

A. Akylbay^{1*} , A. Argyngazinov² 

¹University of Oxford, Oxford, The United Kingdom

²Academy of public administration under the President of the Republic of Kazakhstan, Astana, Kazakhstan

*e-mail: arystanbek.akylbay@area.ox.ac.uk

DEVELOPMENT OF ECONOMIC RELATIONS BETWEEN KAZAKHSTAN AND SINGAPORE: RESULTS OF THIRTY YEARS OF PARTNERSHIP

In 2024, Kazakhstan and Singapore celebrated the 30th anniversary of the establishment of bilateral relations. Over the years, the countries have built strong and reliable relations based on trust and mutual respect, indicating overall stability. Since 1993, several significant developments have occurred in the bilateral relations between Kazakhstan and Singapore, especially in their respective build-up of material potential, strengthening of institutional contacts and expansion of economic ties. Economic cooperation between the Republic of Kazakhstan and the Republic of Singapore is one of the key elements in strengthening the ties between Central Asia and Southeast Asia. Both countries have a strategic geographical location and are committed to diversifying their economies, which creates a solid foundation for mutually beneficial partnership.

This article describes the main developments in the bilateral relations between these countries and how bilateral interstate relations have flourished in the field of economy. The authors tried to assess the joint economic projects of the two countries and trade between them by analyzing government documents and the media.

Key words: Singapore, Kazakhstan, bilateral relations, economic relations.

А. Ақылбай*¹, А. Аргынгазинов²

¹Оксфорд университеті, Оксфорд қ., Ұлыбритания

²Қазақстан Республикасы Президентінің жанындағы Мемлекеттік басқару академиясы, Астана қ., Қазақстан

*e-mail: arystanbek.akylbay@area.ox.ac.uk

Қазақстан мен Сингапур арасындағы экономикалық қарым-қатынастардың дамуы: отыз жылдық серіктестіктің нәтижелері

2024 жылы Қазақстан мен Сингапур екіжақты қарым-қатынастың орнағанына 30 жыл толады. Осы жылдар ішінде елдер сенім мен өзара құрметке негізделген берік және сенімді қарым-қатынастар құрды, бұл жалпы тұрақтылықты көрсетеді. 1993 жылдан бері Қазақстан мен Сингапур арасындағы екіжақты қарым-қатынаста институционалдық байланыстарды нығайтуда және экономикалық байланыстарды кеңейтуде бірнеше елеулі өзгерістер болды. Қазақстан Республикасы мен Сингапур Республикасы арасындағы экономикалық ынтымақтастық Орталық Азия мен Оңтүстік-Шығыс Азия арасындағы байланысты нығайтудың негізгі элементтерінің бірі болып табылады. Екі ел де стратегиялық географиялық орынға ие және өз экономикаларын әртараптандыруға ұмтылуда, бұл өзара тиімді серіктестік үшін берік негіз жасайды.

Бұл мақалада осы елдер арасындағы екіжақты қарым-қатынастардағы негізгі оқиғалар мен екіжақты мемлекетаралық қатынастардың экономикалық салада қалай өркендегені сипатталған. Авторлар екі елдің бірлескен экономикалық жобалары мен олардың арасындағы сауда-саттықты мемлекеттік құжаттар мен бұқаралық ақпарат құралдарын талдау арқылы бағалауға тырысты.

Түйін сөздер: Сингапур, Қазақстан, екіжақты қарым-қатынастар, экономикалық байланыстар.

А. Акылбай^{1*}, А. Аргынгазинов²

¹Оксфордский университет, Оксфорд, Великобритания

²Академия государственного управления
при Президенте Республики Казахстан, Астана, Казахстан

*e-mail: arystanbek.akylbay@area.ox.ac.uk

Развитие экономических отношений Казахстана и Сингапура: итоги тридцатилетнего партнерства

В 2024 году Казахстан и Сингапур отметили 30-летие установления двусторонних отношений. За эти годы страны построили прочные и надежные отношения, основанные на доверии и взаимном уважении, что свидетельствует об общей стабильности. С 1993 года в двусторонних отношениях между Казахстаном и Сингапуром произошло несколько значительных событий, особенно в их соответствующем наращивании материального потенциала, укреплении институциональных контактов и расширении экономических связей. Экономическое сотрудничество между Республикой Казахстан и Республикой Сингапур является одним из ключевых элементов укрепления связей между Центральной Азией и Юго-Восточной Азией. Обе страны имеют стратегическое географическое положение и стремятся диверсифицировать свою экономику, что создает прочную основу для взаимовыгодного партнерства.

