

India, Canada re-engage, revive stalled trade talks

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New Delhi, 18 June

India and Canada on Wednesday decided to take “calibrated” and “constructive” steps to reset their relationship and restore stability in bilateral ties. As a first move, the two sides agreed to resume negotiations on an interim trade agreement after a nearly two-year pause and to appoint new high commissioners to each other’s capitals.

Indian Prime Minister Narendra Modi and his Canadian counterpart Mike Carney met on the sidelines of the G7 Summit in Kananaskis, Alberta, where they also agreed to restart senior ministerial and working-level engagements across various domains to “rebuild trust” and “bring momentum” to the relationship, said the Ministry of External Affairs (MEA). The Canadian government said the early return of high commissioners was aimed at serving citizens and businesses in both countries.

It was Modi’s first in-person meeting with Carney, who retained office after Canada’s recent general elections.

India-Canada ties deteriorated following the June 2023 killing of Khalistani separatist Hardeep Singh Nijjar, with then Canadian Prime Minister Justin Trudeau alleging a potential Indian link to the case. In October, India recalled its high commissioner and five other diplomats after Canadian authorities suggested their involvement. India also expelled an equal number of Canadian diplomats. Against the backdrop of a thaw in relations following Carney’s election in March, the two leaders reaffirmed respect for the rule of law and their commitment to upholding the “principles of sovereignty and territorial integrity”.

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Prime Minister Narendra Modi with his Canadian counterpart Mark Carney on the sidelines of the G7 Summit in Kananaskis, Canada

PHOTO: PMO/PTI

Never discussed trade or US mediation during Op Sindoor: PM to Trump

ARCHIS MOHAN

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Prime Minister Narendra Modi on Wednesday sought to set the record straight on US President Donald Trump’s assertions about his pivotal role in defusing the conflict between India and Pakistan, including claims that he had brokered the understanding between the two nuclear-armed neighbours by threatening to halt trade with them.

Hours later, Trump reiterated to reporters that he was instrumental in bringing peace between India and Pakistan.

In a 35-minute phone call, Trump also enquired if Modi could stop over in the US after attending the G7 Summit in Canada’s Kananaskis. The prime minister declined,

citing prior commitments.

Modi “conveyed” to the American president that India and Pakistan halted military action on May 10 following direct talks between their respective militaries, initiated at Islamabad’s request, and without US mediation. He told Trump at no point there was a discussion at any level about a trade deal between India and the US after May 7, when India conducted strikes on terror infrastructure in Pakistan, including its airbases.

Foreign Secretary Vikram Misri said Modi told Trump that no proposal for mediation by the US was discussed, and reaffirmed India’s long-standing position of not accepting third-party intervention in matters related to Pakistan.

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Modi, Carney call for respect for each other's concerns, sensitivities

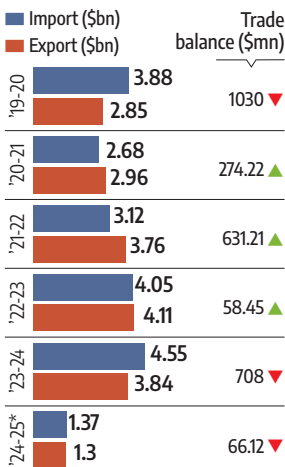
“The leaders also discussed the importance of restarting the stalled negotiations on the Early Progress Trade Agreement (EPTA), with a view to paving the way for a Comprehensive Economic Partnership Agreement (CEPA). They agreed to task their respective officials to engage further in this regard,” the MEA said.

India and Canada had formally re-launched CEPA talks in March 2022 to boost trade and investment flows. The EPTA was to serve as a transitional step toward the comprehensive pact.

Talks were suspended in September 2023 amid political tensions, even though negotiations were at an advanced stage and both sides had hoped to conclude the agreement by year-end. Despite the strain, India's exports to Canada remained strong, reaching \$4.2 billion in FY25, a 9.8 per cent increase year-on-year. Major exports included medicines, garments, diamonds, chemicals, gems and jewellery, seafood, engineering goods, rice, and electrical equipment. Canada accounted for less than 1 per cent of India's total exports.

Imports from Canada fell 2 per cent to \$4.4 billion in FY25. India's dependency on Canadian imports remains low at 0.6 per cent of total inbound trade, primarily

India's trade with Canada: The skew



*Apr-Jul Source: Commerce dept

comprising pulses, crude oil, fertilisers, aircraft and aviation equipment, diamonds, and bituminous coal.

The MEA said the Modi-Carney meeting provided both sides an opportunity for frank and forward-looking discussions on the relationship and next steps. The leaders expressed a desire to pursue a “constructive and balanced” partnership grounded in mutual respect for each other's concerns and sensitivities, bolstered by strong people-to-people ties and economic complementarities.