



Delhi Policy Group

Advancing India's Rise as a Leading Power

EAST ASIA EXPLORER SEPTEMBER 2025

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Volume III, Issue 9



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ABOUT US

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Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

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Cover Images:

Prime Minister of Singapore, Lawrence Wong, and Indian Prime Minister Modi jointly inaugurated Phase-2 development of the Bharat Mumbai Container Terminal (BMCT) during PM Wong's official visit to India from September 2 to 4, 2025.

Source: [X/@MEAIndia](#)

Australia and Papua New Guinea elevated their relationship to an Alliance, with the signing of the Papua New Guinea–Australia Mutual Defence Treaty on October 6, 2025. Source: [X/@Anthony Albanese](#)

After civic unrest erupted on August 25, President Prabowo Subianto, in his address on August 31, 2025, reaffirmed Indonesia's respect for freedom of expression and directed the National Police (Polri) and the Indonesian National Armed Forces (TNI) to take the strongest possible measures against the destruction of public facilities and economic centers, in full accordance with the law. Source: [X/Prabowo Subianto](#)

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Contents

Are the 25-31st August 2025 Civil Disturbances a threat to Indonesian democracy?

Satish Chandra Mishra1

Australia and PNG Sign a Mutual Defence Treaty

Pradeep Taneja9

A Partnership with Purpose: 60 Years of India-Singapore Relations

Divya Rai.....12

Are the 25-31st August 2025 Civil Disturbances a threat to Indonesian democracy?

by

Satish Chandra Mishra

Gen-Z enters the political lexicon

Within the short space of a month, civil disturbances, often fashionably termed the Gen Z riots, have erupted across many countries in South and Southeast Asia. Public protests broke out in Indonesia, Nepal on September 8, Philippines on September 12 and India on September 24.

The location, size, spread and speed of transmission varied across country and time sequence. There were however two common features. The participants were, on the whole, rather young, often the so-called Generation Z. Their immediate political and social impact varied in scale and geography. Some such as those in Nepal, brought down the government; in others, such as the Philippines, already home to repeated waves of 'people's power', the numbers involved were larger, reported to be over 100,000 persons, were largely peaceful, (with 224 people arrested). In Leh, India, the 24th September protests resulted in the arrest of 50 people, including activist Sonam Wangchuk. One of reported causes of the protests was a demand for Ladakh to be recognised as an individual state of the Republic of India.

Indonesia, the most populous of the countries where street demonstrations and civic strife broke out on August 25, just over a month ago, was characterised by simmering public disbelief and anger over an increase in housing allowance and other benefits which the members of the national parliament awarded themselves which was higher than the average minimum wage in Jakarta. A few MPs, (Ahmed Sahroni, Eko Patrio, Surya Utama, popularly called Uya Kuya, Nafa Urbach) taunted an enraged public, not only by dancing in Parliament as the bill was passed but also labelling critics of the bill as 'stupid'. Further, they dared the public to protest as much as it wants, signalling that parliament would be impervious to public discontent. The immediate trigger was the death of a motorcycle taxi driver, Affan Kurniawan, just 21 years old, hit by an armoured police (Brimob) truck in the middle of a heated public demonstration. But the critical backdrop was the passing of a bill of direct benefit to MPs when many ordinary people were living on the minimum wage. Attacks and looting of houses of the four MPs named above, and the exceptional wealth it revealed live on social media simply fanned the fire.

Public anger spilled on to Sri Mulyani, the veteran Finance Minister, openly supported by the wealthy business community, a host of central banks and by the US backed international financial institutions such as the World Bank and the IMF. Here the reason was not hubris or merely arrogance. It was her adherence to a low budget deficit stance that insisted on tax increases as well as stringent limits on public expenditure including on much needed public services.

