



Business Opportunities in Canada

Consulate General of India, Toronto, Canada

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INDEX

Contents	Page
Canadian Economy	2
India- Canada	4
Corporate News	8
Forthcoming Events In Canada	10
Business Offers For Indian Companies	10

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Canada's economy rebounds in November on factory gains

Canada's economy bounced back in November, recovering from the slump in October, as a brisk month for manufacturing, resource extraction and construction outweighed a slowdown in the real estate business. Statistics Canada said real gross domestic product rose 0.4 per cent in November from October, more than making up for October's revised 0.2-per-cent drop. The October figure was originally reported as a 0.3-per-cent decline. Goods-producing sectors grew 0.9 per cent in the month, while services rose 0.2 per cent. Several key goods sectors showed strong rebounds after a disappointing October. Manufacturing jumped 1.4 per cent, rebounding from a 1.7-per-cent slump in October. Mining and oil and gas extraction also rose 1.4 per cent, after slipping 0.5 per cent in October. Construction rose 1.1 per cent, reversing a 0.6-per-cent drop the previous month. But real estate services dropped 0.2 per cent, their first month-over-month decline in two years. The government statistical agency attributed the decline to new government mortgage-lending rules designed to tap the brakes on the housing market, which went into effect in mid-October. It said real estate agent and broker activities slumped 6.2 per cent month over month. The utilities sector also slumped 3 per cent month over month, reflecting a decline in demand due to unseasonably warm weather in western Canada. Source: Globe and Mail

Retail Sales, CPI data bring back Canadian Economic doldrums as inflation misses forecasts

Retail sales and inflation data came in weaker than expected, a reminder that Canada's recovery still has a long way to go. The consumer price index advanced 1.5 per cent in December from a year earlier, and retail sales rose 0.2 per cent, Statistics Canada reported from Ottawa, both missing forecasts in a Bloomberg survey of economists. Three new measures of core inflation remained at or below 2 per cent. The fact core inflation didn't move even lower "should be some relief" to the central bank, Benjamin Reitzes, senior economist at BMO Capital Markets, said by phone from Toronto. Prices aren't about to surge, he said. The so-called common measure of core inflation advanced 1.4 per cent — up from the November pace of 1.3 per cent, which was the slowest since 1996. Food prices fell 1.3 per cent in December, with the third straight decline marking the most significant drop since the early 1990s, Statistics Canada said. Gasoline prices rose 5.5 per cent, swinging from a 1.7 per cent November decline. The retail sales figures showed consumers still opening their wallets for the big-ticket items linked to the nation's housing boom and the era of low interest rates. Motor vehicle and parts dealer sales rose 0.8 per cent, the third straight increase, led by new car dealers. Sales at building material and garden supply stores rose 2.9 per cent, the most since the start of last year. The gains aren't as good outside housing. Sales rose in five of 11 major categories marking 45 per cent of the industry total. Source: Financial post

IMF expects Canada's economy to expand by 1.9% this year

The International Monetary Fund is projecting strengthening world growth in 2017 and has upgraded its estimates of Canada's economic potential. However the Washington-based agency says any moves by the incoming Donald Trump administration to restrict trade could dampen the improving outlook. In its report released Monday, the IMF says it estimates the Canadian economy will grow by 1.9 per cent in 2017 and 2.0 per cent in 2018. That compares with its previous estimate of 1.9 per cent growth in both years.

Canada is expected to have the second-fastest growth among the G7, ahead of the four European members and Japan. The U.S. is also expected to power ahead with its economy expanding by 2.3 per cent this year and 2.5 per cent next year, helped in part by government spending. IMF research department director Mr. Maurice Obstfeld stated that Markets have noted that the White House and Congress are in the hands of the same party for the first time in six years, and that change points to lower tax rates and possibly higher infrastructure and defence spending. He predicts a swifter pace of interest-rate increases by the U.S. Federal Reserve as a result of this increased pace of U.S. growth. Emerging market and low-income economies that did poorly in the first half of 2016 because of low commodity prices are also showing signs of recovery and will improve in 2017, the IMF said. Global growth will rise to a rate of 3.4 per cent in 2017 and 3.6 per cent in 2018, from a 2016 rate of 3.1 per cent, it predicted. However, there is potential instability from sharp exchange movements, primarily from the strong U.S. dollar, and from what the IMF called "protectionist pressures." There is also danger in Europe and emerging economies from "inadequate progress on reforms to bank balance sheets," it said. Source: CBC News

