India and Canada

What is the issue?

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The changing world order and the new political scenarios in the world arena like rise of trump in USA has necessitated Canada to look beyond its age old partner and create a new trade relationship with countries like India.

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What is the present trade scenario?

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- Canada’s direct investment in India is less than a billion dollars, whereas India’s investments in Canada are above $3 billion.
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- Canada’s bilateral goods trade with India is close to $7 billion, more or less evenly balanced.
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How can both countries benefit from the relationship?

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- Canada is the world’s tenth largest economy, a member of the G-8 and a major agriculture, food processing and energy powerhouse.
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- India at present is the world’s fastest growing economy and also has a huge potential for infrastructural investment.
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- India can benefit from Canada’s technological advancement in agriculture, while Canada can make use of India large domestic market for its investment.
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- Canadian governments increasing positive gesture towards the Indian origin people and the Indian students have helped it to gain more students

from India for educational purpose.
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- With the increasing threats from non state actors, both countries can use their expertise to safeguard each other’s borders.
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What steps need to be taken from both sides?

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- Canada’s recent success in finalising a trade deal with the European Union, coinciding with the virtual demise of the US-EU Trans Atlantic Trade and Investment Partnership has sent out a message to India that Canada is firm in its commitment.
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- India on the other hand should focus more on enhancing ease of doing business, and trade facilitation measures as agreed to in the Bali Ministerial of the WTO
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- Canada is firmly pushing for international arbitration platforms.
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- But India’s model Bilateral Investment Treaty makes its policy transparent for the stakeholders concerned.
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- Thus the Indian government should adopt a more consultative approach with Canadian government to make the trade relationship a win-win for both sides
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Source: Business Line

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