

India - Canada ties

Why in news?

Recently, a parliamentary committee report in Canada has described India as the second-biggest foreign threat to the country's democracy displacing Russia.

What are the major highlights of the report?

- The report added to the negative state of the bilateral relation between India-Canada which have been caught in a diplomatic spat since 2023 killing of a **pro-Khalistan ideologue** in Surrey, British Columbia.
- Alleged interference by India has slowly increased but at the same time the operation has become expanded.
- Such threat assessment is part of the Canadian government's practices, in recent years the focus has increasingly shifted to China and India.
- It described **China as the topmost foreign threat** to Canada's democracy.

What is the history of India Canada relations?



- **Political relation-** India shared diplomatic relation with Canada in 1947, Canada supported plebiscite in Kashmir in 1948, which reflects the diplomatic relation shared by both countries.

- India-Canada *Track 1.5 Dialogue* was established involving experts, government officials and business leaders from both sides to explore the possibility of future cooperation.
- **Geopolitics-** Both Canada and India are member nations of the Commonwealth association and also part of G20, a group of world's largest economies.
- **Economic relations-** In 2022, India was Canada's 9th-largest merchandise trading partner in the Indo-Pacific region, the 13th-largest merchandise trading partner globally, and the 14th-largest destination for merchandise exports.
- **Trade agreement-** Both nations are working toward a Comprehensive Economic Partnership Agreement and a Foreign Investment Promotion and Protection Agreement (FIPA).

Canada was ranked as the 17th largest foreign investor in India.

- **Science and Technology:** MoUs were renewed at the 7th India-Canada Joint Science and Technology Cooperation Committee (JSTCC) focussing on quantum computing, artificial intelligence (AI), and cyber-physical systems etc.
- **Agriculture:** Canada has agreed to examine the request for Conformity Verification Body (CVB) status to APEDA (Agricultural and Processed Food Products Export Development Authority) for hassle-free export of Indian organic products.
- **Nuclear cooperation-** Nuclear Cooperation Agreement (NCA) was signed with Canada in 2010.
- **Space relations-** ANTRIX, the Commercial arm of ISRO, has launched several nanosatellites from Canada. ISRO in its 100th Satellite launched in 2018, flew Canadian 1st LEO satellite, from Indian spaceport Sriharikota, Andhra Pradesh.

INDIA AND CANADA, IN NUMBERS

Canada accounts for just 0.56% of the total FDI in India.



DPIIT data show total FDI equity inflow between April 2000 to June 2023 was

\$645,386.0884 mn, of which only \$3,642.5243 mn came from Canada.

But Canada is home to 5.26% of overseas Indians



Of the 3,21,00,340 overseas Indians, 5.26% (16,89,055) are in Canada, including

1,78,410 NRIs and 15,10,645 PIOs, according to MEA data.

And every 7th Indian student abroad is in Canada



In 2022, of the estimated 13,24,954 Indian students abroad, 13.83% (1,83,310) were

in Canada, according to Ministry of External Affairs data.

Canada is 4th largest source of tourists in India (2021)



Canada accounted for 5.3% (80,437) of Foreign Tourist Arrivals (FTAs) in India in 2021; 72.6% of

Canadian FTAs were members of the Indian diaspora. FTAs from Canada rose to 3,51,859 in the pre-pandemic year 2019 from 88,600 in 2001. Arrivals from Canada fell sharply post pandemic.

Bilateral trade is tiny; its balance is in India's favour



India's trade with Canada was \$8,161.02 mn during FY 2022-23, just 0.70% of India's total

trade of \$1,165,000.88 mn. Canada was India's 35th biggest trading partner. The balance of trade is in India's favour; in 2022-23, India's exports to Canada stood at \$4,109.74 mn, and imports at \$4,051.29 mn.

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- **Education-** Shastri Indo-Canadian Institute (SICI) is a unique bi-national organization fostering, since 1968, education and cultural cooperation and collaboration between India and Canada.
- **Indian diaspora-** Canada hosts one of the largest Indian diasporas in the world, numbering 1.6 million (PIOs and NRIs) which account for more than 4% of its total population.
- **Cultural relations-** Canada was the Country of Focus at the 48th International Film Festival of India held in Goa in 2017.
- **IC-IMPACTS** (India-Canada Centre for Innovative Multidisciplinary Partnerships to Accelerate Community Transformation and Sustainability) is the Centre of Excellence for development of research collaborations between Canada and India

What are the major challenges in India-Canada relations?

- **Nijjar assassination controversy-** The two countries have expelled senior diplomats and issued travel advisories for their citizens. The controversy has damaged the trust and goodwill between the two governments and has inflamed the sentiments of the Sikh community in Canada.
- **Khalistan Issue-** India has accused Canada of being soft on pro-Khalistan groups and individuals, who have allegedly used Canadian soil to carry out anti-India activities.

The Khalistan issue, which refers to the demand for a separate Sikh homeland in India, has been a source of friction between India and Canada for decades.

- **Trade Impasse-** Despite having a bilateral trade agreement since 2011, India and Canada have not been able to finalize a comprehensive free trade agreement (FTA) or an investment protection agreement (IPA).
- **Human rights Concerns:** Canada has expressed concerns over the human rights violations in India, especially in relation to the Kashmir conflict, the Citizenship Amendment Act, the farmers' protests, and the crackdown on dissent.
- **Security dilemmas-** India and Canada have different views and interests on issues such as Afghanistan, Iran, China, Pakistan, and terrorism. India sees Canada as a close ally of the US, which has often been at odds with India on these issues.
- **Diaspora dynamics-** It has also been a source of tension and controversy, as some segments of the diaspora have been involved in political activism, lobbying, fundraising, and propaganda for various causes related to India or their respective communities.
- **Leadership gap-** The personal rapport and chemistry between Prime Minister Narendra Modi and Prime Minister Justin Trudeau have deteriorated over time due to their differences in personality, ideology, and style.

What should be done?

- While the Canada-India dispute is a serious diplomatic matter, the relationship between their people remains robust.
- The need of the hour is quiet diplomacy, which is a diplomatic approach that focuses on negotiations and discussions.
- Canada should show respect for India's interest especially in Khalistan issue, which is a longstanding crisis between two countries.
- India should constructively engage with Canada on the entire gamut of legal processes and practices of both countries so that all grievances can be satisfactorily addressed.

References

1. [The Hindu | India second-biggest foreign threat to Canadian democracy](#)
2. [MEA | Brief on India-Canada relations](#)