Bangladesh is often cited as another example of the growing power of Gen Z. The fall of the Sheikh Hasina government in August 2024, that had ruled Bangladesh continuously since 2009. The immediate trigger was the reinstatement of a reservation/quota system in public sector jobs that give preference to the offspring of freedom fighters in Bangladesh's War of Independence in 1971, assisted by the Indian military. The reservation law had been abolished by Sheikh Hasina in 2018, but reinstated by the High Court in 2024. It was this culture of entitlement, already controversial in other countries in the region, that unleashed the anger of university students in Dacca. This was rapidly followed by students across the country. Sheikh Hasina went into self-exile in India. A new technocratic government under Noble Prize winner Mohammed Yunus, of Grameen Bank fame, was formed.

Differing interpretations of the Gen-Z riots

Two strands of contemporary interpretations of these events stand out. First, there is the impact of digital technology and communication with which the young, Gen-Z are familiar and at ease. This allows anger as well as news to spread rapidly often faster than any reaction time of government and police. Further, the almost instantaneous contagion of disaffection from one group and one place to another heightens the impression that the situation is rapidly going out of control and requires decisive and stern control. The result, as the case of Indonesia shows, is outpouring of public anger and disgust at such an unjust death.

Second, there is a wider narrative about political legitimacy, the weakness of democratic institutions and the ubiquity of corruption in public life across a large part of the South/South Asian region. According to this narrative, the public is seething with anger at the greed as well as the impunity with which the business and political elite can defy the law, garner powerful appointments in lucrative positions from directorships of public enterprises, leadership of powerful parliamentary commissions, management of tax authorities and within the police and military.

Combine these with the uncertainty of obtaining gainful employment for the educated young, the growing cost of housing, social frustration due to lack of geographical and job mobility, continuing dependence on family and friends, and

one has all the ingredients of simmering social combustion. All one needs is a spark and the transmission mechanism to fan it. All these ingredients of nascent social conflict seem to have been present in Bangladesh, Indonesia, Nepal and the Philippines. The fact that three of the latter took place in less than a few days or month of each other, is often taken ipso facto as an indicator of the fragility of the political legitimacy of Asian democracies on the one hand and the growing power of the disaffected young on the other.

The above interpretation has occupied much attention, and even new terminology: 'Gen-Z Riots'. On a wider plane, the familiar toolkit of the 'measurement' and the indices of democracy has been used in support of fairly superficial reporting on the events in Indonesia, Nepal, Philippines and as a second thought to Bangladesh. Such indices made popular by Freedom House (funded by the US State Department), the Economist magazine and others; now rank countries according to their performance on the Democracy Index. They aim to aggregate a number of indicators or desirable features of a given end state using a given weighting formula, not unlike the UNDP's Human Development Index, Indices relating to the SDGs, the Ease of Doing Business index, or Transparency International's 'Corruption Index'. Using such indices, Democracies too, it argued, can be ranked and evaluated. Those found wanting on such scales can be deemed to be 'backsliding' or 'democratic reversal' and considered in need of structural reform to stem the democratic decline.

History Matters

Sweeping generalisations such as 'Gen-Z' protests or Democratic 'backsliding' or decline can be eye catching. They rarely add to an understanding of the underlying causes of a particular event or the evolution of a given political system. At best they are one snapshot in a moving frame. They capture the moment but neither the process nor the direction of movement. This is what has happened with current narratives of the outbreak of violent conflict or nationwide protest narrated above. History, and prior experience of similar protests is relegated to the background. Yet, it is just that history that matters.

Countries, with a history of street demonstrations and 'people power' to topple elected government, such as in the Philippines and Nepal begin to see this as a legitimate method of 'regime change' and triggering change in public policy. In others, such as Bangladesh, the emergence of a nepotistic, duopoly of power by political parties headed by wives of assassinated Presidents, and a decline in public trust over several decades made it vulnerable to student protests with an ability to articulate such deep-rooted frustrations.

