

1. India – Canada Relationship

The Canadian Foreign Minister paid a state visit to India where both sides agreed to restore relations, including relaunching the energy dialogue.

About the Normalisation of Relations

The process of normalisation between India and Canada began after a meeting between Prime Minister Narendra Modi and his Canadian counterpart during the G7 Summit in Kananaskis, Alberta, in 2025. This interaction marked a turning point in bilateral diplomacy, signalling intent to move past the recent diplomatic chill caused by political controversies. Following this meeting, both nations reinstated their respective High Commissioners in each other's capitals, symbolising a formal resumption of full diplomatic engagement.

Major Highlights of the Recent Visit

Trade and Investment Dialogue – Both countries agreed to begin ministerial-level discussions to strengthen bilateral trade and investments, including resuming talks on the Comprehensive Economic Partnership Agreement (CEPA).

Energy Cooperation – Decision to re-establish the Canada–India Ministerial Energy Dialogue, with a special focus on renewable energy, green hydrogen, and critical minerals such as lithium and cobalt essential for energy transition.

Science and Technology Partnership – Both sides decided to relaunch the Joint Science and Technology Cooperation Committee, enhancing collaborative research in frontier areas like AI, quantum computing, biotechnology, and clean technologies.

Artificial Intelligence Collaboration – Canada encouraged its AI companies and research institutions to participate in the India AI Impact Summit 2026, fostering innovation partnerships and digital ecosystem exchanges.

Civil Nuclear Cooperation – Preliminary discussions began on Small Modular Reactor (SMR) nuclear technology, expanding the existing civil nuclear partnership for low-carbon power generation.

CEPA Negotiations – Both nations agreed to restart negotiations on the CEPA, aimed at broadening trade in goods, services, and investments after a prolonged pause since 2023.

Historical Overview of India–Canada Relations

Diplomatic Relations – Established in 1947, immediately after India's independence, founded on shared values of democracy, pluralism, and rule of law.

Commonwealth Linkages – Both are members of the Commonwealth, which has traditionally strengthened political and cultural ties.

Strained Phases – Relations suffered major setbacks after India's nuclear tests in 1974 and 1998, as Canada adopted a strict non-proliferation stance, suspending nuclear cooperation for decades.

Economic and Trade Cooperation

Growing Trade Volume – As of 2024, India was Canada's 7th-largest trading partner in goods and services, with two-way trade worth \$33.9 billion.

Exports and Imports – Canada's merchandise exports to India reached \$5.3 billion, primarily in fertilizers, pulses, and minerals, while India exported pharmaceuticals, textiles, machinery, and IT services.

Investment Links – Canadian pension funds such as CPP Investments and Ontario Teachers' Pension Plan are major investors in India's infrastructure, renewable energy, and technology sectors.

Civil Nuclear Cooperation

2010 Nuclear Cooperation Agreement (NCA) – Signed and operational since 2013, allowing Canadian uranium exports for India's civilian nuclear programme under IAEA safeguards.

Joint Oversight Mechanism – A Joint Committee monitors the implementation of the NCA, ensuring transparency and peaceful use of nuclear energy. This cooperation marks a strategic trust-building measure, overcoming decades of mistrust post-1974.

Space Cooperation

ISRO–CSA Collaboration – Memorandums of Understanding were signed in 1996 and 2003 between

ISRO and the Canadian Space Agency (CSA). The partnership includes satellite tracking, space astronomy, and commercial satellite launches. ANTRIX Corporation, ISRO's commercial arm, has successfully launched several Canadian nanosatellites, reinforcing technological collaboration.

Science, Technology, and Arctic Research

Cold Climate Studies – The Department of Earth Science (India) and Polar Canada jointly promote knowledge exchange on Arctic environment and climate research.

2020 MoC – A Memorandum of Cooperation between National Centre for Polar and Ocean Research (NCPOR) and POLAR Canada was signed in 2020 to strengthen cooperation in polar and ocean studies. This partnership enhances India's scientific presence in the Arctic region, aligning with its Arctic Policy (2022).

People-to-People and Educational Links

Vibrant Diaspora – Around 1.8 million Indo-Canadians and 1 million Non-Resident Indians (NRIs) reside in Canada—together accounting for over 3% of Canada's population.

Education Ties – India is the largest source of international students in Canada, comprising nearly 40% of total foreign students in Canadian institutions.

Cultural Exchanges – Bollywood, Indian cuisine, festivals, and yoga have strengthened cultural diplomacy and mutual understanding. The diaspora plays a pivotal role in shaping bilateral perceptions, often acting as a bridge between the two societies.

Multilateral and Global Cooperation

India and Canada collaborate across multiple global and regional platforms, including –

1. United Nations (UN)
2. G20
3. Commonwealth of Nations
4. International Solar Alliance (ISA)
5. Arctic Council Observers Forum

Both share commitments toward climate action, sustainable development, global peacekeeping, and clean energy transitions.

Areas of Divergence and Concern

Khalistani Extremism – India has consistently raised concerns about pro-Khalistan elements operating freely in Canada, leading to hate speech, vandalism, and attacks on Indian diplomatic missions. This remains a major irritant, with India urging stronger Canadian action against extremism that threatens its sovereignty and diplomats.

Trade and Investment Uncertainty – The Early Progress Trade Agreement (EPTA) negotiations were paused in 2023 due to political tensions. While Canadian businesses remain eager to expand operations in India, diplomatic mistrust has slowed momentum.

Geopolitical Outlook Differences – India advocates a strong and inclusive Indo-Pacific framework, whereas Canada's approach is often seen as hesitant and domestically influenced. Canada's occasional criticism of India's internal affairs has also strained diplomatic goodwill.

Emerging Areas of Cooperation

Critical Minerals Partnership – Canada's vast reserves of lithium, cobalt, and nickel complement India's push for EV and battery manufacturing.

Clean Energy and SMR Cooperation – Collaboration in Small Modular Reactors aligns with India's low-carbon energy transition.

Digital Economy and Start-ups – Canada's AI expertise and India's digital infrastructure present mutually beneficial innovation ecosystems.

Agriculture and Food Security – Opportunities exist in agri-tech, cold chain logistics, and sustainable farming practices.

Conclusion

The renewed engagement between India and Canada marks a significant effort to overcome

past frictions and rebuild trust. Strong complementarities exist in areas such as trade, clean energy, technology, education, and diaspora engagement. However, political and security sensitivities, particularly concerning extremism and divergent foreign policy stances, continue to pose challenges. The path ahead lies in pragmatic diplomacy, where both sides focus on shared economic opportunities and strategic cooperation while managing differences with restraint and mutual respect.

Source - <https://www.thehindu.com/news/national/india-canada-ties-joint-statement-jaishankar-meets-anita-anand/article70158087.ece>

