

4. India-Canada Relations 2026 Reset – International Relations

Recently, the Prime Minister of Canada, Mark Carney, paid an official visit to India, marking the first bilateral trip by a Canadian leader since 2018. This was Prime Minister Carney's first visit to India after taking over as the Prime Minister of Canada. This visit is the culmination of progress made during two specific high-level meetings in 2025, the G7 Summit in Kananaskis, Canada (June 2025) and the G20 Summit in Johannesburg, South Africa (November 2025). India and Canada have recently undertaken efforts to revive and strengthen bilateral relations after a period of diplomatic tensions. The partnership now focuses on energy security, critical minerals, trade, technology, and people-to-people ties. Canada's resource wealth and India's rapidly growing economy create strong economic complementarity, making the relationship strategically significant.

1. Strategic Energy and Natural Resource Cooperation

Energy cooperation has emerged as the central pillar of the renewed partnership.

Civil Nuclear Cooperation

1. India and Canada strengthened nuclear cooperation through a CAD 2.6 billion agreement between Cameco Corporation and India's Department of Atomic Energy.
2. The agreement ensures long-term uranium supply for 10 years, strengthening India's civil nuclear energy programme.
3. Canada's Athabasca Basin contains some of the world's richest uranium deposits.
4. Reliable uranium supply supports India's goal of expanding clean nuclear power capacity and reducing fossil fuel dependence.

Small Modular Reactors (SMRs)

5. Both countries agreed to collaborate on Small Modular Reactors (SMRs) and advanced nuclear technologies.
6. SMRs are considered next-generation nuclear systems due to-
 1. Lower construction costs
 2. Modular and flexible deployment
 3. Enhanced safety mechanisms
7. For India, SMRs are suitable for remote regions, industrial clusters, and decentralized power generation.

Critical Minerals Partnership

1. India and Canada signed a Memorandum of Understanding on critical minerals supply chains.
2. Key minerals include-
 1. Lithium
 2. Cobalt
 3. Nickel
 4. Rare Earth Elements (REEs)
3. These minerals are essential for-
 1. Electric vehicle batteries
 2. Renewable energy storage
 3. Semiconductor manufacturing
4. The partnership complements India's electric mobility and energy transition strategies.

Fossil Fuel Cooperation

1. Canada intends to become a major supplier of-
 1. Liquefied Natural Gas (LNG)
 2. Heavy crude oil
2. Canada aims to produce 50 million tonnes of LNG annually by 2030.
3. LNG imports help India-
 1. Diversify energy sources
 2. Reduce coal dependence
 3. Strengthen energy security

2. Global Climate and Energy Alliances

International Solar Alliance (ISA)

1. Canada joined the International Solar Alliance, launched by India and France at the COP21 Paris Climate Conference 2015.
2. ISA aims to accelerate solar energy adoption, especially in developing countries.

Key targets under the "Towards 1000 Strategy" include-

1. Deployment of 1000 GW of solar capacity
 2. Providing clean energy access to 1 billion people
 3. Reducing 1 billion tonnes of CO₂ emissions annually
 3. Canada's participation strengthens financial resources and technological collaboration.
- ### Global Biofuels Alliance (GBA)
1. Canada became a member of the Global Biofuels Alliance, launched during the G20 New Delhi Summit 2023.
 2. The alliance promotes sustainable biofuels such as-
 1. Ethanol
 2. Biodiesel
 3. Compressed Biogas (CBG)
 3. India, the United States, and Brazil are founding members accounting for over 80% of global ethanol production.
 4. Canada's focus includes Sustainable Aviation Fuel (SAF) and waste-to-energy technologies.

3. Trade and Economic Architecture

Comprehensive Economic Partnership Agreement (CEPA)

1. India and Canada resumed negotiations on the Comprehensive Economic Partnership Agreement (CEPA).
2. A roadmap aims to conclude negotiations by 2026.

The agreement seeks to-

1. Reduce tariffs
2. Improve market access
3. Facilitate bilateral investments.

Trade Targets

1. Both countries aim to increase bilateral trade to CAD 70 billion by 2030.
2. A near-term target of CAD 50 billion trade within five years has been set.

Finance Ministers' Economic Dialogue

1. A new Economic and Financial Dialogue between finance ministers was launched.
2. Canadian pension funds have invested over \$100 billion in India, particularly in–
 1. Infrastructure
 2. Renewable energy
 3. Logistics
 4. Real estate

India–Canada CEO Forum

1. The CEO Forum was revived to strengthen industry–level collaboration.
2. Key sectors include–
 1. Technology
 2. Clean energy
 3. Infrastructure
 4. Advanced manufacturing

Agricultural Innovation

1. Plans were proposed to establish a Canada–India Pulse Protein Centre of Excellence at NIFTEM Kundli in Haryana.
2. Canada's Saskatchewan province will collaborate with India on pulse crops research and plant-based proteins.

