

An Analysis On India's Inward & Outward Fdi Flow With Singapore

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Abstract

Foreign Direct Investment From India Results Into A Cordial Relation Between India And The Host Countries. It Results In Exchange Of Technology And Skills, R&D, Better Access To The International Market, Creating Employment Opportunities And Effective Utilization Of Raw Materials Available In India And Other Countries. Therefore, Integration Of The Economy Of India With The Other Economies Of The World Can Be Achieved Through Overseas Investment. This Paper Studies The Foreign Investment Relations Of India With Singapore As Singapore Is One Of The Countries Which Tops The List Of India's Fdi Outflows As Well As Inflows. The Correlation And Anova Have Been Applied For The Study. The Study Concluded That There Is Quantitative Relation Between Outward And Inward Fdi Between India And Singapore.

Key Word: Foreign Direct Investment (Fdi), Outward Direct Investment (Odi), Overseas Direct Investment.

1. Introduction

Foreign Direct Investment(Fdi) Play An Important Role In The Economic Development Of Every Nation, In Fact It Has Become The Heart Of Globalization Of The World Economy. To Attract The Foreign Direct Investment In Any Country Depends On The Resources Of The Nation And Its Appropriate Investment Opportunities. The Role Of Foreign Direct Investment (Fdi) Is Very Crucial In Economic Development As It Creates New Jobs, Provides Skilled Technical And Managerial Labour And Transfers The Technology. Over The Last 60 Years, Industrialization Has Been Much Faster Due To Active Participation Of Companies At International Level. Some Of The Indian Companies Like Reliance Industries Limited, Tata Group Of Companies, Birla Group Of Companies, Infosys, Wipro And Others Are A Part Of This Globalization Drive.

Fdi Outflows Indicates The Country's Approach And Capability To Partner Beyond The Domestic Boundaries. Over The Last Two Decades, Overseas Investment Is Becoming One Of The Key Tool Of Indian Companies To Globalize Their Operations. As The India's Economy Evolved And Regulations Continued To Become More Liberal, Indian Companies Began To Outline Their Growth Map By Increasing Their Share In The Global Markets Through Inorganic Growth Outside India. The Number Of Projects Which Got Approved For International Investments Also Increased. The Share Of India In Total Developing Economy Outward Flow Of Fdi Remained

Below 0.5% Throughout The 1990s, But After That Rose Consistently Since 2005. But Still, India Remained A Net Fdi Recipient, Even Though The Difference Between Outflows And Inflows Has Been Decreasing Sharply Over The Past Few Years. This Study Tried To Analyse The Trends In India's Overseas Direct Investment With Special Reference To Singapore.

With The Rise In Fdi Inflow, The India Has Also Continued To Witness The Fdi Outflow. India's Biggest Fdi Outflow Destinations Include Mauritius And Singapore. However, Surprisingly The Fdi Source For The Country Are Also The Same Mauritius And Singapore. This Factor Has Insisted Me To Study The India's Fdi Both Inward And Outward To Singapore. It Is Important To Examine Fdi Outflows From India And Fdi Inflows In India In Context To Singapore. The Questions Raised Through This Coincidence Is That Whether This Is The Case Of Round Tripping. The Indian Government Recently Banned Participatory Notes To Curb The Threat Of Round Tripping.

The Available Data Indicated That Singapore Is Rather The Top Fdi Source For India And Also Singapore Tops The Odi Country List For India. This Fact Motivated To Conduct The Study That Is Their A Quantitative Relationship Existing Between The Inward And Outward Fdi Between India And Singapore. The Quantitative Relation Here Can Be Understood As The Magnitude Of Relation Between The Two Series Over A Frequency Of Time. The Study Here Tried To Assess The Quantitative Relation Of India's Outward Fdi And Inward Fdi With Singapore. The Paper Tries To Assess The Bearing Of Singapore On India's Fdi Both Inward And Outward.

2. Objective Of The Study

- The Main Objective Of The Study Is To Analyse The Trend Of India's Inward And Outward Flow Of Fdi With Singapore.
- To Study The Sectoral Composition Of India's Inward And Outward Flow Of Fdi With Singapore

3. Literature Review

Silajdzic & Mehic, (2018) Talks About The Trade Openness Which Can Bring About Economic Growth By Increasing Market Size, Specialization, And Efficiency In Resource Allocation, Shared Technology, And Knowledge Transfer. Trade Leads To Enhancing Skills Through The Importation And Adoption Of Superior Production Technology And Innovation. By Expanding The Size Of The Market, Trade Openness Releases Economies To Better Capture The Potential Benefits Of Increasing Returns To Scale And Economies Of Specialization (Gerring Et Al., 2011; Svetličič, 1996)

Though The Determinants Of Technological Progress Are Not Clearly Defined But Technological Progress Has A Positive Impact On Economic Development. Fdi Is One Of The Sets Of Inputs That Determines The Level Of Technological Progress Through Foreign Improved Technology To The Host Country (Lin, Lee, & Yang, 2011; Newman, Rand, Talbot, & Tarp, 2015). Fdi Amongst The Three Variables Discussed By Neo-Classic Economists To Drive Economic Growth Has The Advantage Of Capital Accumulation And Advanced Technology (Bermejo Carbonell & Werner, 2018).