Economy ends year with a bang; jobs, trade blow past forecasts

Canada's economy ended the year with a bang, with a surge in full-time employment and the country's first trade surplus in two years. Employers created a surprising 54,000 net new jobs in December, bucking expectations for a small loss. The economy added 81,000 full-time positions and eliminated 27,000 part-time spots, reversing months of full-time declines and part-time increases. A jump in exports pushed Canada to a \$526-million trade surplus in November after the previous month's \$1-billion deficit. It marked the first surplus since September, 2014. The trade surplus with Canada's biggest trading partner, the United States, widened to \$4.2-billion from \$3.2-billion in the previous month. The two positive economic reports come after a disappointing October, when gross domestic product shrank unexpectedly. But the underlying data continued to show the country's labour market struggling to recover from the oil slump. Although employment increased by 1.2 per cent over the year, the December boost in full-time work was not enough to offset the trend toward part-time work. Employers created 60,000 full-time jobs and 154,000 part-time positions. Jobs were eliminated in the three oil-producing provinces of Alberta, Saskatchewan, and Newfoundland and Labrador. Alberta continued to suffer from the steepest job declines, with a loss of nearly 20,000 positions. Once Canada's job engine, the province is now responsible for the country's labour-market woes. Its jobless rate fell to 8.5 per cent in December from 9 per cent in

November, but is still above last year's 7 per cent. Employment gains in British Columbia helped the country mitigate oil-related losses. But with the federal and provincial governments' clampdown on the real-estate market, B.C.'s economy is expected to lose some of its shine this year. Across the country, the manufacturing and natural-resources sectors saw the biggest losses, while financial services and information, culture and recreation sectors saw the biggest gains. The national jobless rate rose to 6.9 per cent from 6.8 per cent in November. In comparison, the U.S. jobless rate remained below 5 per cent and its economy added 156,000 positions last month. Source: Globe and Mail

Canada's economy rebounds back to growth, boosted by surge in manufacturing

A rebound in manufacturing output helped revive the Canadian economy in November, according to a report released by Statistics Canada in Ottawa. Canadian GDP rose 0.4 per cent, reversing the contraction of 0.3 per cent recorded in October. StatsCan said the return to growth resulted mainly from higher output in manufacturing, mining, quarrying, oil and gas extraction, finance and insurance, and construction. Simply put, Canada made more stuff in November. Output from goods-producing industries rose 0.9 per cent, reversing the one per cent decline in October. Services, such as finance and insurance, retail trade, and transportation and warehousing, rose 0.2 per cent. StatsCan says the November report shows the Canadian economy has grown in five out of the last six monthly GDP reports. Manufacturing is a big part of this. "With the exception of October, output in the manufacturing sector has risen every month since June," StatsCan said. There were some weak spots. Utilities, agriculture and forestry sectors declined during November. So did real estate, rental and leasing, and wholesale trade. Still, the announced data slightly exceeded expectations. Most analysts had expected the economy grew 0.3 per cent in November. The November GDP report doesn't describe an economy that is growing so fast the Bank of Canada might have to hike rates to contain inflation. Yet it removes some of the downside risks that would have led the Bank to consider rate cuts to stimulate growth. Source: Financial Post

INDIA - CANADA

India, Canada sign three MoUs in energy, infrastructure at Vibrant Gujarat Summit

