

# Canada-India Collaboration: Moving the partnership forward, from customer to partner

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The India Canada Friendship Circle (ICFC) 2016 lecture series included a thought-provoking presentation on Science, Technology and Innovation Partnerships by Mr. Harry Sharma, Manager, Canada-India Centre for Excellence (CICE), Carleton University. The session was chaired by ICFC Vice President and Mathematics Professor, Dr. Steven Desjardins. ICFC members and Dr. Roseann O'Reilly Runte, President and Vice Chancellor of Carleton University joined in the stimulating dialogue and networking. The following is a summary of Mr. Sharma's perspectives and views on the need to understand the cultural and economic climate in India to forge successful and innovative partnerships.

More details on ICFC can be found at the following website: <http://www.icfc.ws>

## **Transformation**

Today's India is experiencing an economic transition unparalleled anywhere else in the world. Regardless of the measures used to describe the country's growth rate or its increasing GDP, it is sobering to take a moment to consider the scale of the transformation. More than 65 percent of India's population is under the age of 35, approximately 650 million people. And soon, the annual per capita income in India will cross the economically significant 100,000 Rupees (or roughly \$1,500) threshold. Many economists expect that meeting this threshold will lead to a more consuming and aspirational population – an average Indian's propensity to consume non-necessity goods and services will become significantly higher. This represents an opportunity that Canada cannot afford to miss.

## **Partnership**

Canadians must demonstrate a desire to forge a true partnership with India, and not just establish a "seller-buyer arrangement". As any businessperson or scholar who has worked in India can attest, building trust and credibility is the first, and arguably the hardest, step toward partnering with India. It is incumbent upon us as a country to invest in building human capacity as well as business models that are specifically designed to build trust with India. Our small businesses and start ups, for example, must be encouraged to learn about Indian realities: cultural sensitivities, business practices, regulatory environments, government incentives, and above all, consumer behaviour. Many of the products that are developed to address North American or European

consumers will find it hard to be “localized” for India because fundamental consumer behaviours can vary widely. A perfect example is Flipkart’s “Cash on Delivery” model for e-commerce. Flipkart, India’s largest e-commerce company, realized early on that credit card penetration in India will pose a significant challenge as there are only about 20 million credit cards in a country of 1.25 billion people. So Flipkart devised a model that would allow it to sell merchandise to people without a credit or a debit card.

### **Potential**

Canada’s exports to India account for roughly 0.8% of our total exports, and an annual bilateral trade of approximately \$8 billion, only \$1 billion more than our trade with Netherlands, which has a population equal to that of New Delhi. It is unfair to make this comparison, of course, given that per capita income is significantly higher in the Netherlands than in India, yet it is helpful for conveying the trade growth potential with India. The CICE at Carleton University is developing specialized courses, in partnership with Indian partners, to provide exposure and training for Canadian businesses and policy makers. The CICE also continues to support policy relevant research to identify the best ways to engage with India that will lead to a robust partnership.