В этой статье описываются основные события в двусторонних отношениях между этими странами и то, как двусторонние межгосударственные отношения процветали в области экономики. Авторы попытались оценить совместные экономические проекты двух стран и торговлю между ними, проанализировав правительственные документы и средства массовой информации.

Ключевые слова: Сингапур, Казахстан, двусторонние отношения, экономические отношения.

Introduction

In the second half of the 20th century, Singapore's activities became the most relevant topic of research for various representatives of social sciences. A huge amount of analytical and scientific material is devoted to various aspects of reforms implemented in Singapore for the purpose of sustainable growth of the state's welfare. The experience of reducing the level of corruption to a minimum, optimizing the state apparatus, a meritocratic approach to personnel appointments and other reforms carried out by Singapore attracted the attention of all developing countries, expert analysts and scientists. The bestseller «From the Third World to the First» by the late first Prime Minister of Singapore Lee Kuan Yew conquered the shelves of stores among the best-selling literature in the world for lovers of books on political and economic issues. Singapore's rapid economic growth after independence in 1965 showed how important it is to be able to properly manage the state and accept challenges for survival.

The modern history of Singapore begins in 1819, when the English statesman Stamford Raffles founded a British port on the island. The island then grew as a center for Sino-Indian trade and a free port in Southeast Asia. The settlement quickly developed into a major port city.

During World War II, Singapore was captured by the Japanese Empire. Singapore was occupied from 1942 to 1945. After the war, Singapore returned to British control, but with a greater degree of self-government, which eventually resulted in Singapore merging with the Federation of Malaya to form Malaysia in 1963. Initially, Singapore did not want to leave the Malaysian Federation. However, civil unrest and conflict between the People's Action Party and the National Front of Malaysia led to Singapore's separation. On August 9, 1965, Singapore became an independent state. Then, until 1990, Singapore actively carried out economic reforms, becoming one of the Asian Tigers along with Hong Kong, Taiwan and South Korea.

Over the course of 30 years, Singapore has carried out reforms in the civil service, began to attract investment to the state by creating a Financial Center, sent young personnel to study abroad at the expense of the state budget, investing in the future generation. Today, the population of Singapore is 6.04 million people (Singapore Department of Statistics, 2024). Of this figure, 75% are Chinese, 15% are Malays, 7% are Indians. The remaining comprises members of «Other» races, which comprises largely Eurasians. This is a country with a high population density – 4884 people per 1 square kilometer. Singapore's GDP for 2023 is 501.4 billion USD, GDP per

capita is 84,734.26 USD (2023), the GDP growth rate is 1.1 percent per year.

Since Singapore's independence, the country has been governed by the People's Action Party, founded by its first Prime Minister Lee Kuan Yew. Singapore is a parliamentary republic in terms of its form of government. Singapore has a president, but the main power is concentrated in the hands of the government, represented by the Prime Minister. For about 60 years from Singapore's independence until 2024, the country has been governed by prime ministers from the People's Action Party. During this time, Singapore has had only three prime ministers. The first prime minister was Lee Kuan Yew from 1965-1990, the second prime minister was Goh Chok Tong from 1990 to 2004, the third prime minister was Lee Hsien Loong from 2004 to 2024, and in the spring of 2024, a new prime minister, Lawrence Wong, came to power. It is noteworthy that Singapore has the position of Senior Minister Adviser, which Lee Kuan Yew held before the appointment of his son Lee Hsien Loong. And in the current government, after Lee Hsien Loong handed over the position of Prime Minister to Lawrence Wong, Lee Hsien Loong himself moved to the position of Senior Minister Adviser. But despite the monopoly on power of the People's Action Party, the school of Lee Kuan Yew's pupils has shown its effectiveness in governing the state and has raised the well-being of the population to the level of a developed state. Singapore's pragmatic governance has attracted particular attention from the new states that declared independence after the collapse of the Soviet Union. Kazakhstan has been a trading partner of Singapore for 30 years since its independence.