On January 11, India and Canada signed three Memorandum of Understanding (MoUs) at the 'Vibrant Gujarat Global Summit' in Gujarat's Gandhinagar, calling for multi-stakeholder engagement in the areas of energy, infrastructure, innovation and research. The first MoU was signed between the Kinectrics International Inc. (KII), Gujarat Forensic Sciences University (GFSU) and the Security Solution Business Integrator (SSBI) to set up a first-of-its-kind conductor testing laboratory at GFSU. This high-end testing lab will allow India's power-based industry partners to save time and money by accessing forensic lab facilities in India rather than in Canada. The lab will also provide the necessary infrastructure for the Gujarat-based University to deliver new forensic-based education including forensic-related R&D work for the electricity grid. A Letter of Cooperation was also signed between Ultra Electronics Forensic Technology Inc. and

Gujarat Forensic Sciences University (GFSU) for the exchange of faculty and key technical personnel for joint lectures and research programs. This association will enable graduate students from both institutions to develop and enhance technical capabilities in the discipline of ballistic forensics. A third MoU was signed between a Canadian Consortium of companies and the Gujarat Infrastructure Development Board (GIDB) for the promotion and development of a Petroleum and Petrochemical complex with storage facilities. Under the agreement, both parties will examine the possibility of cooperative studies that analyze business conditions and promote exports between Canada and Gujarat. Canada's Minister of Infrastructure and Communities, Amarjeet Sohi, led a strong business delegation to the 8th Vibrant Gujarat Global Summit where Canada was a partner country. Minister Sohi met with Prime Minister Modi, Gujarat Chief Minister, Vijay Rupani, his counterpart the Minister of Urban Development, Housing, and Urban Poverty Alleviation, M. Venkaiah Naidu and several other Indian Ministers as well as business leaders. Minister Sohi's visit was the fourth visit to India by a Cabinet Minister of Prime Minister Justin Trudeau's Government, a reflection of the importance of Canada's relationship with India. Source: Economic Times

ICCC inks 3 MoUs with new Partners in Success

The Indo-Canada Chamber of Commerce (ICCC) signed three Memorandums of Understanding (MoU) during its 2017 India Mission. The Mission commenced in Mumbai on January 4. At a business reception hosted by the All India Association of Industries (AIAI) in Mumbai, Her Worship Bonnie Crombie, the Mayor of Mississauga, gave a presentation on the topic 'Business is a Human Race', highlighting the possible areas of cooperation between Mississauga and Indian cities. In Kolkata, the ICCC delegation had interactive sessions with the Bengal Chamber of Commerce and Industry (BCC&I) and the Bharat Chamber of Commerce (BCC) and signed MoUs with both the Chambers for a preliminary exploration of the areas of co-operation. In Hyderabad, the ICCC signed a Memorandum of Understanding with the newly-formed Telangana Chamber of Commerce and Industry. The signatories were M. Venkateshwarlu, President, TCCI, and Devika Penekelapati, Vice President, ICCC. During the interactive session between the two chambers of commerce, the speakers identified the key sectors of high growth between the Telangana and Canada. These include information and communications technology, health, nanotechnology, renewable energy, cyber security, intelligent transport and disaster management. Source: Indo Canada Chamber of Commerce

Free-trade agreement with India a 'high priority' for Canada

After returning from a trade promotion trip to India in January, Federal Liberal Infrastructure Minister Amarjeet Sohi said a free-trade agreement with India "is high priority for our government." Talks began under the Conservative government led by Stephen Harper but quickly slowed as officials haggled over investor protections and thorny issues such as access for Indian temporary workers, skilled workers and visitors to Canada. That pace continued despite Justin Trudeau's mandate letter to his former

international trade minister Chrystia Freeland setting out “the development of a targeted strategy to promote trade and investment with emerging markets, with particular attention to China and India,” as a goal for his government. In an interview with the Star, Minister Sohi said he believes a Canada-India free trade deal is possible in this mandate. In his speech to a massive international trade conference Vibrant Gujarat, with Indian Prime Minister Narendra Modi in the audience, Minister Sohi said two-way trade between the two countries grew by nearly 30 per cent between 2015 and 2016, a “remarkable achievement in the context of ongoing economic uncertainty all over the world.” He said the Canadian government would like to see it increase even more: “Our trade with India is not as high as we would like to see.” Minister Sohi reminded the audience more than 1,000 Canadian companies and educational institutions do business in or with India. Minister Sohi emphasized the positive, saying there are “significant opportunities for greater co-operation” in industries like food, agriculture, energy and clean technology, education, skills development, infrastructure and aerospace. Source: The Star