Akalpler & Adil, (2017) Test The Long-Run Impact Of Fdi On Economic Growth. The Study Employed A Vector Error Correction Model For The Period Between 1980 And 2014. The Results From The Study Show Strong Evidence Absence Of A Long-Run Relationship Or Causality That Runs From Gross Savings, Foreign Direct Investment, Trade And Gross Fixed Capital Formation. It Was Observed That The Variables In Question Do Not Granger Cause Each Other In The Long-Run. However, Negative Associations Between Gdp And Gross Savings As Well As Fdi And International Trade Exist, Although Gross Fixed Capital Accumulation Relates To Economic Growth Positively.

Chakraborty & Basu, (2002) Apply The Co-Integration Model And Vector Error Correction Mechanism For The Study. There Exist Co-Integrating Vectors Between Gdp, Fdi, The Unit Labor Cost And The Share Of Import Duty In Tax Revenue, Which Captures Long-Run Relationship Between Fdi And Gdp. The Result Suggests That Gdp In India Is Not Granger Caused By Fdi But Rather The Causality Runs More From Gdp To Fdi.

Devajit (2012), Tried To Find Out How Fdi Seen As An Important Economic Catalyst Of Indian Economic Growth By Stimulating Domestic Investment, Increasing Human Capital Formation And By Facilitating The Technology Transfers

Elboiashi Et Al. (2009) Investigated The Causal Relationships Between Fdi, Domestic Investment (Di) And Economic Growth (Gdp) In Egyptian, Moroccan And Tunisian Economies. They Applied Co Integration Time Series Techniques, Vector Error Correction (Vec) Model Over The Sample Period Of 1970-2006. They Found A Unidirectional Causality Between Fdi And Gdp In Egypt And Morocco, And Bi-Directional Causality Between Fdi And Gdp In Tunisia

Klaus E Meyer (2005) In His Paper “Foreign Direct Investment In Emerging Economies” Focuses On The Impact Of Fdi On Host Economies And On Policy And Managerial Implications Arising From This (Potential) Impact. The Study Finds Out That As Emerging Economies Integrate Into The Global Economies International Trade And Investment Will Continue To Accelerate. Mnes Will Continue To Act As Pivotal Interface Between Domestic And International Markets And Their Relative Importance May Even Increase Further.

4. Research Methodology

The Basis Of The Study Here Is Secondary Data Collected From Various Government Organisation Sites I.E. Department Of Economic Affairs, Dipp, Various Bulletins Of Rbi And Various Publications From Ministry Of Commerce. The Data Have Been Collected For The Period Of Last Five Years I.E. From 2013-14 Till 2017-18.

The Data Have Been Tested For Correlation To Know Whether There Is A Correlation Between India’s Outward And Inward Fdi In Context To Singapore. Anova Test Have Been Run To Know Whether There Is Any Statistically Difference Lies Between The Series: 1. Total Fdi From India And India’s Fdi To Singapore, 2. Total Fdi To India And Singapore Fdi To India.

5. Hypothesis

H₀: There Is No Quantitative Relation Between Inward And Outward Flow Of Fdi Between India And Singapore.

H₁: There Is Quantitative Relation Between Inward And Outward Flow Of Fdi Between India And Singapore.

6. Data Analysis

6.1 Fdi Outflow

With The Emergence Of Multinational Corporation, Globalization Assumed A New Dimension. The Concept Of Competitiveness Has Been Redefined By The Rising Quantum Of Overseas Direct Investment From The Developing Countries. In Recent Past, An Important Indicator Of The Internationalization Of Developing Economies, Other Than The Higher Exports Has Been The Rising Overseas Investments By The Developing Countries, Commonly Referred To As Outward Direct Investments (Odi). This Development Enhances The Global Competitiveness Of Firms From Developing Countries That Are Seeking Access To Strategic Assets, Technology, Skills, Natural Resources And Markets. Global Odi Recorded Increase During The Last Decade.

A Noticeable Trend In The World Fdi Outflows Has Been Recorded Because Of The Major Contribution Of Developing Economies To These Flows. The Share Of Developing Economies In World Fdi Outflows Increased Two And A Half Times Over The Last Decade From 11% In 2001to 27% In 2011. The Departing Investments From India Have Tremendously Changed, In Terms Of Magnitude And Also In Terms Of Sectoral Compositions And Geographical Distributions. On One Hand, Fdi Inflows Recorded A Cagr Of 28.2%, Increasing From Us\$ 3.9 Bn In 2001-02 To Us\$ 46.6 Bn In 2011-12, On The Other Hand, Fdi Outflows Registered A Higher Growth, Increasing At A Compounded Annual Rate Of 40.9% – From Us\$ 1.0 Bn To Us\$ 30.9 Bn During This Period.

