INDIA – SINGAPORE RELATIONS

Introduction

India’s connection with Singapore dates back to the Cholas who are credited with naming the island and establishing a permanent settlement. The more modern relationship is attributed to Sir Stamford Raffles who, in 1819, established a trading station on the Straits of Malacca to protect, particularly from the Dutch, the East India Company ships carrying cargo between India and the region, especially China. Singapore’s location was increasingly recognised as strategic to the security of the British Empire in India, and it became a colony under British India governed from Calcutta during the period 1830 to 1867. The colonial connection is reflected in a similarity of institutions and practices, usage of English and the presence of a large Indian community.

2. India was among the first countries to set up diplomatic relations after the independence of Singapore on 24 August 1965. The close relationship shared by India and Singapore is based on convergence of economic and political interests. The process of economic reforms in India since the early 1990s created a strong basis for cooperation with Singapore, opening up possibilities for significant presence in each other’s economies. Singapore has played an important role in reconnecting us to the countries of South East Asia since the inception of our Look East Policy in the early 1990s.

Political Relations

3. Singapore, led by Prime Minister Goh Chok Tong, took a major interest in India’s economic reforms in the 1990s. He visited India in 1994 as the Chief Guest at our Republic Day celebrations. A reciprocal visit by PM Narasimha Rao took place in September 1994. Continued high level interactions, including the visit of PM Vajpayee in 2002, culminated with the signing of the Comprehensive Economic Cooperation Agreement (CECA) in June 2005 during the visit of PM Lee Hsien Loong to India. Former Singapore Prime Minister Goh Chok Tong was awarded the Jawaharlal Nehru Award for International Understanding in 2004.

4. Presidential visits include those undertaken by President K R Narayanan in November 2000 and by President A P J Abdul Kalam in February 2006 and the first ever visit by any Singapore President (S R Nathan) in January 2003. PMDr Manmohan Singh paid an official visit to Singapore in November 2011 and Singapore Prime Minister Lee Hsien Loong undertook a State Visit to India in July 2012 and attended the ASEAN-India Commemorative Summit in Delhi in December of the same year.
5. Singapore’s Prime Minister Lee Hsien Loong congratulated Prime Minister Narendra Modi on Twitter and Facebook immediately after his election victory in May 2014 and sent a letter inviting Prime Minister to visit Singapore at the earliest opportunity. Singapore’s Foreign and Law Minister K Shanmugam was the first Minister from any ASEAN nation to meet the new Government in Delhi during his visit to India on 30 June – 5 July 2014. An active calendar of visits from both sides added momentum to bilateral relations - from India by EAM to inaugurate the 50 year celebrations; Chief Ministers of West Bengal, Rajasthan, Telangana and Andhra Pradesh; Urban Development Minister; and visits to India by Singapore’s Defence Minister, Emeritus Senior Minister, Minister PMO & Second Minister for Trade & Industry S Iswaran and Deputy Prime Minister and Finance Minister. The two Prime Ministers met on the sidelines of the East Asia Summit at Nay Pyi Taw on 12 November 2014.

6. To mark the milestone 50 years of the establishment of India-Singapore diplomatic relations, Singapore’s President Tony Tan Keng Yam undertook a State Visit to India on 8-11 February 2015.

7. PM Shri Narendra Modi visited Singapore on 29 March 2015 to attend the State Funeral of Singapore’s first Prime Minister Lee Kuan Yew who passed away on 23 March 2015. PM’s visit was appreciated by Singapore, as was the observance of a day of mourning in India on 29 March with flag flying half-mast throughout the country.

