



## **Prime Minister Trudeau's visit to India**

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Prime Minister Justin Trudeau, of Canada, will be in India for a state visit from 17-23 February 2018. The visit includes stops in Agra, Amritsar, Ahmedabad, Mumbai and New Delhi. The visit is aimed at further strengthening bilateral relations in areas of mutual interest including trade and investment, energy, science and innovation, higher education, infrastructure development, skill development and space. Cooperation in security and counter-terrorism and exchange of views on global and regional issues will be an important component of the visit.<sup>1</sup> The visit – the fourth between Prime Minister Trudeau and Prime Minister Modi -- will build on a number of their recent meetings and that between ministers from both countries. The two had earlier met in November 2017 during the East Asia Summit in Manila, the Philippines; in July 2017 at the G20 in Hamburg, Germany; and, in April 2016 at the Nuclear Security Summit in Washington. Prime Minister Trudeau had also met him in his capacity as Leader of the Liberal Party in Toronto in April 2015 during Prime Minister Modi's visit to Canada.<sup>2</sup> It was during this visit that the two sides agreed to elevate the bilateral relations to a strategic partnership<sup>3</sup>. The foundation for this was laid in Prime Minister Stephen Harper's visit to India in 2012 (4-9 Nov.), when he and Prime Minister Manmohan Singh 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. They agreed to institute an annual strategic dialogue between the two Foreign Ministers, supported by bilateral meetings among senior officials.<sup>4</sup>

### **Possible Agenda for the Talks**

The visit by Prime Minister Trudeau provides the two countries with an opportunity to reconnect with each other at the governmental level as well as through business leaders. The visit is also stated to work towards promoting the empowerment of women and girls and further strengthen economic ties. During the visit, Prime Minister Trudeau will participate in several business roundtables to promote further trade and investment between Canada and India. The Canadian delegation will also work closely with Indian leaders to advance mutual growth and prosperity.<sup>5</sup>

The following are some of the likely issues the two sides may discuss:

- 1) Economic relations: The ministers of the two nations had met on the sidelines of the G-20 Summit, Hamburg (2017) to discuss issues pertaining to the free trade agreement that has been under negotiation. Prime Minister Harper and Prime Minister Singh of India announced the start of free trade negotiations during the G-20 Summit in Seoul in 2010 and the negotiations began in November 2010.<sup>6</sup> Canada would be looking to strengthen relations through the Foreign Investment Protection and Promotion Agreement (FIPPA) and the Comprehensive Economic Partnership Agreement (CEPA). In 2016, two-way merchandise trade between Canada and India was more than \$8 billion. India's rapidly expanding economy offers tremendous opportunities for Canadian companies in emerging sectors such as transportation infrastructure, life sciences, clean energy technology (e.g. integration of renewable energy/smart grid; carbon capture, use and storage; and, energy efficiency) and renewable energy as well as in traditional sectors such as infrastructure development, natural resources, defence and security, value-added food products, mining and oil and gas. Science and technology collaboration, innovation and educational linkages are also important areas of opportunity for Canadian business.<sup>7</sup> For India, the visit is an opportunity to partner with and seek investments in the above sectors that will help its development agenda.

The FIPPA, a bilateral agreement that will provide greater predictability and certainty for Canadian investors considering opportunities in India, has been under negotiation from 2006. Canada's objective is to secure a comprehensive, high-quality agreement to protect investors through the establishment of a framework of legally binding rights and obligations.<sup>8</sup> Canada's International Trade Minister Mr. François-Philippe Champagne, in an interview to *Business Line* in November 2017, stated that he was 'cautiously optimistic' about it being signed soon.

India has highlighted the need for a CEPA to strengthen trade relations. India wants a strong service component to the agreement to allow the movement of natural persons or workers from one country to the other. India is also likely to talk about the Temporary Foreign Workers Programme (TWFP) which has been made more stringent by Canada and adversely impacts the services trade from India. With the North Atlantic Free Trade Agreement (NAFTA) under re-negotiation and the United States focussed on bilateral trade agreements, Canada would be keen to conclude the trade agreement with India. For India, the agreement provides an opportunity to create more jobs in the information technology sector, which forms the backbone of the country's service industry. It will also allow for easier work visas for Indian professionals going to Canada. India wants to sign the two agreements together for better growth in economic ties.

