

**SINGAPORE-CHINA CONNECTIVITY
AND ITS ROLE IN THE BELT
AND ROAD INITIATIVE**

Sarah CHAN

EAI Background Brief No. 1413

Date of Publication: 13 December 2018

Executive Summary

1. The Belt and Road Initiative is expected to provide further momentum for intra-regional investment and trade flows as well as deepen regional interconnectivity among Belt and Road economies.
2. In 2017, two-way trade between China and countries along the Belt and Road exceeded RMB7.4 trillion (around US\$1.2 trillion), surging 17.8% year on year. ASEAN was the largest recipient of China's outward direct investment in the BRI region as at 2016.
3. At the country level, Singapore was the largest recipient of China's overseas investment (in terms of stock) in 2016, accounting for a third of China's direct investment in the Belt and Road region. This is not surprising as it is one of the world's important financial centres and plays a pivotal role as a gateway to Southeast Asia, a key part of the Maritime Belt route.
4. Singapore is well positioned to facilitate and help companies navigate through the Belt and Road activities given its strategic location in the heart of Southeast Asia. As an infrastructural financing hub for the region, Singapore could help Chinese firms raise capital for their overseas expansion in Southeast Asia.
5. Complementing its role as a financing hub, Singapore hosts a full suite and increasingly growing ecosystem of players across the infrastructure supply chain, from project developers, procurement and construction firms to professional services providers and development finance institutions.
6. Singapore has the know-how and networks with China and Southeast Asia to effectively collaborate with Chinese companies on the Belt and Road projects. In particular, it could provide logistics and urban planning expertise, complementing China's strengths in construction.

7. The government-to-government (G-to-G) bilateral projects like the Singapore-Suzhou Industrial Park and Tianjin Eco-city are examples of joint collaboration that promotes local economic development. Beyond the G-to-G projects are joint efforts between Singaporean and Chinese businesses to venture and work in third-country markets.