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17 MNCs in Asia sign first pledge against graft

They will also ensure that affiliated firms comply with unfair competition laws

By Zakir Hussain, Political Correspondent

CORRUPTION is an accepted business practice in many parts of Asia, and few organisations have taken steps to fight it.

QUOTE

CPIB director Soh Kee Hean noted that in places like the Middle East, Singapore companies are viewed in a positive light because of their reputation for being clean. 'This is something we need to jealously guard,' he said.

Yesterday, 17 multinational companies operating in the region pledged to make a difference - and stamp out graft.

They signed the region's first anti-corruption declaration of its kind at a conference on governance and anti-corruption.

Witnessing their undertaking was Law Minister K. Shanmugam, who said: 'Corruption is a cancer that has been eating away at many societies in the world.

'It leaches out the structures and institutions of states and allows a small number of individuals to suck the blood out of the corpus of a state.'

He added: 'Everyone, both in the public and private sectors, has a responsibility to fight this and safeguard integrity and create a clean, corruption-free environment.'

Under the declaration, the companies - from food and beverage company Apex-Pal to consumer goods manufacturer Unilever - agree to comply with laws and regulations on corruption and unfair competition.

They will also put in place processes to ensure their affiliated companies and sub-contractors comply with these laws.

The idea for the pledge came from think-tank Singapore Institute of International Affairs, which organised the conference. Its chairman, Dr Simon Tay, described it as a 'gentle but firm' commitment.

He was glad that home-grown companies had signed it.

Among them is OCBC Bank, whose chief financial officer Ching Wei Hong noted the diversity of social customs and cultural practices across communities.

'Despite such differences in the geographies that we operate in, we believe in upholding our core value of integrity as a consistent standard in all our business activities,' he said.

Another signatory is industrial and engineering giant Siemens, headquartered in Germany.

Three years ago, it became public that the multinational - which employs 420,000 people around the world - had run an elaborate bribe-and-kickback system to secure foreign contracts.

The scandal forced a string of top managers to resign, and the company then embarked on a global anti-corruption effort, said its chief compliance officer Andreas Pohlmann.

'It is important to show the right leadership, from the top, on this issue,' he told The Straits Times.

Yesterday was the second day of the two-day conference at the Grand Copthorne Waterfront Hotel, attended by more than 200 officials, academics and international business leaders.

Among the speakers was Mr Soh Kee Hean, director of the Corrupt Practices Investigation Bureau (CPIB), Singapore's anti-corruption

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watchdog.

He said an oft-cited question is whether demand for bribes drives supply or if a ready supply drives demand, but Singapore's position is that both are equally harmful and would be dealt with.

'The accomplice to corruption is frequently indifference,' he added.

Associate Professor Mak Yuen Teen, co-director of the Corporate Governance and Financial Reporting Centre at the National University of Singapore Business School, asked Mr Soh if CPIB was concerned about Singapore companies engaging in corrupt practices overseas and whether it would take them to task.

Mr Soh replied that the law allows CPIB to take action against Singapore-registered companies and Singaporeans who commit corruption overseas.

'We have in the past prosecuted them in Singapore courts and, if need be, we will do it again,' he said.

'We do not want Singaporean individuals leaving the country and spoiling the brand name that we have.'

Mr Soh noted that in places like the Middle East, Singapore companies are viewed in a positive light because of their reputation for being clean.

'This is something we need to jealously guard,' he said.

Another participant asked if there were enough safeguards in Singapore to protect whistle-blowers.

Yes, said Mr Soh. 'We are not obliged to let anybody know where the information came from or who gave it. When the case goes to court, the judge cannot ask who that person is.'

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