India is also looking towards Canada to help it fulfil its nutritional security needs. Canola oil imports from Canada are rising on increase in awareness and demand from health-conscious consumers is growing. Canada is also India's largest trading partner in

pulses. In 2017, it is estimated that pulse exports to India were worth about \$1.1 billion, and took up 28 percent of Canada's pulse exports. India is expecting its production of wheat and pulses to rise in 2018, due to an increase in the government assured prices for farmers. Nonetheless, it is believed that India would continue to import pulses to meet its domestic requirements. Beyond pulses India is looking at Canada for cold chain management, animal husbandry; dryland farming, food processing technologies and agricultural sustainability are priority areas in the agriculture sector.

Prime Minister Trudeau would also be promoting the need to empower more women and engage them in the economy. In his recent keynote speech at the World Economic Forum in Davos (23 January 2018), he stated, "...hiring, promoting, and retaining more women. And not just because it's the right thing to do, or the nice thing to do, but because it's the smart thing to do.... Research tells us that organizations with women on their corporate boards and in key leadership positions perform better than those without."<sup>9</sup> The focus would be on empowering women to become agents of change through leadership and meaningful participation in political and social life, enabling them to realize their full potential and contribute to their community.<sup>10</sup> At the Global Entrepreneurship Summit 2017 (GES), [Hyderabad, India] on the theme of 'Women First, Prosperity for All' Prime Minister Modi stated that, women's empowerment was vital for India's development. The need is to understand how women entrepreneurship can be further promoted in India. With the government's various schemes such as Skill- India and Start-Up India the need to ensure women entrepreneurs have access to capital, network of people, and equitable laws. For example, Indian women face problems in registering farm land in their name which is essential to access government aid. There is also a need to not just build but also implement policies that enable women to improve workforce development and skills training, government barriers and fuel entrepreneurship and pursue their careers while caring for their families.

- 2) Defence Cooperation and Counter-Terrorism: In the 2015 India-Canada Joint Statement, Prime Minister Narendra Modi and Prime Minister Stephen Harper had "...recognised defence cooperation as an important element of the overall bilateral security cooperation. To this end, they agreed to explore cooperative possibilities in diverse fields including cold climate warfare, peacekeeping, and participation in respective defence staff college training. They also agreed to explore further cooperation in enhancing naval linkages, and staff exchanges." India's defence relations with Canada are still at a nascent stage. In April 2017, Canadian Defence Minister Mr. Harjit Singh Sajjan visited India to explore ways to deepen bilateral defence and security ties. Canadian defence firms are looking to expand in India in aerospace, helicopter manufacturing, providing technology and avionics for fighter jets. India can focus on research and development opportunities that Canada presents. Canada and India could also look at cooperation in naval ship-building. India and Canada are keen to build on the naval linkages already in place.

The two countries have time and again stated that they stand firm in combating terrorism in all its forms and manifestations. The two nations are likely to take forward the idea of joint working groups on counter-terrorism and enhancing intelligence sharing.

India is also likely to raise the issue of pro-Khalistan activism in Canada and the possible de-stabilising effect it could have in Punjab. Canada had, in the past, given refugee status to pro-separatist individuals and had stated that under the country's right to freedom of speech, these separatist elements had a right to promote their political views. While India understands the rights of these people in Canada, it would not want these elements to be allowed to indulge in terrorist or propaganda activity detrimental to India's security. For India, the support for pro-Khalistan sections among the diaspora in Canada is a matter of serious concern. There are intelligence reports which suggest that militant/ terrorist groups are trying to revive the secessionist movement. Punjab Chief Minister, Mr. Amarinder Singh has stated that if he meets Prime Minister Trudeau, he will raise the issue of "pro-Khalistan propaganda". The Chief Minister, in April 2017, had refused to meet Canadian Defence Minister Mr. H. Sajjan referring to him as pro-Khalistan supporter. India is also concerned about the leaders and representatives of political parties being part of events that display the Khalistan flag. In 2017, Prime Minister Modi had, on the sidelines of the G-20 Summit in Hamburg, raised the issue of Prime Minister Trudeau attending a Nagar Kirtan event in Toronto that featured Khalistani flags and posters of extremist leader Jarnail Singh Bhindranwale.