In Recent Years, Overseas Investment By Indian Firms Has Occupied The Headlines And Attracted Attention Of The Policy Makers Across World Symbolising The Increasing Global Economic Integration Of The Indian Economy. Liberalization Of Indian Policy Towards Outward Fdi Were Made In The Early 1990s. However, Significant Policy Changes Since 2000 Lead To Rapid Growth Of India’s Outward Fdi Flows. India Has Become The World’s 21st Largest Outward Investor (Nazareth, 2009). Indian Firms Are Also Amongst Those That Have Been Investing Since Many Years But Their Immense Growth At International Level Occurred Especially After Late 1990s (Sauvant 2005).

Table 1

Component Wise Break Up Of Odi						
Financial Year (Apr-March)	Equity	Loans	Gaurantee Invoked	Gaurantee Issued	Actual Odi Outflow (Ii+Iii+Iv)	Financial Commitment (Ii+Iii+V)
I	Ii	Iii	Iv	V	Vi	Vii
2013-14	9854.51	3358.56	64.86	35296.59	13277.94	48509.66

2014-15	3623.25	3113.53	35.67	26423.65	6772.45	33160.43
2015-16	6383.95	4161.79	71.69	21406.53	10617.43	31952.27
2016-17	9729.28	4642.61	241.25	22529.92	14613.14	36901.81
2017-18(Upto August)	2222.8	1675.07	7.92	4046.59	3905.79	7944.46

Source:Dea.Gov.In

In The Year 2013-14, The Country Witnessed A Substantial Amount Of Fdi Outflows, Which Was More Than Half Of The Total Fdi Inflows That Year Due To Indian Industry’s Eroding Confidence In The Singh-Led Congress Government. As We Can See In Table 1, India’s Fdi Outflows Showed A Growth Of 19.57% In 2013-14 As Compared To 2012-13, And Odi Was Us \$ 13277.94 Million. But It Declined Substantially In 2014-15 To \$6772.45 Million In 2014-15, With 40.55%. According To Analysts, The Decline May Have Been Due To Exchange Rate But The 50% Decline In Actual Fdi Outflows In The 2014-15 Was Regarded As The Return Of The Indian Industry’s Confidence In The New Regime. Actual Fdi Outflows Increased To \$ 10617 Million In 2015-16 With The Growth Rate Of 56.77%. For The Period Of 2016-17, The Fdi Outflows Again Recorded A Growth Of 37.61% And The Amount Was \$ 14613 Million. But The Year 2017-18 Is Not Favourable For Odi Until Now As The Total Fdi Between 2017-18 From April To August Is \$ 3905.79 Million As Compared To \$ 5298.22 Million In 2016-17 For The Same Period. It Recorded A Decline Of (-)26.28% For 2017-18.

As We Can See In Table 3 Fdi Inflows In The Year 2013-14 Were Reportedly Around Us \$ 16,054 Million. After Modi Government Came To Power, The First Year Witnessed An Increase In Inflows Of Around \$30 Billion Which Reflected Foreign Investor’s Change In Perception Of The Country Under The New Government. Further From Us \$ 24748 Million In The Year 2014-15, It Has Again Increased To Us \$ 36,068 Million In The Year 2015-16. Fdi Inflow Has Increased To Us \$ 36,317 Million In 2016-17 And Us \$ 21,518 Million In 2017-18 (April To August).

6.2 Fdi Relations Of India And Singapore

Singapore Is One Of The Most Favourite Destinations For Fdi Globally. Singapore Has Adopted A Proactive Strategy To Pursue Fdi Using Its Trade Openness For Its Economic Development. Since 2003, When The World Bank Group Began Publishing Its Ranking System, Singapore Has Been Ranked First For Ease Of Doing Business. Favourable Lending To Foreign Investors, A Simple Regulatory System, Tax Incentives, A High-Quality Industrial Real Estate Park, Political Stability And The Absence Of Corruption Make Singapore An Attractive Destination For Investment.

