, Maple Leaf, McCain Food, Magna, Edu Connect, the Indo-Canadian Business Chamber (ICBC) and LEA Associates. India is one of the world's fastest growing economies, dominated by services at 53%, industry at 31% and agriculture at 15%. The savings and investment rate on the part of its citizens is 32.5%. Tax evasion is the biggest economic issue facing India with the formal economy amounting to only 10% and the informal economy amounting to 90% of any generated income. Prime Minister Modi has been looking to correct this huge imbalance through the harmonization of indirect taxes through GST, (Goods and Services Tax) with the aim of increasing the tax base while improving compliance. A constitutional amendment is required to impose the GST, with Councils set up not only federally but throughout all 29 states, to be in place by April 2017 for such consent to be ratified. This poses a significant challenge.

It was noted that countries such as Japan are undercutting finances to encourage business in India. Canada does not however, offer the same incentive, thereby putting Canadian companies seeking to do business in India at a disadvantage. From an educational perspective, with provinces in Canada responsible for education, it poses a challenge for India as a full Canadian brand for educational opportunities does not exist. The Indo-Canadian Business Chamber (ICBC) has been working to build better jobs, businesses and relationships between Canada and India with a view to exchange best practices and develop a strong element of trust, which is essential for enhanced growth and opportunity in the marketplace. There was a suggestion that CIDA Inc. should be restored, as it would provide for a good branding presence for enhancing business opportunities in India.

Meeting with International Development Research Centre (IDRC) Representatives:

The delegation had the opportunity to meet with a number of researchers specializing in the areas of climate change, food security, agriculture and the environment. The discussion initially focussed on the challenges faced in India to make farming more attractive and economically viable. Thousands of young men are presently leaving the land to join the urban poor, where they take on jobs as security guards, cleaners or cooks. The challenge lies in the ability to create a greater degree of efficiency both economically as well as from a standards perspective, to initiate modern farming techniques and to realize a greater efficiency in farming as a profession, thereby making farming a more attractive lifestyle.

Canada is the largest importer of lentils into the Indian marketplace. However, it is at times accused of monopolizing the market, and engaging in price gouging. IDRC therefore, is working to enhance the production of climate smart crops such as chick peas, lentils and millet. In the area of climate change, the issue of how India can become a low carbon economy was also raised. Moreover, clean tech, proper sanitation and desperately needed infrastructure improvements are all challenges of significant proportion in the country.

Discussion also concerned the need for greater economic opportunities for women in India. There exists a lack of gender equality and son preference in Indian society, leading to sex-selection abortions and the denial of equal access to nutrition and health care for girls and women. IDRC has been working to redress the preferences for sons through measures that increase the economic worth of women, such as improved employment opportunities, education and family planning initiatives. India accounts for 15% of the world's women yet gender inequality remains one of the most persistent disparities in India, with women more likely to suffer from malnutrition, lack of education, violence and fewer economic empowerment opportunities.

Meeting with the Confederation of Indian Industry:

The Confederation of Indian Industry, founded in 1895, has a membership of over 8000 companies in the Indian marketplace, representing all sectors of the economy.

Its Chief Economist, Bidisha Ganguly affirmed that India is the fastest growing economy in the world with a GDP of 7.5%, now surpassing that of China and dominated largely by the service industry. Services take up 53%, industry 31% and agriculture 15%. In addition, savings and investment rates are high at 32.4%.

The median age of the Indian population is 29 and 10 to 12 million people enter the workforce each year. The need for continued job creation measures is of the utmost importance to sustain a thriving economy.

Prime Minister Modi is looking to introduce a harmonization of direct taxes through the implementation of a Goods and Services Tax (GST). Such a measure would look to increase the tax base while improving compliance. Tax evasion and corruption are problems of extreme importance, with only 3% of the population paying income tax. Moreover, the Prime Minister is looking to adopt a mobile payment and electronic banking system through the use of cell phones, leading to a de-emphasis on the cash economy, upon which the country's corruption is largely based. These are ambitious targets for such a starkly economically varied population.

Meetings in Mumbai:

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.