This lack of public trust in the promise of democracy was deep enough to overlook Bangladesh's impressive economic development in the last two decades. GDP growth ranged between 6-7% in 2005-2019, higher than India, decelerated during the COVID-19 years and rebounded sharply afterwards. Its nominal GDP rose from US\$70 billion in 2005 to US\$450 billion by 2024, an increase of some 640 percent in just two decades. Extreme poverty declined to a manageable 9%, with the expansion of microfinance, targeted social safety nets, and overseas remittances. By 2024, Bangladesh had become, the second largest exporter of ready-made garments in the world, after China. Garment production for export expanded the female labour market and, like many economies in Southeast Asia, for example Indonesia, raised the social standing of women. Bangladesh's Human Development Index improved partially reflected in the increase of its life expectancy to 73 years. It was the demise of political legitimacy, not the record of economic progress, that brought down Sheikh Hasina and saw her flee to Delhi in August 2024.

Indonesia as an important outlier

The Indonesian experience was quite different. It stands out as a testimony to the stability of its political system, its impressive ability to seed democracy from decades of military rule, the scale and robustness of its economic and political decentralisation. It has developed a tradition of coalition and inclusive government even when a single party succeeds in winning the presidential election by as much as 60% of the popular vote. Containing inter-party tensions and open disputes through accommodation and negotiation has allowed democratic consolidation as well as prevent a return to military rule of earlier years. The same culture of tolerance and solving disputes through discussion is evident in its religious philosophy and practice. The bloodletting between Shia and Sunni Islam, so frequent in almost all other Islamic societies is largely absent here. Religious parties remain small and are drawn into wider governing coalitions. Indonesia's tolerant Islam stands in sharp contrast to the experience in many other countries of both South and Southeast Asia as well as in the Middle East.

In terms of economic growth and social progress too, Indonesia has taken remarkable strides. First, its economy has grown at a steady 5-6% over much of the last two decades. Unemployment levels are low: at around 3.3% in 2024 according to ILO and World Bank estimates. Youth unemployment remains high at 14% largely due to labour market imperfections, skills mismatch, and delays in formal labour market absorption.

On the other hand, Indonesia has made a determined effort, through a Constitutional provision that a minimum of 20% of the public budget must be spent on education. Much of this has been used to expand the quality of education in its

schools. The gross enrolment ratio in its higher education sector which stood at around 13% at the start of new democracy in the year 2000, now stands at 49%, a remarkable achievement in such a short time span. It has also provided scholarships through the Ministry of Finance supported grants to raise student numbers studying in well-known foreign universities.

In the provision of healthcare, Indonesia has instituted a national social insurance programme, the BPJS, that provides universal health coverage, through a referral medical system. Interestingly, Indonesia's law number 40/2004, the same year as the minimum 20% education expenditure stipulation, initiated a national social security system. By 2011, two public legal entities BPJS Kesehatan and BPJS Ketenagakerjaan, created a national social insurance structure combining health services and unemployment.

This was remarkable given the depth of the Indonesian economic crisis in 1998, the massive political transformation that was to follow it, the acute national psychological shock delivered by the 2004 Tsunami, and the 2008-9 global financial crisis and accompanying economic recession that it triggered.

Along with Indonesia's big bang decentralisation in 2000, its tradition of political accommodation across competing political parties both in Cabinet as well as in the legislature, its decision to give basic needs and social welfare high priority in the design of its political and economic recovery has provided a unique level of stability and human security within a short span of two decades hardly seen elsewhere.

What is even more striking is that all the above advances occurred against a long-term backdrop of rapid urbanisation. Such a deep structural shift of occupations and location would normally have resulted in rural-urban economic and political tension. Women migrating to urban factories far from home, to become primary bread winners impacted on traditional family expectations and mores. The sheer speed of urban population since 1955, just a few years after formal independence in 1949 is daunting. Total urban population Indonesia was around 13% of total amounting to some 20 million persons. By 2000 it had risen to 42%. By 2024 the figure was 59% with an aggregate total of 168 million persons.