According To The Unctad 2016 World Investment Report, Singapore Stands 7th Largest Recipient Of Fdi In The World And The 3rd Largest Among The East And Southeast Asian Countries. India Also Shares A Healthy Relation With Singapore Under Foreign Investment. As We Can See In

Table 2 Since Here Data Has Been Considered For The Last Five Full Years, And Can Analyse The Singapore Is One Of The Most Favoured Destination For India’s Odi. It Constituted 15% Of The Total Fdi Outflow From India In 2012-13. In 2013-14 Odi From India Increased But Odi To Singapore Decreased And Fallen To 11.11%. In 2014-15 Though The Share Of Odi To Singapore Showed A Sharp Increase To 23.54% But In Amounts There Is Not Much Increase. But In The Year 2016-17 There Is A Sharp Increase In The India’s Odi And To Singapore. In Amount, It Seen In The Table That From \$ 1315.28 Million In 2015-16 It Has Increased To \$ 2829.09 Million In 2016-17 And Further In 2017-18 (Apr.-Aug.) The Outflow Of Fdi To Singapore Constitute 22.02%.

Table 2

India’s Odi To Singapore

Year	Outflow		% Of Singapore In Total Odi Of India
	Odi To Singapore	Total Odi From India	
2012-13	1680	11104.34	15.13
2013-14	1476.38	13277.91	11.11
2014-15	1590.24	6752.91	23.54
2015-16	1315.28	10617.43	12.39
2016-17	2829.09	14613.14	19.36
2017-18 Apr.- Aug.)	860.13	3905.79	22.02

Source: Dea.Gov.In

Figure 1
India’s Odi To Singapore

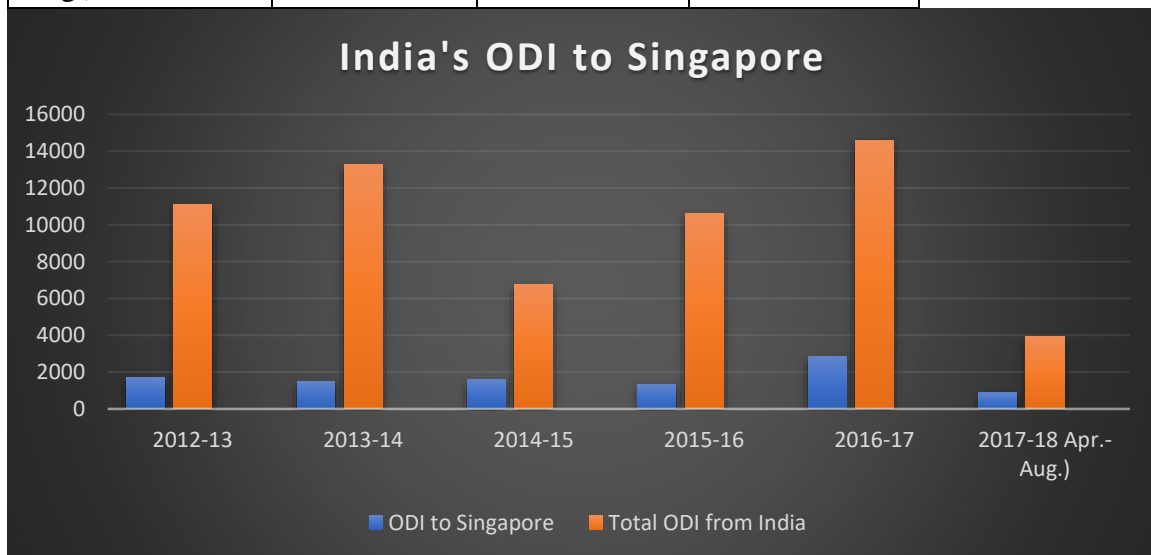
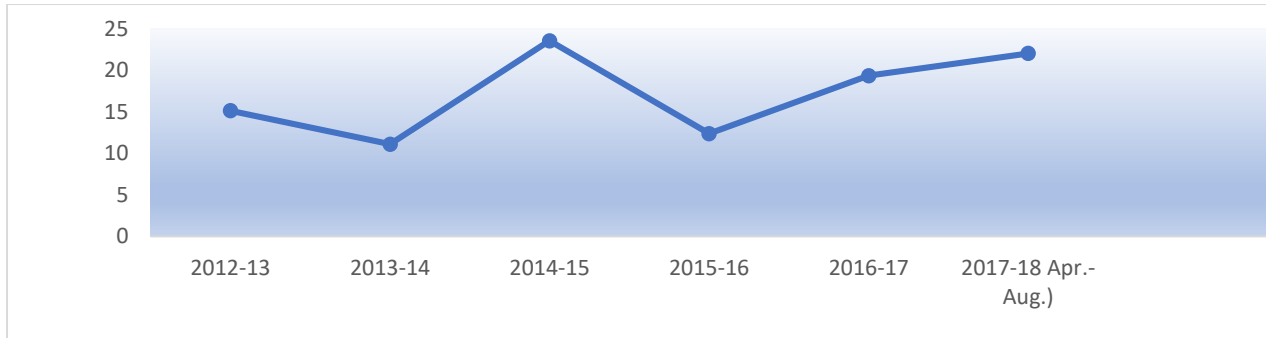


Figure 2:

