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Canada's new Indo-Pacific calculus – Beyond the old Atlantic order: Stephen Nagy and Saroj Kumar Rath for Inside Policy

By engaging key Indo-Pacific democracies outside the formal Quadrilateral Security Dialogue framework, Canada positions itself not as a peripheral adjunct to US policy but as a middle power.

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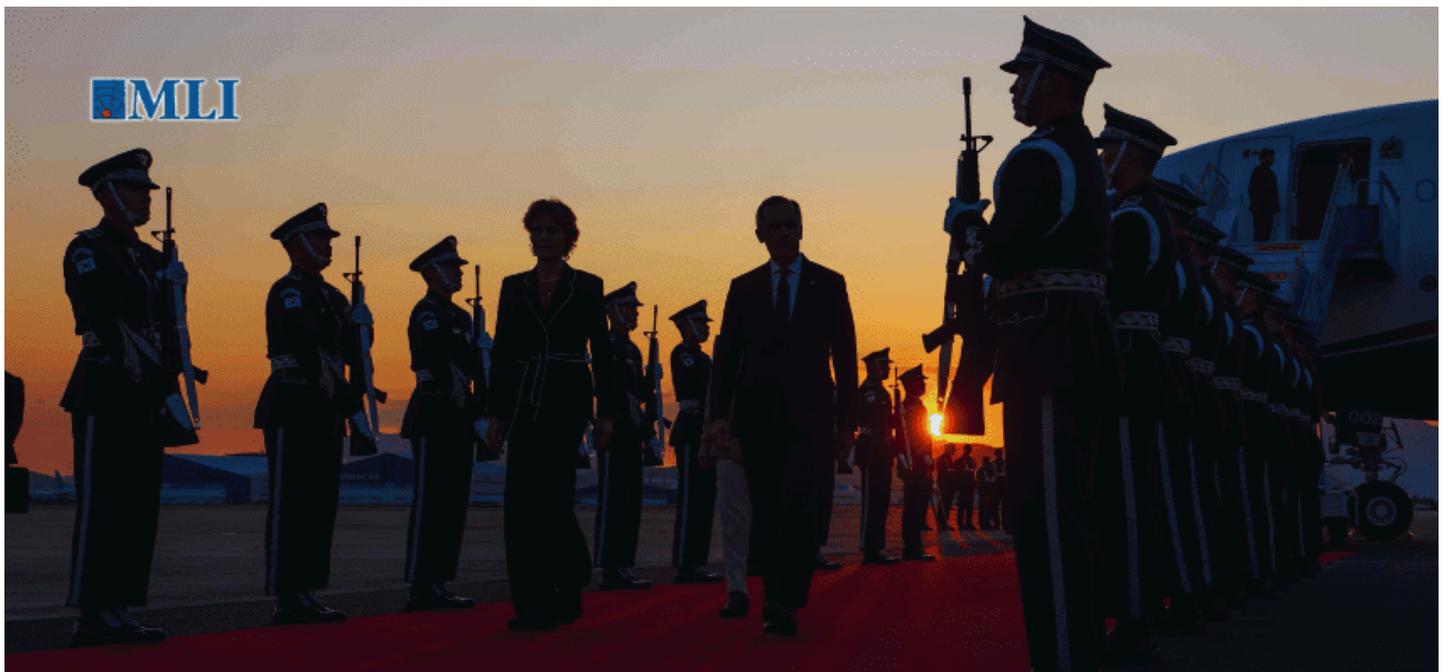


Photo by Lars Hagberg.

By Stephen Nagy and Saroj Kumar Rath, March 6, 2026

There is an old Canadian saying, born of the fur trade and the shared rhythms of life on a vast and unforgiving land: “We are all in the same canoe.” It is a deceptively simple maxim, but it carries within it a foundational truth about survival and statecraft alike – that in turbulent waters, the craft stays upright only when everyone paddles in concert, and that choosing the right partners for the crossing matters as much as charting the course.

Prime Minister Mark Carney’s decision to begin his Indo-Pacific tour in Mumbai – the financial heart of India – rather than

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This is not merely a symbolic gesture. It is a deliberate signal of how Canada now views the Indo-Pacific: not solely through the lens of diplomatic protocol, but through [economic gravitas](#), commercial opportunity, and the hard-headed recognition that the canoe of Canadian prosperity can no longer be paddled with a [single partner](#) at the stern.

