

Canada and India seek trade deal by year-end

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NEW DELHI

Canada's Mark Carney and his Indian counterpart Narendra Modi have agreed to accelerate trade talks, aiming to seal an agreement by the end of the year as both countries seek to hedge their reliance on an unpredictable US administration.

The prime ministers met in New Delhi yesterday, where Carney announced the Comprehensive Economic Partnership Agreement that he said was aimed at doubling two-way trade to C\$70bn (\$51bn) by the end of the decade.

The agreement comes as Canada has sought to double non-US trade to C\$300bn over a decade to counter President Donald Trump's tariffs. Trade talks between the sides had started in 2010 but stalled amid a diplomatic falling-out after the murder of a Sikh-Canadian activist in Vancouver in 2023.

"This ambitious agreement will reduce barriers, increase certainty and unlock opportunity for exporters, investors and workers in both our countries," Carney said.

"In the last decade, India has become the world's fastest-growing major economy," he added. "The most ambitious projects in clean energy, the digital economy and the next generation of AI talent are all here. Canada shares this ambition."

Modi said the countries' "next level partnership" would boost trade,

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defence, technology, energy and food security, and hailed the visit as an "important milestone" in bilateral relations. Carney landed in Mumbai on Friday, part of a regional tour that will include Australia and Japan, and followed his address to the World Economic Forum in Davos, where he called for a middle-power alliance to counter US disruption and boost trade.

He also visited China in January, where both sides agreed to slash levies

on Canadian canola seed imports and Chinese electric vehicles.

Carney's rapprochement with New Delhi follows an extraordinary diplomatic break-up after Ottawa accused the Indian government of involvement in the murder of Hardeep Singh Nijjar, a Canadian citizen and Sikh activist, on Canadian soil.

India has denied any involvement but the fallout led to the suspension of trade talks and expulsions of diplomats, including India's high commissioner.

Bilateral engagement has improved, with Carney meeting Modi on the sidelines of the G7 summit in India last year. Bilateral trade in goods was worth almost C\$9bn in 2024, much of it in food and mineral oils from Canada and pharmaceuticals, machinery and equipment from India.

Canada's services exports to India amounted to about C\$13bn in 2024, the largest portion of which was travel by Indian students. Victor Thomas, president of the Canada-India Business Council, said energy and food were "very low-hanging fruit that we can pluck and trade".