% Contribution Of Singapore In Total Outward Fdi From India



On The Other Hand, If We Consider The Fdi Inflow From Singapore We Can Very Well See In Table 3 That Singapore Is One Of The Top Countries Which Invest In India. In 2013-14, Singapore Fdi Inflow Witnessed A Growth Of 175% (Table 4) As Compared To Previous Year. From The Year 2013-14 Till 2015-16 It Contributed 27.5%, 20.73% Respectively And In 2015-16 Its Share Raised To 34.6%. It's Not Only That The Share Has Increased But Also The Amount Of Funds Inflow Has Also Increased Sharply. As It Can Be Seen In Table 4, The Percentage Growth Of Singapore Fdi Inflow Has Shown 142.92 % Change In 2015-16 As Compared To The 2014-15. In 2016-17 Fdi Inflow Declined From Singapore.

Table 3

India's Fdi From Singapore

Year	Inflow		% Of Singapore In Total Fdi To India
	Fdi From Singapore	Total Fdi In India	
2012-13	1605	18286	8.78
2013-14	4415	16054	27.50
2014-15	5137	24784	20.73
2015-16	12479	36068	34.6
2016-17	6529	36317	17.98
2017-18	3613	21518	16.8

Source: Dipp.Nic.In

Figure 3

India's Fdi From Singapore

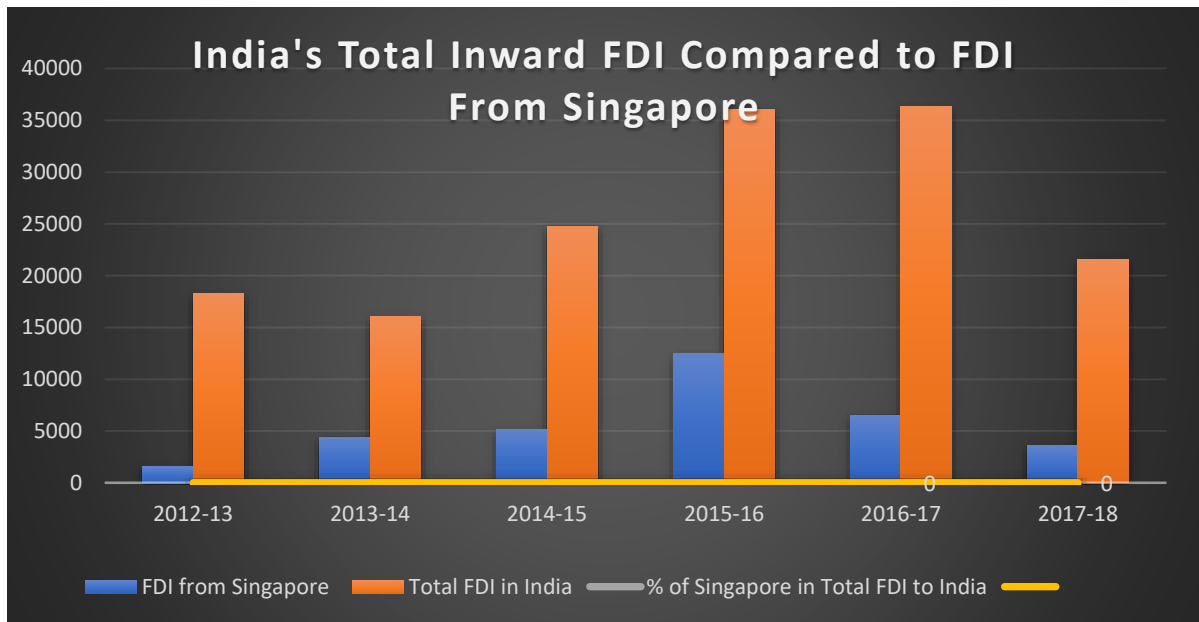


Figure 4

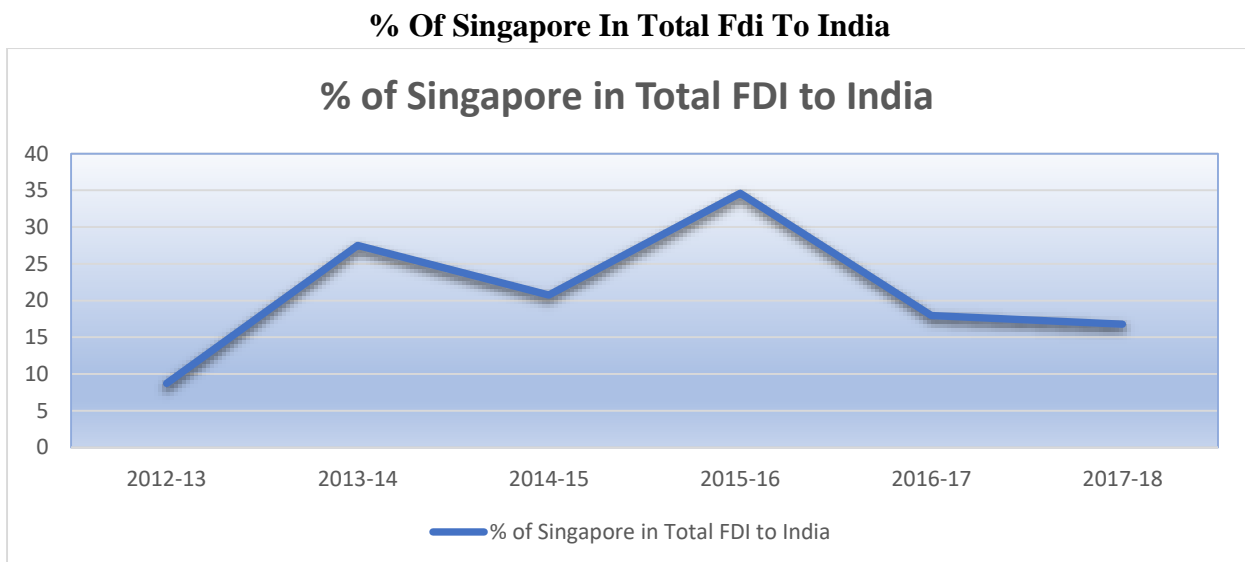


Table 4

Year	Outflow		Inflow	
	Singapore	Total	Singapore	Total
	% Change	% Change	%Change	%Change
2013-14	-12.12	19.57	175.08	-12.21
2014-15	7.712	-40.55	16.35	54.16
2015-16	-17.289	56.77	142.92	45.71
2016-17	115.09	37.61	-47.68	0.69
2017-18 (Apr.- Aug.)	-27.03	-26.28	32.83	-11.05

6.3 Major Sectors That Attract Fdi From Singapore

As It Has Been Already Discussed In The Papers That Singapore Enjoys Second Position In Fdi Inflows In India. The Cumulative Investment Of Singapore, In Fdi Equity From Janaury, 2000 To December 2017, Of Us\$ 63.80 Billion It Enjoys 17.31% Of Total Equity Inflows In India.

The Major Sectors That Attract Maximum Fdi Inflows From Singapore (From January, 2000 To December, 2017) Are

- Services Sector – 22%
- Computer Software & Hardware – 12%
- Trading – 11%