Carney's itinerary – India, Australia, Japan, in that order, conspicuously omitting the United States – constitutes Canada's clearest indication yet that it seeks [India as an economic anchor](#) in a broader strategy that transcends ceremonial visits and routine diplomacy. This omission, however, should not be interpreted literally (or geographically). While the United States is Canada's immediate neighbour and principal economic partner, this itinerary is about Canada acting as a sovereign nation exercising an independent role within the [Indo-Pacific](#).

The Indo-Pacific today functions less as a strictly geographic arena and more as a diplomatic [platform for strategic performance](#). Carney is engaging a substantial portion of that platform through key regional partners, reflecting Canada's effort to diversify economic and strategic partnerships. Importantly, this outreach does not translate into a reactionary posture by Canada vis-à-vis Washington; rather, it reflects Ottawa's attempt to strengthen and rebalance its own economic foundations by cultivating broader Indo-Pacific linkages while remaining anchored in its long-standing partnership with the United States. Over the course of 79 years of [diplomatic relations](#), the India–Canada partnership has been historically uneven yet remarkably resilient, rooted in shared democratic values, Commonwealth linkages, and robust people-to-people connections sustained by one of the most vibrant diasporas in the world. Carney's March 2026 visit to New Delhi marked a decisive inflection point in this long arc. During his sojourn, Carney and Prime Minister Narendra Modi held three summit-level engagements – a delegation-level meeting, [a 35-minute one-on-one tête-à-tête](#), and a joint interaction with leading CEOs – demonstrating a level of high-level political investment not seen between the two capitals in years.

The [joint statement](#) issued thereafter signalled a deliberate reset and forward-looking re-engagement, including the resumption of negotiations toward a Comprehensive Economic Partnership Agreement (CEPA), which is expected to be [finalized by the year end](#) and expanded collaboration in strategic sectors. The CEPA seeks to more than double bilateral trade to approximately [US\\$50 billion by 2030](#). According to official government statements, total two-way trade stood at about [US\\$23.66 billion in 2024](#). Preliminary and unofficial estimates indicate that trade volumes for 2025 may be around US\$20 billion; however, these figures are provisional and await final confirmation through official data release.

According to International Monetary Fund [data](#), in 2015, India was the world's seventh-largest economy by nominal GDP at approximately US\$2.10 trillion. By 2025, it had risen to fourth place, with a nominal GDP of around US\$4.19 trillion. In contrast, Canada's economy stands at roughly US\$2.23 trillion in 2025, ranking ninth globally, compared to about [US\\$1.56 trillion](#) and tenth place in 2015. The data reiterate Canada's relatively slower pace of growth over the decade. This widening gap in economic scale and growth momentum has made the forthcoming India–Canada trade negotiations particularly significant. The contrast appears to have compelled Carney to reassess whether Canada risks being left behind despite “being in the same canoe,” prompting efforts to recalibrate policy and plug the emerging gap.

and advancing clean energy transitions. These agreements reflected not only renewed political trust but also pragmatic economic convergence – the kind of convergence that transforms diplomatic declarations into durable institutional architecture.

In an unprecedented display of diplomatic bonhomie, Carney described India as “[more than a middle power](#),” while Modi credited his Canadian counterpart for [initiating the reset](#) and advancing trade negotiations. [Former key Indian bureaucrats](#) have begun to characterize the emerging alignment implicit in Carney’s tour – engaging India, Australia, and Japan in sequence while leaving the United States to one side – as a “Quad minus one,” reflecting Canada’s deeper engagement with the major democratic stakeholders of the Indo-Pacific. Whether this framing proves durable or merely suggestive, it captures something real: Ottawa is no longer content to view the region as peripheral to its [North American and transatlantic commitments](#). It is recalibrating – strategically, economically, and philosophically – for a world in which the old Atlantic order can no longer be taken as the sole guarantor of Canadian prosperity or security.

History, Hesitation, and the Indo-Pacific Future

Decades of [distrust](#), strange allegations and counter-allegations, strategic divergences, and deep contrasts between Western and Eastern civilizational ethos cannot be resolved in a single diplomatic moment. The relationship between India and Canada [is layered](#) with historical baggage, political sensitivities, diaspora complexities, and incompatible narratives of security, sovereignty, and identity. [Caution](#), therefore, defines both sides – and rightly so. These are not fragile states seeking symbolism for legitimacy, but strategic middle powers that increasingly understand the value of substance over spectacle, outcomes over optics, and long-term architecture over short-term posturing.