Framework of the Relationship

8. Agreements concluded between India and Singapore reflect the growing breadth of our cooperation and provide a larger framework for activities between the two Governments, the business community, and people-to-people exchanges. Key agreements include the Comprehensive Economic Cooperation Agreement (2005), Double Taxation Avoidance Agreement (1994, Protocols signed in 2011), Bilateral Air Services Agreement (1968, revised in April 2013), the Defence Cooperation Agreement (2003), MoU on Foreign Office Consultations (1994) Mutual Legal Assistance Treaty (2005) and MoU on Cooperation in the field of Vocational Education and Skills Development. The visit of the then External Affairs Minister Pranab Mukherjee to Singapore in June 2007 witnessed the creation of a Joint Ministerial Committee (JMC) headed by the Foreign Ministers, the launch of a bilateral CEO’s Forum and the announcement of a Strategic Dialogue.

Economic & Commercial Relations

9. **Bilateral trade:** Economic cooperation is a major pillar of our relationship. Singapore is our 10th largest trade partner globally and 2nd largest in ASEAN accounting for 25.9% of our overall trade with ASEAN (2013-14). India was Singapore’s 12th largest trade partner globally (2014). Bilateral trade expanded after the conclusion of CECA from US$ 6.65 billion in 2004-05 to US$ 25.2 billion in 2011-
12 but declined to US$ 19.27 billion in 2013-14. **Bilateral trade stood at US$ 17.1 billion in 2014-15.** Our imports from Singapore were US$ 7.1 billion and exports from India totaled US$ 10 billion. [Source: DGCIS]

**Values in US$ Billions (P) Provisional**

<table>
<thead>
<tr>
<th></th>
<th>2013-14 (P)</th>
<th>2014-15 (P)</th>
<th>% Growth</th>
<th>% Share in India’s Global exports/imports</th>
<th>Rank in ASEAN</th>
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<tr>
<td>Exports</td>
<td>12.5</td>
<td>10</td>
<td>-20</td>
<td>3.23</td>
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<tr>
<td>Imports</td>
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<td>7.1</td>
<td>5</td>
<td>1.59</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Department of Commerce, System on Foreign Trade Performance Analysis (FTPA) - Export by Region x Countries; Import by Region x Countries

10. **Major items of India’s exports to Singapore during 2014-15 (Apr-Feb)** which constituted 75.28% of India’s total exports to Singapore include:
- Other Petroleum Oils and Oils Obtained From bituminous Minerals etc.
- Light Oils And Preparations
- Nickel, Not Alloyed
- Other Vessels, Fire Floats etc.
- Articles Of Other Precious Metal
- Aeroplanes And Other Aircraft
- Tugs And Pusher Craft
- Other Vessels For Transport Of The Goods And Other Vessels For The Transport Of Both Persons And Goods
- Diamonds
- Semi/Wholly Milled Rice W/N Polished/Glazed

11. **Major items of India’s imports from Singapore during 2014-15 (Apr-Feb)** which constituted 35.43% of India’s total imports from Singapore include:
- Other Petroleum Oils and Oils Obtained From bituminous Minerals etc.
- Styrene
- Digital Processing Units
- Nickel, Not Alloyed
- Light Oils and Preparations
- Other Polymers of Ethylene in Primary Forms
- Non-Industrial Diamonds
- Vinyl Acetate
- P-Xylene
- Toluene

12. **Bilateral Investments**: Since the early 1990s, Singaporean companies have been active in India’s equity market as FIIs, and the trend has gathered momentum in recent years. **Singapore has emerged as the 2nd largest source of FDI amounting to US$ 31.9 billion** (April 2000 - Feb 2015), which is 13% of total FDI inflow. Singapore was the largest source of FDI into India for the year 2013-14.
overtaking Mauritius, with US$ 5.98 billion, accounting for about 25% of FDI inflows in the year [Source: DIPP]. Banking, pharmaceuticals, telecommunications and information technology have been the focus of such portfolio investments, besides investments in ports, airports and infrastructure projects.

13. **Outward Indian FDI to Singapore increased from US $351 million in 2004-05 to US $37.4 billion (April 2015), making Singapore one of the top destinations for Indian investments.** Combined with an enabling environment, strong air connectivity and the presence of a large Indian community, Singapore has emerged as an offshore logistics and financial hub for Indian corporate houses. About 6,000 Indian companies are estimated to be registered in Singapore.

