

Philippine tycoons to set up remittance base in S'pore

They want to capture 30% of global remittance business of overseas Filipinos, with Singapore as hub

By **BRYAN LEE**

AT A time when corporates are finding it increasingly tempting to locate their regional headquarters in China, a fledgling investment company with global ambitions is embarking on a remittance business with Singapore as its chief processing centre.

In fact, the Parmon group, controlled by a group of tycoons based in the Philippines, is looking to make Singapore its global bill payment and remittance hub if it succeeds in its aim of being a major player in the US\$80-billion (S\$140-billion) business.

The group — an in-

vestment vehicle of the scions of five of the Philippines' richest families — has set its eyes on capturing up to 30 per cent of the global remittance business of overseas Filipino workers in two years' time.

Parmon, which was formed about 18 months ago, plans to roll out its bill payments and remittance service the world over by the end of next year.

The group, which has already begun its bill payment service here in collaboration with Singapore Post, will introduce its remittance services once it receives an approval from the Monetary Authority of Singapore (MAS).

Citing Singapore's efficient and high-technology infrastructure, chairman Paul Monozca said in an interview that the Republic was "very well-positioned" to be a processing centre and was chosen over other financial hubs such as Hong Kong and Britain as costs were lower here.

The company will first focus on the overseas Filipino worker market where it has a home-ground advantage.

Parmon is eyeing annual revenues of US\$10 million to US\$20 million that will be generated from the US\$7 billion sent back annually to the Philippines by its seven million nationals working overseas.

In Singapore alone, Parmon is expecting at least \$1.5 million a year from the 60,000 Filipinos working here. Mostly domestic helpers, they sent



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home about US\$200 million last year, Mr Monozca said.

The MAS, which oversees this business, says there are 112 remittance agents here who handled \$9.3 billion last year. But it could not say how much of this went to the Philippines.

After its Singapore launch, Parmon plans to offer its services to Filipino workers in Hong Kong and Britain and then in the United States — which commands over half of the market — as well as Japan and the Middle East.

On its plans to go beyond the overseas Filipino worker market, Mr Monozca said that Parmon is looking to expand its services to Chinese, Indonesian and Thai foreign workers in two years.

The company is hoping to leverage on its close links with major banks

and businesses in the Philippines.

Its shareholders own three of the top 10 banks in the country as well as many top companies. This has enabled the company to assemble a list of 25 companies that use its bill payment service.

Parmon is also hoping to capitalise on new rules enacted after the Sept 11 attacks by the US Treasury. These aim to curb illegal money laundering by informal, non-bank financial operators as the US tries to choke off terrorist access to financing.

Said Mr Monozca: "There is a big possibility that many remittance centres will have to close down because of the new US anti-terrorism laws."

But Parmon's direct links to major Philippine banks as well as its transparent and accountable system will satisfy new US regulations, he said.