Materials and methods

This article uses a chronological research method, where the starting point is the conclusion of diplomatic relations between Kazakhstan and Singapore. In addition to the above, the article is based on statistical and official data on Singapore's joint projects in Kazakhstan over the past 30 years: the official website of the President of Kazakhstan, the Ministry of Trade and Integration of the Republic of Kazakhstan, the Ministry of Industry and Construction of the Republic of Kazakhstan, the Ministry of Foreign Affairs of the Republic of Kazakhstan. The content analysis method analyzes the correlation be-

tween the statements of top leaders on the path of economic diversification, as well as deepening economic cooperation.

Literature review

Unfortunately, bilateral relations between Kazakhstan and Singapore are generally poorly studied by foreign authors in the academic space. In the English-speaking space, you can find several articles regarding Singapore-Kazakhstan relations.

Of the most important, one can note the scientific article by the statesman of the Republic of Kazakhstan N. Ermekbayev, who worked at the diplomatic mission of the Republic of Kazakhstan in Singapore. This article describes the historical processes of opening the diplomatic mission of Kazakhstan in Singapore, the visit of the President of Kazakhstan to Singapore, views on Singapore and provides a general overview of the bilateral relations between Kazakhstan and Singapore in 2014.

A. Akimov (2020) drew attention to the reasons why Uzbekistan and Kazakhstan could not become Singapore. In this chapter, the reforms undertaken by Uzbek and Kazakh leaders in the first 25 years of their independence are compared with the key reforms proposed by Singapore's leader after independence, Lee Kuan Yew, and in conclusion, it is discussed why Uzbekistan and Kazakhstan could not match the rapid development of Singapore.

The rest of the literature mainly consists of statements by political leaders of the two countries, interviews with diplomats and experts in economic relations between the states.

Results and discussions

After the collapse of the USSR and gaining independence in 1991, the Republic of Kazakhstan began to actively establish diplomatic relations with other countries. Establishing particularly friendly relations and contacts with the states of East and Southeast Asia was a priority, since these Asian countries showed stable economic growth throughout the world. At the dawn of Kazakhstan's independence, the state needed foreign partners. Singapore was one of them.

The document on the establishment of diplomatic relations between Kazakhstan and Singapore was signed on March 30, 1993. The diplomatic

mission of the Republic of Kazakhstan in Singapore was opened in 2003, and later, in 2008, it was transformed into an embassy. Successful political, economic, cultural and humanitarian relations have developed between Kazakhstan and Singapore. Singapore is also the largest trade and investment partner of Kazakhstan in the ASEAN region. According to the results of last year, the gross inflow of direct investment increased to \$400 million from Singapore to Kazakhstan.

In addition to the growing dynamics of economic relations, Kazakhstan and Singapore successfully exchange experience. The Bolashak program was developed considering the Singapore experience. Nazarbayev University has long been a strategic partner of the National University of Singapore. The Nazarbayev University School of Public Policy and the Lee Kuan Yew School of Public Policy closely cooperate. There are student exchange programs between these universities. As for the implementation of technologies, the efforts of the two countries have led to the implementation of a large-scale project to

create four smart satellite cities of the Silk Road. The project is being implemented with the participation of the Singaporean company Surbana Jurong and other companies. The cities will be located along the Almaty-Ust-Kamenogorsk republican highway on the Almaty-Kapchagay section. Smart cities will relate to each other by infrastructure and technologies (See Figure 1).

The main objective of the project is to create new smart cities in the Almaty metropolis with favorable conditions for intensive business development and comfortable life for the population. The project has been implemented for eight years now with the participation of a public-private partnership. Over these years, the path has been covered from the birth of the idea to the first developer entering a site provided with all communications. One of the unique features of the project is that social and cultural facilities built within the PPP are commissioned simultaneously with the commissioning of housing. G4 – four concepts: Gate city, Golden city, Growing city, Green city.