14. **Comprehensive Economic Cooperation Agreement (CECA):** Concluded in June 2005, the CECA with Singapore was the first such agreement to be signed by India with any country. It integrates agreements on trade in goods and services, investment protection, and economic cooperation in fields like education, intellectual property and science & technology. It also provides Mutual Recognition Agreements (MRAs) that eliminates duplicative testing and certification of products in sectors where there are mandatory technical requirements. The implementation of CECA is to be periodically reviewed by the two Governments and the closure of the 1st Review was announced on 1 October 2007. The 2nd Review launched in May 2010 is underway.

15. **Nine Indian banks** operate in Singapore – Bank of India, Indian Overseas Bank, UCO Bank, Indian Bank, Axis Bank, State Bank of India, ICICI, EXIM Bank and Bank of Baroda. SBI and ICICI have been granted Qualifying Full Bank (QFB) status with retail operations.

16. **Air connectivity:** Directly connected currently to 12 Indian cities - Ahmedabad, Bangalore, Chennai, Cochin, Coimbatore, Delhi, Hyderabad, Kolkata, Vishakhapatnam, Mumbai, Tiruchirappalli, Thiruvananthapuram, Singapore has the largest air connections to India with 6 airlines flying 232 weekly services (or 464 weekly flights) between Singapore and India.

### Cultural Relations

17. To promote inter-governmental cooperation in culture, a Memorandum of Understanding for Cooperation in Arts, Archives and Heritage was concluded in 1993, pursuant to which Executive Programmes have been signed.

18. ICCR and National University of Singapore (NUS) signed an MOU in March 2010 to establish a short-term Chair on Indian Studies at the South Asian Studies Programme, National University of Singapore, which has been renewed till 2017.

19. Commemorative events are being held in India and in Singapore to mark the 50th anniversary of the establishment of India-Singapore diplomatic relations in 2014-15. The commemorative events were jointly inaugurated by External Affairs Minister
SmtSushmaSwaraj and Singapore’s Foreign and Law Minister K Shanmugam on 16 August 2014 in Singapore. An array of activities and events that include cultural performances, exhibitions, film festivals, food festivals, commemorative stamp, among others have been arranged to celebrate the historic milestone.

20. Given the large and diverse Indian community in Singapore, cultural activities receive considerable support from community organizations. A number of cultural societies, namely Temple of Fine Arts, Singapore Indian Fine Arts Society, Nrityalaya, Kalamandir, among others, promote Indian classical dance and arts. Deepawali is regarded as the premier Indian cultural celebration.

**Visa & Consular**

21. India introduced a visa requirement for Singapore citizens in 1984 while Singapore introduced it in 1985. Tourists from Singapore are allowed ‘eTourist Visa (eTV)’ in select airports in India since 2010 on unilateral basis. In 2014, the High Commission issued 41,947 passports and 77,879 visas.

**Indian Community**

22. Ethnic Indians constitute about 9.1 per cent or around 3.5 lakhs of the resident population of 3.9 million in Singapore. In addition, among the 1.5 million foreigners residing in Singapore, about 3.5 lakhs are Indian expatriates holding Indian passports, mostly serving in financial services, computer/software sectors, students, construction and marine sectors [Source: Singapore Department of Statistics, 2014]. There are about 1.5 lakh Indian migrant workers in Singapore.

23. Tamil is one of the four official languages of Singapore. Hindi, Gujarati, Urdu, Bengali and Punjabi are also taught in schools. Approximately two-thirds of the Indian community in Singapore are of Tamil origin. Punjabis, Malayalis and Sindhis are the other major Indian communities.


**Useful Resources:**

High Commission of India, Singapore website:
https://www.hcisingapore.gov.in/
High Commission of India, Singapore Facebook page:
https://www.facebook.com/IndiaInSingapore

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