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India-Canada Synergy: An Expanding Relationship

India's relations with Canada have been on an upward trajectory in recent years. Bilateral relations are moving towards to their potential through high-level visits, trade agreements, nuclear cooperation and people-to-people relations. This paper will explore the various areas of collaboration and how a strategic partnership is probable between the two countries.

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Introduction

India and Canada have longstanding people-to-people ties, with Indian immigrants first relocating to Canada in the 19th century.² In 2015, it was recorded that over 1.2 million Indians resided in Canada.³ The two biggest Indian diasporic groups are the Punjabi and Gujarati communities who have kept their connections and linkages with their homeland.

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² "India-Canada", Vision IAS, G.S. Advance Batch: 2015, p. 2.

³ "Canada-India Relations", Government of Canada, January 2013, Available at: http://www.canadainternational.gc.ca/india-inde/bilateral_relations_bilaterales/canada_india-inde.aspx?lang=eng

The two countries share common practices such as commitment to democracy, pluralism, rule of law and equality. Both societies are largely multi-cultural, multi-ethnic and multi-religious. India and Canada are also members of several international organisations such as the World Trade Organization, G20 and ASEAN Regional Forum (ARF).⁴

Mutual Interests and Agreements

Despite differences in the past, India and Canada have, in recent times, sought opportunities to normalise ties and move forward. There is a growing trajectory of nuclear, economic and education ties. Canada became wary of its trading ties with India after New Delhi conducted nuclear tests in 1998. However, bilateral trade resumed the following year after the visit of the then-Secretary of State for Asia Pacific Raymond Chan to India.⁵ During the visit, Chan said, “India is a dynamic, rapidly growing market that represents a huge opportunity for Canadian goods, services and technology.”⁶ He also acknowledged Canada’s participation in India’s growing power sector and showed an inclination for prospective joint ventures between the two countries.⁷

In recent years, India increased its investment to Canada in areas of information technology and software, pharmaceuticals and financial services.⁸ Trade between India and Canada surged from US\$3.1 billion (S\$4.3 billion) in 2010 to US\$4.7 billion (S\$6.5 billion) in 2014. India exports goods such as gems, jewellery, pharmaceutical items, readymade garments, textiles and organic chemicals to Canada.⁹

However, bilateral trade between the two partners has not reached its peak. The enforcement of the Comprehensive Economic Partnership Agreement (CEPA) has been delayed despite nine rounds of discussions and talks.¹⁰ In 2016, Canada decided to place it priority on the signing

⁴ “India-Canada”, Vision IAS, G.S. Advance Batch: 2015, p. 2.

⁵ Khajuria, Rajesh, “Canadian Trade & Investment Potential”, Shri Mahavira Jaina Vidyalaya, 11 January 2011, p. 3.

⁶ Ibid.

⁷ “Living with the Two Indias”, Asia Pacific Foundation of Canada, June 2000, p. 2.

⁸ “Brief on India-Canada Economic & Trade Relations”, High Commission of India, August 2012, p. 6.

⁹ “India - Canada Relations”, Ministry of External Affairs India, December 2015, p. 3. Available at <https://www.mea.gov.in/Portal/ForeignRelation/Canadadec2015.pdf>

¹⁰ Dehejia, Vivek & Subramanya, Rupa, “Canada and India: A New Beginning”, Asia Pacific Foundation of Canada, 7 April 2015.

of the Trans-Pacific Partnership and, consequently, pulled back its team that was in talks with India on the CEPA. The CEPA will enable Canadian firms to gain greater access in India's market.¹¹ Ottawa should consider implementing the CEPA as soon as possible for a full-fledged strategic partnership with India.

Another key area of engagement has been in nuclear cooperation. In June 2010, the Nuclear Cooperation Agreement (NCA) was ratified between India and Canada. In 2013, the Additional Protocol, which allowed for the operation of the NCA, was signed.¹² In the same year, the two countries also formed the Joint Committee on Civil Nuclear Cooperation and organised its first meeting in November 2013. The second meeting was held in Ottawa a year later.

