

Resetting India-Canada Relations - Uranium Deal and CEPA Negotiations

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India-Canada Relations Latest News

- India and Canada have taken significant steps to reset strained bilateral relations during the recent **visit** of Canadian Prime Minister Mark Carney **to India**.
- Talks with the Indian PM focused on **rebuilding strategic trust**, enhancing economic ties, and strengthening cooperation in energy and security.
- The visit marks the **first** full bilateral Canadian Prime Ministerial visit since Justin Trudeau's 2018 trip and comes after relations deteriorated following the 2023 diplomatic dispute over the killing of Hardeep Singh Nijjar.
- Leaders also discussed escalating conflict in West Asia. India emphasised peace and stability, diplomacy and dialogue, however, no joint position was announced.

Major Outcomes of the Visit

- **Long-term uranium supply:**
 - **Agreement:**
 - India and Canada signed a \$1.9 billion uranium supply agreement for 10,000 tonnes (2027–2035).
 - Canadian company Cameco will supply uranium for Indian nuclear power plants.
 - This will support India’s civil nuclear energy programme and clean energy transition, and is intended to ensure reliable baseload power through nuclear energy.
 - **Significance:**
 - Enhances India’s energy security.
 - Strengthens civil nuclear cooperation.
 - Helps achieve climate goals and net-zero targets.
 - Builds on earlier uranium supply agreement (2015–2020).
- **Comprehensive Economic Partnership Agreement (CEPA):**
 - **Trade expansion goals:** Terms of Reference for CEPA negotiations finalised, targeting to boost bilateral trade by 2030 [from \$8.66 billion (2024–25) to \$50 billion].
 - **Key areas of cooperation:** Clean energy, critical minerals, agricultural value chains, advanced manufacturing, and technology cooperation.
 - **Significance:**
 - Reduces trade dependence on the U.S.
 - Diversifies global economic partnerships.
 - Revives suspended trade negotiations.
- **Strategic energy partnership:**
 - India and Canada agreed to cooperate in uranium supplies, renewable energy, LPG sector, nuclear technology, Small Modular Reactors (SMRs), and advanced reactors.
 - This reflects a shift towards clean energy cooperation and energy transition.
- **Multilateral cooperation:**
 - Canada agreed to join the International Solar Alliance, and Global Biofuel Alliance.
 - **Significance:** This will strengthen India’s climate diplomacy, and expands India’s role in global renewable governance.
- **Security and strategic cooperation:**
 - Both sides agreed to strengthen cooperation in counterterrorism, violent extremism, organised crime, and intelligence sharing.
 - They agreed to convene the **Joint Working Group** on Counterterrorism. Key focus – Addressing concerns over Khalistani extremism, and combating transnational repression and foreign interference.

Strategic Significance for India

- **Economic importance:** Access to critical minerals, energy resources, and advanced technologies.
- **Energy security:** Reliable uranium supply for nuclear energy expansion.
- **Climate goals:** Nuclear and renewable cooperation supports **low-carbon growth**.
- **Indo-Pacific strategy:** Strengthens ties with a key **G7 partner**.

India-Canada Relations

- Canada and India share over 75 years of diplomatic relations, which were formally designated as a “Strategic Partnership” in **2018**.
- India is Canada’s **largest** source country for most immigration categories, with over **1.8 million** (including over 425,000 Indian students) people of Indian origin—nearly 4% of its population—significantly influencing the nation’s culture, economy, and politics.
- **Key exports** from India to Canada (\$4.22 billion) include drugs & pharmaceuticals, iron & steel, seafood, cotton garments, electronic goods and chemicals among others.
- **Key imports** of India from Canada (\$4.44 billion) include pulses, pearls & semiprecious stones, coal, fertilizer, paper and petroleum crude.

Challenges in India-Canada Relations

- **Trust deficit:**
 - Nijjar killing controversy, and diplomatic tensions since 2023.
 - Canadian agencies reportedly claim involvement of Indian consular officials in the killing of Hardeep Singh Nijjar, which India strongly denies.
 - This had earlier led to diplomatic expulsions, suspension of trade negotiations, strategic mistrust, and remains a major obstacle to trust-building.
- **Khalistan issue:** India’s concerns over safe havens for separatist groups in Canada. Canada’s concerns about transnational repression.
- **Trade barriers:** Long-pending CEPA negotiations due to regulatory differences.
- **Implementation risks:** Earlier uranium agreements did not fully deliver. Need for reliable supply commitments.

Way Forward

- **Institutional dialogue:** Regular political and diplomatic engagement, strengthening counterterrorism mechanisms.
- **Early conclusion of CEPA:** Fast-track negotiations by addressing regulatory barriers.
- **Confidence-Building Measures:** Transparent investigation mechanisms, intelligence cooperation.
- **Expanding energy cooperation:** Uranium supply stability, SMR development, renewable partnerships.
- **Diaspora engagement:** Address concerns related to extremism while protecting democratic freedoms.

Conclusion

- The 2026 India-Canada agreements mark a **cautious** but significant attempt to rebuild strategic trust after years of diplomatic friction.
- It signals a pragmatic shift toward economic and energy cooperation. However, the unresolved Nijjar controversy and mutual security concerns continue to pose risks.

- Sustained dialogue and institutional cooperation will be crucial to transforming the relationship into a **stable strategic partnership**.

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