# India – Canada

## Table of Content

1. **Introduction** ................................................................. 2
2. **Background** ................................................................ 2
3. **Indian Diaspora** ......................................................... 2
4. **Bilateral relations** ....................................................... 2
5. **Trade relations** ............................................................ 3
6. **Prime Minister visit to Canada in 2015** .......................... 4
7. **Nuclear Cooperation between the two countries** ............... 4
1 Introduction

- India-Canada bilateral relations have seen a transformation in recent years underpinned by shared values of democracy, pluralism, expanding economic engagement, regular high level interactions and long standing people-to-people ties.
- During the visit of Prime Minister of India to Canada in April 2015, the two sides agreed to elevate the bilateral relations to a strategic partnership.

2 Background

- Historical ties between the two countries go back to over a century when Indians began migrating in small numbers to British Columbia in late 19th century. After India became independent the bond of ‘Commonwealth of Nations’ was forged.
- Over the years an array of institutional mechanisms has been put in place to promote bilateral cooperation. Both nations are also active members of multilateral forums such as G-20, ARF, WTO, etc.

3 Indian Diaspora

- Canada is home to over 1.2 million Persons of Indian Origin (PIO) who comprise more than 3% of the country’s population.
- The highly educated, affluent and industrious Indo-Canadian community, one the largest immigrant groups in Canada, is well integrated with the mainstream and serves as a strong bridge between the two nations.
- The Indian community is culturally active and has organized itself in various associations and groups.
- Greater Toronto Area (GTA) has the largest Indian community estimated at around 600,000 followed by Vancouver at around 300,000. It is estimated that two-thirds of Indo-Canadians are Punjabi speaking, followed by those who speak Gujarati.
- Many Indo-Canadians hold key positions in business enterprises, public service and other professions.
- The Diaspora is also well represented in federal Parliament and provincial legislatures. In the present House of Commons, there are nine Members of Parliament of Indian origin and two of them are Minister of State in the Federal Cabinet.
- Prominent Indo-Canadian organizations include Canada India Business Council (CIBC), Canada India Foundation (CIF), Indo-Canada Chamber of Commerce (I-CCC) and other local chambers and associations.

4 Bilateral relations

- At the political level, the relations in recent years are marked by regular interactions at the highest level. Prime Minister Jean Chretien visited India in 2003 and Prime Minister Paul Martin in 2005. Prime Minister Stephen Harper paid an official visit to India from 15-18 November 2009. He called on President Pratibha Patil and met Vice President Mohammad Hamid Ansari and Prime Minister Dr. Manmohan Singh. A MoU was signed to establish a Joint Study Group to examine the feasibility of a bilateral Comprehensive Economic Partnership Agreement (CEPA). Another MoU was signed for cooperation in energy & energy efficiency.
- Prime Minister Dr. Manmohan Singh visited Toronto from 25-26 June 2010 to attend the G-20 Summit. A bilateral component was added on the margins. The two PMs held bilateral discussions on 27th June. An Agreement on Civil Nuclear Cooperation and three MoUs on cooperation in Mining, Culture, and Higher Education were signed.
- Prime Minister Harper visited India again from 4 to 9 November 2012, covering Agra, New Delhi, Chandigarh and Bangalore.
Three agreements were signed-Social Security Agreement (for linking the pension system of the two countries, and facilitating movement of professionals), MoU on Information Communication Technology and Electronics (for establishing a framework of cooperation in the ICT&E sector) and MoU between DRDO and York University for cooperation in the field of defence science and technology.

The negotiations for Appropriate Arrangements, for operationalization of India-Canada agreement for cooperation in peaceful uses of nuclear energy were also concluded.

In the Joint Statement issued during the visit, the two Prime Ministers agreed on the imperative to forge a forward-looking relationship by deepening bilateral engagement at a strategic level and better leveraging significant complementarities in key areas of mutual interest such as: energy security; agriculture and food security; mineral resources; education; infrastructure development; and advanced civilian, defence and space technologies.

Both countries agreed to intensify interaction through regular meetings, including on the margins of international meetings, and to institute an annual strategic dialogue between the two Foreign Ministers, supported by bilateral meetings among senior officials.

The inaugural India-Canada Strategic Dialogue, co-chaired by External Affairs Minister (EAM) Salman Khurshid and Foreign Minister John Baird, was held in Toronto on 23 September, 2013. The Strategic Dialogue constitutes the foremost mechanism to provide a long-term strategic direction to the bilateral relations by focusing on priority areas of cooperation.

The 2nd round was held in New Delhi on 14 October 2014 co-chaired by EAM Sushma Swaraj and FM Baird.

FM Baird and Minister for International Trade, Ed Fast, jointly called on Prime Minister Modi.

The Right Honorable David Johnston, Governor General of Canada, paid a State visit to India from 22 February to 2 March, 2014, covering New Delhi, Bangalore and Mumbai.

5 Trade relations

Both countries have shared a cordial and productive trading relationship right since the days of Indian independence.

After a decline in India Canada trading relations in the 1970s due to India’s Peaceful Nuclear Explosion, trade between India and Canada picked up in the 1990s.

In 1997, Canada started focusing on India in a big way, after the financial crisis in South East Asia. Canada then zeroed in on India intending to tap its huge trading potential.

However, after India conducted nuclear tests in 1998, Canada once again went on an alert as far as its trading relations with India were concerned.

But in 1999, after the Indian visit of the then Secretary of State for Asia Pacific, Raymond Chan, and India-Canada Trade Relations resumed once again economic alliances were agreed upon.

The cumulative Indian FDI, as per Statistics Canada in 2014 was C$3, 973 million as against Canadian FDI of C$1,128 million in India. Indian investment in Canada has increased steadily in the recent years, especially in the IT, software and natural resources sectors.

