

India, Canada set to restart FTA negotiations after two-year rift

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India and Canada are ready to restart negotiations for a bilateral free trade agreement (FTA), which were suspended around September 2023 by Ottawa after tensions over pro-Khalistani activities escalated between the two.

"The recent meetings that Prime Minister (Narendra) Modi and Prime Minister Mark Carney (of Canada) have had, including the one very recently at the G20

Summit, clearly gave a direction for the future of the Canadian-India relationship. They have agreed to begin negotiations for a high ambition comprehensive economic partnership agreement (CEPA). And double the trade between the two nations by 2030," Commerce & Industry Minister Piyush Goyal said on Monday.

TRADE NUMBERS

Bilateral trade in goods and services reached \$23.66 billion in 2024, with merchandise trade valued at nearly \$8.98 billion, a 10 per cent in-

crease over the previous year. A doubling of numbers by 2030 would result in approximately \$30 billion of annual bilateral trade.

Addressing an event organised by the Indo-Canadian Business Chamber, the Minister said the focus areas for the partnership must include critical minerals, clean energy, which holds tremendous potential, aerospace and also defence capabilities, which is an area to be looked at seriously.

Listing out other areas of high potential, Goyal said there is a good possibility in



Piyush Goyal, Commerce & Industry Minister

nuclear technology, particularly on uranium supplies. "We can focus on technology like AI, data centres,

quantum computing and machine learning... all new age tech where India has very strategic benefits to offer to investors wanting to leverage on AI and emerging technology... It has the highest number of stem graduates coming out annually, at 2.4 million," the Minister said.

Earlier this month, Goyal and Canadian Minister of International Trade Maninder Sidhu co-chaired the 7th India-Canada Ministerial Dialogue on Trade and Investment (MDTI) signalling a thaw in relations between the two sides. The meeting

took place after a two-year diplomatic stand-off following Canada's accusation that Indian officials were involved in the killing of a Sikh separatist leader, Hardeep Singh Nijjar, who was a Canadian citizen. India had rubbished the claim remarking that it was "absurd".

"At the 7th Ministerial dialogue, that we concluded earlier this month, we decided to reinvigorate our business to business contact and possibly have delegations of business going out to Canada and coming in from Canada. We are seriously

looking at elevating this relationship to the next level," Goyal said.

In FY25 India's exports to Canada rose 9.8 per cent to \$4.22 billion. Imports declined 2.33 per cent to \$4.44 billion.

"We must activate the CEO forum and resume the forum in the first quarter of 2026 because business to business contact will help governmental relations," Goyal said. The ACITI (Australia-Canada-India Technology and Innovation) partnership should be taken forward with all seriousness.