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COUNTRY DOSSIER

Singapore

September 2022

Country Dossier – Singapore

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City-state Singapore has emerged as the leading investor in India in 2021-22 through the foreign direct investment (FDI) route. Some of the top sectors that saw FDI Equity inflows into India include services sector, computer software and hardware, trading, telecommunications, and drugs and pharmaceuticals.

Singapore is India's sixth largest trade partner with a share of 2.9% of India's overall trade (2021-22). Bilateral trade stood at USD 30.11 billion in 2021-22 compared to USD 21.98 billion in the previous year. Economic engagement is anchored by the Comprehensive Economic Cooperation Agreement, (CEPA) which came into effect in June 2005. Singapore is also amongst India's largest sources of External Commercial Borrowings and Foreign Portfolio Investments. Many of India's State governments are working with Singapore in the Smart Cities & Urban Rejuvenation, and Development initiatives. About 9000 Indian companies are registered in Singapore.

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G2G Initiatives

- Foreign minister S. Jaishankar called on Singapore Prime Minister Lee Hsien Loong for collaborations in areas such as fintech, information technology, cybersecurity, skill development, smart city solutions and renewable energy.
- Other areas identified with potential for cooperation include supply chains, logistics, skill development, infrastructure, waste and water management, and urban planning.
- India and Singapore signed an MoU for Science, Technology, and Innovation at the inaugural session of the India-Singapore Technology Summit 2022. The Summit identified key areas by combining their research and development in areas like Deeptech, Cleantech, Genome and bioinformatics research.

Sectoral Synergies

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Investment funds

- Temasek Holdings' exposure to India climbed to a record USD 16 billion as the Singapore state investor continued to augment its investments in technology firms and listed companies. The firm's total portfolio in India has nearly doubled over the last five years. Temasek, which deployed over USD 1 billion last year, has invested in Indian businesses 's such as PharmEasy, Licious, UpGrad, Unacademy, Shiprocket, and ShareChat. Four of Temasek's portfolio companies - Zomato, PolicyBazaar, Devyani International and Cartrade are listed on the Indian stock exchanges while other portfolio companies such as Lenskart, Ola and PharmEasy have expressed intentions to go public.
- The Singapore government's sovereign wealth fund (GIC) subscribed to shares worth over INR 4 billion through three funds as part of the fund raising through anchor investors by LIC ahead of its IPO.
- The board of Aditya Birla Fashion and Retail (ABFRL) approved raising up to INR 21.95 billion by way of preferential issuance of equity and warrants to an affiliate of GIC, Singapore's sovereign wealth fund (GIC).
- GIC has agreed to invest INR 28 billion in Bhartiya Group's commercial project in Bengaluru.
- GIC has invested INR 4 billion in three subsidiaries of Phoenix Mills by acquiring equity stake in these entities on a private placement basis, taking its total investment to INR 15.11 billion.
- Hector Beverages, which manufactures soft drinks and beverages under the Paper Boat brand, is in the process of raising a new round of funding estimated at USD 50 million from GIC.
- Indian rocket startup Skyroot Aerospace raised USD 51 million in a funding round led by GIC, which it plans to use to begin commercial satellite launches by the middle of next year.

Energy

- Torrent Power Ltd and Singapore's Sembcorp Industries Ltd are in the fray to buy US private equity firm Global Infrastructure Partners' (GIP) Indian clean energy platform Vector Green Energy, in what is likely to become one of the biggest clean energy deals in India.
- Sembcorp Industries plans to sell its entire stake in its India unit to an Omanese consortium for INR 117.34 billon as part of its decarbonisation drive.
- French construction materials giant Saint-Gobain has signed a long-term renewable power supply deal with Singapore-listed Sembcorp for its manufacturing facilities in southern Tamil Nadu state. Under the deal, Sembcorp will supply wind and solar energy to Saint-Gobain through a special purpose vehicle, in which Sembcorp's Indian green energy unit will hold a 74% stake, with the remainder being held by Saint-Gobain.

Start-ups

Singapore is a major hub for Indian companies looking to expand into the ASEAN region because of its institutional stability, robust infrastructure and strategic location. According to a PwC survey, 84 % of Indian companies are keen to tap Singapore for expansion opportunities and see the city-state as an ideal place to set up their marketing headquarters.

- Cars24, Udaan, Pinelabs, Meesho Payments, InMobi, Glance, Moglix, and Flipkart are some of the sStartups that have registered their parent company in Singapore while having a primary revenue base and workforce in India.
- Singapore-based fintech platform Volopay has raised USD 29 million from Winklevoss twins -- Cameron and Tyler -- along with a global decacorn and others to enter the Indian market.

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