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WHY INDIA SHOULD CARE ABOUT A RESET WITH CANADA

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Prime Minister Narendra Modi meets Canadian Prime Minister Mark Carney on the sidelines of the G7 Summit. | Photo courtesy: @narendramodi / X

One year ago, Ottawa and India were expelling diplomats; this week, Canada's Foreign Affairs Minister Anita Anand is in New Delhi meeting senior ministers. The contrast shows how far relations have come—and how fragile the progress remains.

For India, the question is straightforward: why should New Delhi care about a reset with Canada? The answer lies in three areas central to India's long-term strategy—economic resilience, energy and critical minerals security, and technology partnerships—plus a shared imperative to explain the case for cooperation clearly to both publics.



A POLITICAL OPENING AND A PUBLIC-OPINION REALITY

Since Prime Ministers Narendra Modi and Mark Carney met in June, and high commissioners were reinstated in September, the relationship has shifted from crisis management to step-by-step re-engagement. New polling by the Angus Reid Institute, in partnership with the Asia Pacific Foundation of Canada (APF Canada), finds that a majority of Canadians support restoring diplomatic ties with India, although perceptions remain more negative than positive, and self-reported knowledge of India lags far behind the U.S., Japan, and China. In other words, the political space to rebuild exists, but the public case still needs to be made.

That narrative gap cuts both ways. Indian audiences have mostly seen Canada through the lens of the Khalistan issue and student-visa headlines. To sustain progress, both governments will need clear, consistent communication explaining how cooperation serves their national interests, while maintaining firm law-enforcement channels to address legitimate security concerns.

ECONOMIC RESILIENCE: DIVERSIFICATION THAT MATCHES THE MOMENT

If recent years have taught us anything, it is that resilient economies diversify. The Canada-India economic corridor is meaningful, if under-leveraged. Canada's merchandise trade with India grew 61% between 2015 and 2024 to about CA\$13.3 billion, while two-way services trade rose from CA\$2.6 billion in 2015 to CA\$17.3 billion in 2023. Yet tariff and non-tariff barriers, regulatory frictions, and stop-start politics have capped the upside.

The strategic context has also shifted. President Trump's disruptive trade and tariff policies are roiling global supply chains and making both Canada and India reconsider their long-held foreign policy assumptions. With the U.S. a less predictable anchor, both Ottawa and New Delhi are treating diversification as an urgent imperative. What was politically difficult before is becoming more feasible: Canada is more serious about deepening Indo-Pacific partnerships, and India is



more open to trade arrangements that pair market access with investment and technology commitments.

Against this backdrop, Ottawa and New Delhi should resume and modernise trade talks focused on early, practical wins—targeted tariff-rate quotas, standards co-operation, and investment protections—while scoping what a fuller agreement could look like. Momentum can also build off India’s recent deals with partners Canada knows well: the U.K. agreement, and India’s pact with Iceland, Liechtenstein, Norway, and Switzerland signal New Delhi’s readiness to move on ambitious frameworks. Think of this not as a favour to Canada, but as prudent risk management for both countries in an era of tariff volatility and increasingly weaponised supply chains.

ENERGY AND CRITICAL MINERALS: FROM AD HOC TRANSACTIONS TO A COMPACT

India’s dual imperatives—sustained growth and a faster energy transition—require secure access to inputs from potash and uranium to copper and battery metals. Canada brings reliable resources, top-tier ESG standards, mining know-how, and deep pools of long-term capital; India brings scale in processing and manufacturing, engineering talent, and demand. Strategically, this is a fit.

A Canada-India Energy and Critical Minerals Compact would move the relationship from episodic deals to a pipeline of financeable projects. Today, India’s footprint in Canada’s critical-minerals investment is minimal, and Canada’s exports to India beyond potash are thin—which shows clear headroom for growth.

Timing also helps. The Trans Mountain Expansion, completed in 2024, broadened Canada’s oil export routes to Asia and began to rebalance energy flows toward Indo-Pacific buyers. In July 2025, Canada shipped its first liquefied natural gas (LNG) cargo to Asia, further signalling a gradual shift in Canada’s energy profile and a widening set of options for Asian partners. Nuclear offers another



synergy: Saskatchewan's uranium, coupled with Canadian expertise in safety and small modular reactors, can complement India's long-term nuclear ambitions.

To turn these vectors into projects, a ministerial-level Critical Minerals & Energy Dialogue should identify two or three priority value chains, pair each with a recycling or processing pilot in India, and time announcements to major industry moments such as the Prospectors & Developers Association of Canada (PDAC) Convention 2026 in Toronto.

TECHNOLOGY PARTNERSHIPS: AI, SEMICONDUCTORS, AND DIGITAL RAILS

Both countries prioritise AI, chips, and secure digital infrastructure. Canada's strengths—world-class research hubs, leadership in responsible AI, and a deep talent base—complement India's scale in compute and deployment via digital public infrastructure. A bilateral framework could: co-fund research chairs; run start-up exchanges that move prototypes to procurement in both markets; and converge on standards for trusted cross-border data flows and cyber-secure financial rails.

A ready focal point is already on the calendar: the India-AI Impact Summit in New Delhi, February 19-20, 2026. It is a natural launchpad for joint work on AI governance, AI in health, and semiconductor design with Canadian institutes and firms, signalling seriousness and building talent pipelines where both countries can win.

PEOPLE, PROVINCES, AND STATES: WIDEN THE APERTURE

Centre-to-centre ties matter, but sub-national partnerships often deliver the tangible wins that keep relationships resilient. Canada's provinces (Ontario, Quebec, Alberta, Saskatchewan, British Columbia) and certain Indian states (Karnataka, Tamil Nadu, Gujarat, Telangana, Maharashtra) can drive practical co-operation in agri-food, clean tech, aerospace, film and creative industries, and



higher education. Developing more province-state MOUs with clear project lists would help reduce political risk and sustain momentum when headlines wobble.

Education needs special attention. Recent policy changes in Canada have unsettled predictability for Indian students, while public debate in India has centred on visa processing and campus experiences. Both governments, therefore, have strong incentives to rebuild trust and restore clarity. Practical steps could include creating fast-track lanes for trusted academic travellers—faculty, researchers, and graduate students—expanding joint degree programs and STEM internships that link classrooms to industry, and providing upfront, plain-language guidance on post-study work-permit pathways. A healthier, more predictable education corridor will not only serve students and families; it will also feed talent into research partnerships and commercial ventures, strengthening India-Canada commerce and innovation over the next decade.

MIND THE NARRATIVE

The relationship will remain vulnerable if it is defined by the loudest negative story of the week. In India, when Canada is seen only through the prism of diaspora politics, the opportunity space narrows and practical cooperation gets crowded out. Reframed on its merits, Canada is a G7 partner with patient capital (pension funds and asset managers), high-standard mining and clean-tech capabilities, and a strong record of rules-based governance in trade and technology. Making that case—to industry, state governments, universities, and the wider public—turns engagement with Canada into a strategic asset: a pragmatic hedge in a fragmenting global economy and a direct boost to India's growth, energy security, and technology ambitions.

A partnership with Canada helps India diversify inputs for its energy transition, attract capital into complex projects, and accelerate innovation in AI, chips, and secure digital infrastructure, while giving Canadian companies a predictable route into India's scale. That is a fair trade. If both sides pair steady, institutional engagement with honest law-enforcement co-operation—and invest in telling the



story at home—the recent diplomatic reset can move from symbolism to substance. The window is open. It’s time to use it.

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