

## PAKISTAN – SINGAPORE RELATIONS: AN OVERVIEW

Ronaque Ali Behan\*

### Abstract

*Pakistan enjoys brotherly relations with countries of Southeast Asia. Similarly Pakistan also enjoys normal relations with Singapore but the fact is that despite its brotherly relations with the countries of this region, Pakistan has not gained any fruitful benefits. Rather, practically Pakistan relied on other countries of the world than the countries of this region for its economic and security objectives. As a result of Pakistan's over reliance on those countries Pakistan could not maintain warmth in her relations with Southeast Asian countries except few countries of this region. Though Pakistan maintains relations with all the countries of this region but as compared to western countries they lack warmth. However, it cannot be said that their relations are not cordial. The nature of Pakistan and Singapore relations was also same but some changes in international system brought out by forces of globalization have compelled both of the countries to redefine their relations, therefore, over the last few years Pakistan and Singapore have tried to maintain solid relations. So, this article aims to define relations between Pakistan and Singapore.. The article starts with the history of Pakistan Singapore relations. Then, in subsequent paragraphs political, economic, trade, and security relations between the two countries will be discussed. Then the proceeding paragraphs will discuss possible fruitful outcome of maintaining warm relations with Singapore. In conclusion, keeping in view the importance of Southeast Asian states in general and Singapore in particular and also Pakistan's "look east policy", this article endorses the need to cement close and tight relations with Singapore.*

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\* Lecturer, Area Study Centre, Far East and South East Asia, University of Sindh, Jamshoro.

## **Introduction**

Pakistan and Singapore enjoy friendly relations. Their relations are marked by cordiality. Singapore has supported Pakistan's all endeavors to attain status of full-dialogue partner in ASEAN. Singapore supported Pakistan to get membership of ASEAN Regional Forum (ARF). She also supported Pakistan to acquire the membership of Asia Europe Meeting (ASEM) in September 2006. Both countries have been supporting each other on different issues at various forums.

## **Diplomatic Ties**

Diplomatic relations between Pakistan and Singapore remained strained during late 1960s and 1970s because Singapore had sided with India when war broke out between Pakistan and India in September 1965.<sup>1</sup> Moreover, presence of a large and influential Indian-origin decision makers in the Singaporean government and private sector, also contributed toward a cool and slow response between Pakistan and Singapore.<sup>2</sup> However, during the Zia rule relations between the two improved, when Zia under took a three-day state visit to Singapore in 1982.<sup>3</sup> This visit by Zia opened a new era of cordial relations between Pakistan and Singapore. Since then, keeping in view their mutual economic and strategic interests both countries have maintained solid relations. In the recent years relations between Islamabad and Singapore have got further strength. Due to its geo-strategic location Pakistan is considered to be most important country in the south Asian region to establish relations. Pakistan is well placed to bring South and East Asia as well as South West Asia closer. Singapore acknowledges this strategic position of Pakistan.<sup>4</sup> Moreover, Pakistan's close relations with countries of Middle East is also driving Singapore closer to Pakistan who wants access to Middle Eastern market and natural resources. This view was expressed by the then Prime Minister of Singapore during the visit of Pakistani Prime Minister Shaukat Aziz to

Singapore in May, 2005. Mr. Lee Hsien Long expressed the growing interest in Singapore towards South Asia and the Middle East. He also recognized the geo-strategic location of Pakistan to become strategic partner for Singapore.<sup>5</sup> On the other hand, Singapore's geo-strategic location is ideal for Pakistan to materialize its "vision east Asia" policy. Thus, mutual strategic interests of both countries have brought them closer to strengthen their bilateral relations. This was demonstrated when the then senior minister of Singapore Goh Chock visited Pakistan in June 2004 in capacity of Prime Minister of Singapore. During his visit Singaporean Prime Minister held talks, with his Pakistani counterpart Zafarullah Jamali and President of Pakistan General Pervez Musharraf, on wide ranging bilateral issues. He also supported Pakistan's interest to become full-dialogue partner of ASEAN. During the talks between Singaporean Prime Minister Goh Chok and the then Prime Minister of Pakistan Zafarullah Jamali, both leaders covered all the aspects of bilateral relations with particular focus on increasing cooperation in the economic and commercial fields. During the visit the leaders of both the countries also agreed to increase cooperation in the field of defense through interaction and exchanges between the relevant ministries.<sup>6</sup> In reciprocity, the then Prime Minister of Pakistan Shaukat Aziz visited Singapore on 10-12 May 2005. It proved to be another milestone in the bilateral relations of Pakistan and Singapore. During this visit, both countries expressed their determination to further strengthen bilateral relations by enhancing closer economic, commercial, cultural, scientific and technological ties.<sup>7</sup> After 9/11 terrorist attacks, terrorism has become global phenomenon, it has challenged the security of countries throughout the world. Similarly, menace of terrorism has also not spared Pakistan and Singapore. Both of them have been targeted by terrorists and have inflicted severe injuries on them. Thus, keeping in view, the lethality of terrorist attacks both countries signed a MoU on combating terrorism and trans-national crimes, in May, 2005, to promote security in South East Asia.<sup>8</sup> Moreover, the leaders of both

