

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.

India-Singapore Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Profile Report depicting the Embassy of Singapore.
2. The close ties between India and Singapore have a history rooted in strong commercial, cultural and people-to-people links across a millennium. The more modern relationship is attributed to Sir Stamford Raffles who, in 1819, established a trading station in Singapore on the route of the Straits of Malacca which later became a crown colony and governed from Kolkata till 1867. The colonial connection is reflected in institutions and practices, usage of English and presence of a large Indian community. India was one of the first countries to recognize Singapore in 1965.
3. India-Singapore relations are based on shared values and approaches, economic opportunities and convergence of interests on key issues. Political engagement is regular. Defence relations are particularly strong. Economic and technological ties are extensive and growing. Cultural and human links are very vibrant. There are more than **20 regular bilateral mechanisms**, dialogues and exercises. There is great convergence on a broad range of international issues and both are members of a number of forums, including East Asia Summit, G20, Commonwealth, IORA (Indian Ocean Rim Association) and IONS (Indian Ocean Naval Symposium).

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

4. Singapore is India's largest trade partner in ASEAN. It is the **leading source of FDI**, among the largest sources of External Commercial Borrowings and Foreign Portfolio Investment. Bilateral trade reached US\$ 35.5 billion in 2022-23. India's exports stood at US\$ 11.99 billion while imports stood at US\$ 23.59 billion during the same period. **Bilateral trade** expanded after the conclusion of CECA from **USD 6.7 billion in FY 2004-05 to USD 30.11 billion in 2021-22**. India was Singapore's 12th largest trade partner, for the year 2021-22 with a share of 2.3% in Singapore's overall trade. Singapore is India's 6th largest trade partner with a share of 2.9% of India's overall trade (2021-22). **Exports** to Singapore for the same period stood at **USD 11.15 billion** vis-à-vis USD 8.7 billion during 2020-21- recording a growth of 28.53%. The **imports** stood at **USD 18.96 billion** vis-à-vis USD 13.3 billion recorded during 2020-21 - a growth of 42.5%. An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

The Export-Import statistics as per India's Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows:

The Export-Import statistics from 2019-20 to 2023-24

(US Dollar Million)

S. No		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Export	8922.74	8675.60	11150.66	11992.96	14414.27
2.	Import	14746.78	13304.49	18962.19	23595.35	21199.32
3.	Total Trade	23669.52	21980.09	30112.85	35588.31	35613.59

(Source: Doc, Ministry of Commerce & Industry)

5. Five areas of cooperation (5S) were agreed for specific focus -

(i) Scale up Trade & Investment; (ii) Speed up Connectivity; (iii) Smart Cities & Urban Rejuvenation; (iv) Skill development; and (v) State focus. In 2018, Fin Tech & Innovation was recognized as the new driver of bilateral relationship. Singapore is India's largest trade partner in ASEAN. It is the **leading source of FDI**, among the largest sources of External Commercial Borrowings and Foreign Portfolio Investment.

6. **FDI equity inflows** in India from Singapore during **2021-22** stood at **USD 15.87 billion**. Singapore continued to be the largest source of FDI into India, with FDI inflows of USD 17.42 bn in 2020-21 despite the Covid situation. The **cumulative FDI inflows** from Singapore to India stood at **USD 136.65 billion (April 2000 – June 2022)** which is **23 percent** of **total FDI inflows in India**. Singapore is also amongst the largest sources of External Commercial Borrowings for India and Foreign Portfolio Investment from Singapore has been extremely important for India. The cumulative **outward Indian FDI** to Singapore stood at **USD 82.33 billion (January 2008 – October 2022)**. The outward Indian FDI to Singapore stood at **USD 7.18 billion** in **2021-22** and **USD 3.49 billion** in **2020-21**.

7. About 8000 Indian companies are registered in Singapore. 6 PSUs, 9 banks, India Tourism, CII, FICCI, Air India, Jet Airways have their offices in Singapore. More than 440 companies from Singapore are registered in India. 2 banks, Enterprise Singapore (ES), Economic Development Board (EDB) and Singapore Tourism Board have their offices in India. The India- Singapore CEO Forum was launched in November 2018. DBS Bank announced the launch of its locally incorporated subsidiary, DBS Bank India (DBIL) in March 2019.

C. Other Major Areas of Cooperation:

- Several Agreements/ Memorandum of Understanding (MOU) have been signed between India and Singapore for cooperation in the fields of defence, economic and commercial links, technical cooperation and culture.

- ISRO launched Singapore's first indigenously built micro-satellite in 2011; 2 more in 2014 and 6 in 2015. During PM's visit to Singapore in June 2018, six MoUs were concluded by NTU for research & exchange partnership with NITI Aayog in the area of artificial intelligence, machine learning, cognitive computing and big data analytics to improve healthcare, cybersecurity, automation, mobility, smart energy systems and e-governance, joint PhD and research with IITs and IISc Bengaluru, space research with Indian Institute of Space Science and Technology (IIST) and establishment of an endowment for Indian research scholars coming to Singapore.
- On 22 April 2023, ISRO successfully launched the PSLV-C55 mission carrying two Singapore satellites weighing 757kg and on 30 July 2023, the PSLV-C56 put Singapore's DS-SAR satellite and six other satellites into orbit.
- A new high level Ministerial mechanism called **India-Singapore Ministerial Roundtable (ISMR)** has been established to chart a road map to take bilateral relations to a new level. The inaugural meeting of ISMR took place on 17 September 2022 in New Delhi. The focus on emerging areas such as digital connectivity, Fintech, Green Economy, Green Hydrogen, Skill Development and Food Security provided an ambitious roadmap for further enhancement of the Strategic Partnership between India and Singapore. DPM Wong and Minister for Trade and Industry GanKim Yong also called on PM. During the visit, FinTech Cooperation Agreement was signed between the Monetary Authority of Singapore (MAS) and the International Financial Services Centres Authority (IFSCA) in Gujarat.
- On 16 November 2022, PM Modi and PM Lee met on the sidelines of the G-20 Summit in Bali. They discussed strengthening of India-Singapore cooperation including in sectors such as the green economy, renewable energy, FinTech and deepening trade relations.
- On **21 February 2023**, the link between India's UPI and Singapore's Pay Now was officially launched in the **presence of PM Modi and PM Lee Hsien Loong**, by RBI Governor Shri. Shaktikanta Das, and Monetary Authority of Singapore's Managing Director, Mr. Ravi Menon.
- Both PMs also met on the sidelines of G-20 Summit in Osaka in June 2019, Rome in October 2021 and Bali in September 2022. PM Lee was one of the six world leaders invited by PM Modi to speak at a special event at UN in New York on 24 September 2019 to celebrate 150th birth anniversary of Mahatma Gandhi.
- Ethnic Indians constitute about 9.1 % or around 3.5 lakhs of the resident population of 3.9 million in Singapore. In addition, among the 1.6 million foreigners residing in Singapore, around 2.5 lakhs are estimated to be Indian expatriates holding Indian passports, serving in financial services, IT, as students, and in the construction and marine sectors. Singapore has the highest

concentration of IIT and IIM alumni in any one city outside India. Tamil is one of the four official languages of Singapore.

Source: www.mea.gov.in