- Telecommunications – 7%
- Construction (Infrastructure) Activities – 6%

Service Sector Here Includes Financial, Banking, Insurance, Non-Financial/Business, Outsourcing, R & D, Courier, Tech Testing And Analysis.

6.4 Correlation

In This Paper, The Correlation Between Total Odi From India And India’s Odi To Singapore Has Been Calculated Which Showed The Correlation Of 0.7333. The Correlation Between India’s Total Fdi Inflow And Inflow From Singapore Is .5873.

	<i>Singapore</i>	<i>Total</i>
Singapore	1	
Total	0.733320363	1

	<i>Singapore</i>	<i>Total</i>
Singapore	1	
Total	0.587366627	1

Anova: Single Factor (Between Singapore Odi And Total Odi From India

Summary

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
1680	5	8071.12	1614.224	538375.2186
11104.34	5	49167.18	9833.436	19987811.4

Anova

<i>Source Of Variation</i>	<i>Ss</i>	<i>Df</i>	<i>Ms</i>	<i>F</i>	<i>P-Value</i>	<i>F Crit</i>
Between Groups	168888614.8	1	168888614.8	16.4559173	0.003650671	5.317655072
Within Groups	82104746.47	8	10263093.31			
Total	250993361.2	9				

Anova: Single Factor (Between Fdi Inflow From Singapore And Total Fdi In India)

Summary

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Singapore	6	33778	5629.666667	13941037.87
Total	6	167062	27843.66667	87715529.87

Anova

<i>Source Of Variation</i>	<i>Ss</i>	<i>Df</i>	<i>Ms</i>	<i>F</i>	<i>P-Value</i>	<i>F Crit</i>
Between Groups	1480385388	1	1480385388	29.12522862	0.000302798	4.964602744
Within Groups	508282838.7	10	50828283.87			
Total	1988668227	11				

Two Anova Test Have Been Run, One For The Total Odi From India And India's Odi To Singapore And Second For Total Fdi To India And Fdi To India From Singapore. The Result Of Both The Anova Test Shows The P Value Of Less That 0.05 Indicating The Null Hypothesis Is Rejected. It Can Be Concluded Here That There Exists The Quantitative Relation Between The Outward And Inward Fdi Of Two Countries Under Study I.E. India And Singapore.