countries also agreed to continue next round of talks on FTA to enhance the level of trade and encourage investment and other business activities between the two countries. During the talks, Mr Aziz endorsed the need for developing linkages and creating mutual dependencies. He also invited investment from Singapore in the telecom, IT, engineering, bio-technology, tourism and banking sectors.<sup>9</sup> These initiatives from both sides to improve their relations will, no doubt, help them in future to reach new heights of warm relations.

### **Trade and Investment**

Pakistan is a small trading partner of Singapore. The volume of trade between Pakistan and Singapore is far below their potential. Thus, Pakistan's trade relations with Singapore are modest in comparison with some of the other countries of this region. Over the last few years trade balance has been heavily in favor of Singapore.

Trade between Singapore and the Pakistan rose by 4.1% in 2007 to S\$1.3 billion. Overall, the Pakistan was Singapore's 44th largest trading partner in 2007. In terms of exports, the Pakistan was Singapore's 29th largest export market in 2007. Key exports from Singapore to Pakistan were parts of office and dp machines, aluminum, petroleum products refined, data processing machines and telecommunications equipment. While, imports from Pakistan to Singapore rose from S\$73 million in 2006 to S\$80.4 million in 2007. Main import items were petroleum products refined, alcohols phenols and deriv, rice, medical apparatus and medicaments.<sup>10</sup>

**Singapore's Trade with Pakistan**  
(Value in S\$ Thousand)

<b>Trade</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Total Trade	1,137,318	1,296,776	1,349,443
Imports	61,216	73,027	80,415
Exports	1,076,102	1,223,749	1,269,028
Domestic Exports	456,549	487,873	541,231
Re-Exports	619,553		

**Source:** <http://www.iesingapore.gov.sg><sup>11</sup>

Pakistan's low level trade with countries in Southeast Asia in general and Singapore in particular is partly due to the fact that Pakistan's exports are highly concentrated in few countries. The United States is the single largest export market for Pakistan, accounting for 27 percent of its exports. Pakistan needs to diversify its exports not only in terms of commodities but also in terms of markets. Similarly Pakistan's imports are also highly concentrated in few countries. Over 40 percent of them continue to originate from just seven countries namely, the USA, Japan, Kuwait, Saudi Arabia, Germany, the UK and Malaysia. Saudi Arabia is emerging as major suppliers to Pakistan followed by the USA and Japan.<sup>12</sup> Thus, Heavy concentration of exports and imports in few commodities and few markets has caused serious trade imbalance and instability. So keeping in mind Pakistan's over reliance in trade on countries other than the countries of Southeast Asia, Pakistan needs to boost its exports much aggressively in the coming years than in the past. The country needs not only to widen the base of export items but also to explore newer markets as well as to boost exports to those existing markets including Singapore whose share in Pakistan's overall exports is very small. This move will help Pakistan to reduce its dependence on western countries. Specially, open economic policies of Singapore will enable Pakistan to import and invest in Singapore which in turn will encourage trade balance in favor of Pakistan.

