

INDIA-CANADA TIES: INTERNATIONAL RELATION

NEWS: India, Canada agree to restore High Commissioners, trade talks, and other dialogues snapped over Nijjar killing

WHAT'S IN THE NEWS?

India and Canada have resumed diplomatic ties by restoring High Commissioners and discussing trade, energy, and mobility collaboration, after a two-year rift caused by political tensions. This marks a potential reset in bilateral relations if both sides manage security and political sensitivities constructively.

Context: Recent Diplomatic Reset

- India and Canada have agreed to restore full diplomatic ties by reappointing High Commissioners after a two-year freeze in relations.
- This development occurred during bilateral discussions between Prime Minister Narendra Modi and newly elected Canadian Prime Minister Mark Carney at the G7 Outreach Summit in Canada.
- The leaders emphasized restarting talks on economic agreements and strengthening cooperation in critical areas like clean energy, technology, and mobility.

Background of the Diplomatic Rupture

- Tensions escalated in 2023 when Canadian Prime Minister alleged Indian involvement in the assassination of a Canadian citizen linked to Khalistani separatism.
- India strongly rejected the accusation and responded by expelling Canadian diplomats, leading to a deep diplomatic rift.
- As a result, negotiations on trade, investment, and consular mechanisms were suspended.
- India had raised repeated concerns over Khalistani extremism gaining support in Canada, a sensitive security matter.

Key Areas of Bilateral Discussion in 2025

- Restarting stalled negotiations on the Early Progress Trade Agreement (EPTA), aiming to pave the way for a comprehensive CEPA (Comprehensive Economic Partnership Agreement).
- Deepening collaboration in:
 - Clean energy transitions and liquefied natural gas (LNG)
 - Digital transformation and artificial intelligence
 - Food security and critical minerals
 - Higher education and academic mobility
 - Resilient and diversified global supply chains

Economic Relations

- Bilateral trade in goods (January–August 2024) stood at USD 8.55 billion:
 - India's exports: USD 5.22 billion
 - India's imports: USD 3.33 billion
- Major sectors: pharmaceuticals, gems and jewellery, textiles, energy, pulses, and fertilizers.
- Negotiations on CEPA and Foreign Investment Promotion and Protection Agreement (FIPA) are crucial for economic expansion.

Civil Nuclear Cooperation

- Nuclear Cooperation Agreement (NCA) signed in 2010; operational since 2013.
- Allows Canadian firms to supply uranium and nuclear technology for India's peaceful nuclear energy programme.
- Joint Committee exists to oversee implementation and technical cooperation.

Space and Scientific Cooperation

- MoUs signed in 1996 and 2003 between ISRO and the Canadian Space Agency (CSA).
- Cooperation includes:
 - Satellite tracking and remote sensing
 - Joint research in astronomy and atmospheric studies
 - Commercial satellite launches through ISRO's arm ANTRIX, including nanosatellites.
- Arctic research collaboration through a 2020 MoC between India's NCPOR and Polar Canada focusing on cold climate studies and marine polar data exchange.

People-to-People Ties

- Strong diaspora link: Over 1.8 million Indo-Canadians and 1 million NRIs live in Canada, forming 3% of the population.
- India is the largest source of international students in Canada, accounting for approximately 40% of the foreign student population.
- Cultural ties and community engagement shape public opinion and influence policy on both sides.

Multilateral Cooperation

- India and Canada collaborate on various multilateral forums:

- ✓ G20
 - ✓ Commonwealth of Nations
 - ✓ United Nations bodies
 - ✓ International Solar Alliance (ISA)
- Both countries support rules-based international order and climate diplomacy.

Challenges in Bilateral Ties

- Political trust deficit due to unresolved concerns over extremist activities in Canada.
- Interference in internal affairs, diaspora politics, and intelligence cooperation remain delicate matters.
- Perception mismatch on free speech vs national security contributes to recurring friction.

Conclusion

- India–Canada relations hold long-term strategic value, especially in areas like education, energy, technology, and diaspora engagement.
- Recent diplomatic thaw offers a chance to reset relations, but progress depends on how both sides address political sensitivities while deepening mutual interests.

Source: <https://www.thehindu.com/news/national/india-canada-agree-to-designate-new-high-commissioners/article69707286.ece>