

"Singapore second largest investor in India"



India Blooms News Service

Addressing the Singapore India Chambers of Commerce & Industry (SICCI), Khurshid said: "After India and Singapore entered into the CECA (Comprehensive Economic Cooperation Agreement), in 2005, bilateral trade has grown from a level of US \$ 8.7 billion (2005 - 2006), to US \$ 21.3 billion in 2012-13. Singapore has emerged as the second largest foreign investor in India. Even India's investment in Singapore has gone up eight-fold as a result the Indian business community has emerged as the largest foreign business community in Singapore."

He said: "The stock figure for total investment by Singapore in India stood at USD 19.1 billion as in February 2013. The figure for Indian investments in Singapore stood at USD 25.7 billion as in March 2013. Clearly, the mechanism for Bilateral Investment protection and the Double Tax Avoidance Agreement have both contributed wonderfully to building confidence in investors both ways."

Khurshid said Indian companies located in Singapore are numerous, and many from the sub-continent as well as around the world, now live and work in Singapore.

"In fact, there are large numbers of IIT and IIM alumni in Singapore, perhaps one of the densest concentrations in the world. Many Indian companies have their global headquarters in Singapore which administer their businesses around the world including that in India- TCS International is in Singapore, is one example. HCL Technologies service their global enterprise clients from Singapore," he said.

Khurshid's address at Singapore India Chambers of Commerce & Industry (SICCI)

Ambassador Kishore Mahbubani,
SICCI Chairman Mr. Narayanamohan,
High Commissioner Ms. Vijay Thakur Singh,
Ladies and Gentlemen,



Publication: India Blooms

Date: 4 July 2013

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Thank you for your very warm welcome. I am delighted to be with all of you today.

Ambassador Kishore Mahbubani - you have been a student of philosophy and history, served your country with distinction as an astute Diplomat, you have also won widespread acclaim as a thinker and as an intellectual who has written extensively, your academic credentials are indisputable. Moreover, like Singapore itself, you have been a long-standing friend of India - I am happy that you are here with me today at this event.

I am in Singapore on my first visit in my capacity as the External Affairs Minister of India. Each time you visit Singapore, you are struck by the manner in which this amazing city-state keeps reinventing itself to promise a better life for its people. The country's economic success is an example of how people of different backgrounds can come together and create a viable nation. Singapore's strength lies in its multiculturalism, secularism and social harmony- these are attributes which are our two countries share and value.

I wish to utilize the platform of Singapore Indian Chambers of Commerce & Industry (SICCI) today to share with you my perspectives on the relationship between India and Singapore.

Our two countries have ties which are old and strong- we have a shared sense of history, many culture commonalties, bonds of trade and commerce go way back to historical times when the early Indian traders sailed the waters carrying goods and merchandise. The economic and social connects have grown stronger and more robust as we go forth.

The ties through all these years have been boosted in recent decades particularly by India's Look East policy. In 1991, Prime Minister Narasimha Rao decided that it was in India's best interests to make a strategic shift towards Asia. The opening of our relations with Singapore began the process of our economic partnership.

PM Manmohan Singh at the time of his bilateral visit to Singapore in November 2011 had emphasised that we place the highest priority on our relations with Singapore. As nations, we have convergent perspectives on many regional and international developments. We also work closely together in a number of regional mechanisms, such as the East Asia Summit, ASEAN, the ASEAN Regional Forum, ASEAN+ 5 and ADMM Plus. We share similar views on building an open and inclusive architecture of regional cooperation in Asia, which enhances trust and confidence.

Yet another defining point in the India- Singapore relationship in the present times was when we signed the bilateral Comprehensive Economic Cooperation Agreement (CECA). After India and Singapore entered into the CECA, in 2005, bilateral trade has grown from a level of US \$ 8.7 billion (2005 - 2006), to US \$ 21.3 billion in 2012-13. Singapore has emerged as the second largest foreign investor in India. Even India's investment in Singapore has gone up eight-fold as a result the Indian business community has emerged as the largest foreign business community in Singapore.

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Indian companies located in Singapore are numerous, and many from the sub-continent as well as around the world, now live and work in Singapore. In fact, there are large numbers of IIT and IIM alumni in Singapore, perhaps one of the densest concentrations in the world. Many Indian companies have their global headquarters in Singapore which administer their businesses around the world including that in India- TCS International is in Singapore, is one example. HCL Technologies service their global enterprise clients from Singapore.

Beyond economics, we are also working on the security architecture. Singapore and India have crucial stakes in shielding their common sea-lanes of communication, combating piracy and narcotics trade, curbing gunrunning, and preventing maritime terrorism.

Recently, when our Prime Ministers met they decided to step up bilateral cooperation and exchanges in the fields of defence and security. To that end, they signed a Memorandum of Understanding to renew the bilateral arrangement between our Air Forces on joint training and exercises. The renewal of the bilateral arrangement for continuing joint army training and exercises was done at the time of Defence Minister Shri AK Antony's visit to Singapore in June this year. Notably, Singapore is the only country that India has offered its facilities to for training and its land for exercises.

Bilateral Cooperation in areas of human development so essential for any country's growth like education and skills development has also grown. Singapore has excellent institutions in the area of skills education. At the time of Prime Minister's last bilateral visit to India in May 2011, we signed a Memorandum of Understanding on Cooperation in Vocational Education and Skills Development. Another MOU which was signed was to establish a world class post-secondary Technical Education Institute in New Delhi- this was to be realised through a joint-collaboration by Singapore's Institute of Technical Education and the Delhi State government's Department of Training and Technical Education. The World Class Training Centre is expected to train up to 15,000 students in different vocational disciplines making them not only more skilled but more employable as well by industry.