6.5 Outward Foreign Direct Investment To Singapore (Sectoral Distribution)

Singapore Again Is One Of The Favourite Destinations For India For Its Outward Direct Investments. As It Is Clear From The Data Mentioned Above, India Is Investing Around More Than 20% Of Their Outward Fdi In Singapore. Its Clearly Visible In The Table Below That Investment In Wholesale

And Retail Trade Is Increasing In Total Investments And Also Major Portion Of Fdi Through Stocks Are Done In Finance & Insurance By India. Share Of Manufacturing Sector Investment Is Declining. Information And Communication Sector Is Also Occupying A Major Part Of

Investments By India. The Share Of Other Sectors Is Increasing Which Clearly Depicts That The Investments In Other Sectors Are Also Gaining Momentum Gradually.

Table 5
Sectoral Distribution Of India's Ofdi To Singapore

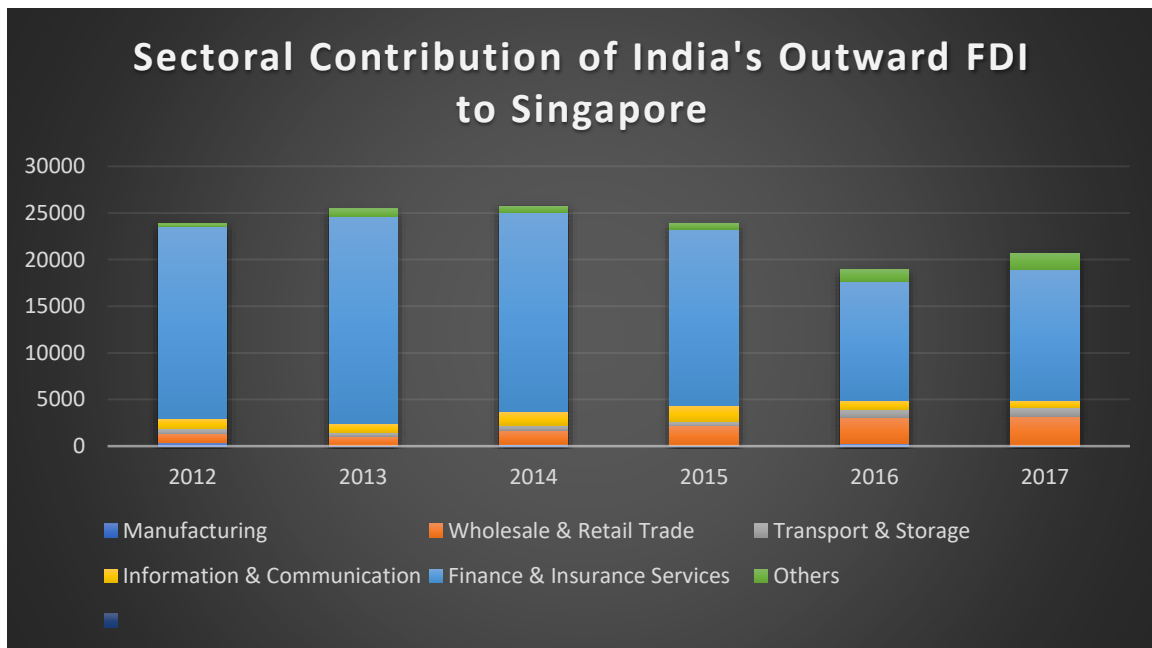
Millions Of Singapore Dollar

Sectors	2012	2013	2014	2015	2016	2017
Manufacturing	328.8	71.7	159.5	82.7	241.8	47
Wholesale & Retail Trade	997	984.6	1541.7	2085.7	2841.6	3166
Transport & Storage	540.8	428.5	564.9	446	890.9	935.9
Information & Communication	1107.4	959.8	1411.2	1776.5	935.5	744.2
Finance & Insurance Services	20571.9	22174.2	21376.9	18868.4	12724.2	14023.7
Others	315.9	825.1	705.1	644.4	1277	1769.8
Total Fdi	23861.8	25443.9	25759.3	23903.7	18911	20686.6

Source: Singapore Department Of Statistics

Note: This Data Is Not Comparable To Other Datas As The Figures Are In Singapore Dollars And Other Figures Are In Us Dollars.

Figure 5
Sectoral Contribution Of India's Outward Fdi To Singapore



7. India & Singapore Trade Relations

India And Singapore Share Strong Relations Due To Commercial, Cultural And One To One Between The People Links. This Connection Of India With Singapore Dates Back To The Era Of Cholas. India Being One Of The First Countries In Recognizing Singapore In 1965 As Upcoming Economy. The Economic Reforms In India In 1990s And The Look East Policy Set Up Right Set Of Circumstances To Recreate A New Base For Cooperation, Which Included The Comprehensive Economic Cooperation Agreement (Ceca) Of 2005. This Relations With Singapore Was Further Seen As A Strategic Partnership During The Visit Of Prime Minister Modi In November 2015 Who Signed A Joint Declaration On A Strategic Partnership With Singapore Prime Minister On The 50th Anniversary Of The Establishment Of Diplomatic Relations. Since 2015 The Exchange Visits Of The Political Leaders Of The Country Lead To Signing Of Various Trade Agreements And Mous Have Been Signed For Trade For Better Trade Relations.

