

## **Big players muscling their way into Singapore's remittance industry**

**By Jennifer Alejandro, Channel NewsAsia**  
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SINGAPORE : The remittance industry in Singapore has never seen this much action. This multi-billion dollar industry used to be dominated by one major US firm and several smaller independent agents.

But now new entrants -- big names at that -- are muscling their way in.

Lucky Plaza is a popular weekend haunt for Filipinos and home to some of the many remittance centres across Singapore.

Migration International figures show, there are more than half a million foreign workers in Singapore, mostly coming from the Philippines, Indonesia, Thailand , India, Bangladesh and China.

Some 80,000 are skilled professionals; 200,000 are construction workers, while domestic workers total more than a hundred thousand, with many supporting families back home.

In fact, the Monetary Authority of Singapore says S\$9 billion was remitted out of Singapore last year, compared to S\$6.5 billion in 2000.

And hoping to cash in are two new players.

POSB has opened a new specialised branch in Lucky Plaza and another is slated to open later this year in Little India.

Although POSB and its parent DBS have been offering remittance services at their various branches all along, this new set-up marks an aggressive leap into the niche market of foreign labour.

"We have a process at POSB and DBS wherein we continuously try to improve our products and services and this is just a result of that process," said Andrew Y Ko, vice president of DBS Bank.

Money transfers at regular banks typically cost S\$12 to S\$13, while POSB's remittance centre charges between S\$6 to S\$8 a time.

Another new player is the Parmon Payment Network (PPN) , which partnered with Singapore Post and is a conglomerate of some of the Philippines' richest families.

It offers the lowest rate in town of S\$3.50 per transaction.

"We foresee as we move along and volume gets bigger, we should be able to reach our financial goals," said Paul Infante Monozca, chairman of the Parmon Group. Stiff competition is resulting in cut-throat fees and Parmon is prepared to absorb losses for the first year or so just to capture a piece of the lucrative pie.

Smaller competitors at Lucky Plaza say the impact is already being felt, with some suffering a 10 percent drop in takings.

And in a business with low profit margins where volume is key, that counts for a lot. The new and bigger players, analysts say, could hasten a shakedown among the smaller remittance centres.

And in order to survive, smaller players could bite the bullet and drop rates even further -- perhaps merging operations or quitting the game altogether. – CAN

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