4. Science, Technology, and Space Cooperation

Space Collaboration

1. Indian Space Research Organisation and Canadian Space Agency agreed to cooperate on–
 1. Space robotics
 2. Human spaceflight missions
 3. Satellite-based quantum communication

Artificial Intelligence for Healthcare

1. India and Canada will develop AI-assisted diagnostic tools for remote healthcare.
2. The goal is to expand telemedicine services in rural and underserved areas.

Trilateral Technology Partnership

1. A trilateral agreement between Australia, Canada, and India (ACITI) focuses on–
 1. Semiconductor supply chains
 2. Cybersecurity
 3. Internet of Things (IoT)
2. This partnership enhances technology resilience against geopolitical disruptions.

5. Security and Defence Cooperation

Institutional Defence Linkages

1. Canada appointed a permanent Defence Attaché in India.
2. India accredited its Defence Attaché in Washington to Canada.

Maritime Security Partnership

1. Both countries launched a Maritime Security Partnership.
2. The objective is to ensure a free, open, and rules-based Indo-Pacific region.

Counter–Terrorism Cooperation

1. A joint work plan was adopted to combat–

1. Violent extremism
2. Organized crime
3. Fentanyl precursor trafficking
4. Cyber-financial fraud

General Security of Information Agreement (GSOIA)

1. Both countries agreed to negotiate a General Security of Information Agreement to facilitate-
 1. Intelligence sharing
 2. Defence technology transfer

6. Education, Talent Mobility, and Diaspora Engagement

Globalink Research Internship Expansion

1. An agreement between AICTE and Mitacs expanded the Globalink Research Internship programme.
2. Under the programme, 300 Indian students annually conduct research in Canadian institutions.

Talent and Innovation Mobility

3. A new talent mobility framework will facilitate movement of professionals in-
 1. Artificial intelligence
 2. Green technologies
 3. Digital innovation

Canadian Universities in India

1 Canada agreed to establish physical campuses of Canadian universities in India under the National Education Policy 2020.

Indigenous Knowledge Exchange

1. Both countries will promote the Bharat Tribal Festival as a platform for knowledge exchange between indigenous communities.

7. Strategic Significance of India–Canada Relations

1. Canada is a resource superpower, providing energy, fertilizers, and critical minerals required by India.
2. Cooperation in critical minerals and semiconductors supports global supply-chain diversification away from China.
3. Canada's Indo-Pacific Strategy 2022 aligns with India's SAGAR Doctrine.
4. The 2-million-strong Indian diaspora in Canada serves as a "living bridge" connecting both societies.

8. Key Challenges in India–Canada Relations

Khalistan and Separatist Issues

1. India has raised concerns regarding Khalistani separatist activities operating in Canada.
2. Canada's legal protection for free speech creates policy differences between the two countries.

Diplomatic Trust Deficit

3. The 2023–2025 diplomatic crisis related to allegations surrounding the killing of Hardeep Singh Nijjar strained relations.
4. The crisis resulted in-
 1. Diplomat expulsions
 2. Visa suspensions
 3. Halted trade negotiations

Trade Barriers

CEPA negotiations face difficulties due to-

1. High Indian tariffs on dairy and wine
2. Strict Canadian sanitary and phytosanitary standards.

Migration and Student Issues

1. Canada introduced caps on international student visas in 2024–25, reducing intake by around 35%.
2. Rising housing costs and living expenses have also affected Indian student inflows.

9. Way Forward

Institutionalized Quiet Diplomacy

1. Establishing National Security Advisor–level dialogue mechanisms to manage sensitive issues.

Strengthening Legal Cooperation

2. Greater use of the Mutual Legal Assistance Treaty (1994) and Extradition Treaty (1987) to resolve disputes legally.

Expanding Economic Integration

3. Fast-tracking the CEPA agreement to deepen trade and investment.

Critical Mineral Industrial Partnerships

4. Developing joint ventures in lithium, cobalt, and nickel processing to support India's EV and semiconductor industries.

Strengthening People-to-People Links

5. Expanding academic exchanges, think-tank dialogues, and research partnerships.

Conclusion

The renewed India–Canada partnership reflects growing strategic convergence in energy security, critical minerals, technology, and Indo-Pacific cooperation. While political tensions and trade barriers remain challenges, deeper economic integration, institutional dialogue, and diaspora engagement can stabilize and strengthen bilateral relations.

A balanced approach combining strategic cooperation with diplomatic management of disputes will be essential for unlocking the full potential of India–Canada ties.

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