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**KEYNOTE ADDRESS BY DR BALAJI SADASIVAN, SENIOR MINISTER OF STATE, MINISTRY FOR FOREIGN AFFAIRS AND MINISTRY FOR INFORMATION, COMMUNICATION AND THE ARTS AT THE GLOBAL ENTREPOLIS SINGAPORE 2007 GLOBAL INDIAN BUSINESS SUMMIT, 15 NOVEMBER 2007, THURSDAY, 9.40 AM, SUNTEC CITY INTERNATIONAL CONVENTION AND EXHIBITION CENTRE**

Mr Habil Khorakiwalla

President

Federation of Indian Chambers of Commerce and Industry (FICCI) India

Distinguished guests,

Ladies and Gentlemen,

Good morning

1 I am pleased to be here today at the Global Indian Business Summit (GIBS). Launched last year at the Global Entrepolis Singapore 2006, I am glad to note that the GIBS is becoming a landmark event that brings together Indian business leaders from all around the world.

2 The GIBS plays an important role in engaging successful Indian entrepreneurs around the world and providing a platform for them to meet once a year to generate profitable partnerships. This is especially timely since the global Indian Diaspora now comprises over 20 million Indians of South Asian origin in 136 countries. Many have set up businesses in their country of domicile and have achieved successes in fields such as IT applications, retail and manufacturing. In this connection, I see GIBS' role as a catalyst in raising awareness of the business opportunities and forging links between the Indian Diaspora and the Asian Business Community.

Singapore - a hub in the Indian Diaspora

3 Although Indian settlement on Singapore island began with British rule as early as 1819, Indian influences go back deeper and further. Pre-colonial Singapore was territorially part of the "Indianized Kingdoms" like the Srivijaya. In fact, Singapore's name is derived from an old Sanskrit term meaning "Lion City". Singapore's strategic importance as an entreport under British rule saw an influx of workers of Indian origin from South Asia.

4 Today, 8% of the resident population in Singapore is of Indian origin. Like many of Singapore's forefathers who were immigrants, the early Indian workers who left their homeland to settle in Singapore worked hard to build a better future for their children and had since become an integral component in Singapore's social fabric.

5 Many Indians also become successful entrepreneurs. One need not look further than Mustafa Centre, a 24/7 shopper's paradise and a household name in Singapore. Started in 1971 as a small humble garment shop in Little India, it gradually expanded into a shopper's paradise selling affordable products round the clock, 24/7.

6 Today, Singapore is a metropolitan city and an international business hub. We could not have achieved this without adopting an open-door policy towards trade, new ideas and global talent. Like the welcome extended to the early immigrants who flocked to Singapore from China and India during the 19th century, Singapore continues to embrace global talents and businesses.

7 On our part, we are continuously improving the business environment of Singapore so that foreign investors could enjoy greater speed, flexibility, connectivity and innovation when meeting the needs of their customers. I am pleased to note that Singapore, with its efficient and reliable supply chain combined with competitive costs, has recently been ranked as the No.1 logistics hub in a recent World Bank Survey.

8 Our open-door policy has enabled Singapore to become the gateway for international companies, especially those for the US, Europe and Japan to venture into Asia, for four decades. Now, Singapore is playing a similar role for rising Asian companies which are looking to internationalise their operations. Currently, more than 12,000 US, European and Japanese companies, and more than 14,000 from India, China, ASEAN, Australia, etc are in Singapore. They represent interests and opportunities from all corners of the world and many are in cutting edge sectors such as semi-conductors, biomedical sciences and petrochemicals.

9 All this mean that Singapore, as an island with rich historical and cultural ties to India as well as a strategic business hub, can provide ample opportunities for Diaspora Indian companies to network, grow and internationalise their operations. I am pleased to note that many Indian entrepreneurs are increasingly using Singapore as a launch pad to expand their businesses globally. Satyam Computer Services has its global business continuity and disaster recovery centre in Singapore with close to 400 staff. Singapore is currently Satyam's Asian headquarters, covering Japan, Australia, New Zealand, Middle East, Saudi Arabia and South Africa. Their Singapore office also looks after India's domestic market.

10 Besides Satyam Computer Services, another company with its regional HQ in Singapore is NITT Technologies. Its regional centre here provides support for finance, technology and software delivery to its subsidiaries in Thailand, Hong Kong, Malaysia and Australia. Tech Mahindra has also announced plans to expand its

employee pool from 70 to 300 within the next 18 months. When the expansion is completed, Singapore will also serve as Tech Mahindra's regional HQ.

11 Apart from IT companies, other Indian businesses are also setting up operations here in Singapore. SP Jain, one of India's top five business schools, has set up a full fledged campus offering both full time and executive MBA programme in Singapore. Godrej also has a manufacturing plant in Singapore for producing steel office furniture for domestic and export markets.

12 Indian companies can also use Singapore as a useful platform to network and find partners to expand their global operations. In June 2007, a three-party joint venture worth US\$110 million between India (Certus Investment Trading), Kuwait (Development Enterprises Holding Company) and Singapore (EDB investments) was inked to build a new petrochemical facility on Jurong Island.

13 India conglomerate Tata Steel, India's biggest private sector steel manufacturer also bought over Singapore based NatSteel's business in February last year. Through NatSteel, Tata Steel can enter into NatSteel's existing operations in Thailand and venture into new markets such as Vietnam and Indonesia.

#### Singapore-India relations

14 Singapore's relations with India have been growing from strength to strength. Both countries have been working together to set up the right frameworks for both countries to interact and understand each other better. For example, the Comprehensive Economic Cooperation Agreement (CECA) signed in 2004 has been useful in creating more awareness about the potential of India and encouraging the formation of more linkages between our two countries. Our growing economic ties have thus seen bilateral trade tripled from S\$6.9 billion in 2001 to S\$19.9 billion. India has also emerged as the fastest growing trading partner for Singapore and is now Singapore's 12th largest trading partner. Singapore companies have also been investing in India. In 2006 alone, Singapore's total investments amounted to US\$ 620 million which comprises 5.6% of all FDI into India.

#### Global Entrepolis Singapore (GES) 2007 and Global Indian Business Summit 2007

15 In order for the companies to take full advantage of the business opportunities that growing bilateral relations have opened up, it is important for the business communities to complement their government's endeavours. This is why events like the Global Entrepolis Singapore (GES) 2007 and the Global Indian Business Summit (GIBS) are important. In particular, the Global Indian Business Summit which serves as an annual one-stop meeting point for Diaspora Indian businesses to network and exchange views, will help draw attention to the new opportunities being created by the closer economic engagement between India and Singapore.

16 In closing, I would like to thank each of you for participating in this Summit, as well as those who have contributed to the excellent organisation of this event. Your

solid support gives us an excellent basis to work towards taking Singapore-India bilateral relations to a higher level.

17 Thank you.