- 3) Clean Energy Needs: The two nations established an energy dialogue in 2012 at the ministerial level. At the Third Dialogue in 2016 in New Delhi, the two sides agreed to broaden their dialogue to include renewable and nuclear energy besides traditional hydrocarbon sources of energy. The dialogue also looks at issues trade and investment in oil and gas, clean technology, electricity, renewables and energy efficiency.

Canada is a world leader in the production and use of energy from renewable resources. Renewable energy sources currently provide about 18.9 per cent of Canada's total primary energy supply. Canada is the second largest producer of hydroelectricity in the world (providing 59.3 per cent of Canada's electricity generation). Wind is the second, most important renewable energy source in Canada and accounts for 3.5 per cent of electricity generation. Biomass is the third largest renewable source of electricity and its share is 1.4 per cent. Wind and solar photovoltaic energy are the fastest growing sources of electricity in Canada.<sup>11</sup> India is leading the race for solar power in the world. This has meant a focus on innovation to not only provide energy to people but also do so effectively, efficiently and at affordable prices. India is the leading country in the International Solar Alliance and could provide Canada with its expertise in building solar energy resources. The two countries need to work towards supporting clean energy technology and innovation. This would include not just a focus on renewable energy but

also development of smart grids, use and storage, reducing emissions from other sectors, improving industry efficiency etc.

Canada and India are also likely to discuss means to enhance the civil nuclear cooperation. India and Canada signed a deal for supply of uranium for a period of five years in 2015. Canada is also keen to explore partnerships between its nuclear industry and Indian counterparts in future. There is also possibility of collaboration in expanding the use of nuclear sciences to other fields such as agriculture and medicine.

On non-renewable energy sources India has been looking at Canadian oil, along with Latin America and West Africa, in a bid to reduce its dependences on the Middle East. India is buying both oil and natural gas from Canada. India is has also invested in shale gas assets on Canada's west coast. In 2014, it was reported that Indian Oil Corp. Ltd had acquired 10 percent stake from Malaysia's Petroliam Nasional Bhd (Petronas), which will allow it to source 1.2 million tonnes (mt) per annum of liquified natural gas (LNG) for 20 years. As a net energy consumer India has been seeking stakes in Canadian oil and gas fields and crude oil supplies.

- 4) Education: Prime Minister Trudeau's visit to India will also feature interaction with the youth. This would be important as Canada is seeing a rise in the number of students from India going there for higher education. According to the 2017 Annual Report to Parliament on Immigration, "International students contribute to the cultural, social and economic landscape of Canada. They add an estimated \$15 billion a year to Canada's economy, and many are viewed as ideal candidates for permanent residency given their language proficiency, Canadian education credentials and Canadian work experience. In 2016, more than 266,000 individuals held a study permit as an international student."<sup>12</sup> The report also stated that 13 percent of the permanent residents admitted into Canada in 2016 were from India, the second highest after the Philippines (14 per cent). According to news reports, Canada is also a leading education destination for Indian students; in 2017, approximately 1,24,000 Indian students were given study permits in Canadian universities.<sup>13</sup> They form the largest international students' community after China. In 2016, Canada announced new immigration measures that are likely to prove beneficial to international students in the country. Canada's Immigration, Refugees and Citizenship Department has outlined changes to the Express Entry programme, which enhances the process of granting permanent residency to highly-skilled immigrants and students who graduate from Canadian institutions. The temporary immigration allows Canada to also meet its labour market needs while adding a resource to the economy.

Canada is also exploring avenues to strengthen its educational reach within India by expanding joint research and development collaboration with Indian universities, investing in joint programmes, and providing more scholarships to Indian students.

Universities are also exploring the idea of opening their own campus in India and these needs to be encouraged to provide quality education to Indian students.

