



Policy makers and business leaders of Asean and India should realise that working towards a combined physical and digital connectivity can further benefit bilateral trade in the long run. BT FILE PHOTO

Asean and India set to enhance ICT cooperation

During visit to Singapore this week, India's Modi likely to raise issue of digital connectivity. **BY CHAN JIA HAO**

INDIA'S Prime Minister Narendra Modi is visiting Singapore this week, primarily to participate in the Shangri-La Dialogue. While he is set to focus on security and maritime issues, Mr Modi is also likely to push his economic agenda during his trip. He is particularly keen on transforming India by enhancing cooperation in digital connectivity with Singapore and the other Association of Southeast Asian Nations (Asean) member states. This probably also explains his visits to Indonesia and Malaysia en route to Singapore.

During the Asean-India Senior Officials Meeting in Hanoi on April 5 and 6, Mr Modi proposed to launch digital villages in Cambodia, Laos, Myanmar and Vietnam, to exchange technology and telecommunication insights. Following suit, India's Ministry of Electronics and Information Technology announced plans in May to establish 700 local digital villages in order to link these remote villages to various e-services under a nationwide Digital India programme.

The Asean-member states have similarly expressed interest in India's digital developments. During an address at an international conference organised by the NUS Institute of South Asian Studies in April, Singapore's Minister for Education, Ong Ye Kung, highlighted technological developments in India, such as the Aadhaar initiative – a nation-wide biometric identification system that aims to centralise validation and verification of the citizens' data. Such a development at a larger scale, he said, served as a golden opportunity for Singapore and South Asia.

Domestically, Mr Modi has achieved some degree of success in this area through the Digital India initiative. Launched in 2015, Digital India aims to boost digital infrastructure, such as a broadband highway, universal access to mobile connectivity and a nationwide e-governance plan. This serves as a basis for India's Smart Cities Mission, which aims to develop 100 citizen-friendly and sustainable cities.

As at 2017, more than 20 cities have been selected for the Smart Road initiative, 18 cities for integrated

command and control for traffic projects, while another 46 cities are earmarked for smart water and green energy projects. It is now also expected that, by the end of 2018, 700 more digital villages will enjoy similar technological implementations that the Smart Cities enjoy under a larger Digital India programme.

ASEAN'S CONTRIBUTION TO DIGITAL INDIA

Meanwhile, Asean has also moved in the same direction as India as 26 pilot Asean cities have recently come together to establish the Asean Smart Cities Network.

One of the first moves towards creating this Smart Cities Network appears to be the establishment of a cross-border digital payment framework for standard practices. A memorandum of understanding (MoU) for cross-border digital payments was signed among leading payment transaction firms across Asean in September 2017, namely, the Asian Payment Network, National ITMX Co Ltd of Thailand, National Payment Corporation of Vietnam, Network for Electronic Transfers (Singapore) Pte Ltd (Nets), Payments Network Malaysia Sdn Bhd and PT Rintis Sejahtera of Indonesia.

This intra-Asean development has, in turn, also benefited India through its expansion beyond Asean. One prominent example is Singapore's Nets joining forces with India's National Payments Corporation in November 2017 to enable cross-border electronic payment between both countries. Thereafter, an MoU between the Monetary Authority of Singapore and the government of Maharashtra was also signed in February this year.

Singapore has also been active in India's Smart Cities initiative. In December 2014, the Singapore-Amaravati MoU witnessed Surbana Jurong, a Singapore consultancy company, preparing master plans for the \$521.4 billion capital city project in Andhra Pradesh. In February 2018, the Singapore government, jointly with the Andhra Pradesh Capital Region Development Authority, formed an Innovative Corridor as a platform to discover innovative urban solutions and tap expertise from the private sector.

Long-term and sustained Asean-India ICT (Information and Communications Technology) cooperation, however, requires efforts by both sides to first enhance their own ICT-related infrastructure before cross-border collaborations can be boosted. The World Economic Forum's latest Networked Readiness Index (NRI) 2012-2016 found that India and the Asean-member countries possess a mismatch in terms of their ICT infrastructure and usage.

The true potential of the global digital economy and Asean's market size has also not been realised. Asean's combined ICT sector alone will hit a market demand of \$58,738 billion by 2020, amounting to about 2.35 times that of India's ICT sector market demand. However, only less than 8 per cent of India's current ICT is exported to the Asean market. This is despite India's IT-enabled services and IT-based business process outsourcing sectors growing at an annual average of 13 per cent between 2010 and 2015.

Policy makers and business leaders on both sides need to internalise that working towards a combined physical and digital connectivity can further benefit bilateral trade between Asean and India in the long run. A full compliance to the World Trade Organization's Trade Facilitation Agreement and other digital trade facilitations could reduce trade costs in the Asia Pacific region by 26 per cent or \$5901 billion of savings annually.

The Smart Cities development and ICT exchanges have the potential of facilitating global trade and investment linkages. Also, given that Asean continues to form closer ICT collaborations with its existing free trade agreement partners, as witnessed in the Asean-Australia Smart Cities Initiative, it therefore remains crucial to boost India-Asean ICT exchanges at both the government and business ends. This is important in order for India to boost its competitiveness and benefit from being one of Asean's most important trading and investment partners.

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