

India-Canada Tussle

Why in news?

India and Canada are dealing with an unprecedented diplomatic crisis, after Canadian Prime Minister accused agents of the Government of India for killing Canadian Khalistani leader Hardeep Singh Nijjar in June 2023.

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*.
- **Economic relations**- In 2022, India was Canada's
 - 9th-largest merchandise trading partner in the Indo-Pacific region,
 - 13th-largest merchandise trading partner globally, and

- 14th-largest destination for merchandise export.
- Both the countries formally agreed to relaunch *Comprehensive Economic Partnership Agreement (CEPA)*, a free trade agreement covering negotiation on the trade in services and investment, etc.
- **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.
- **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.

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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What is the issue now?

- **Canada's allegation**- Canadian security agencies have been actively pursuing credible allegations of a potential link between agents of the Government of India and the killing of a Canadian citizen, Hardeep Singh Nijjar.
- Canada has said that its *Five Eyes partners* could re-evaluate intelligence sharing and law enforcement cooperation with India if Canadian officials uncover definitive proof of India's involvement in Nijjar's murder.

The Five Eyes network is an intelligence alliance comprised of the United States, the United Kingdom, Australia, Canada, and New Zealand.

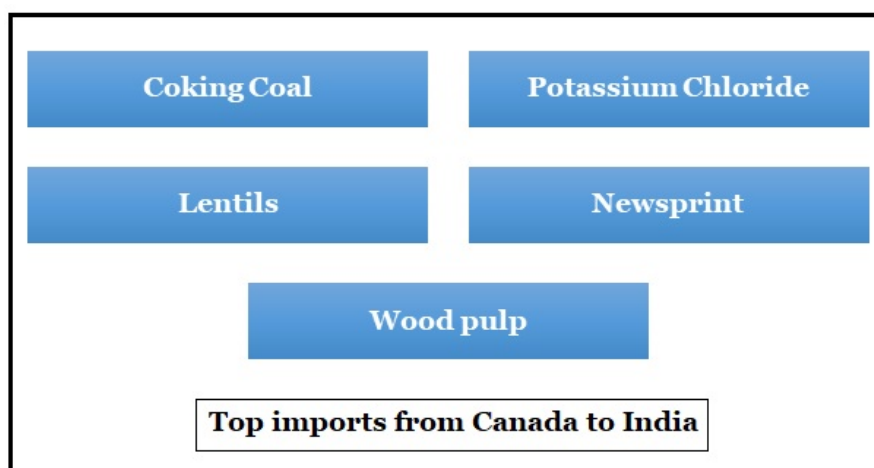
- **India's reply** - India has dismissed the accusations as "absurd" and "motivated."
- **Responses** - In response to Ottawa's expulsion of an Indian official related to the case, India has reciprocated by *expelling a senior Canadian diplomat*.
- India *suspended visa services* in Canada. E-visa services were stopped too.
- India has asked Canada to *downsize its diplomatic staff* in the country, arguing that there should be parity in strength and rank equivalence in the mutual diplomatic presence.
- Both countries declared that they would *pause trade talks* with each other.

Khalistan Movement

- **Evolution**- The Khalistan movement is a Sikh nationalist movement that desired to create an independent state for Sikh people inside the North-Western Republic of India.
- In early 1980s, the movement had emerged as a major separatist movement that was fed on arms under the patronage of Pakistan's ISI.
- **Emergence of Bhindranwale**- Bhindranwale emerged as the extremist voice of Sikhs and declared himself as the protector and arbiter of Sikh rights.
- **Operation Blue Star**- Operation Blue Star was conducted to capture Bhindranwale in Harmandir Sahib Complex, but the operation resulted in a strong anti-India sentiment.
- **Killing of Indira Gandhi**- The then PM Indira Gandhi was seen as an enemy of the Sikhs and two Sikh guards of her killed her in 1984.
- Her killing was followed by wide-spread riots against the Sikhs across India fuelling more anti-India sentiment.
- **Khalistan referendum**- Recently, many Canadian Sikhs took part in an unofficial voting exercise, the "[Khalistan referendum](#)".
- Canada defended this as an exercise in freedom of speech.

How the tussle will affect India?

- **Destruction of public image** - The allegations can damage India's public image as a democratic nation committed to a rules-based order or its perception as a trustworthy ally.
- **Haven for separatists**- The big issue for India is the safe haven that Canada has provided to separatist Khalistani groups.
- **Affect education**- Temporary suspension of visas would affect India as Canada is the 2nd most popular destination for Indian students, especially from Punjab and Haryana.
- **India Canada standoff**- Erosion of trust and confidence which makes it difficult for both countries to engage in key issues.
- **Disrupt trade relations**- It affects the balance of trade which is in India's favour, and Canada is among the few countries with which India has a trade surplus.



- The diplomatic tensions led to pause on negotiations for a comprehensive free trade agreement between the two countries.
- **Hospitality sector**- Both countries issued travel advisories urging their citizens to 'exercise utmost caution' while travelling to some regions in the other country.
- **Affects revenue**- Canada is one of the top 10 countries to contribute to foreign tourist

arrivals in Kerala.

- Strained relationship could affect the revenue.
- **Agriculture-** Canada is important to India as a supplier of
 - **Muriate of Potash (MOP)** - It is the 3rd most consumed fertiliser in India after urea and di-ammonium phosphate.
 - **Red lentil-** Canada is the largest source of red lentils for India with the annual import being pegged at around 4-5 lakh tonnes.
- **Geopolitical relationship-** The recent standoff with Canada could affect India's relation with Western countries and groupings such as [QUAD](#).
- Canada's Indo-Pacific strategy may be hindered without India's participation.

What lies ahead?

- **People to people relation-** While the Canada-India dispute is a serious diplomatic matter, the relationship between their people remains robust.
- **Quiet diplomacy-** It is a diplomatic approach that focuses on behind the scene negotiations and discussions.
- **Canada-** It should show respect for India's interest especially in Khalistan issue, which is a longstanding crisis between two countries.
- **India-** It 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

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2. [Ministry of External Affairs- India and Canada foreign relations](#)
3. [The Hindu- India Canada tensions worsened](#)
4. [The Hindu- The need for quiet diplomacy to clear the air](#)