### **Conclusion**

India's relations with Canada have been on an upward trajectory in recent years. Bilateral relations are being strengthened through high-level visits, trade agreements, defence cooperation, clean energy collaborations, nuclear cooperation and growing people-to-people contacts. The two nations have worked to strengthen a relationship which includes overcoming Canada's criticism of New Delhi after India became a nuclear weapon state. Investment and trade form the heart of the relationship now. India and Canada also share a common view on a number of international issues such as free trade, climate change, terrorism etc. There are other areas of convergence between the two, India has a growing need for energy and nutritional security, and Canada has the expertise it can provide in these two crucial areas. It is of mutual benefit to them to cooperate with each other. The Indian diaspora has played an important role in maintaining this link between the two nations. They are close to 3.6 per cent of the population and are mostly highly skilled workers. They also add to the strong people-to-people contact between the two countries. The issue of mobilisation of the supporters of the pro-Khalistan and Sikh separatist movement in Canada, along with the financial support they provide, continues to be a serious bump in the relations. Nonetheless, the pace of engagement between the two nations has grown over the years. They share a strategic partnership and with this visit, there could be more avenues for joint projects in the various initiatives of the Government of India such as Start-Up India, Skill India and Smart Cities projects. This will further add to the Canada-India partnership.

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*Disclaimer: The views expressed are that of the Researcher and not of the Council.*

### **Endnotes**

<sup>1</sup> Ministry of External Affairs, "State visit of Prime Minister of Canada to India (February 17 - 23, 2018)," <http://www.mea.gov.in/press-releases.htm?dtl/29372/State+visit+of+Prime+Minister+of+Canada+to+India+February+17++23+2018>, Accessed on 24 January 2018.

<sup>2</sup> Justine Trudeau, Prime Minister of Canada, "Prime Minister Trudeau to travel to India for state visit," <https://pm.gc.ca/eng>, Accessed on 24 January 2018.

<sup>3</sup> The India-Canada Joint Statement: नया उत्साह, नए कदम: New Vigour, New Steps" is available at <http://mea.gov.in/bilateral-documents.htm?dtl/25073>

<sup>4</sup> Ministry of External Affairs, Government of India, "India - Canada Relations," <https://www.mea.gov.in/Portal/ForeignRelation/Canadadec2015.pdf>, Accessed on 15 February 2018.

<sup>5</sup> Ibid

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<sup>6</sup> Government of Canada, “Canada-India Free Trade Agreement Negotiations,” <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/india-inde/fta-ale/info.aspx?lang=eng>, Accessed on 15 February 2018.

<sup>7</sup> Government of Canada, “Canada-India Comprehensive Economic Partnership Agreement Negotiations - Background Information,” <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/india-inde/fta-ale/background-contexte.aspx?lang=eng>, Accessed on 24 January 2018.

<sup>8</sup> Government of Canada, “Canada-India Foreign Investment Promotion and Protection Agreement Negotiations,” <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/india-inde/fipa-apie/background-contexte.aspx?lang=eng>, Accessed on 24 January 2018.

<sup>9</sup> World Economic Forum, “Justin Trudeau's Davos address in full,” <https://www.weforum.org/agenda/2018/01/pm-keynote-remarks-for-world-economic-forum-2018/>, Accessed on 24 January 2018.

<sup>10</sup> Government of Canada, “Young Women”, [http://www.canadainternational.gc.ca/ci-ci/eyes\\_abroad-coupdoeil/Women\\_in\\_Parliament-Femmes\\_Parlementaires.aspx?lang=eng](http://www.canadainternational.gc.ca/ci-ci/eyes_abroad-coupdoeil/Women_in_Parliament-Femmes_Parlementaires.aspx?lang=eng), Accessed on 15 February 2018.

<sup>11</sup> Government of Canada, “About Renewable Energy,” <http://www.nrcan.gc.ca/energy/renewable-electricity/7295>, Accessed on 24 January 2018.

<sup>12</sup> Government of Canada, “2017 Annual Report to Parliament on Immigration,” <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/publications-manuals/annual-report-parliament-immigration-2017.html>, Accessed on 24 January 2018.

<sup>13</sup> NDTV, “With Trade, Education On List, Justin Trudeau To Visit India In February,” <https://www.ndtv.com/india-news/with-trade-education-on-list-justin-trudeau-to-visit-india-in-february-1803370>, Accessed on 24 January 2018.