India- Singapore Ties

Why in news?

With India's new government in place, Singapore's Foreign Minister recently expressed optimism about scheduling the India-Singapore Ministerial Roundtable (ISMR) in the near future.

What is the history of India-Singapore relations?

- **Historical relations**- India-Singapore links date back more than 700 years when Singapore was part of Hindu-Buddhist kingdoms.
- **Diplomatic relations-** It was established between India and Singapore were established in ***1965*** as India was one of the first countries to recognize Singapore in 1965.
- **Bilateral relations-** India-Singapore Strategic Partnership (SP) was established in 2015 and updated in 2018 to include FinTech and innovation.
- **Political engagement**- Two key ministerial committees/dialogues are the Foreign Ministers' Joint Ministerial Committee for Bilateral Cooperation and the India-Singapore Defence Ministers' Dialogue.
- **Diplomatic milestones**- The 50th anniversary of diplomatic relations was marked in 2015 with state visits from the both countries.
- **India-Singapore Ministerial Roundtable (ISMR)-** It has been established in 2022 to chart a roadmap to take bilateral relations to a new level, it focuses on emerging areas such as digital connectivity, Fintech, Green Economy, Green Hydrogen etc.,
- **Geopolitics-**Singapore supported India's bid to become a permanent member of the U.N. Security Council and expand its role and influence in the Association of Southeast Asian Nations (ASEAN).

Singapore also supported India in its war against Pakistan in 1965 and the Kashmir conflict.

- **Military relations**-

Joint naval exercises	SIMBEX and MILAN
Air force exercise	SINDEX
Army exercise	Bold Kurukshetra

- **Fintech collaboration**- The link between India's UPI and Singapore's PayNow was officially launched in 2023, it will enable users to make instant, low-cost fund transfers directly from one bank account to another between Singapore and India.
- **Regulatory Co-operation Agreement on fintech**- It was signed by India and

Singapore in 2019, it has features such as information sharing, potential joint innovation projects etc.,

- **Trade relations**- Singapore is India's sixth largest trade partner, accounting for 2.9% of India's overall trade, while India is Singapore's 12th largest trade partner with a 2.3% share in Singapore's overall trade.

Major exports from India	Major imports to Singapore
• Mineral fuels, Mineral oil and products • Bituminous substances • Mineral waxes	• Nuclear reactors, • Boilers • Machinery, and mechanical appliances

- **Economic relations**- Singapore is the largest sources of External Commercial Borrowings for India and Foreign Portfolio Investment from Singapore has been extremely important for India.
- **Cultural cooperation**- Regular cultural exchanges include performing ***arts, theatre, museum exchanges, art, languages, and youth exchanges*** happen between India and Singapore.

Little India is a colorful center of Indian culture in Singapore

- **Tamil linkage**- Tamil is one of the four official languages of Singapore, Singapore's only Tamil newspaper ***Tamil Murasu*** was set up in 1935.
- **Science and Technology Cooperation**- ISRO launched Singapore's first indigenously built micro-satellite in 2011. In 2023, ISRO successfully launched the ***PSLV-C55 mission*** carrying two Singapore satellites.
- **Tourism**- In 2019, India was the 3rd largest source of tourism for Singapore. Post COVID, Indian tourists have become the 2nd largest source of visitors to Singapore.
- **Multilateral forum**- Both countries are members of several forums, including the East Asia Summit, G20, Commonwealth, IORA (Indian Ocean Rim Association), and IONS (Indian Ocean Naval Symposium), reflecting their convergence on international issues.
- **Diaspora**-Ethnic Indians constitute about ***9.1 % of the resident*** population in Singapore. Singapore has the highest concentration of IIT and IIM alumni in any one city outside India.



What is the Significance of Singapore for India?

- **Good trade relations**- Singapore accounted for over one-fourth of India's trade with Southeast Asia, reflecting the success of the Comprehensive Economic Cooperation Agreement (CECA) between the two countries.
- **Investment destination**- Singapore accounted for 27.3% of India's overall trade with the ASEAN region, making it one of the country's largest trade and investment partners in the region.
- **States collaboration**: Singapore has strong connections with Indian states like West Bengal, Rajasthan, Andhra Pradesh, and Telangana.

Singapore is responsible for the Amaravati capital city project

- **Investment opportunities**- The top sectors attracting FDI equity inflows from Singapore include services, computer software and hardware, trading,

telecommunications, and drugs and pharmaceuticals.

- **UPI-PayNow linkage**- It will enable users of each of the two fast payment systems to make instant, low-cost fund transfers on a reciprocal basis without a need to get onboarded onto the other payment system.
- **Collaborative projects**- Singaporean companies have been taking a leading role in a range of *smart city initiatives* across India, partnering with local governments and private enterprises in various urban planning, logistics, and infrastructure projects.

References

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