To Enhance Bilateral Relations, The 5 Areas Of Cooperation – Known As 5-S Plank- Were Consented During The Visit Of Eam To Singapore In August 2014. This 5s Plank Guides The Relationship Towards– (I) Scale Up Trade & Investment; (Ii) Speed Up Connectivity; (Iii) Smart Cities And Urban Rejuvenation; (Iv)Skill Development; And (V) State Focus. India Is Working Diligently On These 5s Planks With Singapore For The Economic And Infrastructural Development Of The Country. This Is Also One Of The Reasons Of Having Exchange Of Foreign Investments Between The Two Countries.

8. Findings

1. The Study Found That India's Total Odi And India's Odi To Singapore Have Positive And Strong Correlation As The Value Is 0.7333. So, It Can Be Interpreted That If There Is Change In Overall Odi Of India, Odi To Singapore Will Definitely More Or Less Follow The Same Pattern. The Cumulative Odi To Singapore From India From 2014-15 To 2017-18 Is \$ 6552.93 Million Which Makes Singapore Stand At The Second Position After Mauritius As Per The Cumulative Odi For The Same Period.
2. The Correlation Between India's Total Fdi Inflow And India's Fdi Inflow From Singapore Also Have The Positive And Strong Correlation As The Value Is 0.5873. Thus, If The Total Fdi Inflow Will Change, The Same Pattern Will Be Followed By The Fdi From Singapore.
3. The P-Value As Per Anova Between India's Total Odi And India's Odi To Singapore Is 0.003, And F-Value Is Higher 16.455 Which Is Higher That The F-Critic Value, Which Results In The Rejection Of Null Hypothesis, Thus Signifying The Acceptance Of Alternate Hypothesis. Therefore, The Total Odi Of India Bears A Relation With The Odi To Singapore.
4. The P-Value As Per Anova Between India's Total Fdi Inflow And Fdi Inflow In India From Singapore Is 0.003, And F-Value Is 29.125 Which Is Higher Than F-Critic Value, Which Results In The Rejection Of Null Hypothesis, And Acceptance Of Alternate Hypothesis. Therefore, The Total Fdi Inflow From India Has A Quantitative Relation With Fdi Inflow From Singapore.
5. Whole Sale And Retail Trade And Finance And Insurance Is One Of The Major Sectors That Are Attracting Major Portion Of Outward Fdi From India To Singapore.

6. Service Sector And Computer Hardware And Software Are The Major Sectors That Attract Inward Fdi From Singapore To India.

9. Concluding Remarks

Singapore And Mauritius Has Been A Favourite Destination Of India For Its Odi. The India-Singapore Comprehensive Economic Cooperation Agreement (Ceca) Signed In 2005 Helped Both Countries Strengthen Their Trade Relations. Due To Singapore's Location And The Growing Asia-Pacific Market, Companies Of India Are Using Singapore As A Springboard To Capture Growth Opportunities In This Region.

Multinational Companies, Including Asian Enterprises, Finds Singapore An Attractive Location. The Country Has Vital Supporting Infrastructure, A Highly Productive Workforce, Conducive Business Environment And Stable Taxation Policies. The Indian Business Community Is The Largest Foreign Business Community In Singapore.

Singapore Is An International Financial Hub, Offers Sophisticated Financing Solutions; Rated Aaa, Singapore Lowers The Cost Of Trade Financing. It Is Also A Hub Of Wealth Management And Foreign Exchange, And The Fourth Largest Forex Trading Centre In The World. Singapore Is Creating Vibrant Business Opportunities And Good Jobs, Particularly In Sectors Such As Electronics, Chemicals, Info-Communications And Media, It, Biomedical, Infrastructure, Consumer, And Marine And Offshore.

Singapore Is The Most Favoured Destination For Overseas Investments From India. Bilateral Trade Between India And Singapore Also Doubled To Almost \$29.8 Billion In 2012, With Singapore Recently Ranking As India's 10th Largest Global Trading Partner And India's Largest Asean Partner. Edb Is Interested To Involve Indian Companies That Have Up A Strategic Base Overseas To Manage Better Their International Growth And Tap International Financing Opportunities.

Given Singapore's 69 Double Taxation Avoidance Agreements With Many Resource-Rich Asian Countries, Many Companies Use Singapore As A Base To Invest And Manage These Upstream Resources And Tap Singapore's Financial Infrastructure. Due To Developing Trade Relations It Is Leading To Exchange Of Foreign Investments Between The Two Countries.

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