The two countries have also inched closer in the education sector. In June 2010, India and Canada ratified the Memorandum of Understanding on Cooperation in Higher Education to provide academic exchanges, policy dialogue in areas of common interest, and research and curriculum development, among others.¹³

Milestone Visit

Indian Prime Minister Narendra Modi's visit to Ottawa in 2015 to meet then-Canadian Prime Minister Stephen Harper was a turning point in relations. He was the first sitting Indian prime minister to pay a state visit to Canada in 42 years.¹⁴

The visit laid the groundwork for a broadened bilateral relationship between India and Canada. A number of bilateral treaties, ranging from civil aviation, rail transportation and space field, were signed during the visit. The two countries also signed a US\$280 million (S\$389 million) agreement where Ottawa has agreed to supply uranium to New Delhi to power its nuclear

¹¹ S. Arun, "Canada-India free trade agreement talks delayed", *Hindu*, 13 January 2016.

¹² Ibid, p. 4.

¹³ "India-Canada Relations", Ministry of External Affairs India, December 2015, p. 5. Available at <https://www.mea.gov.in/Portal/ForeignRelation/Canadadec2015.pdf>

¹⁴ Blanchfield, Mike, "Relations between Canada and India back on track, says Indian PM Modi", *Canadian Press*, 15 April 2015.

programme for a five-year period.¹⁵ After Russia and Kazakhstan, Canada is the third country to supply uranium to India.¹⁶ Ottawa has also backed its support for New Delhi's bid to join the Nuclear Supplier's Group.¹⁷

The personal chemistry between Modi and Harper, who accompanied him to Vancouver and Toronto, proved to be beneficial for Indo-Canadian relations. The two prime ministers also issued a joint statement which outlined the potential for two-way trade and bilateral investment ties. A preliminary agreement on the Bilateral Foreign Investment Promotion and Protection Agreement was also reached.¹⁸

Defence Collaboration

Lately, Canada has also shown its intent to deepen its defence relationship with India. In April 2017, Canadian Defence Minister Harjit Sajjan paid a week-long visit to India where he held talks with his defence counterpart, Arun Jaitley, and External Affairs Minister Sushma Swaraj.¹⁹ The two sides explored the likelihood on collaborating in areas such as military procurement, knowledge exchanges and joint military exercises.²⁰ During the visit, Sajjan said, "Our two countries already share a promising science and technology relationship based on innovation, and we will continue to explore ways to expand these opportunities in the field of defence research for the mutual benefit of our respective countries."²¹

India's defence relations with Canada are still at a nascent point. Sajjan's visit was a strategic foreign policy move to build on the newly restored bilateral relationship generated during Modi's 2015 visit. It was also a sign of Canada's more active collaboration with India.

¹⁵ Singh, Sinderpal, "Modi and the World: (Re) Constructing Indian Foreign Policy", (Singapore: World Scientific Publishing, 2017), p. 153.

¹⁶ PTI, "Canada to Supply Uranium to India for 5 Years under Landmark Deal", *NDTV*, 16 April 2015.

¹⁷ "Canada Reaffirms Support for India's Nuclear NDG Membership Bid", *NDTV*, 26 August 2016.

¹⁸ "India - Canada Relations", Ministry of External Affairs India, December 2015, p. 4. Available at <https://www.mea.gov.in/Portal/ForeignRelation/Canadadec2015.pdf>

¹⁹ PTI, "Canadian Minister Harjit Singh Sajjan arrives; to explore boosting defence ties", *Indian Express*, 17 April 2017.

²⁰ "Canadian Defence Minister meets with India's Defence Minister", Government of Canada, 18 April 2017 Available at https://www.canada.ca/en/department-national-defence/news/2017/04/canadian_defence_ministermeetswithindiasdefenceminister.html

²¹ Ibid.

Conclusion

The pace of engagement between India and Canada has grown considerably in a short period of time. The bilateral relationship is moving towards a strategic partnership where there is potential to enhance cooperation in other areas such as food security, start-ups and clean energy, among others. Canada's diplomatic outreach will become more conspicuous if Canadian Prime Minister Justin Trudeau's highly anticipated visit to New Delhi takes place later this year.²²

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²² IANS, "Canadian PM Justin Trudeau expected to visit India this year", *Hindustan Times*, 26 February 2017.