While in Mumbai, the delegation had the opportunity to meet with representatives from the Canadian banking and investment industry in India. Those whom the delegation met included representatives from Brookfield Asset Management, Sun Life Financial, Toronto-Dominion Bank, and Scotiabank.

Companies such as Brookfield invest in projects related to infrastructure investment, especially in the areas of power and roads, with railways also offering potential opportunities. Whatever the project or business opportunity, all stated that the liberalization of the current market under the leadership of Prime Minister Modi have

increased investment opportunities significantly. They stated that diversity is the key as well as a slow and measured approach.

Visit to the Mumbai Stock Exchange:

The delegation had the opportunity to ring the opening bell for trading on September 15, 2016. The Mumbai Stock Exchange is Asia's first Stock Exchange, established in 1875. It is also the world's fastest, with a median trade speed of 6 microseconds. Stocks trading on the Mumbai Exchange account for approximately 4% of the Indian economy.

Meeting with Tata Group Representatives:

The delegation met with representatives of the multi-sector Tata Group of companies. As an Indian multinational conglomerate holding company, Tata divides itself into seven defined sectors, namely materials, energy, engineering, consumer products, information technology, communications, and chemicals. In Canada, it employs over 3000 individuals, with offices in Montreal, Calgary and Toronto. It is India's largest conglomerate, with revenues of over \$16.5 billion, spread over 45 countries. Each Tata company operates independently with its own board of directors and shareholders.

It was expressed that it is very difficult to get good quality talent especially in the engineering and technology fields. In short, education needs to catch up with the growing market demands.

Tata operates on the firm premise of corporate social responsibility (CSR), where development needs to be matched with social justice and environmental protection. All of the companies are involved in a wide variety of community development and environment preservation projects. When established 145 years ago, its mandate was: "that which comes from the people goes back many times over". To this day, 60% of its dividend goes back to philanthropic activities. For Tata, CSR and society is an integral part of the business model, and the key to its very existence.

The delegation was made aware of several CSR projects within the Tata Group, including the provision of standard maternity benefits of 7 months, paid childcare, and allowance for women to work from home, and access to nurseries and schools.

Meeting with Aamir Khan:

The delegation had the unique opportunity to meet with Aamir Khan, an Indian film actor, director and producer. He is considered one of the most popular and influential actors of Indian cinema. Mr. Khan, a Muslim, is also widely known as speaking out for certain social causes, and in doing so has sparked some measure of controversy in India. He has spoken out on issues of sex selection abortions, domestic violence including violence against women, environmental issues, mental health and drug and alcohol abuse. While the generalized sentiment may be that all is well, in reality it is not.

Mr. Khan stated that it is difficult to generalize when it comes to describing India. It is a highly complex society and like Europe, every state is unique. He spoke of the marginalization of the minority populations especially the Dalits, who make up 15% of the population. They have been discriminated against for over 500 years, and live

generally in deplorable conditions. What is needed is an approach of love and tolerance, but lack of equality among its people is too engrained in Indian society. India has done what it can to legally correct this lack of tolerance amongst its people by enshrining in its Constitution equality amongst all Indian peoples. It is society that needs to change.

Mr. Khan also expressed the periodic anti-Muslim sentiment in India, brought upon by the rising right wing as witnessed in other parts of the world. Such a debate of intolerance is largely politically motivated.

Rape of women was discussed, and the delegation was informed that over 90% of rape cases go unreported. Those who dare to complain are harassed, and the authorities look upon such cases as a means to make money. Evidence is often collected in a shoddy manner leading to little or no justice in the courtroom. Such cases have been known to last up to 20 years, resulting in lack of conviction for the men involved.

Moreover, girls are offered no support from the police, society or the health system. In essence, the system fails you totally as a woman. The rapist has immense power.

Meetings in Ahmedabad:

The delegation met with the Additional Chief Secretary, Industries and Mines, Mr. P.K. Taneja, of Gujarat. Gujarat is the home state of Prime Minister Modi and has been proactive in creating a strong economic climate for trade and investment.

