

## **SPEECH BY PRIME MINISTER LEE HSIEN LOONG AT THE INAUGURAL SESSION OF PRAVASI BHARATIYA DIVAS SINGAPORE, 10 OCTOBER 2008, 9.30AM**

1. I am delighted to welcome all of you to Singapore for the Pravasi Bharatiya Divas (PBD) or Global Indian Diaspora Conference.

2. This is the first time that Singapore is hosting the PBD. In January last year, Singapore's Deputy Prime Minister Professor Jayakumar was Chief Guest at the PBD in New Delhi. There he proposed to India's leaders to consider convening a PBD outside India, and offered Singapore as host for such a meeting. I am happy that the Indian government warmly supported the idea and we have such a good turnout at the PBD Singapore today.

### **Riding Out the Financial Storm**

3. When we made the offer to host this gathering, we did not know it would be held during such exciting times. The world is caught up in a financial storm, and dark clouds fill our immediate horizon. The problems facing financial institutions in the US and Europe are complex and grave. They will not be solved overnight, or even within a few months. The fear and panic gripping financial markets everywhere will take time to subside. The trust and confidence between banks, which lie at the heart of finance intermediation, will take time to restore. The crisis in the financial system will dampen consumption and investment in the developed countries and affect growth all over the world.

4. Asian banks have been lucky to have avoided the problems afflicting US and European banks. But globalisation has meant that equity markets from Mumbai to Shanghai, as well as Tokyo, Hong Kong and Singapore have been hit by the events in Wall Street. It also means that Asian countries cannot avoid the impact of weakening US, European and Japanese economies. We must prepare for a rough ride at least over the next year, and quite possibly longer.

5. In Singapore, our growth is already slowing, but our financial system is sound, and our economy remains competitive. Over the last few years, when conditions were good, we had pressed on with upgrading and diversifying our economy. This will mean new and better jobs, even if some old ones are lost. The momentum from projects that we have secured will help to see us through this storm. Our strategy of growing with Asia also remains valid, because we are confident that Asia's dynamism will endure. Both India and China are continuing to transform their economies, and their emergence in a stable and peaceful region will benefit many other Asian countries.

### **Linking Up with India through the Diaspora**

6. Singapore hopes to carve out for ourselves a part in the Asian story. Geographically, we are at the heart of Asia, sitting astride major sea routes and air links. This sets us as the natural centre from which enterprises can access and service the Asia-Pacific region. We try to build on our geographical advantage by making this a good place to work, live and play, and welcoming talent from around the world to our shores. We operate a cosmopolitan, pro-enterprise and vibrant economy, linked up with the region and the world. Immigrants,

expatriates and companies come to Singapore because they see many opportunities, and because ours is a safe, efficient and exciting environment, rivalling those in the top global cities.

7. As an immigrant nation, we take full advantage of our links to China and India. Singapore has a majority Chinese population, and our cultural affinity and common language give us a deeper understanding and better access to the Chinese market. Singapore is therefore well-placed to tap China's rapid economic growth.

8. With India too, our links are deep-rooted. Many early Indians started out here as humble labourers and plantation workers, but succeeding generations have made their mark in government, business and the professions. The Indian community in Singapore is a vital pillar of our multi-racial community.

9. There are also newer arrivals. The Indian expatriate community in Singapore today numbers 200,000, one of the largest expatriate communities here. Like the earlier waves of migrants, Indian expatriates have brought strong entrepreneurial spirit and energy. They have added different experiences and perspectives to our society, and boosted our efforts to develop Singapore's R&D and financial sectors.

10. Our links through the Indian diaspora have helped Singapore and India to progressively enhance our bilateral relations. Our two countries signed a landmark Comprehensive Economic Cooperation Agreement (CECA) in 2005. Since then, bilateral trade has boomed, reaching \$24 billion last year. Last year, Singapore was India's second largest investor, and according to the Reserve Bank of India, Singapore was also the choice investment location for Indian companies venturing overseas. From Singtel's stake in Bharti to Tata's acquisition of Natsteel, our companies are linking up with one another, and drawing our two countries closer.

#### Importance of the Diaspora to India

11. More generally, the Indian diaspora has helped to integrate India into the Asia-Pacific region, and made a critical contribution to the Indian economy. Without the diaspora, India would have found it harder to grow as quickly as it did, since reforms and deregulation began in 1991.

12. The Indian diaspora is the second largest in the world. 25 million people of Indian origin are scattered across the globe. According to the World Bank, the Indian diaspora sends US\$27 billion in remittances back to India each year, the largest sum for any country. They also contribute knowledge of the world, international networks, new ideas, technologies and markets to their homeland. With the support of its diaspora, India has become a world leader in business process outsourcing, information technology and pharmaceuticals.

13. A striking feature of the Indian diaspora is the large number of persons who have excelled in their respective professions, in diverse fields ranging from academia to the corporate world. For example, in Silicon Valley, ethnic Indian technopreneurs form a significant constituency. Their success in the US has been a catalyst for India's own success in the

software industry. 19 of the top 20 Indian software businesses are founded or managed by the Indian diaspora.

14. In the Asia Pacific too, ethnic Indians have adapted to the diverse societies where they have made their homes. The Indian Ocean has long been a vital crossroads for trade between the Middle East and East Asia. Early travellers, including traders, artisans, craftsmen and priests, spread Indian culture, beliefs and technologies all over the region, helping to create an enduring legacy in the arts and culture, architecture, religion and language of Southeast Asia. Then, during the colonial period, many Indians came to work in British colonies in the region, and later settled in the newly-independent countries. Today, there are large Indian communities in Myanmar, Malaysia and Singapore, as well as in Hong Kong, Fiji and Mauritius. In recent years, diverse new streams of Indian migrants continued to be drawn to the region to pursue commercial, educational and job opportunities. These ethnic Indian communities have thrived in business and the professions, and often participated actively in the political life of their adopted countries.

15. India's integration into the regional network benefits immensely from its diaspora. Trade between India and the region has been expanding rapidly. Indian companies are venturing abroad in large numbers. Many are active in the dynamic Asia-Pacific region, developing the markets and setting up operations in many countries. Some, like i-Flex Solutions, Satyam and Tata Consultancy Services, have made Singapore their regional hub.

16. The Indian diaspora is well-placed to help India to go global. As people who straddle different cultures, your unique knowledge and networks can help to deepen mutual understanding, forge productive business partnerships and promote trade and investment flows all over the Asia-Pacific. The deepening of ties between India and the Asia-Pacific will benefit all our economies, and develop a more competitive, industrious and vibrant region.

## Conclusion

17. Just as Singapore has cultivated its ties with India, we also wish to network with Indian overseas communities throughout the Asia-Pacific. This Conference is an excellent opportunity to gather people from these far-flung communities, to exchange views and ideas, and find new areas and projects for collaboration.

18. Besides hosting such events, we in Singapore are encouraging our universities and think-tanks to undertake further research and promote a fuller understanding of the Indian diaspora. We are planning to set up an Indian Heritage Centre, which will trace the history of the Indian diaspora in Singapore and how the Indian community has contributed to Singapore's development. The National University of Singapore has published the Encyclopaedia of the Indian Diaspora, which has been well received internationally. Its success has inspired the Institute of South Asian Studies to set up a South Asia Diaspora Network. These moves will help to develop Singapore as a centre for networking and scholarship on the Indian diaspora.

19. We are a natural gathering point for the Indian diaspora in the Asia-Pacific. We hope many of you will find that Singapore fits well into your plans, as a place to network and help

create the new Asia that is emerging. I wish all of you an interesting and fruitful time at PBD Singapore.

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