

NEXT IAS

**DAILY EDITORIAL
ANALYSIS**

TOPIC

**INDIA-CANADA RELATIONS:
A RENEWED PARTNERSHIP**

www.nextias.com

INDIA–CANADA RELATIONS: A RENEWED PARTNERSHIP

Context

- The recent visit of the Canadian Prime Minister to India marked an important turning point in **India–Canada bilateral relations** as it reflected a broader effort by both countries to **restore trust, strengthen economic relations, and align their strategic interests in the Indo-Pacific region**.

About India–Canada Relations

- India and Canada share a **long-standing relationship based on democratic values, Commonwealth membership, economic complementarities, and strong people-to-people ties**.
 - ◆ However, the bilateral relationship has experienced phases of **cooperation, stagnation, and renewed engagement**.
- Today, India–Canada relations are evolving around **trade, energy security, critical minerals, technology, and Indo-Pacific cooperation**.

Historical Background

- **Early Diplomatic Relations: Diplomatic relations established in 1947** after India's independence.
 - ◆ Both countries are members of the **Commonwealth of Nations**.
 - ◆ Cooperation initially focused on **development assistance, agriculture, and education**.
 - ◆ **Key Early Developments:**
 - Canada supported India through the **Colombo Plan (1950s)**.
 - Collaboration in **civil nuclear energy**, including the **CIRUS reactor** supplied by Canada.
- **Period of Strain (1974–1998):** Relations deteriorated after India's nuclear tests. **Key reasons are:**
 - ◆ **India's 1974 Pokhran nuclear test**, which used plutonium from a Canadian-supplied reactor.
 - ◆ Canada suspended nuclear cooperation with India.
 - ◆ Diplomatic ties remained limited for several decades.
- **Gradual Normalization (2000–2015):** The relationship began improving in the early 21st century. **Key milestones are:**
 - ◆ **2009:** Civil Nuclear Cooperation Agreement signed.
 - ◆ **2013:** Agreement on uranium supply between Cameco (Canada) and India.
 - ◆ **2015:** India's Prime Minister visit to Canada revived strategic engagement.
 - ◆ **Areas of Cooperation:** Civil nuclear energy, education and student mobility, agriculture and natural resources, trade and investment.

Contemporary Phase of Relation

- **Strengthening Economic and Strategic Ties:** In recent years, India and Canada have focused on **economic diplomacy and Indo-Pacific cooperation**.
 - ◆ **Trade and Investment:** Bilateral trade exceeds **USD 10 billion**. Negotiations on the **Comprehensive Economic Partnership Agreement (CEPA)** aim to boost trade. CEPA is expected to reduce tariffs, improve market access, and increase investment flows.
 - ◆ **Energy Cooperation:** Canada supplies **uranium for India's nuclear reactors**. Cooperation also exists in clean energy, hydroelectricity, and small modular reactors.
 - ◆ **Critical Minerals and Technology:** Canada is rich in **critical minerals such as lithium, cobalt, nickel, and uranium**. These minerals are essential for EV batteries, renewable energy, and semiconductors. India seeks partnerships with resource-rich countries like Canada to **reduce supply chain dependence on China**.
 - ◆ **Indo-Pacific Cooperation:** Canada's **Indo-Pacific Strategy (2022)** identifies India as a **critical partner**. Both countries cooperate in maritime security, supply chain resilience, and technology partnerships.
- **Role of the Indian Diaspora:** The **Indian diaspora is one of the largest immigrant communities in Canada**. **Key features:**

- ◆ Over **1.8 million people of Indian origin**.
- ◆ Significant influence in **Canadian politics, business, and academia**.
- ◆ It strengthens **people-to-people ties**; facilitates trade and investment; and promotes cultural exchanges.
- **Global Economic Uncertainty and Geopolitical Churn:** Both India and Canada are **middle powers seeking economic stability, technological advancement, and diversified partnerships**.
 - ◆ **US tariff policies**, affecting global trade.
 - ◆ **Ongoing conflicts in Europe and West Asia**, disrupting supply chains.
 - ◆ **Growing competition for critical minerals and strategic technologies**.
 - ◆ **Need for supply chain diversification** to reduce dependence on a few countries.
- **Technology and Innovation Cooperation:** A MoU under the **Australia–Canada–India Technology and Innovation Partnership** was signed, with objectives of:
 - ◆ Promote **innovation ecosystems**;
 - ◆ Strengthen **Indo-Pacific technology collaboration**;
 - ◆ Enhance cooperation in **emerging technologies**;
 - ◆ It aligns with broader initiatives to create **resilient technology supply chains** in the Indo-Pacific.
- **Strategic Significance of the Partnership:**
 - ◆ **For India:** Secures **reliable uranium supply**, access to **critical minerals**, strengthens **technology partnerships**, and enhances **energy security**.
 - ◆ **For Canada:** Diversifies trade beyond the United States, strengthens its **Indo-Pacific engagement**, and expands cooperation with a major emerging economy.

Challenges in India–Canada Relations

- Political sensitivities around **diaspora issues**; and Diplomatic tensions related to **Khalistani activism and the Nijjar case**;
- Trade negotiation complexities, and implementation challenges;
- Geopolitical competition in the Indo-Pacific;
- Slow progress in the three-stage nuclear programme; high cost of nuclear power projects; and limited domestic uranium production;
 - ◆ However, recent diplomacy suggests a **pragmatic approach prioritizing economic cooperation**.

India's Nuclear Energy Strategy

- **SHANTI Bill, 2025:** India passed the **Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Bill, 2025** to accelerate nuclear energy development.
 - ◆ **India's Nuclear Goals: 100 GW nuclear power capacity by 2047**; reduce reliance on fossil fuels; and achieve **net-zero emission targets**.
 - ◆ Stable uranium supply from partners like Canada will help India meet these objectives.

Conclusion

- Canada's recent visit to India marked a **significant diplomatic reset in India–Canada relations**. The agreements on **trade, technology, critical minerals, and nuclear energy** indicate a shift toward a **pragmatic and mutually beneficial partnership**.
- **India–Canada cooperation is increasingly strategic**, particularly in energy security and emerging technologies, in a world marked by geopolitical uncertainty and supply chain disruptions.

Source: TH

Daily Mains Practice Question

[Q] Recent diplomatic engagements between India and Canada signal a renewed effort to reset bilateral ties. Examine the significance of the renewed India–Canada partnership.