Time to recognise the success of Indonesia's Systemic Transition

If one were looking for a society with shifting social and economic tectonic plates and fault lines, Indonesia would have been a primary candidate for study. How Indonesia managed to grow fast, lower poverty and unemployment, establish a national health and unemployment insurance system, transform its politics and governance structure, keep the temptations of military coups at bay and give rise

to an educated urban, fast expanding middle income class it is surely one of the major wonders of the developing world today.

Yet the temptation to pack even the most singular historic transformations into simple statistical boxes: Freedom House “Democracy Index”, Transparency International’s ‘Corruption Index’, or perhaps even a Gen-Z mobilisation index in the future, continues to generate superficial generalisations and hasty conclusions. International coverage of the August 25 protests illustrates the simple-minded analysis of the causes and the prognosis of such disturbances.

Take for instance the reporting on the Indonesia protests by the Economist on September 2, 2025, under the headline “Protests test Indonesia’s Democracy”, its leader on September 4, “Indonesia could be on the brink of something nasty”, or its podcast “Indonesia ablaze: Riots test Prabowo on September 1. The first of these frames the story as the “biggest democratic test” for Prabowo since taking office, and essentially a sign of tension between civil and “heavy handed” state response. Its editorial on September 4, warns that Indonesia is approaching a “dangerous tipping point” if elites fail to heed public anger. It points to “systemic inequality” and warns against mismanagement. Its podcast focuses on “youth-led resistance” and the large scale of clashes.

Again, the twin themes of “Gen-Z anger” and “Danger to Democracy” dominate the story. There is little recognition of the political legitimacy that Indonesia has built since 2000, its exceptional achievements in promoting local decision making by dramatic decentralisation in the midst of its most severe economic crisis or the fact that unlike the present-day US and parts of Europe election results have not been disputed, fought over and generated deep seated rancour. There is also little comparison with the polarisation of political opinion such as in the US or in Poland, Netherlands, Germany, Italy and now France, and how public demonstrations there have already led to the emergence of racist and authoritarian ideologies. The large-scale protests in London by the Reform Party only a few days ago are taken to be a sign of healthy protest and democratic strength. In Indonesia, much smaller but more geographically widespread demonstrations are often taken as a trigger for military resurgence while in the developed West they are taken to be an affirmation of human rights and free speech.

To some extent the Indonesia reporting is simply reporting in a hurry, devoid of historical appreciation or knowledge. It is also a reflection of an underlying prejudice that Asian countries are congenitally prone to corruption, violence, misrule and ‘elite’ dominance; “the systemic inequality” to which the Economist Leader refers.

Of course, there is some truth concealed in the folds of media reporting on Indonesian August 2025 protests. There was public disgust at the perceived unfairness of the relative scale of the residence allowance awarded by the Parliament to itself. There was shock and anger at the luxury cars, statues and cash that was filmed with such zeal on social media. There was also much amusement and laughter at the confidence with which the targeted MPs continued to mock the public.

Democracy and Disagreement in Indonesia: A master class in crisis management

But this was no threat to democracy. The government responded both with sensitivity and tact. The appearance of President Prabowo; flanked by the entire parliamentary leadership, including Megawati Sukarnoputri, (as well as Surya Paloh of the Nas-Dem and Zulkifli Hasan of the PAN party to which some of the offending MPs belonged), ensured that increases in the cost-of-living allowances for MPs would be annulled, MPs subject to public attacks would be expelled and referred to the Anti-corruption Commission for inquiry. In addition, key stakeholders, especially the students, were invited to discuss their grievances with the government.

This was not all. Prabowo railed against the looting of public property (railway stations, public buses and facilities) as well as of private belongings of individuals. As in similar riots all over the world, initial idealistic protests are soon joined by criminal looters. The government gave a stern warning that while it was prepared to honour freedom of speech it was not prepared to tolerate freedom to loot and violent destruction. Is this not mature democracies all over the world have done, and continue to do, for so many decades on so many similar occasions?

