

**SICCI Biennial Conference on 'India-Singapore-China: Business Opportunities in the Trilateral Relationship', 27 and 28 March 2011**

**Keynote Address by Mr S Iswaran, Senior Minister of State for Trade and Industry, And Education, Singapore**

Mr R Narayanamohan, Chairman, Singapore Indian Chamber of Commerce & Industry  
Excellencies  
Distinguished Guests  
SICCI Board of Directors and Members  
Delegates  
Ladies and Gentlemen

I am pleased to join you for the opening of the Singapore Indian Chamber of Commerce and Industry's (SICCI) biennial conference.

**Opportunities arising from the growth of India and China**

The topic for this year's conference – India-Singapore-China: Business Opportunities in the Trilateral Relationship – is a thought provoking one. China and India are raising economic giants within Asia and key drivers of the global economy. Today, China and India constitute one-third of the world population, and contribute nearly eight percent of the global gross domestic product.

Both countries are keenly aware of the value of bilateral co-operation in development. Leaders in both countries have made efforts to improve Sino-Indian relations. In 1984, China and India signed a trade agreement giving each other Most-Favoured Nation status. In 1992, they resumed border trade. To minimise impediments to co-operation, and in an effort to find resolution, both countries have also elevated their complex boundary issues to the political level of special representatives.

Historically, South East Asia has been at the crossroads of maritime trade, cultural intermingling and other exchanges between China and India. This pattern of interactivity continues to this day. With the genesis of India's Look East' policy in 1991, economic relations between India and ASEAN across trade, investment, tourism and technology have grown consistently.

Likewise, China's expanding industries have created a surge in demand for raw materials, fuels, intermediate products, and final goods and services of all kinds from ASEAN countries, including Singapore.

**How Singapore can serve as a bridge for India and China**

What role can Singapore meaningfully play in the growing bilateral economic activity between China and India? The answer lies in the growing needs and opportunities in these two large economies, our respective comparative advantages, and Singapore's economic connectivity and global positioning.

For example, India's need for the financing and development of infrastructure presents opportunities for collaboration between China and Singapore – in terms of capabilities and access to capital markets. In the context of Information Technology, the collaborative flow could well be the converse – with Indian expertise combining with Singaporean market knowledge. In the context of the pharmaceutical sector, Indian and Chinese companies involved in drug discovery could find Singapore an ideal location to combine their intellectual property, take it further through further R & D and clinical development, before eventual sale to global markets. These are but some examples of the scope for mutually beneficial partnerships.

Businesses in Singapore should also leverage our strategic location in South East Asia and strong economic connectivity, to serve as a bridge for China and India. Singapore-India relations reached a new and higher level when we signed the Comprehensive Economic Cooperation Agreement in 2005, and when India and ASEAN signed the Free Trade Agreement in Goods two years ago. Today, Singapore is India's largest trading partner among ASEAN countries and also the largest ASEAN investor in India. In 2010, Singapore's total trade with India stood at S\$30.7 billion, a 42% increase from 2009.

Singapore and China also share a special relationship, with Singapore as one of China's key economic partners in ASEAN. The political goodwill and cultural ties between Singapore and China have helped to strengthen our economic partnership. Singapore was also the first country that China signed an FTA with in Asia, in 2008. Bilateral trade between our two countries is robust, rising by 25.9 per cent from 2009 to 2010, to reach \$95.3 billion.

Today, there are 3,000 Chinese firms and more than 4,000 Indian firms operating in Singapore. It is an acknowledgement of Singapore's role as an excellent platform to forge business alliances and enter new markets. Many have chosen Singapore as their regional headquarters. Establishing their base here has enabled these companies to take full advantage of the burgeoning intra-Asia trade, particularly between South Asia and North-East Asia. And, we hope that even more businesses will be inspired by these examples to come here, capitalise on Singapore's strengths and seize the opportunities at hand.

We have a transparent business environment, a stable political climate, and low personal and corporate taxes. The high level of professional services, access to international capital markets, and our well-regarded legal system, makes Singapore an attractive environment for Chinese and Indian businesses to explore collaborations and partnerships.

Our familiarity with the cultures and business practices of India and China also puts us in good stead to facilitate interactions and investments between the two. Companies can tap on Singapore's Indian and Chinese networks to make inroads into either market, and gain a better understanding of their respective counterparts.

Take, for example, top Indian IT firms such as Tata Consultancy Services (TCS), Mahindra Satyam and Tech Mahindra which have established their regional headquarters in Singapore. Undoubtedly, China is a key market for these Indian companies and Singapore can help to tailor their IT solutions for the Chinese market.

Conversely, Chinese companies wanting to penetrate the Indian market can leverage on Singapore and SICCI to do so. For example, China has recently emerged as one of the world's largest producer of renewable energy and some ambitious Chinese companies in this sector have chosen to site their headquarters in Singapore. Zhonghan Solar is one company which has recently invested US\$100 million to set up its global headquarters in here. As more and more Chinese companies leverage on Singapore as a gateway to international markets, the vast India market is one which they should certainly not miss out on.

On another front, due to their familiarity with the China-Singapore Suzhou Industrial Park, going back some 17 years, many Chinese companies have expressed interest to establish their business at the Singapore developed International Tech Park in Bangalore.

SICCI can assist these companies as they navigate the complex Indian market. SICCI is the first trade association in Singapore to appoint a representative in New Delhi to facilitate and assist Singapore-based companies interested in doing business in India.

I am pleased to note that SICCI and the Singapore Chinese Chamber of Commerce & Industry (SCCCI) are making efforts to invite Indian companies to invest in China and vice-versa. Today, SICCI will enter into a Memorandum of Understanding with the Enterprise Development Centre @ SCCCI's Shanghai Representative Office. With the MOU, Indian companies in Singapore can work with SCCCI and the EDC Shanghai Representative Office to explore business opportunities in China.

The MOU is an important step in facilitating inroads by Indian companies into China using Singapore and EDC Shanghai Representative Office as a staging post. SCCCI and the EDC Shanghai Representative have the ground knowledge and understanding of the Chinese market, and are well placed to provide the right advice and guidance. This is especially important for SMEs who may not have the resources to explore and understand a vast market like China on their own.

I encourage SICCI and SCCCI to build on this budding relationship and explore more opportunities to foster India-Singapore-China economic relations.

**Conclusion**

In conclusion, I would like to congratulate the Chamber for organising today's conference. It is an excellent opportunity for greater interaction and collaboration and I hope that this platform will lead to the forging of new partnerships and even closer cooperation between China, India and Singapore. I wish you all a fruitful conference.

Thank you.

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