G4 City Master Plan 2050



Source: Gcity.kz

Figure 1

Gate city – transport hub

The project envisages the creation of a passenger transport hub, which will consist of railway and bus stations. The first monorail line in Kazakhstan, connected to the metro, will also be created. The Almaty-Ust-Kamenogorsk and Big Almaty Ring Road (BAKAD) national highways will pass through the city, which will become part of the Western Europe-Western China automobile corridor (the «Silk Road»). The city plans to create a food cluster and residential areas. The transport infrastructure will make Gate City an easily accessible business center.

Golden city – city of education, sports and health

Education, healthcare, sports, culture – the objects of these purposes are the basis of the Golden City structure. Universities and colleges that will train high-level specialists based on the best world teaching methods. Educational institutions, research institutes and pilot production facilities are called upon to become the advanced base for the development of theoretical and applied science in Kazakhstan. Medical and health institutions aimed at providing the highest quality of medical services. Olympic-class sports facilities will become the base for physical education and sports and a venue for prestigious international competitions. A modern hippodrome park and an agro-industrial park will also be built in the city.

Growing city – international transport and logistics center

The economic base of the city is based on international logistics and trade on the railway hub on the Khorgos-Zhetigen line and further Lianyungang-Urumqi-part of the Western Europe-Western

China corridor («Silk Road»). Logistics terminals, warehouse areas, and wholesale and retail trade zones are included in the city structure. The new international airport will continue to form the infrastructure of a single trade-transportation complex «Railway Hub-Automobile Hub-Airport-Free Economic Zone».

Green city – city of rest and entertainment

Green city, located on the shore of Kapshagay, will become the largest resort area. Beach recreation, an amusement park, an oceanarium, a casino and golf courses will be available to a wide audience due to the proximity of the international airport and developed road and transport infrastructure. At the same time, special attention is paid to preserving and improving the environmental situation. And low-rise buildings of the prestigious class, large areas of park zones create a recreational atmosphere.

All cities will be interconnected. All conditions are created in such a way as to turn these cities into a business and financial center with an international transport and logistics hub, with its own center of education, health and sports, as well as a place of attraction for tourists. At the same time, G4 City will be available to a wide range of the population. G4 will be included in the state programs «Affordable Housing-2020» and «Development of Regions until 2020».

Trade cooperation

Trade turnover between Kazakhstan and Singapore has shown steady growth over the past few years (see Figure 2). Kazakhstan exports raw materials, metals, grain, agricultural products and chemicals to Singapore.

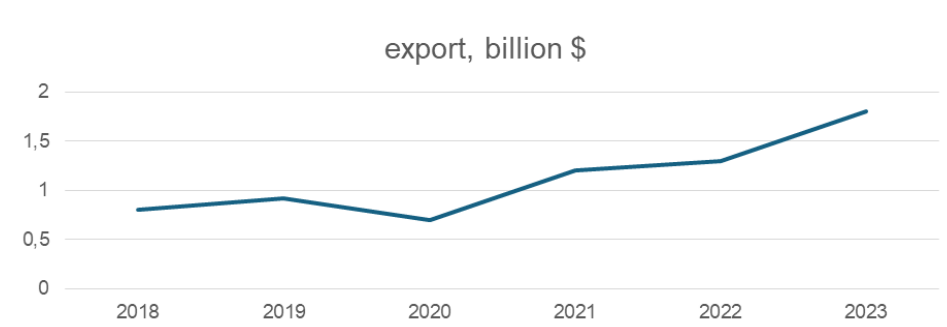


Figure 2

In turn, Singapore supplies high-tech products, electronics and IT services, medical equipment, pharmaceuticals and chemical products to Kazakhstan. In order to increase the volume of bilateral trade, the countries are working to eliminate trade barriers and simplify customs procedures. Agreements on cooperation in the field of standardization and certification of products have been signed, which contributes to the expansion of the range of goods in the markets of both countries. The growth in agricultural exports from Kazakhstan is due to the increased demand for high-quality grain and oilseed crops in Singapore. The increase in imports of medical equipment and pharmaceuticals is associated with the modernization of the healthcare system of Kazakhstan and increased attention to public health after the pandemic.

