

# Singapore to shame other errant banks after 1MDB saga

AFP, Singapore

Singapore's central bank chief vowed Monday to name and shame other banks engaged in money-laundering after a scandal involving Malaysian state fund 1MDB hurt the city-state's financial reputation.

The money-laundering lapses uncovered during a 15-month investigation into fund flows linked to 1MDB are "simply unacceptable", Monetary Authority of Singapore (MAS) managing director Ravi Menon told a press briefing.

"There is no doubt that the recent findings have made a dent on our reputation as a clean and trusted financial centre," he said.

At the time of the transactions, it was not apparent to financial regulators worldwide that the fund flows were illicit, he said, adding that clues only started to emerge in 2014 -- some four years after the earliest transactions.

MAS began investigations in

2015, Menon said, declining to comment further because of continuing probes.

The MAS, which regulates the financial sector and also functions as Singapore's central bank, said it would be stepping up enforcement.

While previous regulatory dealings with errant financial institutions were kept confidential, Menon said some of them would now be named in public, especially in areas concerning money-laundering and terrorism financing.

"We are beginning to take a different tack because I think naming and shaming hurts them more than financial penalties," he said.

In a joint statement with the police and the Attorney-General's Chambers last week, the MAS revealed it had seized nearly \$180 million in assets through investigations into 1MDB.

Half of these were linked to Low Taek Jho, a Malaysian businessman and a close family friend of embattled

Malaysian Prime Minister Najib Razak.

It came one day after the US Justice Department moved to seize more than \$1 billion in assets allegedly bought with money stolen from 1MDB.

Singapore in May kicked out Switzerland's BSI Bank over "gross misconduct" linked to 1MDB.

Swiss financial regulators later dissolved the bank for similar reasons.

Singapore authorities last week also said investigations found that Singapore-based DBS Bank, Standard Chartered Bank's Singapore Branch and Swiss-based UBS had exhibited "undue delay in detecting and reporting suspicious transactions".

It also noted lapses by Swiss bank Falcon PBS, saying it was still investigating them.

An ex-BSI banker and another man have been charged in a Singapore court with various offences and several others are being questioned.



Akku Chowdhury, managing director of Transcom Foods Ltd that runs KFC in Bangladesh, launches a new menu to mark its 10th anniversary of operations in the country.

## KFC launches special menu on 10th anniversary

STAR BUSINESS DESK

International restaurant chain KFC yesterday launched a new menu to mark the 10th anniversary of its operation in Bangladesh.

In the menu, there will be some new items, some price changes and many more attractive offers, KFC, a franchisee of Transcom Foods Ltd, said in a statement.

"The Freedom Box introduced this year became very popular. This time, the restaurant comes up with Freedom Box with rice and Freedom Box with zinger," according to the statement.

"We are also offering Best of KFC at an attractive price. Freedom Box will have five varieties of products in a box while Best of KFC will be a bucket of three varieties of chicken— HC, Hot Wing and Strip—at Tk 888."

Akku Chowdhury, managing director of Transcom Foods Ltd, along with celebrities, including Mumun, Bonna Mirza, Sharmin Lucky and Tusti, launched the menu at a programme.

KFC is a global restaurant chain operated in 123 countries by Yum! Restaurants International. The restaurant opened its first outlet in Gulshan 1 in 2006. Now it has 19 outlets in different locations across Bangladesh.



Mosharraf Hossain, housing and public works minister, inaugurates the flagship showroom of Duravit, a German sanitary fittings manufacturer, in Dhaka on Sunday. Duravit jointly opened the showroom with Evergreen Trading International Ltd. Mobasher Hossain, managing director of Duravit India Private Ltd, and Abul Kalam Azad, managing director of Evergreen Trading International Ltd, were also present.



Md Towhidur Rahman, chairman of Shahjalal Islami Bank, and Farman R Chowdhury, managing director, attend the bank's 236th board meeting.

## Apps and games development institutes on way

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The current size of the local games market is about \$40 million a year and is growing at 7-8 percent, he said. The market is almost exclusively catered by imports.

The size of the games market in India is about \$525.5 million, while that of Sri Lanka is \$31 million, according to the project document.

"The domestic demand for mobile games should be fulfilled by the local developers. Within the next five years, we want to earn money from the games development sector."

Under the project, 300 apps for the government and private services, 50 mobile enterprise application solutions for different industries, 400 interactive education applications and 300 games will be developed.

The government will also run awareness and publicity programmes on games and apps, along with online quality assurance examination and evaluation of the apps.

One international mobile apps exposition and seven divisional apps and gaming fair will also be organised.

The ICT division has already written to the public administration ministry to appoint a project director and within a short time other related work will begin, said an official of the ICT division.

## EU working with consumer groups to pressure VW for compensation

REUTERS

Europe's Commissioner for Justice is working with EU consumer groups to pressure Volkswagen to compensate clients in Europe as it has in the United States over the diesel emissions scandal.

The German carmaker has pledged up to \$15.3 billion to compensate 475,000 owners of VW diesel-powered cars, but has so far rejected such calls for the 8.5 million affected vehicles in Europe, where different legal rules weaken the chances of winning a payout.

Instead, it is implementing a technical fix approved by regulators to remove illicit software that cheated emissions tests, saying this meant car owners in Europe would not suffer a loss of value. Most US owners will get \$5,100 to \$10,000, based on the pre-scandal value of their vehicles.

Seeking to step up pressure on VW, European Commissioner Vera Jourova said in an email: "We are working with the consumer authorities to ensure EU consumers get a fair treatment."

The Commissioner sent a letter to national consumer protection authorities in the 28 member states last week to gather information on the difficulties they face and how they might coordinate their efforts, a spokesman for the EU executive Christian Wigand said in an email.

