1. India – Canada Relations – International Relations

Recently, India and Canada signed a $1.9 billion, 10-year uranium supply agreement and committed to conclude a Comprehensive Economic Partnership Agreement (CEPA) in 2026.

It marks an effort by both countries to rebuild strategic trust after several years of diplomatic tensions

1. Background of India–Canada Relations

1. India and Canada established diplomatic relations in 1947, soon after India's independence.
2. Initially, relations were shaped by their shared membership in the Commonwealth.
3. Over time, the relationship evolved through phases of early cooperation, nuclear tensions after 1974, and gradual normalization since the 2000s.
4. Today, the partnership is gaining renewed importance in energy security, trade, climate cooperation, and strategic engagement.

2. Historical Evolution of India–Canada Relations

A. Early Diplomatic Engagement (1947–1970s)

1. Establishment of Relations
    1. Diplomatic ties began in 1947, with Canada opening a High Commission in New Delhi.
    2. India established its diplomatic mission in Ottawa soon afterward.
    3. Shared Commonwealth membership helped foster early diplomatic and economic engagement.
2. Development Cooperation
    1. Canada supported India's development programmes in agriculture, education, and infrastructure.
    2. Cooperation was facilitated through initiatives such as the Colombo Plan aimed at economic development in Asia.
3. Nuclear Cooperation
    1. Canada played a major role in India's early nuclear energy development.
    2. It supplied the CIRUS research reactor (Canada–India Reactor, U.S.) in the 1950s for peaceful purposes.
    3. Canada also assisted in establishing reactors at the Rajasthan Atomic Power Project (RAPP) in the 1960s.

B. Breakdown of Relations After Pokhran-I (1974)

1. India conducted its first nuclear test, Pokhran-I, in 1974, described as a "peaceful nuclear explosion."
2. Canada alleged that plutonium derived from the CIRUS reactor contributed to the test.
3. As a result-
    1. Canada suspended nuclear cooperation with India.
    2. Diplomatic relations entered a prolonged period of stagnation.
4. This phase reflected global concerns about nuclear proliferation and India's status outside the Nuclear Non-Proliferation Treaty (NPT).

C. Gradual Normalisation in the 21st Century

1. Relations improved significantly in the early 2000s due to changing geopolitical realities and India's rising global importance.
2. Key milestones included-

    1. The 2008 India–US Civil Nuclear Agreement and Nuclear Suppliers Group (NSG) waiver allowing India to engage in global nuclear commerce.
    2. The 2010 Civil Nuclear Cooperation Agreement between India and Canada.
    3. The 2015 Uranium Supply Agreement under which the Canadian company Cameco began exporting uranium to India.
3. These developments restored nuclear cooperation after decades of estrangement.

3. Present Status of India–Canada Relations

A. Uranium Supply Agreement (2026)

1. Canada's Cameco Corporation will supply approximately 10,000 tonnes of uranium to India between 2027 and 2035.
2. The agreement is valued at about $1.9 billion.
3. It ensures a long-term and reliable nuclear fuel supply for India's expanding nuclear energy programme.

B. Strategic Energy Partnership

1. India and Canada have launched a Strategic Energy Partnership covering multiple sectors such as-
    1. Uranium supply and nuclear energy cooperation
    2. Renewable energy collaboration
    3. Liquefied Petroleum Gas (LPG) cooperation
    4. Emerging technologies including hydrogen and clean energy innovation.
2. Canada has also agreed to join two India-led global initiatives-
    1. International Solar Alliance (ISA)
    2. Global Biofuel Alliance.
3. This reflects growing alignment in clean energy transition and climate diplomacy.

C. Comprehensive Economic Partnership Agreement (CEPA)

1. India and Canada have initiated negotiations for a Comprehensive Economic Partnership Agreement (CEPA).
2. Key objectives include-
    1. Expansion of trade in goods and services
    2. Promotion of investment flows
    3. Strengthening supply chain cooperation
    4. Encouraging technology partnerships.
3. Both countries aim to double bilateral trade by 2030 through this agreement.

D. Security and Counterterrorism Cooperation

1. The bilateral relationship also includes security collaboration.
2. Key elements include-
    1. Cooperation in counterterrorism and combating violent extremism
    2. Intelligence sharing
    3. Joint efforts against organized crime
    4. Meetings of the Joint Working Group on Counterterrorism.
3. This cooperation is particularly significant in the context of transnational terrorism and diaspora-related security concerns.

4. Strategic Significance of India–Canada Relations

A. Strengthening India's Nuclear Fuel Security

1. The uranium agreement ensures a stable and diversified fuel supply for India's civilian nuclear reactors.
2. It supports India's goal of expanding nuclear power capacity from about 9 GW to 100 GW by 2047.
3. Reliable uranium supply reduces risks associated with fuel shortages and geopolitical disruptions.