Then there is 'Systemic Inequality'? At a time when Elon Musk is supposed to have become the firm half trillionaire in the world closely followed by so many others, it is difficult to locate the modern curse of income and wealth inequality solely in Asia. The central issue here is not merely the vertical inequality between a Musk and the New York policeman but the horizontal inequality across regions, ethnicities, castes and identities. As yet there is no convincing path towards the containment of such inequalities. The famous 'Kuznets J Curve' lies in ruins, positive discrimination and job reservations trigger social conflict and at the margin separatist movements.

Whatever the problem under consideration democracy works only if all parties commit to the basic rules of the game, are prepared to peacefully secede power when they lose at elections, and solve disagreement by non-violent discussion. The

public disturbances in the week of August 25 in Indonesia illustrate not only that democracy continues to be resilient in Indonesia but also that both the Gen-Z the general public understands when enough is enough.

Australia and PNG Sign a Mutual Defence Treaty

by

Pradeep Taneja

September was a busy month for the Prime Minister of Australia, Anthony Albanese, as he addressed the United Nations General Assembly in New York, met his British counterpart, Sir Keir Starmer, in London, delivered a “partisan political speech” (according to his opposition counterpart) at the British Labour Party conference in Liverpool, had an audience with King Charles at Balmoral, and attended a gathering of progressive leaders in London. But it was his hectic diplomacy closer to home in the Pacific before he flew over to the US and UK towards the end of the month that drew much attention for his failure to sign important bilateral pacts with Vanuatu and Papua New Guinea during his visits there.

Mr Albanese visited Vanuatu on September 9 on his way to the Solomon Islands’ capital Honiara to attend the Pacific Islands Forum (PIF). The small Pacific Island nation and Australia have been negotiating the so-called Nakamal Agreement aimed at transforming economic, security and climate cooperation. The agreement offers Vanuatu AUD 500 million in infrastructure construction, policing assistance and development aid over a 10-year period to make offers of assistance from China less attractive. Australia, New Zealand and other Western nations have been coordinating their efforts to counter China’s influence in the Pacific.

But Mr Albanese had to leave Port Vila, the capital of Vanuatu, without signing the Nakamal Agreement as local leaders expressed concerns over sovereignty and the need for further internal consultation. Australian officials believe that the agreement will be finalised and signed before the end of the year and attribute the delay to the Pacific way of doing things, where reaching consensus among various stakeholders can take time.

In Honiara, Mr Albanese attended the 54th PIF leaders’ summit which brought together the leaders of 18 Pacific island nations for their annual meeting (September 8-12) to discuss economic cooperation, climate change and security issues. The key difference between the past PIF meetings and the 2025 gathering was the exclusion of dialogue partners, such as the United States, India and China, and development partner, Taiwan, by the host. Confronted with demands from Taiwan’s diplomatic partners in the region for Taiwan to be invited, and pressure from China for Taiwan to be excluded, the Solomon Islands government, which switched diplomatic

recognition from Taiwan to PRC in 2019, decided to exclude all non-members from the meeting.

At the PIF leaders meeting, Mr Albanese positioned Australia as a key partner of the Forum and emphasised that Australia was an important part of the 'Pacific family'. He highlighted Australia's role as the biggest development assistance provider for the region by stating that "Australia is a partner the region can count on", a framing Australia has frequently used to counter the narrative of external interference by Chinese scholars. As an expected outcome, the PIF leaders endorsed Australia's joint bid (with Pacific Island countries) to host the UN Climate Change Conference (COP31) in Adelaide in November 2026.

Mr Albanese also joined the other Pacific leaders in signing the Pacific Resilience Facility Treaty, a new regional fund to help the islands access international finance for climate adaptation. Australia pledged A\$100 million initially, with more to come. Albanese [said](#) the "Pacific Resilience Facility is more than a fund, it is a promise to Pacific communities that they will not face climate threats alone."

