

Canadian Investments in India's Economy

The diplomatic relations between India and Canada are at an all-time low post-September 2023 after Canada accused India of participation in the Hardeep Singh Nijjar killing. In this context, it will be important to understand the nature of Canadian investments in India's economy. Canada occupies the 18th rank among India's FDI investors with a valuation of \$3.3 billion (2000-2023) forming less than 1% of total FDI inflows to India. Various sub-sectors of infrastructure and services account for 40% of these funds.

India has a minimal surplus trade balance with its exports of goods to Canada reaching \$4.20 billion while imports account for \$4.1 billion. Mumbai and Bangalore emerge as two priority-based destinations for investments in the Asia Pacific region. Nearly 1,600 companies are involved directly or indirectly are conducting their business transactions in the Indian economy. The **Canada Pension Plan and Investment Board (CPPIB)** invested \$15 billion and holds shares in Nykaa, Paytm, and Kotak Mahindra Bank along with shares acquired from US-listed Indian IT giants Wipro and Infosys. The **Quebec Deposit and Investment Fund (CDPQ)** has invested \$6.2 billion with TVS Logistics, Edelweiss Group, and Piramal Enterprises being some of the beneficiaries.

Fairfax Holdings emerged as the leader in the insurance industry by investing in its Indian startup Digit which has now gained a market share of 65%-73% through motor insurance sales. The group owns the maximum shares of the public-private consortium Bangalore International Airport Limited (BIAL). The **Ontario Teachers' Pension Plan (OTPP)** has invested \$3 billion emphasized on developing various Indian microfinance and e-commerce ventures. The **Ontario Municipal Employees Retirement System (OMERS)** has invested in multiple solar energy projects and operational road toll assets. **Sun Life Financial** in collaboration with Aditya Birla Group is now the 7th largest insurance provider and 4th biggest mutual fund group in India.