B. Diversification of Uranium Sources

1. India imports uranium from several countries including-
    1. Kazakhstan
    2. Uzbekistan
    3. Russia
    4. Canada.
2. Potential future suppliers include-
    1. Australia
    2. United States.
3. Diversification of suppliers strengthens energy security and supply resilience.

C. Strategic Partnerships with Major Economies

1. Canada is a G7 country and a technologically advanced economy.
2. Cooperation strengthens-
    1. India's engagement with advanced economies
    2. Access to high technology and clean energy innovation
    3. Strategic influence in global governance institutions.

D. Economic and Trade Benefits

1. Through CEPA and other initiatives, both countries can expand cooperation in-
    1. Agriculture
    2. Critical minerals
    3. Technology and innovation
    4. Infrastructure investment
    5. Education and research partnerships.
2. Canada is also an important destination for Indian students and skilled migrants, strengthening people-to-people ties.

E. Contribution to Global Climate Goals

1. Nuclear power is a major low-carbon energy source.
2. India's nuclear expansion will-
    1. Reduce dependence on fossil fuels
    2. Support commitments under the Paris Climate Agreement
    3. Promote transition to cleaner energy sources.
3. Canada's uranium supply therefore contributes to India's climate mitigation strategy.

5. Why India Depends on Imported Uranium

A. Low-Grade Domestic Uranium Deposits

1. India's uranium reserves are relatively low grade, containing only about 0.02%–0.45% uranium.
2. In comparison-
    1. Global average uranium ore grade is around 1–2%.

2. Some Canadian deposits contain up to 15% uranium, making extraction more economical.

B. High Import Dependence

1. Due to limited domestic resources-
    1. Over 70% of India's uranium requirement is imported.
    2. Annual consumption ranges between 1,500 and 2,000 tonnes.
    3. In 2025, demand was around 1,884 tonnes.
2. Even with expanded mining, domestic production is expected to meet only around 30% of future demand.

6. Domestic Uranium Production in India

A. Major Mining Regions

1. Uranium mining in India is concentrated in-
    1. Jharkhand
    2. Andhra Pradesh.
2. Other states with uranium deposits include-
    1. Meghalaya
    2. Rajasthan
    3. Telangana.
3. Seven operational mines are currently managed by Uranium Corporation of India Limited (UCIL).

B. Uranium Reserves

1. Total uranium ore reserves in India are estimated at about 4.3 lakh tonnes.
2. Around 80,000 tonnes are allocated to UCIL mines.
3. Approximately 40% of these reserves have already been extracted.
4. This highlights the need for new exploration and diversified imports.

7. India's Three-Stage Nuclear Programme

India's long-term nuclear strategy aims to utilize its large thorium reserves.

Stage 1- Pressurised Heavy Water Reactors (PHWRs)

1. Use natural uranium as fuel.
2. Produce plutonium as a by-product.
3. Most existing Indian reactors belong to this stage.

Stage 2- Fast Breeder Reactors (FBRs)

1. Use plutonium-based fuel.
2. Produce more fissile material than they consume.
3. India's Prototype Fast Breeder Reactor (PFBR) at Kalpakkam is nearing operational status.

Stage 3- Thorium-Based Reactors

1. Use thorium to produce Uranium-233.
2. Designed to ensure long-term energy independence.
3. India possesses one of the largest thorium reserves in the world, making this stage crucial for long-term energy security.

8. Challenges in India–Canada Relations

A. Diplomatic Tensions

1. Issues related to Khalistani activism.
2. Diplomatic disputes associated with the Nijjar case.

3. Domestic political pressures in both countries.

B. Trade Negotiation Difficulties

1. Complexities in CEPA negotiations.
2. Concerns related to agriculture, services, and regulatory standards.

C. Nuclear Energy Challenges

1. Slow progress in India's three-stage nuclear programme.
2. High capital cost of nuclear power projects.
3. Environmental and safety concerns.
4. Limited domestic uranium production.

9. Conclusion

1. India–Canada relations have evolved from early post-independence cooperation to a strategic partnership centred on energy security, economic cooperation, and climate action.
2. The uranium supply agreement represents an important milestone in strengthening India's nuclear fuel security and supporting its long-term nuclear power expansion goals.
3. Although diplomatic challenges remain, deeper engagement in trade, technology, and clean energy can enhance India's strategic autonomy and sustainable development trajectory in the coming decades.

Source- https-//indianexpress.com/article/explained/canada-uranium-deal-key-to-indias-expansion-plans-10563745/