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India and Singapore: exploring the digital frontier

By C Raja Mohan

INDIA and Singapore have begun to look beyond their traditional areas of engagement like trade, investment and physical connectivity. The visit of Indian Prime Minister Narendra Modi to Singapore last week saw the expansion of this agenda to include the promotion of digital financial connectivity between the two nations.

Mr Modi and Singapore's Prime Minister, Lee Hsien Loong, have also laid the foundation for connecting the innovators of the two countries. For both India and Singapore, innovation has become a key national theme.

Singapore, which ranks third in the Bloomberg global innovation index, is determined to stay ahead of the curve amidst the unfolding technological revolution and the consequent disruption of the global economic structures.

For Mr Modi, innovation is about mobilising advanced technologies to modernise the Indian economy as well as addressing many old challenges that continue to confront India's development.

As Mr Modi put it after his talks with Mr Lee, technological collaboration between India and Singapore is a "natural partnership with unlimited possibilities". One important expression of the new opportunities was the decision by the two leaders to establish a Joint Working Group (JWG) on fintech that will be led by the Monetary Authority of Singapore (MAS) and the Department of Financial Services in India's Ministry of Finance. Other relevant government agencies will be a part of this working group.

The JWG, according to the joint statement issued after the talks between the two leaders, would promote exchanges on best practices, encourage cooperation between fintech firms, interoperability between the two markets and connect the payment systems, among other things. As Singapore and Delhi get ready to implement this ambitious agenda, the two sides have already taken some important steps during Mr Modi's visit, especially in the domain of cross-border payments.

One was the international launch of India's RuPay card in Singapore, in partnership with NETS. RuPay, whose name derives from the Indian currency "Rupee" and "Payment", is similar to Visa, MasterCard and Alipay. Launched in 2012 by the National Payment Corporation of India (NPCI), RuPay has gained rapid traction. Its launch in Singapore will make it easier for a larger number of travellers between the two nations to make payments in the other market.

FINTECH PARTNERSHIP

In another move to promote cashless payments, NETS and NPCI are moving towards the acceptance of Bharat Interface for Money (BHIM) QR mobile app in Singapore. BHIM is compatible with the NETS system and its launch would let Indian travellers in Singapore pay using their smart phones. Mr Modi and Mr Lee also welcomed the launch of a cross-border remittance app developed by the State Bank of India for Indian workers in Singapore.

These moves mark just the beginning of a productive fintech partnership between India and Singapore. India has a large market which is

drawing millions of new consumers into digital finance. It is buzzing with a growing number of fintech startups enthused by Mr Modi's new emphasis on building a Digital India.

Singapore has much synergy with fintech developments in India. As a regional and global financial hub, Singapore is at the forefront of developing and promoting a whole new generation of financial products and services. MAS is a leader in the development, promotion and regulation of financial innovation that India can benefit from.

As we have begun to see on cross-border payment apps, Singapore can be the platform from which India internationalises its financial products, starting with the Asean region. Further, Singapore is already home to a large number of Indian companies and is an ideal location for cross-border collaborations in the financial sector.

Beyond digital financial connectivity, the two sides are trying to bring innovators from both countries closer. Mr Modi and Mr Lee welcomed the India-Singapore Entrepreneurship Bridge, established by the Indian High Commission in Singapore earlier this year to connect startups, innovators, incubators, accelerators, investors and relevant government agencies in the two countries.

The two leaders also welcomed a private initiative to develop an India Innovation Hub in Singapore. The state-of-the-art facility will offer free rental space and provide mentoring support for qualified Indian startups interested in entering Singapore.

Reinforcing the focus on innovation is the de-

cision by the two sides to expand cooperation in science and technology and higher education.

Modi's visit to the Nanyang Technological University (NTU) saw the signing of a number of agreements, including one between the university and India's NITI Aayog (National Institution for Transforming India) on the use of emerging technologies like artificial intelligence and block chain. NTU will develop joint doctoral programmes, in collaboration with the Indian Institutes of Technology (IIT) in Madras and Bombay, and the Indian Institute of Science in Bengaluru.

FORCE MULTIPLIER

Conscious of the strong concentration of Indian high-tech and professional talent in Singapore, the NITI Aayog's Innovation Mission has tied up with the alumni associations from the IITs, Indian Institutes of Management and the business schools. This should provide a solid basis for directly drawing Singapore innovators into India's plans to address national challenges on development.

When Delhi launched its economic reforms nearly three decades ago, Singapore played a critical role in facilitating India's integration with Asia and the world. Today, it promises to be a force multiplier for India, as the Modi government looks to deploy the digital revolution to advance the nation's prosperity.

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