In terms of investment cooperation, Singapore is one of the leading Asian investors in the economy of Kazakhstan. As of the end of 2022, the total volume of direct investments amounted to more than US\$2 billion. Singaporean companies are interested in investing in the economy of Kazakhstan, especially in the energy, infrastructure, logistics and financial services sectors. Kazakhstan, in turn, is interested in attracting Singapore's experience in public administration, urbanization and human capital development. Several large Singaporean investors operate in Kazakhstan, participating in projects to build modern logistics centers, develop port infrastructure and create industrial parks. One of the significant investments is the Smart City project in Astana, an investment of US\$80 million. In 2017, the Concept of Sustainable Development of the Capital «Smart Astana» was created, according to which it was supposed to solve the main problems of the city through the introduction of «smart» technologies in two directions: management of urban resources and services and improvement of infrastructure.

When it comes to Kazakhstani investments in Singapore, despite the smaller volume of Kazakhstani investments in Singapore, there is a tendency to increase them. Total investment for 2022: about 200 million US dollars. The main areas of investment are financial services, trade and logistics.

Free Trade Agreement between the EAEU and Singapore (2022).

The Free Trade Agreement between the Eurasian Economic Union (EAEU) and Singapore

provides Kazakhstan with a number of significant benefits:

1) Increased Trade: Reduction or elimination of customs duties simplifies the export and import of goods between Kazakhstan and Singapore, which contributes to the growth of mutual trade.

2) Diversification of Export Markets: Kazakhstan gets the opportunity to enter a new sales market, which reduces dependence on traditional trading partners and increases the resilience of the economy.

3) Attracting Investment: Singapore is one of the leading financial centers in the world. The agreement can stimulate the inflow of foreign direct investment from Singapore into various sectors of the Kazakh economy, such as infrastructure, logistics and information technology.

4) Transfer of Technology and Knowledge: Partnership with Singaporean companies opens access to advanced technologies and management practices, which can improve the efficiency and competitiveness of Kazakh enterprises.

5) Infrastructure Development: Joint projects in the field of transport and logistics can improve Kazakhstan's infrastructure network, making it a key link in trade routes between Asia and Europe.

6) Strengthening Regional Role: Active participation in international agreements increases Kazakhstan's status on the world stage and facilitates its integration into the global economy.

7) Creating New Jobs: Increased investment and business expansion lead to the creation of additional jobs, which has a positive impact on the socio-economic development of the country.

Overall, the agreement contributes to strengthening economic ties, developing trade and investment activity, which has a positive impact on the economic growth and well-being of Kazakhstan.

Prospects for further cooperation

The prospects for economic relations between Kazakhstan and Singapore are very encouraging. Both countries plan to deepen cooperation in the field of digital economy, green technologies and innovation. The development of the Trans-Caspian International Transport Route opens up new opportunities for logistical cooperation, allowing Singapore to use Kazakhstan as a hub for access to the markets of Europe and Central Asia.

The possibility of concluding a free trade agreement between Kazakhstan and Singapore is being

considered, which could significantly increase the volume of bilateral trade and investment.

Cooperation is also planned in:

1) Green Economy

- Hydrogen Energy:

Kazakhstan plans to invest US\$1 billion in the development of green hydrogen production by 2030.

Singapore is considering the possibility of importing hydrogen and participating in projects.

- Renewable Energy:

Joint projects to build 200 MW solar power plants.

US\$150 million investment by Singaporean companies.

2) Digital Transformation

- Fintech and Blockchain:

Creation of a US\$100 million venture fund to support startups. Partnership between Astana International Financial Centre and Singaporean fintech companies.

- Cybersecurity:

Joint trainings and seminars. Development of a national cybersecurity strategy with the participation of Singaporean experts.

