

press release

Exporters in Singapore could increase trade with India by USD2.2 billion (SGD3 billion)

Standard Chartered research reveals new trade opportunities between Singapore and India as a possible route to post COVID-19 growth

13 October 2020, Singapore – Businesses in Singapore could increase exports to India by up to USD2.2 billion (SGD3 billion) annually, the Standard Chartered Trade Opportunity Report has revealed. The study also found that Indian exporters could boost trade with Singapore by an estimated USD1.4 billion, bringing the bilateral trade opportunity to USD3.6 billion.

The ASEAN markets in the study (Indonesia, Malaysia, Singapore, Thailand and Vietnam) have a combined opportunity of USD10.7 billion to increase exports to India.

The research tracks high potential exports, defined as goods or services where businesses have added value with the borders of their home market.

As markets look to recover from the impact of COVID-19, the study champions global trade as a key lever of prosperity, highlighting the sectors with the greatest opportunities for growth. Singapore's financial services sector has the most to gain, with a USD680 million trade opportunity with India, or an increase of 38 per cent from actual exports.

With Singapore rapidly transforming into the Asia-Pacific region's FinTech hub, the India market is an attractive place for growth. In particular, FinTech firms in Singapore could support India's rapidly evolving e-commerce industry.

Other sectors in Singapore with significant opportunities in India are electrical machinery (USD669 million), IT services (USD264 million), vehicles, including parts and accessories (USD138 million), and pharmaceutical products (USD76 million).

Top 5 high-potential export opportunities from Singapore to India:

Sector	Actual exports (USD millions)	Opportunity to increase exports (USD millions)
Financial services	1,801	680
Electrical machinery	3,253	669
IT services	528	264
Vehicles, vehicle parts and accessories	118	138
Pharmaceutical products	75	76

Chow Wan Thonh, Regional Head of Client Coverage, Corporate, Commercial and Institutional Banking, ASEAN & South Asia, Standard Chartered said: “India and Singapore enjoy a longstanding and fruitful trading relationship. Having been in both markets for more than 160 years, the Singapore-India corridor is key to Standard Chartered’s growth strategy. Standard Chartered supports many of our Indian clients’ business strategy by helping them set up procurement or distribution arms in Singapore and our India footprint provides local expertise to Singapore companies that are keen to expand into the South Asian market.

“In the past three years, our Singapore-to-India corridor revenue has delivered double-digit growth and we expect this trend to continue, given the strong economic ties between the two countries. Singapore businesses have in recent years actively participated in India’s smart cities projects and technology-driven areas. As India accelerates its financial inclusion initiative and digital transformation, we see tremendous opportunities for other sectors including financial services.”

The Standard Chartered Trade Opportunity Report identifies opportunities at a sectoral level, across both goods and services, between India and 10 of its key trading partners. The study contrasts actual export values with potential export values – calculated by an economic model – to uncover medium-term opportunities, looking to a post-COVID-19 world as economies begin to reopen.

Overall, the study reveals opportunities totalling an estimated USD38 billion annually: a USD21 billion opportunity for the 10 markets to increase exports to India, and a USD17 billion opportunity for India to increase exports in the other direction.

To download *The Standard Chartered Trade Opportunity Report* and find out more about the potential export opportunities between India and its 10 key trading partners, including Singapore, visit: <https://www.sc.com/tradeopportunityreport>

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For further information please contact:

Sheena Yu

Phone: +65 6596 9958

Mobile: +65 9723 9238

Email: Sheena.Yu@sc.com

Christina Soon

Phone: +65 6596 6284

Mobile: +65 8163 5954

Email: Christina.Soon@sc.com

Note to Editors:

About the study

The Standard Chartered Trade Opportunity Report reveals the size of the export opportunities between India and 10 of its most economically diverse trading partners: Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam, France, Germany, the UK and the US. Export opportunities are calculated by subtracting potential exports from actual exports. Potential exports are calculated using a gravity trade model, which takes into account GDP, geographic distance, and other relevant variables. Actual export figures are drawn from the IMF's Direction of Trade Statistics (for goods) and the OECD's Trade in Value Added database (for services). Both are time-averaged for 2016-2018. The study excludes commodity or commodity-like sectors, focusing on 'high potential' exports only (i.e. sectors where there is a meaningful opportunity to add value). These high-potential sectors play a critical role in export performance, collectively representing 82 per cent of total trade on these routes.

About Standard Chartered Bank

Standard Chartered Bank in Singapore is part of an international banking group, with more than 150 years of history in some of the world's most dynamic markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

The Bank has a history of 160 years in Singapore, where we opened our first branch in 1859. In October 1999, we were among the first international banks to receive a Qualifying Full Bank (QFB) licence, an endorsement of the Group's long-standing commitment to our business in the country.

Singapore is home to the majority of our global business leadership, our technology operations, as well as SC Ventures, our innovation hub. In 2013, the Bank transferred our Singapore Retail and SME businesses to a locally-incorporated subsidiary, Standard Chartered Bank (Singapore) Limited ("SCBSL"). And in May

2019, we fully consolidated our business operations in Singapore through the transfer of our Commercial Banking, Corporate & Institutional Banking and Private Banking businesses to SCBSL. SCBSL is one of the highest-rated banks globally: A1/Stable by Moody's Investor Services, A/Stable by Standard & Poor's and A/Stable by Fitch Ratings. In August 2020, we were the first and only bank to be awarded by the Monetary Authority of Singapore the status of "Significantly Rooted Foreign Bank".

In Singapore, we support both individual and corporate needs to build wealth and drive commerce at every step of their journey. We do this by offering an entire range of financial services across personal, priority and private banking as well as our business, commercial and corporate banking teams. The Bank has a network of 16 branches, 5 Priority Banking centres, 1 International Banking and Priority Private Centre and 27 ATMs.

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