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Venturing into India: Singapore-India business ties

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Any traveller who has visited India would probably know about the Meru Cabs company. But not many will know that the genesis of the radio taxi company was based on the success model of Singapore cab company, ComfortDelGro Corporation.

President of boutique consulting firm Phoenix Advisers, Sanjiv Misra, said at the inaugural [Singapore- India Business Dialogue 2012](#) that Meru Cabs had spent over two months in Singapore doing research on the operations of Comfort cabs before they replicated the model with relevant customisation in India.

Today, Meru Cabs, which was one of the first companies to launch metered radio cabs in India, has a fleet of over 5,000 cabs and is the third largest radio taxi company in the world.

This business strategy of transplanting business models in India is one way which companies can penetrate the economic potential of the country, said Misra. "It is about taking proven business models and finding strategies to bring them into India where there are opportunities to scale up

dramatically and where there is an opportunity to tap into local capital and management and create value for shareholders.”

Yet, SMEs in Singapore are “under-invested” in India in relation to the amount of investments being made in other Asian countries, he said.

Singapore businesses are less comfortable investing in India than they are in China and other parts of South East Asia,” Misra said, noting that some challenges facing these companies are related to capital and market access as well as the management bandwidth of staff who can carry out the investment strategy.

Sharing the obstacles that an entrepreneur may face in India, CEO of Ascendas Property Fund Trustee, Jonathan Yap, said one difficulty he has experienced is in getting “clean title land” in India.

But he stressed that every country has its own challenges and that entrepreneurs have to adapt to them. What is important to the entrepreneur is the presence of a stable regulatory environment which does not “change directions multiple times within a short time span.”

Teo Soon Hoe, senior executive director at Keppel Corporation, added that it is important to find the right partner in India in order to sidestep “the minefield of regulations.”

Executive chairman of Apex Advisors Girja Pande said Singapore should tap into Indian entrepreneur energy to create new companies in new areas of growth. The Republic can also play the role of a cultural agent as China and India deepen their economic ties.

He said, “Singapore is used by Indian companies as a springboard for Asia and the rest of the world...when the Chinese want to go to India, they will increasingly use Singapore as the base by which they can utilise India as a hub, or headquarters, because of the tax benefits you can obtain if you invest through Singapore.”