In this sense, the current phase of engagement between India and Canada is qualitatively different from earlier diplomatic cycles. It is not driven by ideological romance, nor by sentimentalism, nor by performative diplomacy. It is shaped instead by realism – by the recognition that in a fragmented global order, middle powers must build functional partnerships, not emotional alliances. In fact, Carney is pragmatic when he [said](#), “Canada is taking the world as it is, not passively waiting for a world we wish it to be.” Both New Delhi and Ottawa now operate within a worldview where trust is [constructed institutionally](#), not rhetorically; where credibility emerges from delivery, not declarations.

This is why the present visit and engagement cycle matters. It is important not merely as a bilateral encounter, but as a [structural inflexion point](#). It can evolve in one of two strategic directions.

The first path is constructive recalibration – the slow, disciplined building of a mutually beneficial international order in which India and Canada grow together economically, strategically, and institutionally. This would mean transforming the relationship from one defined by episodic crises into one [anchored in interdependence](#): trade integration, technology co-operation, critical minerals collaboration, education networks, defence coordination, and shared participation in regional architectures. In this model, disagreements do not disappear, but they are [managed within stable frameworks](#). Frictions exist, but they no longer dominate the relationship. History becomes context, not a cage.

The second path is stagnation [through memory](#) – a relationship trapped in grievance politics and unresolved narratives, where old wounds continue to define future choices. Certainly, there are genuine concerns of foreign interference: the Canadian Security Intelligence Service says India is interfering in Canada. Then there is the [open interference of Canadians](#) in Indian [domestic matters](#), a simmering situation that India has bemoaned for years. We cannot pretend that it isn’t happening and focus solely on economics. But both countries can take a cue from the [United States’](#) playbook, where [sovereign relations](#) never remain hostage to fringe [occurrences](#).

[break India](#) as a union. Moreover, during democratic protests over domestic matters in India, [Canadian citizens](#) were accused of attempting to convert those protests into internal unrest.

On the other hand, Ottawa accused [India of interference](#) in Canadian affairs and involvement in alleged [extra-judicial actions](#) on Canadian soil. The killing of [Hardeep Singh Nijjar](#) in Canada further intensified tensions, particularly amid allegations linking individuals associated with the [Lawrence Bishnoi criminal](#) network. The controversy widened with the surfacing of US [charges](#) concerning an alleged plot targeting Gurpatwant Singh Pannun, a US citizen, an associate of Nijjar, and a supporter of the secession of Punjab, an Indian province, from India. An Indian national accused in the US was [arrested by Czech authorities](#) and extradited to face trial; subsequent legal developments, including a plea arrangement, added further complexity and media scrutiny. The diplomatic exchange grew increasingly acrimonious and reached such a flagrant tipping point that even Canada's opposition leader, Pierre Poilievre, publicly criticized Prime Minister Justin Trudeau at the height of the row, [pledging to restore](#) a "professional relationship" with India.

Curiously, while Washington pursued legal proceedings, it [did not allow](#) the episode to rupture broader strategic ties with India. New Delhi has consistently [denied](#) any involvement in the alleged actions, while Canada has [banned](#) certain groups as an ameliorative measure.

When the second path in such a scenario is invoked, [mistrust becomes self-perpetuating, dialogue becomes ritualistic, and engagement becomes symbolic](#) rather than transformative. The relationship risks evolving into a structural antagonism, not unlike long-frozen rivalries where the past continuously colonizes the future. This is the trajectory neither country can afford.

The prolonged stalemate benefited neither Ottawa nor New Delhi. [Fringe actors](#) bind the hands of sovereign leaders and civil bureaucrats in both countries, keeping them trapped within a false narrative. It took the political initiative of Prime Minister Mark Carney, a seasoned banker, to shift the tone – through direct outreach to Indian leadership, an invitation to the [G7 Summit](#), meetings on the sidelines of the [G20 in Johannesburg](#), and a carefully structured visit to Mumbai and New Delhi. These steps signalled a conscious effort to de-escalate tensions and restore structured, forward-looking engagement grounded in long-term national interests rather than episodic diplomatic crises. After years of tension, Carney is now seeking a pragmatic reset in Canada–India relations.

He shifted Canadian response from public crisis rhetoric to a more structured, co-operation-oriented posture on bilateral issues such as transnational security and law enforcement cooperation — even as contentious issues [remain alive](#) behind the scenes. Both sides experienced the adverse consequences of what was, in many respects, an avoidable transnational rupture in state relations. Now, both are seeking to recover lost time.