Just a few days after returning home from the PIF leaders' meeting, Mr Albanese was back in the region with a visit to Papua New Guinea on September 16-17, as part of the commemorations for the 50th anniversary of PNG's independence. An important objective of the visit was also to finalise an unprecedented bilateral defence treaty that would build on the already existing close defence and security ties between the two countries. Known as the "Pukpuk" treaty, meaning crocodile – symbolising guardianship and transformation in PNG culture – this will be Australia's first mutual defence treaty in more than 70 years.

But Mr Albanese returned home from Port Moresby without signing the Pukpuk Treaty, having to make do with a joint communique with his PNG counterpart. He was confident, however, that the treaty will be finalised and signed once the PNG government has dealt with the sovereignty concerns and domestic political processes.

Some important figures in PNG political and military circles, including PNG's former defence force commander, Jerry Singirok, had expressed concerns about the long-term implications of the treaty for PNG sovereignty. In a social media post, the Chinese embassy in Port Moresby also [cautioned](#) the PNG government to "properly handle issues bearing on its sovereignty and long-term interests", urging it not to sign any agreements that exclude third parties (meaning China) from security cooperation with PNG.

Mr Albanese faced criticism from the Opposition and Australian media for returning empty handed from two consecutive visits to the Pacific. But his

optimism about the Pukpuk treaty was vindicated when the PNG government announced on October 2 that it had secured cabinet approval for the treaty. The two countries did not waste any time and the [treaty was signed](#) by the two prime ministers in Canberra on 6 October. It will come into force after ratification by the parliaments of the two countries. In addition to mutual defence provisions of the treaty, Australia will get access to military bases in PNG and as many as 10,000 Papua New Guineans are expected to serve with the Australian Defence Force, under the so-called “dual arrangements”.

For Mr Albanese, the signing of this treaty comes as a relief. While the Nakamal Agreement with Vanuatu remains a work in progress, the treaty with PNG is a big win for him. He would be keen to personally explain the significance of this treaty to President Trump when he meets him in the White House on October 20. China will no doubt be watching the new alliance between Australia and PNG very closely. As if to allay the concerns of China and, possibly, Indonesia, Prime Minister Marape said in Canberra that “this is not a treaty that sets up enemies but one that consolidates friendship” with Australia. Earlier, in Port Moresby, he had described Australia as PNG’s “foundational relationship” and said that this treaty will elevate the security relationship between PNG and Australia to “its highest level in history”.

A Partnership with Purpose: 60 Years of India-Singapore Relations

by

Divya Rai

Prime Minister of Singapore Lawrence Wong undertook an official visit to India from September 2 to 4, 2025, marking his first trip to the country since reassuming office. The visit held particular significance as it coincided with the 60th anniversary of India-Singapore diplomatic relations, established in 1965 following Singapore's independence from Malaysia. Over the past six decades, India and Singapore have cultivated a strong and diverse relationship, expanding their cooperation across trade, technology, defence and sustainability. Last year Prime Minister Narendra Modi's visit to Singapore in September 2024 had laid the groundwork for this milestone year by upgrading ties from a Strategic Partnership, initiated in 2015, to a Comprehensive Strategic Partnership (CSP). Building on that momentum, Prime Minister Wong's visit saw the two leaders unveil a "*forward-looking*" partnership and release a roadmap to guide the next phase of the CSP. The new roadmap aims to deepen cooperation in eight areas: (i) Economic Cooperation; (ii) Skills Development; (iii) Digitalisation; (iv) Sustainability; (v) Connectivity; (vi) Healthcare and Medicine; (vii) People-to-People and Cultural Exchanges; and (viii) Defence and Security Cooperation.¹