Options will be discussed when the Commission organizes a meeting with consumer groups in Brussels in September, he said.

Volkswagen declined to comment. Despite calls from Jourova and other EU officials for VW not to discriminate against car owners in Europe, responsibility for policing, penalties and enforcement in the EU lies mainly with national authorities.

Consumer groups and lawyers in Europe lack of mechanisms to marshal complaints such as U.S.-style class-action lawsuits. Legal "wriggle room" over whether software used to switch off emissions controls contravene EU law has muddied the waters.

Consumer organizations in Belgium, Spain and Italy have launched group actions on behalf of affected consumers, the Brussels-based European Consumer Protection (BEUC) said, but such recourse is not available in other EU nations.

"The European Commission is one of the few authority which is actually trying to do something," Johannes Kleis of BEUC said.

"This political signal is necessary," Kleis added. "We know that the Commission has no enforcement power, but when they coordinate action from national consumer authorities it could help to get compensation for EU car drivers."

## Thai junta chief eyes halal hub for restive south

AFP, Thailand

Thailand's junta chief vowed Monday to reboot the flagging economy of the kingdom's poor and rebel-hit south, including by making the Muslim-majority region a hub for halal produce.

Thailand's southernmost provinces have been wracked by violence since 2004 that has left over 6,500 people dead and eviscerated the economy which depends heavily on agriculture.

But the near-daily shootings and bombings make few international headlines, while Bangkok is accused of ignoring the region's plight. Prayut Chan-O-Cha's military government, which came to power in a 2014 coup, has failed to revive peace talks with the rebels.

On Monday he turned his focus to the economy in one of Thailand's poorest regions vowing to drive investment despite the ongoing violence.

"It is time to bring good economic

activity here. I will do everything for this area," Prayut said during a rare visit to Narathiwat, one of the four insurgency-wracked states bordering Malaysia.

"The government will support every idea, particularly the halal food business so that Thailand can become number one" in Southeast Asia, he added.

Thailand is the world's 13th largest halal producers, according to government figures from 2015, but the sector is largely based outside of the strife-torn "Deep South".

Prayut's administration has approved plans to inject the industry with cash in bid to turn Thailand into one of the top five largest exporters of halal products and services.

The southern rebels are fighting for greater autonomy from majority-Buddhist Thailand, which they accuse of suppressing their distinct Muslim-Malay culture.

Rights groups say soldiers' history of heavy-handed raids, extrajudicial killings, torture and other abuses in the region have sowed deep mistrust of the military among locals.

## Consortium to invest \$12m to make LPG cylinders

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The domestic gas supply is declining but the demand is increasing by the day.

"Since 2009, we have found some very small gas fields and we can increase our production by 30 percent. But the demand more than doubled in the last six years."

The government is also trying to import

liquefied natural gas, but it will take some more time, he said.

"In the meantime, LPG can meet up some of the gas demand."

Abbas Vaezi Dehnavi, Iran's ambassador to Dhaka; AR Khan, chairman of Bangladesh Energy Regulatory Commission; and Shafiqul Islam, FBCCI's first vice-president, also spoke.



Muhammad Awal Khan, managing director of Rajshahi Krishi Unnayan Bank, attends the bank's performance evaluation meeting of all zonal managers, at Party Point Restaurant on Saturday.



Md Eunusur Rahman, finance secretary of the bank and financial institutions division, and Mohammad Ismail, chairman of Bangladesh Krishi Bank, attend a day-long conference for divisional, regional and corporate heads of the bank.

## Honda may invest \$60m in motorcycle plant

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Imtiaz Hossain Chowdhury, chairman of BSEC, said it would be better for the country if Bangladesh Honda can set up a separate manufacturing plant in the SEZ as the market for the company is increasing with a rise in the number of customers here.

"We do not have a problem if Bangladesh Honda leaves us, as we have been working under a joint venture since December 2013," Imtiaz told The Daily Star by phone.

In the joint venture, BSEC has a 30 percent stake and Honda has the rest; the company produced 15,000 motorcycles in fiscal 2015-16 and 10,000 in fiscal 2014-15, Imtiaz added.

He, however, said motorcycle sales in Bangladesh have been decreasing every year because of higher prices resulted from rising taxes and supplementary duties on import of motor parts. Higher registration fees also lead to a rise in prices.

Sales declined to below 150,000 pieces a year from 275,000 pieces a few years ago, he said.

## BB to set higher credit growth target

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Referring to the central bank's discussions with the economists, former BB governor Mohammed Farashuddin said additionally special care will be needed to minimise the effect of escalating terrorist activities.

"I think the monetary policy should be accommodative. The growth achieved in the private sector credit should be encouraged," said Salehuddin Ahmed, another former BB governor.

In the present context, giving much emphasis on inflation is not necessary, he said.

If investment and growth increase, people's purchasing capacity will automatically increase. In such a scenario, it would not be appropriate to lower private sector credit growth to lay stress on containing inflation, he added.

Zahid Hussain, lead economist of the World Bank's Dhaka office, is of a different opinion on this.

"It will be important to maintain policy continuity on the side of caution rather than aggression, particularly when the fiscal policy is moderately expansionary."

## WB gives \$10m to set up data centre

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The introduction of electronic government procurement in recent years has laid a good foundation of public procurement, said Kazi Shofiqul Azam, additional secretary of ERD.

As a result, transaction costs have gone down and tender processing time has come down from 51 days in 2012 to 29 days in 2015, he said.

Bangladesh has processed more than 55,000 government tenders online at a total value of about \$5.8 billion and registered 21,000 bidders under the e-GP system since 2012.

With the additional financing, a data centre with increased capacity will enable other public sector agencies to access the e-GP platform, he added.