What makes the current moment unique is the global context in which it is unfolding. A dynamic future is opening its arms, driven by the rise of Asia, the restructuring of global supply chains, the fragmentation of old alliances, and the emergence of new regional orders.

At the centre of this transformation lies the [Indo-Pacific](#) – not merely as a geographic space, but as a civilizational, economic, and strategic architecture that will define 21st-century power. It integrates trade routes, digital corridors, energy flows, technology ecosystems, and security frameworks into a single strategic theatre. Within this architecture, India is not a peripheral actor but a civilizational pole, a demographic engine, and a strategic anchor. Canada, though geographically distant, is increasingly an Indo-Pacific stakeholder through trade, technology, critical minerals, climate policy, education,

Predictably, the Canadian side has adopted an ambitious posture and is openly positioning the Indo-Pacific as a central arena of its evolving international trade and strategic framework. Its policy stance is explicit in [noting](#) “Canada is a Pacific nation, and stronger ties in the Indo-Pacific are crucial to our security and sovereignty.” It reiterated that “Canada and India will increase defence co-operation, including maritime security, and identify opportunities for bilateral and multilateral naval activities to deepen interoperability.” Moreover, Canada has announced \$10 million in Indo-Pacific scholarships and fellowships under its Indo-Pacific Strategy, including support for more than 85 Canadian graduate students and researchers to study in, and collaborate with, leading Indian academic institutions.

This is precisely where convergence becomes possible. [India brings](#) scale, markets, manufacturing capacity, digital infrastructure, strategic geography, and geopolitical weight. [Canada brings](#) capital, technology, institutional stability, education ecosystems, energy resources, and access to global financial systems. Their complementarities are structural, not incidental. Together, they represent a model of middle-power synergy – not dominance, not dependency, but partnership.

Yet this potential can only be realized if both sides refuse to remain [hostage to history](#). Historical memory has political power, but strategic maturity lies in not [allowing memory to monopolize](#) the future. This does not mean [forgetting grievances](#) or ignoring legitimate concerns; it means relocating them from the centre of the relationship to its margins, where they can be managed without [paralyzing progress](#).

There is a popular lyrical Bollywood song from the 1957 Hindi film *Naya Daur* (new era), written in Urdu by Sahir Ludhianvi, whose message remains strikingly relevant in today’s fractured world order. The lines – “*Ek akela thak jaega, milkar bojh uthana; saathi hath badhana*” – remind us that one who walks alone will inevitably tire under the weight of the burden, but when a companion extends a hand, the load becomes lighter, transforming hardship into shared strength and collective resilience. The wisdom embedded in this saying speaks directly to the strategic crossroads at which India and Canada now stand. Adversities are not aberrations in international politics; they are a permanent feature. Tariff wars, great-power rivalries, pandemic disruptions, technological upheavals, climate emergencies – these are not passing squalls but [recurring tempests](#) that define the operating environment of every middle power in the 21st century. No country, however capable, can weather them alone. The question is never whether adversities will come, but whether one has built [partnerships resilient enough](#) to endure them.

Strategically, both India and Canada now understand that the coming century will not be governed by singular hegemons but by networked power systems – regional coalitions, economic corridors, technology alliances, and multi-layered partnerships. In such a system, isolation is a weakness and rigidity is a vulnerability. The countries that flourish will be those that can build flexible partnerships without surrendering autonomy. India’s strategic culture has always valued autonomy over alignment. Canada’s emerging foreign policy increasingly seeks [diversification](#) over dependence. Different histories, different civilizational roots – but converging strategic instincts.

Diplomats on both sides are increasingly attempting to frame the India–Canada reset within this [Indo-Pacific framework](#) – one synonymous with trade diversification, resilient supply chains, maritime partnerships, and the defence of a rules-based international order. Canada’s renewed emphasis on the Indo-Pacific represents a strategic shift of considerable significance, one that Ottawa had not pursued with comparable clarity or intensity in earlier decades. Compelled by a relative [decline](#) in its global economic standing, strains within traditional alliance structures, and domestic pressures that have placed the country in an unusually challenging position, Canadian policymakers have been forced to rethink external engagement beyond conventional transatlantic dependencies. Against this backdrop, Carney’s calibrated – and in some quarters, daring – diplomatic outreach to both [New Delhi and Beijing](#) was interpreted less as a concession and more as an assertion of

Thus, this visit is not about ceremonial diplomacy. It is about strategic architecture. It is about deciding whether India–Canada relations will remain transactional and reactive, or whether they will become structural and generative – about choosing between a relationship defined by episodic crisis management and one defined by long-term [institutional convergence](#).