Moreover, in investment sector Singapore's company, Asia Financial Holdings (AFH), a subsidiary of Temasek in July 2006, bought 11.5 per cent stake in Standard Chartered, which in 2005 bought Union Bank in Pakistan. Temasek on 30 June 2007 formalized buying stakes worth US \$ 300 million (which amounts to 56 % of the total shares) in PICIC Bank through Asia Financial Holdings. The signing ceremony was held in Islamabad in the presence of Madam Ho Ching, CEO, and Temasek Investments. She also called on the President and the Prime Minister of Pakistan to discuss the matters related to investment. The Gawader Port management contract has also been awarded to Port Singapore Authority for forty years.<sup>13</sup>

### **Free Trade Agreement (FTA)**

Pakistan and Singapore have agreed to ink a free trade agreement to boost trade between them. During his visit to Pakistan, then Prime Minister of Singapore Goh Chok , expressed his desire to have a free trade agreement which was welcomed by Pakistan . In this regard he also held talks with Pakistani leaders. Later on, talks were also held between Prime Minister of Pakistan Shaukat Aziz and his Singaporean counterpart Goh Chok on this proposal during the visit of former to Singapore. So far, three rounds of talks have been held between Singapore and Pakistan. Last round-third- was held in May 2006 in Singapore, where both parties agreed to continue negotiations on free trade between them.

The proposed free trade agreement between Pakistan and Singapore is expected to strengthen the trade relations as well as to stimulate the flow of trade and services between Pakistan and Singapore.

Additionally, in order to offer and exploit investment opportunities in each others' countries, delegations from both sides have been frequently visiting their countries. A Singapore trade and investment delegation visited Pakistan in January 2003. Delegation met with then commerce minister Humayun Akhtar Khan and showed their

willingness to invest in communications, education, information technology and health sectors of Pakistan. The delegation also sought the help of commerce ministry in holding exhibitions of Pakistani goods in Singapore and requested to provide adequate infrastructure and incentives for attracting investors of Singapore.<sup>14</sup>

Furthermore, Government has also sought to attract foreign investment in the country by liberalizing economy and investor-friendly policies. During his visit to Singapore, the then Prime Minister of Pakistan Shaukat Aziz invited businessmen and investors from Singapore. Telecom, IT, engineering, bio-technology, tourism, and banking were the sectors where Pakistani Premier urged Singaporean investors to take advantage of investment opportunities offered by Pakistan. But to attract investors from Singapore, government needs to create conducive and investment friendly environment. Thus, in order to attract foreign investment, government of Pakistan needs to take measures to improve law and order situation and to provide other necessary basic facilities to foreign investors. Because conducive and investment friendly environment only can attract foreign investment.

### **Security Cooperation**

Threats of terrorism, especially after 9/11, have brought significant changes in the foreign policies of many countries throughout the world. Countries faced with security dilemma, created by terrorist threats, were engulfed by fear of insecurity throughout the world. Because that wave of terrorism was global in nature, terrorism became an international threat to the peace and security of the world. Thus, countries reshaped their policies with the security at their top priority. Now relations between the countries came to be determined by their security concerns. Pakistan's role in war against terrorism has brought many countries closer to Pakistan. Since, Pakistan has gained wide experience in fighting war against terrorism especially after 9/11. Therefore, the expertise of Pakistan in

combating terrorism and the presence and activities of Islamic terrorist groups in the Southeast Asian region have led these nations to hope for Pakistan's support and expertise in dealing with them.<sup>15</sup> Moreover, Pakistan's contribution towards the war against international terrorism has earned it good will and prestige among the countries of the Far East and Southeast Asia. Since these countries are themselves faced with terrorist threats, they have sought close cooperation with Pakistan to share intelligence, expertise, and experience in combating international terrorism.<sup>16</sup>

Similarly, Singapore is high on the list of targets for terrorist action. The extremist regional network Jemaah Islamiyah (JI), which is intent on subverting governments in the region, has targeted Singapore before. Singapore will continue to be vulnerable because of the very strong stand it has taken against terrorism, the arrests it has made to crack down on JI in Singapore, the assistance it has extended to regional efforts against terrorist groups, and the support it has given to the American reconstruction efforts in Afghanistan and Iraq.<sup>17</sup> Due to some of the said factors, which have led terrorist groups to target Singapore, will continue to be source of vulnerability of Singapore in future.

