



Mains Practice Question

Q. Evaluate the strategic importance of India-Singapore relations in the context of India's 'Act East' policy. How has this relationship evolved over the past decade? **(150 words)**

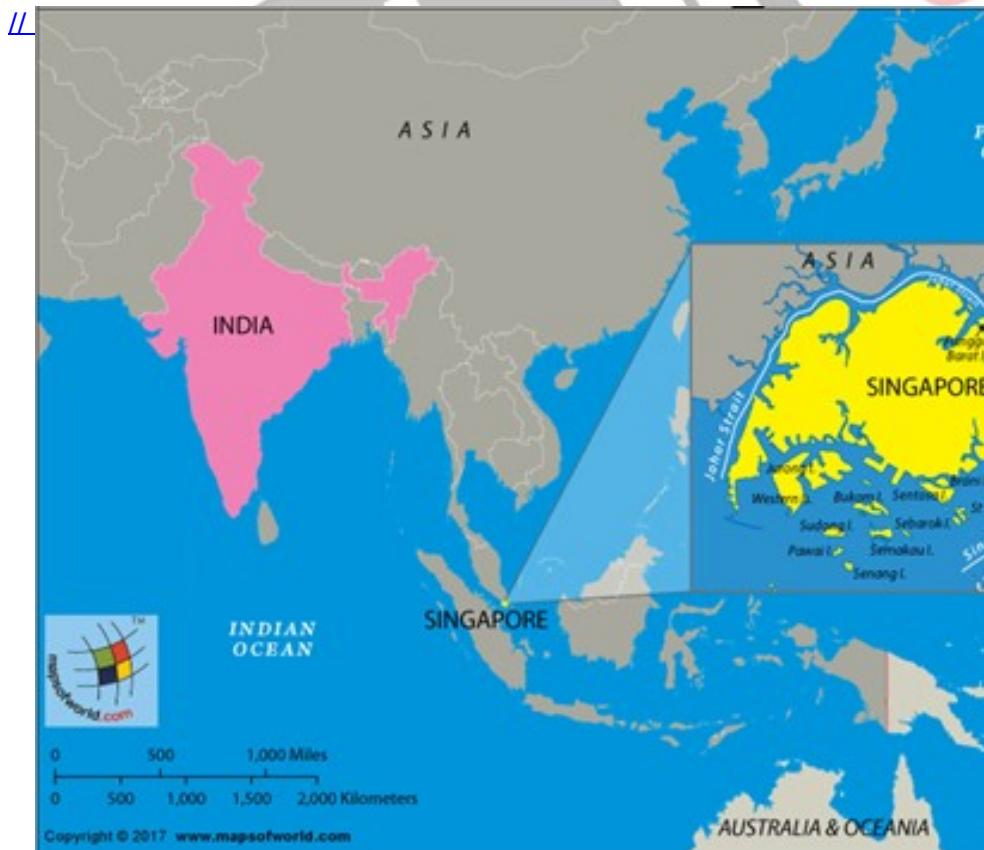
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Approach

- Introduce the answer by highlighting the strategic importance of India-Singapore relations
- Give key arguments validating strategic importance of India-Singapore relations
- Delve into the Evolution of the relationship over the past decade
- Conclude suitably.

Introduction

The elevation of India-Singapore ties to a **Strategic Partnership in 2015** underscores the growing importance of this relationship within India's 'Act East' policy. This policy aims to strengthen economic and strategic ties with Southeast Asian nations, and **Singapore plays a pivotal role in this strategy.**



Body

Strategic Importance of India-Singapore Relations:

- **ASEAN Engagement:** Singapore, as a key member of ASEAN, has been instrumental in fostering India-ASEAN relations.
 - From 2021-2024, **Singapore served as the ASEAN Country Coordinator for India**, during which India-ASEAN relations were upgraded to a **Comprehensive Strategic Partnership**.
 - This highlights Singapore's role as a bridge between India and ASEAN, aligning with the 'Act East' policy's objectives.
- **Economic Cooperation:** Singapore has emerged as a crucial economic partner for India in the region:
 - **Trade:** Singapore is India's largest trade partner in ASEAN.
 - **Investment:** Singapore was the **largest source of FDI into India in FY 2023-24**, with FDI equity inflows of USD 11.774 billion.
 - Cumulatively, Singapore accounted for **24% of total FDI inflows to India** from April 2000 to March 2024.
- **Connectivity:** The relationship has fostered increased connectivity between India and Southeast Asia:
 - **Digital Connectivity:** Initiatives like the **UPI-PayNow linkage**, launched in February 2023, facilitate cross-border financial transactions.
 - **Trade Connectivity:** Projects like **ONDC-Proxtera Connectivity** and **Trade Trust** enhance trade facilitation.
- **Maritime Security:** Collaboration with Singapore enhances India's maritime presence and security in the **critical sea lanes** of the **Indian Ocean and South China Sea**.
 - The two countries conduct annual bilateral naval exercises, **SIMBEX**.
 - Strong ties with Singapore help India balance China's growing economic and military influence in Southeast Asia via the **South China Sea**.

Evolution of the Relationship Over the Past Decade:

- **High-Level Engagements:** The frequency and depth of high-level exchanges have increased significantly.
 - Notable examples include: Indian PM Modi's visits to Singapore in 2015, 2018, and his participation in various forums like the **Shangri La Dialogue and Singapore Fintech Festival**.
 - Establishment of the **India-Singapore Ministerial Roundtable (ISMR)** in 2022, involving multiple ministers from both sides.
- **Economic Ties:** The economic relationship has deepened and diversified:
 - Trade volume increased from USD 6.7 billion in FY 2004-05 to USD 35.6 billion in 2023-24.
 - About **9000 Indian companies** are now registered in Singapore, while over 440 Singaporean companies are registered in India.
- **Skill Development:** The relationship has expanded to include skill development, with **six skill center projects** completed and two ongoing in various Indian states.
- **Cultural and People-to-People Ties:** Enhanced focus on cultural exchanges and diaspora engagement, as evidenced by regular cultural events and the conferment of the **Pravasi Bharatiya Samman Award** to a prominent Indian-origin business leader in Singapore.
- **Multilateral Cooperation:** Increased alignment in multilateral fora:
 - **Singapore** joined the **International Solar Alliance in June 2023** and the **Global Biofuel Alliance in September 2023**.

Conclusion

The India-Singapore relationship has evolved into a multifaceted strategic partnership over the past decade, aligning closely with **India's 'Act East' policy objectives**. This relationship serves as a **model for India's engagement with Southeast Asia** and plays a crucial role in India's broader Indo-Pacific strategy.

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