Formation of Canada-India Bilateral Trade Association

Recently, prominent businesspersons of Canada established a Canada-India Bilateral Trade Association. Mr. Mukund Purohit, the Chair of the Advisory Board and other members of the Association called on Consul General, Shri Dinesh Bhatia, on January 23, 2017 at the Consulate. Mr. Purohit informed the Consul General about the functioning of the Association and sought the blessings and guidance of the Consulate for promoting bilateral trade relations between the two countries. During the meeting, Mr. Purohit said that the main objectives of the Association are to create awareness in the Canadian business circles of the huge business opportunities existing in India, specially under Prime Minister’s ‘Make in India’ initiative, create learning opportunities through business networking seminars, workshops and conferences, take an active role in key bilateral initiatives by providing appropriate briefings to senior business leaders in Canada. Consul General assured Consulate's fullest cooperation in the activities of the Association.

Canada seeks Indian support for its infrastructure bank

Canada is keen to boost its economic ties with India and would welcome Indian participation in the Canada Infrastructure Bank (CIB), Canada’s Minister for Infrastructure and Communities Amarjeet Sohi said. The CIB is being created by the Trudeau government in 2017 and the government is mandated to invest Canadian \$35 billion. This is part of efforts to woo investments for Canada’s infrastructure sector. The two-way annual trade between the countries currently was at \$6.3-billion in 2015 and is set to grow, according to Minister Sohi. Trade with India has grown 30 per cent from 2014, but the size of bilateral trade between the nations is relatively small, at about one-tenth the size of Canada’s annual trade flow with China. “India is critical for Canada to engage with, as it is not only a growing economy, but a major player in the region,” the Minister noted. Canada’s largest pension funds and investment firms –Canada

Pension Plan Investment Board, Ontario Teachers' Pension Plan, Fairfax Financial and Brookfield Asset Management – have recently invested billions of dollars into investments within infrastructure, real estate and even start-ups in India. Canadian funds have invested close to \$15-billion in India in recent years. "There is a lot of potential of that investment growing," said Minister Sohi. Canada's Bombardier, which has a manufacturing unit in Gujarat, has been a key supplier of rail locomotives and equipment to the metro systems in Delhi and Mumbai. Canada has been a partner of the Vibrant Gujarat Summit for the past many years. Source: Economic Times

Canadian-led Syndicate, Ontario Pension Plan Complete Fairfax India Deals

Fairfax India Holdings Corp. has completed its previously announced deal comprising a US \$150 million public offering and a US\$350-million private placement. The public offering was underwritten by a syndicate co-led by RBC Capital Markets, Scotiabank and TD Securities Inc., and included BMO Capital Markets, CIBC World Markets Inc., Cormark Securities Inc., National Bank Financial Inc., Canaccord Genuity Corp. and Desjardins Securities Inc. Concurrent with the public offering, the company issued voting shares to Fairfax Financial Holdings Ltd. and the Ontario Municipal Employees Retirement System, the pension plan for Ontario's municipal employees. Fairfax India intends to use the net proceeds of the offerings to acquire additional Indian investments and for general corporate purposes. Source: Canada Stockwatch

First Global adds Easy Medico, FoodWala to India App

On January 11, Toronto-headquartered First Global Data Ltd.'s Indian subsidiary, MSEWA Software Solution Private Ltd., said that it had entered into agreements with an online pharmacy and an online gourmet food seller in India. The agreement includes the inclusion of the two companies' products and services in First Global Data's mobile wallet deployment in India. EasyMedico and FoodWalas products and services will be available for purchase via MSEWA's VPayQwik mobile payment app. Source: Canada Stockwatch