The old Canadian wisdom returns: *we are all in the same canoe*. India and Canada [cannot afford stagnation](#). The alleged interference by India in Canada has created considerable [umbrage](#) among segments of the Canadian public and intelligentsia. [Some](#) regard Canada's concern about foreign interference as legitimate and not merely the product of an “emotional outburst.” Yet an equally vitriolic reaction emerges in India when many perceive Canada as [endorsing](#) unrest within India and appearing to side with [agitators](#). Indian concerns about what is seen as Canada's muted response to advocates of a [secessionist movement in Punjab](#) have never been fully assuaged –neither for sovereign leaders nor for the Indian public and civil bureaucracy. Consequently, neither country treats these alleged interferences as trivial, even as both remain caught in a cycle resembling a Catch-22 or a chicken-and-egg dilemma. They cannot afford emotional diplomacy. They cannot afford strategic inertia. What they require is a pragmatic method for the two nations to coexist and co-operate, ensuring that such disputes do not overwhelm broader strategic calculations.

The Indo-Pacific order will reshape global power whether they participate fully or not. The only real choice before them is whether they enter that future as partners in construction – paddling together, steadily, through whatever storms may come – or remain spectators constrained by the past.

History will not disappear. But it must no longer be allowed to govern destiny.

Carney's seemingly mirror itinerary of “Quad-minus” outreach should not be misconstrued as an attempt to distance the United States but rather as a calculated demonstration of [Canada's indispensability](#) within a shifting global order. Against this backdrop, Carney's calibrated diplomatic outreach to New Delhi, Canberra, and Tokyo has been interpreted as an [assertion of Canadian agency](#), viewed through the prism of safeguarding national interest and strategic autonomy.

His earlier sojourn to Beijing, however, has been regarded by some [observers](#) as a more contentious move. Despite disagreements among stakeholders at home and abroad, the visit was nonetheless an assertion of [sovereign prerogative](#) and an exploration of economic realism.

Yet from a geopolitical perspective, the decision appeared premature. Although India and Japan maintain significant trade

negotiating from a weaker position and potentially repeating decades of engagement that have done little to alter China's strategic behaviour. A visit to India, therefore, stands on an entirely different footing and cannot be equated with engagement with China. Canada's outreach to Beijing, while reflecting a confident diplomatic overture, must nevertheless remain mindful of the cascading geopolitical consequences that such engagement can entail.

The new engagements of Canada reflect a strategy of **dual balancing**: internally, to diversify trade, strengthen supply chains, and reduce structural over-dependence on the American market; externally, to signal strategic credibility to Washington by proving that Ottawa can **mobilize alternative partnerships** that enhance North American resilience. Far from alienation, this is leverage. By engaging key Indo-Pacific democracies outside the formal Quadrilateral Security Dialogue framework, Canada positions itself not as a peripheral adjunct to US policy but as a middle power capable of shaping economic and technological alignments that ultimately reinforce the transatlantic and North American partnership. The framing from the Canadian Prime Minister's Office underscores **economic renewal**, co-operation on critical minerals, clean energy, and technology partnerships – objectives that strengthen Canada domestically while enhancing its strategic value to allies.

This logic mirrors India's own hedging strategy. New Delhi continues to cultivate **diversified partnerships** that add tangible economic and technological value while preserving room for manoeuvre with other partners. India's age-old foreign policy ethos rests on the conviction that enduring statecraft requires multiple pillars of partnership so that if one fractures, the larger edifice does not collapse. Foreign **policy** must resemble a structure supported by several load-bearing columns – economic, strategic, technological, and civilizational – so that the rupture of one does not derail the national trajectory.

Canada's approach converges with India's: both are pursuing internal strengthening – industrial depth, supply-chain security, energy transition capacity – alongside external balancing that enhances credibility with the United States without foreclosing pragmatic engagement with China. Critically examined, Carney's Indo-Pacific outreach is less a diplomatic deviation and more an assertion of strategic autonomy designed to reinforce, not rupture, North American ties. By demonstrating that Canada can anchor relationships across the Indo-Pacific, Ottawa signals to Washington that partnership with Canada is not merely historical sentiment but contemporary strategic necessity.

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