INDIAN ECONOMY 14 October 2026

Canada Welcomes Bilateral Investment Potential Following IDBI Bank-Fairfax Deal

Canadian Minister of International Trade Maninder Sidhu highlighted expanding investment scopes following the Union Cabinet's approval of the IDBI Bank strategic sale to Fairfax Financial Holdings.

An overview of Canada-India bilateral trade and strategic investments in infrastructure, energy, and aerospace, anchored by major financial agreements like the IDBI Bank disinvestment.

KEY EXAM POINTS

- **Canada**'s cumulative investment in India has reached close to **USD 107 billion**, spanning critical economic sectors.
- The Union Cabinet approved the strategic sale and restructuring of **IDBI Bank** to Canada's Fairfax Financial Holdings for **Rs 52,878 crore**.
- **Maninder Sidhu** praised **Prem Watsa** and Fairfax Financial Holdings for their investments in Indian infrastructure projects like airports.
- India aims to build **100 additional airports** and requires approximately **2,000 more aircraft** to meet aviation sector growth.
- Canadian institutional investors and **pension funds** are actively participating in India's **infrastructure**, energy, and critical minerals development.

DID YOU KNOW..!?

Foreign Direct Investment (FDI) in India is regulated under the **Foreign Exchange Management Act (FEMA)** enacted in the year **1999**.

IDBI Bank was originally established in **1964** under an Act of Parliament as a wholly owned subsidiary of the Reserve Bank of India.

The Reserve Bank of India (RBI) was established on **April 1, 1935**, in accordance with the provisions of the **Reserve Bank of India Act, 1934**.

The Department for Promotion of Industry and Internal Trade (**DPIIT**) functions under the **Ministry of Commerce and Industry** as the nodal agency for FDI policy.

Bilateral trade agreements involve commercial and economic pacts between two nations to promote economic cooperation and investment flows.

Public Sector Undertakings (PSUs) **disinvestment policy** in India aims to improve public finances and introduce private sector efficiency.

REVISION FLASHCARD

The Union Cabinet approved the Rs 52,878 crore strategic sale of IDBI Bank to Canada's Fairfax Financial Holdings.

Syllabus Relevance: Highly relevant for Indian Economy (Unit 6) focusing on banking reforms, disinvestment, and foreign direct investments in India.

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