In the field of science and technology too, our cooperation has been growing- on 20 April 2011, Singapore's first locally built satellite- micro-satellite, X-SAT- was launched by in space by an Indian PSLV from the Satish Dhawan Space Centre, Sriharikota in India.

The institutional connectivity between India and Singapore is also growing - in May 2012, the Singapore Management University (SMU) and Indian Institute of Management Bangalore (IIMB) entered into a Memorandum of Understanding (MoU) in management research and education. Raffles Education Corporation Limited headquartered in Singapore has presence in 7 Indian Cities. CECA itself provides the institutional mechanism for both countries to facilitate collaborations in the field of education- as an example, between the Indian Institutes of Technology (IIT), the Indian Institute of Science (IISc), and the universities in Singapore. Collaborations between IIT Mumbai and the National University of Singapore, and IIT Chennai and the Nanyang Technological University of Singapore, offer post-graduate research and education, with industrial linkages to, multi-national and local companies based in India and Singapore.

In 2009, India and Singapore signed a Joint Action Plan on tourism cooperation. In July, 2012 the Singapore Exchange (SGX) announced a product partnership with National Stock Exchange of India (NSE) to offer SGX S&P CNX Nifty options aimed at further enhancing offshore investors' access to the Indian economy.

Like the growing institutional connectivity, people to people linkages are also growing. Changi Airport is now the most connected point to India from Southeast Asia. There are 422 flights per week to 12 Indian Cities (Chennai, Mumbai, Delhi, Calcutta, Bangalore, Hyderabad, Ahmedabad, Cochin, Coimbatore, Trivandrum, Vishakhapatnam and Tiruchirapalli). The number of passenger movements between India and Singapore stood at 3.06 million at the end of April 2013.

This year in April when the Minister for Civil Aviation Shri Ajit Singh visited Singapore, the two countries signed a new Memorandum of Understanding (MoU) on bilateral air services arrangement which enhances, by 10%, the capacity entitlement considering the increased economic activity between India and Singapore which requires better air connectivity. This revised capacity is in addition to unlimited seating capacity to 18 cities in India which is available for all the ASEAN countries, including Singapore. There is great potential in flights to the North East.

Singapore sits astride major sea lines of communication & commerce. It is a key member of ASEAN and of the newly emerging regional economic arrangements like the Trans- Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP). I look upon Singapore as an enabler, a global platform that creates a kind of bridging connection between the nations located on the India Ocean with the nations on the Pacific Ocean.

Going forward, from where I stand, I can see the bonds of friendship and areas of cooperation growing stronger between India and Singapore- and Singapore. The levels of engagement and connectivity are growing deeper with each passing day with ASEAN and with Singapore. Prime Minister, Dr. Manmohan Singh, has already indicated India's strong support to the objectives of creating an ASEAN Community by 2015, the Initiative for ASEAN Integration and the ASEAN Master Plan on Connectivity through his remarks at the 10th India- ASEAN meet.

India- ASEAN connectivity will facilitate competitive growth- it will smoothen the progress of the economics of agglomeration and integrated production networks and to enhance trade and exchanges further. Technology and better physical connectivity will allow areas of lesser industrial development to also grow rapidly in shorter periods of time as production shifts to such areas on account established agglomerations having become more and more expensive- this will allow disaggregation and spread of both urbanisation and of incomes.

In India too, we have our own DMIC and the NMIZs - as the new focus areas of growth and urbanisation- the Delhi Mumbai Infrastructure Corridor- one of the largest projects of its kind aiming to develop 7 new urban nodes in phase 1. I am sure many of you here would have looked at these projects with interest and as excellent opportunities to make profitable investments. Singapore companies are present in the DMIC, there is Jurong Consultants which has completed a feasibility study on the Manesar-Bawal investment region which is in Haryana; Hyflux which is a water treatment company is co-developing a seawater desalination plant in Gujarat, in the Dahej special economic zone. Ascendas has evinced interests in developing integrated townships, airports, seaports and utilities.

I have been informed that in Singapore since the beginning of this year, there has been three significant interactions with the businesses and the investing community in Singapore and each of these events had a Ministerial level presence from India. The first was on the



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occasion of the visit of the Finance Minister, Shri Chidambaram and drew participation from a large number of institutional and corporate investors based in Singapore; the second was addressed by Minister for Commerce & Industry, Shri Anand Sharma and was marked by an equally impressive turnout from businesses based in Singapore; the third was stewarded by the Singapore Exchange (SGX) and the Confederation of Indian Industry (CII) and was attended by Shri Kamal Nath and by Minister Lim Hng Kiang last month- this itself shows the commitment in our intent to continue our engagement with the international investor community and with Singapore in particular.

In order to make it easier for Singaporean companies to do business in India we have, through the Department of Industrial Policy and Promotion, been actively discussing and attempting to ease the common challenges which are faced by Singapore companies in India. On a broader scale, we have decided to pursue reforms with energy and expedite clearances through the newly constituted Cabinet Committee on Investment- the Cabinet Committee focuses on removing bottlenecks for projects both in public and private sectors, having investment of Rs 1000 Crore.

The Singapore Indian Chambers of Commerce & Industry is itself an embodiment of the deep bond between the two countries- each one you represents the bridge that both India and Singapore have. I have been informed that Singapore Indian Chambers of Commerce and Industry would shortly be completing 90 years of its coming into being- let me take this opportunity to congratulate you and to wish you every success in the future.

I would also like thank you for the wonderful opportunity that you have afforded to me to speak with you- Thank you once again, for your patience.