The defence and strategic partnership has been a central pillar of their evolving bilateral relations, gaining momentum since the launch of the Singapore-India Maritime Bilateral Exercise (SIMBEX) in 1994. Defence cooperation today is deeply institutionalised, encompassing engagements from political leadership to the staff levels of the armed forces, as well as collaboration in defence production and research through organisations such as DRDO. The Defence Cooperation Agreement (DCA) (2003) provided the framework for regular high-level dialogues, enhanced strategic coordination, and expanded military-to-military engagement. The subsequent amendments to DCA have further widened the areas of cooperation. Several domain-specific arrangements have also been concluded, covering areas such as white-shipping information exchange, joint air force training, navy-to-navy collaboration, logistics and services support, submarine rescue assistance, defence industry cooperation, and mutual coordination mechanisms. The new roadmap framework has further reinforced maritime security cooperation, enabling joint exercises, coordinated patrols, and enhanced

¹ Ministry of External Affairs, Government of India. "India-Singapore Joint Statement", September 04, 2025. <https://www.mea.gov.in/incoming-visit-detail.htm?40094/India+Singapore+Joint+Statement+September+04+2025>.

information sharing. Looking ahead, both countries aim to expand their defence partnership into advanced domains of defence technology, focusing on emerging fields such as quantum computing, artificial intelligence, automation, and unmanned naval vessels.²

India has extended unique defence privileges to Singapore, being the only country granted access for the Singapore Armed Forces (SAF) to use Indian firing ranges at Kalaikunda Air Base in West Bengal, including joint training with the Indian Air Force's Su-30 fighter aircraft. In addition, all three services regularly conduct staff talks and military exercises, including participating in Trilaterals and Multilaterals like SITMEX and MILAN. Expanding these joint efforts, the joint statement issued saw Singapore acknowledge India's interest in the Malacca Straits Patrol—a maritime security initiative involving Malaysia and Indonesia—underscoring India's growing role in shaping regional security. Complementing these defence initiatives, both countries also reiterated their commitment to working closely within regional security frameworks, aligning their efforts with the principles of the 'ASEAN Outlook on the Indo-Pacific (AOIP) and India's Indo-Pacific Oceans Initiative (IPOI).³

Beyond defence and strategic cooperation, India and Singapore have significantly expanded their economic engagement, particularly after the signing of the Comprehensive Economic Cooperation Agreement (CECA) in 2005. This strong economic collaboration is also reflected in trade. Singapore has since emerged as India's largest trade and investment partner in ASEAN, with bilateral trade rising from USD 6.7 billion in FY 2004-05 to USD 34.3 billion in FY 2024-25, making Singapore India's sixth-largest trading partner.⁴ The recent joint statement underlined both countries' commitment to a future-focused economic partnership, emphasising collaboration in new and emerging areas. Key priorities include the Third Review of CECA, the timely conclusion of the ASEAN-India Free Trade Agreement (AIFTA) in 2025, and deeper cooperation in the digital economy. To further boost the bilateral relation, both countries are also looking to deepen their engagement in artificial intelligence, digital finance and fintech cooperation, and cyber policies, CERT-CERT information exchange, and capacity building in cybersecurity. The key highlights of this collaboration include the joint ventures in

² High Commission of India, Singapore. "India and Singapore Relations".
<https://www.hcisingapore.gov.in>

³ Ministry of External Affairs, Government of India. "India-Singapore Joint Statement", September 04, 2025. <https://www.mea.gov.in/incoming-visit-detail.htm?40094/India+Singapore+Joint+Statement+September+04+2025>.

⁴ High Commission of India, Singapore. "India - Singapore Bilateral Trade & Investment".
<https://www.hcisingapore.gov.in>

solar power projects and the integration of India's Unified Payments Interface (UPI) with Singapore's PayNow system, which has made cross-border transactions more efficient.