The capital of the state of Gujarat, Ahmedabad is the location of the Vibrant Gujarat Business Summit, in 2017. The theme is as such:

Gujarat shall enter into an exciting era of accelerated economic growth and cohesive social development creating benchmarks for the rest of the country.

The Summit brings together business leaders, investors, corporations, academia, senior policy makers and government leaders from around the world in order to understand and explore business opportunities in the State of Gujarat, and to further the cause of development and promote cooperation. Prime Minister Modi has been credited for being responsible for the strong economic growth experienced by Gujarat; with the Summit becoming the country's most important.

Canadian investment in the state of Gujarat is sound, with a major McCain Foods production plant, which the delegation had the opportunity to visit. Bombardier and Magna also have a strong presence in the State.

It is important to note that Mahatma Gandhi is from Gujarat and those in the state believe that his teachings of tolerance and religious pluralism have been a testament to the State's success in its ability to embrace a world perspective, to work for each other and to be committed to a peaceful and vibrant democracy.

Meeting with Dr. Ajay Chauhan, Quality Rights Gujarat Hospital for Mental Health:

The delegation visited the mental health facility, which is one of 9 that has implemented the Quality Rights Project to improve mental health services while respecting the human rights of the patients. Established in 2014, the project is implemented by the ministry of Health and Family Welfare of Gujarat and the Centre for mental health Law and Policy

at the Indian Law Society with support from the World Health organization (WHO) and partners. The project is funded by Grand Challenges Canada, a Canadian government –funded non-government organization. The model is viewed as a pioneer to mental health reforms in India.

The Project is changing the attitudes of health workers and those patients being treated for mental illness, by respecting the rights and dignity of all those being treated. The ultimate goal for recovery is reintegration into the community, by applying a human rights approach at the facilities. These facilities make provision for open wards, where patients can stay with their families. They offer a recovery oriented approach, by teaching effective communication skills, offering alternatives to seclusion and restraint. Through the method of peer support groups, they work to get people over the sense of isolation that comes with people with mental illness.

It was noted that suicide is the number one killer in India of those aged 15 – 29, with 250,000 occurring every year. While in the west, the range of suicide is 1 woman for every 4 men, in India the ratio is one to one. However, mental disorders are one of the most prominent and treatable causes of suicide. Moreover, one in five people in India live with a mental illness, yet only 1% of the country's overall health budget is devoted to mental health.

Visit to McCain Foods:

The delegation had the opportunity to visit the plant in Gujarat, outside of Ahmedabad. Since 1998, McCain Foods has had a significant presence in India, and is now the sole supplier of potatoes to McDonald's restaurants in all of India. In Gujarat the plant opened in 2005 and it has been dealing directly with more than 1500 farmers in the region, providing extensive training in growing, cultivation and crop management. Gujarat offers an optimal climate for growing potatoes, with the growing season stretching from 120 – 150 days of the year and 14 – 16 hours of daylight each day. The company has its own research farms dedicated to refining the practice of agriculture and sharing new techniques and practices with farmers.

In closing, the delegation would also like to express its appreciation to the High Commissioner Nadir Patel, the Deputy High Commissioner, Jess Dutton and dedicated staff at the Canadian High Commission in New Delhi. We also express our thanks to the Consulate in Mumbai headed by Jordan Reeves, for the 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, shifting from a services-based economy to the substantial broadening of its manufacturing base.

Respectfully submitted,

Yasmin Ratansi, 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	Delhi, Mumbai and Ahmedabad India
DATES	September 10 -18, 2016
DELEGATION	
SENATE	Hon. Joan Fraser, Senator Hon. Salma Ataullahjan, Senator
HOUSE OF COMMONS	Ms. Irene Mathyssen, M.P. Ms. Yasmin Ratansi, M.P. Mr. Ramesh Sangha, M.P.
STAFF	Ms. Elizabeth Kingston, Association Secretary
TRANSPORTATION	\$41,350.02
ACCOMMODATION	\$8,084.89
HOSPITALITY	\$8,769.71
PER DIEMS	\$4,839.68
OFFICIAL GIFTS	\$562.05
MISCELLANEOUS/REGISTRATION FEES	\$1,619.22
TOTAL	\$65,225.57