Sask. First Nation potash project signs major deal with India

A major potash deal could mean big business for a Saskatchewan First Nation. Encanto Potash has signed an agreement with National Federation of Farmers' Procurement, Processing and Retailing Cooperatives of India to sell five million tons of potash a year for the next 20 years. Encanto plans to build a mine on the Muskowekwan First Nation, 100 kms northeast of Regina. The company expects there's enough potash in the mine to last 50 years and will cost \$3 billion to build. Notably, Muskowekwan First Nation will have a 100-per-cent share and full control over the mine. When this mine is completed, it will be the first potash mine in Saskatchewan on First Nations land. Last year, Encanto signed another agreement with the Metals and Minerals Trading Corporation of India. The First Nations community and Encanto still haven't announced a start date for construction. Source: CBC News

Canada's surprise job surge signals economy turning corner after two hard years

Canadian job growth unexpectedly surged in January as hiring in the service sector helped the labour market build on its momentum from the latter part of 2016, suggesting the economy was finding its footing. Statistics Canada stated that Canada added 48,300 jobs exceeding economists' expectations for employment growth to be unchanged. Full-time positions increased by 15,800. Although that was outpaced by a 32,400 increase in part-time work, economists were encouraged by the decline in the unemployment rate to 6.8 per cent, even as the participation rate edged up. Canada saw strong jobs growth in the second half of 2016. While much of that came from part-time work, suggesting deterioration in job quality, economists expect full-time work to be stronger this year. Indeed, the number of full-time jobs has increased by 141,000 since last August, Statistics Canada said. The Canadian dollar strengthened against the greenback immediately following the release. The Canadian economy was hurt by lower oil prices that forced the Bank of Canada to cut rates twice in 2015, but policymakers believe the worst of the commodity shock is past. While the report was not likely to move the Bank of Canada off the sidelines, the figures could reduce the risk of another interest rate cut, economists said. The central bank has said there is significant labor market slack underlying the unemployment rate. The bank is expected to hold rates at 0.50 per cent into next year. The service sector added 42,600 jobs in January, with a 20,500 increase in the finance, insurance and real estate industry. Hiring in the transportation and warehousing, and business and support services sectors also rose. The goods sector created just 5,600 jobs last month, with a 5,200 increase in construction. The natural resources sector added 2,500 positions. Average hourly wages rose 1 from last January, but average weekly hours for permanent employees declined 0.6 per cent as part-time workers saw fewer hours. Source: Financial Post

Canadian housing just won't quit: Homebuilding picks up in January, especially in Ontario cities

The pace of housing starts across Canada picked up in January compared with December, fuelled by multi-unit projects such as condominiums and apartments. The seasonally adjusted annual rate of housing starts was 207,408 units in January, up from 206,305 in December, Canada Mortgage and Housing Corp. reported. Economists had expected the annual rate to come in at 200,000, according to Thomson Reuters. The rate of multiple urban starts increased by 4.2 per cent to 125,886 on a seasonally adjusted basis in January, while the rate of single-detached urban starts fell 4.6 per cent to 63,802 units. Rural starts were estimated at a seasonally adjusted annual rate of 17,720 units. CMHC said the six-month moving average of the monthly seasonally adjusted annual rate was 199,834 units in January compared with 197,881 in December.

Regionally, the annual rate of urban starts increased in Ontario and Atlantic Canada, but fell in British Columbia, the Prairies and Quebec. The annual rate for urban centres in Ontario came in at 96,883 units, up from 77,474 in December. The pace of urban starts in B.C. fell to 26,308 compared with 39,011 in December. Source: Financial Post