Indian companies with substantial operations in Canada include Aditya Birla Group, Essar Steel, Tata Consultancy Services, Tata Steel Minerals Canada, Tech Mahindra, WIPRO, Infosys Technology, Jubilant Life Sciences, Abellon Energy Inc, IFFCO and Gujarat State Fertilizers and Chemicals Limited (GSFC).

Two Indian Banks, State Bank of India and ICICI, have seven and nine branches respectively in Canada.

The major thrust areas for Canadian companies in India are in power & energy equipment & services like: oil and gas, environment products & services, telecommunications & IT, and the financial sector, including insurance.

Canadian strength lies in traditional areas such as consulting and engineering, as well as in fields such as education, software development, and financial services. Canadian companies with operations in India include SNC Lavalin, Bombardier, CAE Inc., etc.
6 Prime Minister visit to Canada in 2015

- Prime Minister Narendra Modi paid an historic standalone bilateral visit to Canada from 14-16 April 2015, after a gap of 42 years, covering Ottawa, Toronto and Vancouver.
- He held extensive discussions with Canada’s political, business and academic leaders and also addressed some 10,000 PIOs & friends of India, at Toronto on 15th April.
- He interalia called on Governor General Johnston and held talks with Prime Minister Harper. Documents signed during the visit include
  1. MoU between ISRO and the Canadian Space Agency concerning Cooperation in the field of Space.
  2. MoU between the Ministry of Railways and Department of Transport of Canada on Technical Cooperation in Rail Transportation.
  3. MoU between Ministry of Civil Aviation and Department of Transport of Canada on Deepening Cooperation in Civil Aviation.
- An Agreement between the Indian Department of Atomic Energy and Cameco Corp of Canada for long-term supply of uranium to India was also concluded.
- The Prime Ministers agreed to elevate the bilateral relations to a strategic partnership and take concrete measures to expand bilateral cooperation in key areas including the economy, trade and investment, civil nuclear cooperation, energy, education and skills development, agriculture, defense and security, science, technology, innovation and space, culture, and people-to-people ties.
- Canada’s cooperation and investment in every area of India’s national development priority-Energy and Infrastructure, Manufacturing and Skills, Smart Cities and Agro-industry and Research and Education. To expand people-to-people contacts, Electronic Tourist Visa (eTV).

7 Nuclear Cooperation between the two countries

- The Nuclear Cooperation Agreement (NCA), which was signed in June 2010, came into force in September 2013.
- The Appropriate Arrangement (AA) for the NCA was signed in March 2013.In pursuance of the Agreement, a Joint Committee on Civil Nuclear Cooperation has been constituted and held its first meeting in Mumbai on 29 November, 2013.
- The 2nd meeting was held in Ottawa in November 2014. On 15th April 2015, the Department of Atomic Energy signed a contract with Cameco, a Saskatoon-based Canadian company, to purchase seven million pounds of uranium concentrate over the next five years.

| The government of India does not release data on local uranium production, but it is estimated to be around 350-400 MT. Total Indian reserves are estimated at 181,600 MT, mainly in Andhra Pradesh, Jharkhand and Meghalaya. |

About this deal:

- Canada will supply uranium to energy-starved India beginning this year over a period of five years, a decision which was termed as a launch of a new era of bilateral cooperation and mutual trust.
- This deal is worth $ 350 million. Canada’s largest uranium producer, Cameco Corp, will supply 3,220 metric tonnes of uranium concentrate for Indian nuclear power reactors over five years, beginning this year. Cameco Corp, based in Saskatchewan in the Canadian prairie, produces, according to the company’s web site, about 16 per cent of the world’s uranium.
- Under an agreement signed on April 17, 2015 after comprehensive talks Modi had with his Canadian counterpart Stephen Harper, Cameco Corporation will supply 3,000 metric tonnes of uranium over five years to India at an estimated cost of USD 254 million.
- The supply will start from this year, highly placed sources said. Canada is the third country to supply uranium to India after Russia and Kazakhstan.
- The supplies will be under the International Atomic Energy Agency (IAEA) safeguards.
• It’s been decided that two countries will resume commercial cooperation in civil nuclear energy after decades.
• Under a deal worth hundreds of millions of dollars, Canadian producer Cameco Corp is expected to provide fuel for Indian reactors.
• Canada has decided to provide uranium to India over a period of five years.
• Canada had banned exports of uranium and nuclear hardware to India in the 1970s.
• However, the two countries turned the page in 2013 with the signing of the Canada-India Nuclear Cooperation Agreement, paving the way for the uranium deal.

Significance of this deal:

• It comes at the end of two years of protracted negotiations that followed the 2013 civil nuclear deal between the countries. Canada, among the world’s largest producers of uranium, played a key role in India’s nuclear evolution, having supplied the first Indian reactor CIRUS in 1954.
• The exports of uranium and nuclear hardware to India were, however, stopped after New Delhi used Canadian technology to carry out a peaceful nuclear test in 1974.
• India has 21 operational nuclear reactors and six under construction, which use uranium as fuel.
• The nuclear component of India’s energy production is currently under 3 per cent at 6,000 MW.
• By 2032, India expects to have 45,000 MW of nuclear capacity, provided it has assured uranium fuel supplies.

Use of uranium: Uranium is a naturally-occurring element in the earth’s crust, and mining takes place in locations where it is naturally concentrated. To make nuclear fuel, uranium extracted from mines is first stored as uranium oxide concentrate—a bright yellow substance sometimes referred to as ‘yellow cake’—which is then enriched into uranium-235 isotope, before being made into pellets that are loaded into the nuclear fuel assembly.