The India-Singapore CECA has not only enhanced bilateral trade but also opened new avenues of collaboration in emerging sectors such as space, industrial parks, renewable energy, and semiconductors. A key driver of the India-Singapore partnership is their shared focus on Technical Vocational Education and Training (TVET) and skills development. A significant highlight in this regard is the signing of an MoU for the joint development of the National Centre of Excellence in Advanced Manufacturing in Chennai, Tamil Nadu. The centre is designed to strengthen industry linkages and harmonise curriculum standards in priority areas, including advanced manufacturing, aviation, and Maintenance, Repair and Overhaul (MRO).⁵

Amid surging global demand for semiconductors, India and Singapore are working closely to strengthen supply chain resilience and expand cooperation in the chip-making sector. In August 2024, both countries signed a Memorandum of Understanding (MoU) on semiconductor cooperation, aimed at fostering collaboration across the full value chain—from research and development to production, logistics, and workforce development. Singapore has also expressed interest in supporting the semiconductor manufacturing and ecosystem development in India, alongside contributing to the creation of next-generation technological solutions. Underscoring the strategic importance of this partnership, PM Wong, during his remarks, stated that “collaboration in semiconductors, not just in skills training, but also in R&D, supply chains and logistics, and these efforts will generate new growth opportunities for both our countries”.⁶

The bilateral partnership has broadened its scope to encompass other sectors such as advanced manufacturing, connectivity, digitisation, healthcare, cultural links and sustainability. The two sides signed five Memoranda of Understanding (MoUs) covering digital asset innovation, green and digital shipping corridors, civil aviation, and advanced manufacturing, alongside discussions on deepening bilateral ties and advancing mutual prosperity in a rapidly evolving global

⁵ Ministry of External Affairs, Government of India. “India-Singapore Joint Statement”, September 04, 2025. <https://www.mea.gov.in/incoming-visit-detail.htm?40094/India+Singapore+Joint+Statement+September+04+2025>.

⁶ Prime Minister's Office Singapore. “Remarks by Prime Minister and Minister for Finance Lawrence Wong at the joint press conference with the Prime Minister of the Republic of India Narendra Modi”, September 04 2025”. <https://www.pmo.gov.sg/Newsroom/PM-Lawrence-Wong-at-the-JPC-with-PM-Narendra-Modi>

landscape.⁷ Interestingly, this year's joint statement between India and Singapore made no mention of the South China Sea issue, marking a shift from previous years. The omission suggests a possible focus on strengthening bilateral ties and shared development projects over sensitive geopolitical topics in the region.

As a hub for finance, logistics, and technology, Singapore is a vital pillar of India's 'Act East policy' and a vital partner for India's outreach to the region. Unveiling the new roadmap, Prime Minister Modi described the relationship as "a partnership with purpose", emphasising that the India-Singapore relationship is not only political or symbolic – but that it is built on shared goals and practical cooperation.⁸ With collaboration now expanding into emerging sectors such as artificial intelligence (AI), semiconductors, and digital technologies, both nations are positioned to harness their complementary strengths – India's scale, skilled talent, and vast market, together with Singapore's financial expertise, connectivity, and institutional efficiency. This synergy offers significant opportunities to drive innovation, expand trade, and fuel mutual growth. However, there is still an imbalance in business participation; most of the economic engagement is skewed toward Singaporean investments flowing into India, while India's investment presence in Singapore is comparatively smaller. This reflects untapped potential in achieving more balanced trade and investment flows. As India continues to enhance its ease of doing business, there is growing potential for greater reciprocity and deeper economic integration between the two countries. The broader message from this visit is clear: India-Singapore ties are evolving from traditional cooperation into a forward-looking, innovation-driven partnership poised to shape the Indo-Pacific's economic future.

⁷ Government of India, Ministry of External Affairs. "List of Outcomes: Official Visit of the Prime Minister of Singapore to India", September 02-04, 2025. https://www.mea.gov.in/bilateral-documents.htm?dtl/40096/List_of_Outcomes_Official_Visit_of_the_Prime_Minister_of_Singapore_to_India_September_0204_2025.

⁸ Government of India, Ministry of External Affairs. "English translation of Prime Minister's Press Statement during Joint Press Statement with the Prime Minister of Singapore". September 04, 2025. https://www.mea.gov.in/Speeches-Statements.htm?dtl/40093/English_translation_of_Prime_Ministers_Press_Statement_during_Joint_Press_Statement_with_the_Prime_Minister_of_Singapore_September_04_2025.



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