Conclusion

Economic cooperation between Kazakhstan and Singapore is a shining example of a successful part-

nership between countries with different economic models but common strategic goals. Economic relations between Kazakhstan and Singapore have great potential, but they face a number of challenges. Firstly, the economies of the two countries are very different: Singapore is a high-tech financial centre, while Kazakhstan is still focused on the extraction of raw materials. Geopolitics also plays a role: Kazakhstan is under the influence of Russia and China, which may limit its ability to independently cooperate economically with other countries. Logistical difficulties also add to the problems: there are no direct transport routes, which complicates trade. In addition, the difference in legal systems and different approaches to doing business (language barriers) do not make the task easier. However, with institutional reforms, the development of transport corridors, strengthening cooperation in the field of technology and the green economy, as well as strengthening the role of the Astana International Financial Centre (AIFC), these challenges can gradually be overcome.

Funding

This research was funded by the Science Committee of the Ministry of Science and Higher Education of the Republic of Kazakhstan, project IRN: AP19677768

References

- Akorda. (2023). Official website of the President of the Republic of Kazakhstan. Presidents of Kazakhstan and Singapore held talks. <https://www.akorda.kz/en/presidents-of-kazakhstan-and-singapore-hold-talks-224490>
- Akimov, A. (2020). Why Uzbekistan and Kazakhstan could not become Singapore: A comparative analysis of reforms. *Journal of Central Asian Studies*, 45(3), 123-145.
- Department of Statistics Singapore. (2024). Population trends 2024.
- Eurasian Economic Union. (2022). *Free Trade Agreement with Singapore*. <https://eec.eaeunion.org/en/comission/department/dotp/torgovye-soglasheniya/singapore.php>
- Forbes Kazakhstan. (2024). Kazakhstan – Singapore: Prospects. https://forbes.kz/articles/kazakhstan_singapur_perspektiviyi
- Gcity.kz. G4 City project: Gate city, Golden city, Growing city, Green city. <https://www.gcity.kz>
- Kazakhstan-Singapore Business Council. (2022). Investment opportunities in Kazakhstan. <https://www.ksbc.sg/>
- Lee, K. Y. (2000). *From Third World to First: The Singapore story*.
- Ministry of Foreign Affairs of the Republic of Kazakhstan. (2023). Kazakhstan-Singapore bilateral relations.
- Ministry of Trade and Integration of the Republic of Kazakhstan. (2023). Trade statistics with Singapore.
- National Chamber of Entrepreneurs of the Republic of Kazakhstan. (2024). Kazakhstan and Singapore strengthened trade and economic relations. <https://atameken.kz/ru/news/52006-kazakhstan-i-singapur-ukrepili-torgovo-ekonomicheskije-otnosheniya>
- Surbana Jurong. (n.d.). Smart city projects in Kazakhstan. <https://www.surbanajurong.com>
- World Bank. (2023). Singapore GDP and economic indicators. Retrieved from <https://www.worldbank.org>
- Yermekbayev, N. (2015). In Celebration of a Kazakhstan–Singapore Partnership. In *The Little Red Dot: Reflections of Foreign Ambassadors on Singapore* (pp. 145-150).
- Yew, L. K. (1998). *The Singapore story: Memoirs of Lee Kuan Yew*.

Information about authors:

Arystanbek Akylbay (corresponding author) – PhD student of Psychological Sciences, Professor of the Department of General and Applied Psychology of al-Farabi Kazakh National University (Almaty, Kazakhstan, email: arystanbek.akylbay@area.ox.ac.uk);

Aibol Argyngazinov – Lecturer at the Institute of Management of the Academy of Public Administration under the President of the Republic of Kazakhstan (Astana, Kazakhstan, e-mail: a.argyngazyuly@apa.kz).

Сведения об авторах:

Акылбай Арыстанбек Аскарулы (корреспондентный автор) – докторант кафедры китаеведения КазНУ им. аль-Фараби. С января 2025 года является признанным студентом Оксфордского университета (г. Оксфорд, Великобритания, эл. почта: arystanbek.akylbay@area.ox.ac.uk);

Айбол Аргынгазинов – преподаватель института менеджмента Академии государственного управления при Президенте РК (г. Астана, Казахстан, эл. почта: a.argyngazyuly@apa.kz).

*Accepted July 23, 2024
Received February 15, 2025*