RBC leads the pack in Canadian capital markets that raised \$389 billion in 2016

Underwriters spend their day matching issuers, who need capital, with investors, who seek opportunity. Each working day dealers, both here and abroad, find buyers for about \$1.5 billion of new securities issued by Canadian entities. In 2016, the underwriters found homes for \$388.91 billion of freshly issued equity and debt by Canadian corporations and governments. It's a business that employs thousands of people. For all financings by all Canadian corporate and government issuers, RBC Capital Markets emerged as the leading firm last year: it ran the books on 213 transactions that raised \$56.82 billion. TD Securities, whose comparative numbers were 192 and \$53.82 billion, was the runner-up. Four bank-owned firms, BMO, National, Scotia and CIBC, occupy the next four positions. Four foreign-owned firms, BofA Merrill Lynch, J.P. Morgan, HSBC and Citigroup, round out positions seven to 10. When financings are broken down by type of issuer and type of security, a different result emerges. TD Securities was the winner for raising equity — the highly competitive and most financially rewarding sector in the underwriting business. For all equity, TD ran the books on 64 deals that raised \$11.97 billion; just ahead of RBC (69 deals and \$10.85 billion.) When a narrower definition of equity — the sale of common shares, trust units and convertible debentures — is used, TD was also the winner with 49 deals that raised \$8.99 billion. That was a touch ahead of RBC, whose 51 deals raised \$8.94 billion. Almost \$50 billion of common equity was raised in 2016. That amount, a record, represented a 13.4 per cent increase from 2015.

Much of what was raised was for mergers and acquisitions, though the year's largest such transaction, Enbridge's purchase of Houston-based Spectra Energy Corp., which will create the continent's largest infrastructure company, was done by way of a share swap. Indeed, 2016 was characterized by the big deals: TransCanada came to the market on two occasions and raised \$7.94 billion between two deals. Total number of financings was down significantly from previous years, but nine issuers, completed billion dollar equity financings. The numbers show that two-thirds of what was raised last year was for financings of at least \$250 million.

Energy was the big issuing sector, responsible for 60 per cent of the total equity raised with the five largest equity offerings from energy companies or utilities. (Aside from the two by TransCanada, Suncor raised \$2.88 billion, Enbridge scooped up \$2.3 billion, and Hydro One garnered \$1.97 billion.) Two members of the billion dollar club — Encana and a secondary offering by CP Rail — used a somewhat different structure. The shares were mostly sold to U.S. investors by U.S. lead managers for a smaller fee than is the norm in Canada. TD was the market leader for selling preferred shares, a sector that saw almost \$10 billion raised last year. But 2016 was marked by minimal IPO issuance. Source: Financial Post

FORTHCOMING EVENTS IN CANADA

PDAC CONVENTION (March 05-08, 2017, Metro Toronto Convention Centre, Toronto):

PDAC International Convention, Trade Show & Investors Exchange is the world's leading convention for people, companies and organizations in, or connected with, mineral exploration and finance. In addition to meeting over 900 exhibitors and 22,000 attendees from 125 countries, you can also attend technical sessions, short courses and networking events. The four-day annual convention held in Toronto, Canada, has grown in size, stature and influence since it began in 1932 and today is the event of choice for the world's mineral and finance industries. (www.pdac.ca/convention)

SIAL Canada: (May 02-04, 2017, Enercare Centre, Toronto):

SIAL Canada is the biggest show in North America with around 850 exhibitors of agri-food industry from Quebec, Canada and worldwide. SIAL Canada is dedicated to national and international professionals of the agri-food industry. (www.sialcanada.com)

National Heavy Equipment Show 2017 (April 06-07, 2017, The International Centre, Toronto):

Canada's largest heavy equipment show which focuses on construction, road building, land improvement, and infrastructure. The show features the leaders of the heavy equipment and construction industries with cutting-edge equipment and huge displays and includes an educational seminar program. (<http://www.nhes.ca>)

Construct Canada (November 29- December 01, 2017, Metro Toronto Convention Centre, Toronto):

The 29th Annual Construct Canada which is North America's Largest Exposition, Networking and Educational Event will be held concurrently with PM Expo, HomeBuilder & Renovator Expo and World of Concrete Pavilion and IIDEXCanada. All shows combined will create The Buildings Show, North America's largest exposition, networking and educational event comprising of 1,600+ exhibits, including 100+ international exhibitors, bringing the latest in design and construction innovation in products, technologies, best practices and applications

BUSINESS OFFERS FOR INDIAN COMPANIES

1.	Geostock Ms. Marie Simard Dufour C : 418-931-0398 E : marie.simard-dufour.1@ulaval.ca	Producers of private lines of clothing for some well-known brands in Quebec. Looking for suppliers in India to manufacture
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