Therefore, during the visit of the then Prime Minister of Pakistan Shaukat Aziz to Singapore, his counterpart in his welcome address said that there was a growing interest in Singapore towards South Asia and the Middle East and Pakistan is situated at the junction of these two regions, and is well placed to be strategic partner for Singapore. He appreciated Pakistan's efforts in war against terrorism and expressed interest to learn Pakistan's experience of fighting against terrorism. He also expressed his will to expand cooperation on the security front.<sup>18</sup> Keeping in view, the menace of terrorism, both countries signed a MoU on combating terrorism and transnational crimes, in May, 2005. Even before this, during his visit to Pakistan in June 2004 the Prime Minister of Singapore agreed to

increase cooperation in the field of defense through interactions and exchanges between the relevant ministries.<sup>19</sup>

## **Conclusion**

Relations between Pakistan and Singapore have seen many ups and downs. However, with the changed circumstances, under the influence of globalization, their relations have got new strength. In the age of globalization cordial and smooth relationship is compulsory for any country. In the case of Pakistan, maintaining warm relations with Singapore is a right step in direction of its "Vision East Asia" policy. Keeping in view, the economic potential and strategic importance of this region India has already taken practical measures -look east policy -to cement close relations with the countries of this region. While, Pakistan has relied on countries of Europe as well as countries of west in every respect for last many years .It has resulted in Pakistan's over reliance and dependency on these countries. Now geo-economic interests have taken edge over the geo-strategic interests. The enemies of past are burying the hatchet to become friends for serving their economic interests. Recent normalization in the relations of china and India is an outstanding example in this regard. Similarly, Pakistan also needs to renew its relations with countries of this region specially Singapore with a new vigor and spirit. Pakistan needs to be proactive to materialize its look east policy. Winding up two-day debate on the new government's foreign policy foreign minister Shah Mahmud Qureshi rightly said that it was time for Pakistan to follow a look east policy. He said that although the country had looked towards the west there were many Asian economies with which Pakistan needed to be linked.

He said, "Time has come we have to look towards East," citing the "all-weather friend", China and regional economic forums such as the ASEAN on which Pakistan "must put more focus."<sup>20</sup> Therefore, close relations with Singapore will help Pakistan to materialize its

goal of close relations with East Asian countries. Because Singapore is an active member of the Association of Southeast Asian Nations, thus, it could be helpful in expanding Pakistan's trade with its neighboring countries –an objective of its Vision East Asia policy.

Moreover, warm relations between Pakistan and Singapore will help both in many ways to achieve their objectives. Closer relations between the two may result in mutual benefits for them. Being common members of ASEAN , SAARC and OIC both countries can play their important role to bring these organizations closer to create understanding, among them for the achievement of maximum intra-regional cooperation .Pakistan's geo-strategic location , which paves way for landlocked Central Asian states to the world, and physical linkage with the Middle East increases the country's potential to become a hub of trade activities and it is ideal location for Singapore as she wants to have access to the markets and natural resources of these regions. Moreover, cordial relations will help Singapore and Pakistan to boost their trade and other related activities. Hence, it is vital for both countries to further strengthen their relations to achieve maximum cooperation in different fields.

## References

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<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> *Dawn*, Karachi, Pakistan, May 11, 2005.

<sup>6</sup> *Daily Times*, Pakistan, June 22, 2004

<sup>7</sup> *Dawn*, Karachi, Pakistan, May 12, 2005

<sup>8</sup> Malik, Rashid A, *op.cit*.p.64.

<sup>9</sup> *Dawn*, Karachi, Pakistan, May 11, 2005.

<sup>10</sup> Bilateral Trade, <http://www.iesingapore.gov.sg/wps/wcm/connect/My+Portal/Venturing+Overseas/Market+Information/South+Asia/Pakistan/About+Pakistan/Bilateral+Trade>)

<sup>11</sup> *Ibid*

<sup>12</sup> *.Pakistan Economic Survey 2006-2007*, Finance Division, Economic Adviser's Wing, Government of Pakistan, Islamabad.

<sup>13</sup> [http://www.mofa.gov.pk / Publications / Year % 20Book % 20 % 202006 -07 % 20 \(Final\).doc](http://www.mofa.gov.pk/Publications/Year%20Book%20%202006-07%20(Final).doc)

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<sup>18</sup> *Dawn*, Karachi, Pakistan, May 11, 2005

<sup>19</sup> *Dawn*, Karachi, Pakistan, June 22, 2004

<sup>20</sup> *Dawn*, Karachi, Pakistan , May 10, 2008