

Two-way trade up 50 pc for three years in a row

Singapore - A Global Hub & Gateway Committed to India



Y.A.P. Shih Chia

The friendly, neighbouring city-state of Singapore, is not just a shoppers' paradise for India and the Indians. Singapore acts as a catalyst for India's foreign trade, the nation being the strategic business hub for an estimated 6,000 large and multinational companies. Singapore's corporates set global benchmarks in best business practices in their respective fields worthy of emulation by Indian companies. Singapore is India's largest trading partner among the ASEAN member countries. **Y.A.P. Shih Chia**, Singapore's Vice Consul, talks about the factors that have been contributing to a 50 percent rise in bilateral trade over that last three years and his country's commitment to India in the years to come.

What is the history of trade relations and the potential areas of trade and commerce between India and Singapore?

We both share a common colonial history. So, when we talk about actual trade, it goes back to about 18th century. But in modern trade history, Singapore has always been one of the largest trading partners to India. Last year India was the 14th largest trading partner to Singapore and the growth in trade between the two countries is quite phenomenal. We are India's largest trading partner among the ASEAN Countries (Association of South East Asian Nations). Till December 2005, as per the estimation by International Enterprise Singapore (a government agency under the Ministry of Trade & Industry), the bilateral trade figure had touched 16.6 billion Singapore dollars (an increase of 11.8 billion over the previous year).

In the last 3 years, we have seen 50% increment per year in trade between the, two countries on an average. We expect to see more trade happening between the two countries especially after the conclusion of the Comprehensive Economic Cooperation Agreement (CECA) between Singapore and India last year, in July 2006. So, along with the CECA, both Indian and Singapore companies will be able to enjoy tariff reductions or tariff exemptions on a long list of products.

Which are the areas where you see

maximum trade happening between the countries?

Traditionally we have been importing petroleum related products, precious stones, jewellery, textiles and garments etc. from India to Singapore. And the export items from India Singapore included technological items like PCBAs, electronic goods, telecommunications equipment, petroleum refined products etc. Along with that, we have marketed Singapore well in India as a tourist destination. It enjoys a credible and honest reputation in India. In the last few years, we have been the top tourist destination for Indians. We also have promotional packages that encourages visitors to stop over at Singapore plus one more Asian destination at discounted prices to various tourist sights in Singapore. This has been a result of a combination of various factors. First, our marketing has been good here and second, we have the advantage of being a major transport hub. Singapore Airlines now flies out of 6 cities in India. From Singapore, we are also very well connected to the rest of Asia, Australia/New Zealand and onwards to the United States of America. Most Indians, have heard so much about Singapore, our cleanliness, our world class infrastructure, our exciting shopping options, would not mind stopping over and having a look around the city, trying new food or shopping. This has worked pretty well.



Which are the potential areas of trade, which you have explored during your tenure?

I head the commercial section in the Mumbai Consulate, and besides matters of trade, we also bring in business delegations from Singapore to learn about the business opportunities in India. Our companies are keen to offer their expertise in areas such as master planning of townships, architectural designs, construction management, environmental services etc. In addition, Singapore brands are also looking for partebnrns to distribute or market their products into India. In the areas such as intelligent building systems, security surveillance systems or traffic control systems, we also have world class companies who could provide transfer of technology to India. And of course, Singapore - based companies are also on the lookout for opportunities to invest in India to achieve inorganic growth in the market.

Could you name a few of the sectors and companies doing bilateral trade?

The Port of Singapore Authority (PSA) is present in Tuticorin, Tamil Nadu. Singapore Telecommunication has a joint venture with Bharti Teleservices in Airtel. Taj - SATS is a joint venture between Taj and SATS for in-flight meals catering. Ascendas has also forayed into several IT Parks all over India, the most well-known being the ITPL in Bangalore. Our engineering and architectural companies such as SembCorp Infrastructure India, CPG Consultants, Surbana, Jurong Consultants, DP Architects, etc have also been involved in various townships and airport projects all over India. Causeway Paints, a paints company that specializes in automobile paints is distributing its products to various locations in India via its base in Navi Mumbai. In the last two years, lifestyle brands and products from Singapore such as OSIM, Chales & Keith and Breadtalk have also entered India. On top of that, some of the MNCs who use Singapore as their Asia Pacific Headquarters, had

also invested India via their Singapore office. Singapore is a preferred regional headquarters hub for MNCs such as Flextronics, IBM, DHL, etc.

What is the reason behind Singapore getting popularity as a corporate hub?

First, we have a good connectivity of telecommunications and flights. So, it is convenient to operate from Singapore to Thailand, Malaysia, Australia, Japan or China. We have a solid base of well-educated and skilled work force, especially in professional areas with good managerial talent that attracts the MNCs. At the same time, the locals in Singapore are familiar with Asian culture and it is common to find Singaporeans who can speak Bahasa Indonesia, Malay and Chinese. We also have signed FTAs (Free Trade Agreements) with countries like India, Australia, US, Japan, ASEAN and South Korea. There are more FTAs currently being planned in the pipeline, such as with Qatar, etc. The cost of setting up an office in Singapore is reasonable; the process is transparent and not so lengthy as compared to most other countries. Last year's World Bank report showing the best places to set up an office in easier ways ranked Singapore as one of the most prospective places to start up a business. Because the process is transparent, most of the procedures are online and foreigners are allowed to own properties and set up business.

For how long have you been in India?

I have been here since 2004. But before that, I was covering the entire South Asia region based in Singapore. We are constantly trying to build on our network of contacts and relationships in India and we have offices of the commercial section in Delhi and Chennai as well. With the rapidly increasing interests of Singapore businesses in India, we also have plans to set up an office in Kolkata later in 2006 to enable us to serve our companies better.

What are the bottlenecks that you see while trading with India?

It is not an easy market to operate in. But I do not see any more difficulty than other markets that our companies are in because I feel when you come to a new market, you have to spend time and learn the market and understand its needs. After this, things start moving automatically. But, it's just that, things take a lot of time to get done.

I would like to say here that, "We are not here to challenge the system, we are here to adapt to the system. So, we just have to be patient and learn the market. We are humbled by the vast opportunities India offers and we are definitely committed to this country for years to come."