

Canada, India sign investments deals but remain apart on key agreements

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NEW DELHI—Canada and India have inked \$2.5 billion worth of investment deals, even as frustration grows at the inability of the two nations to cement key pacts on everything from investor protection to nuclear exports and free trade.

International Trade Minister Ed Fast drove home the concern when he cited “opaque” conditions that confront foreign investors in India.

He said completion of a foreign investment protection agreement now under negotiation would safeguard investors against arbitrary acts affecting their investments.

“We have made it very clear to the Indian government that a bilateral investment treaty between Canada and India is going to be a very clear signal to Canadian investors that India is open for business,” Fast told reporters.

“Right now we still have a relatively opaque investment environment here in India,” Fast said.

“Our businesses understand that which is why we’re driving home the point to our Indian counterparts that this agreement should be put into force sooner rather than later,” he said.

Fast spoke after hosting a roundtable with [Prime Minister Stephen Harper](#) and Canadian business leaders here.

Harper meets with his Indian counterpart, Manmohan Singh, late Tuesday. Observers are hoping the high-level meeting can spur some progress on the investor protection pact, a nuclear agreement that would allow uranium exports to India begin to flow and finally a free trade deal.

Fast on Monday oversaw investment deals between Canada and India totaling \$2.5 billion that include pulp and paper, fertilizer, financing and even a project to help clean up the Ganges River.

Barj Dhahan, national chair of the [Canada-India Foundation](#), called the agreements “significant” to furthering trade between the two nations.

A young population — 50 per cent are under the age of 25 — and the sheer size of the potential market with 1.2 billion people make India an attractive market.

But he conceded that Canadian firms continue to face challenges working in India, though he sidestepped a question about the corruption within the Indian bureaucracy.

“There are certainly challenges in getting approvals and getting things done,” Dhahan said.

But he said the scale of the nation alone poses logistical headaches.

“India is a huge country, 28 states, lots of different types of legislation, trade barriers even within with the states. Those are real challenges for Canadian businesses here,” Dhahan said.



Minister of International Trade Ed Fast speaks to reporters following a business round table in New Dehli, India on Monday, November 5, 2012.

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