

Singapore banks urged to curtail loans to haze-linked firms

October 9 2015, by Martin Abbugao



A worker waters a field as downtown buildings are shrouded in smog in Singapore on October 5, 2015

An umbrella group of local and foreign banks in smog-hit Singapore has urged members to make "sustainable development" part of their lending requirements, stepping up pressure on companies linked to land-clearing fires in Indonesia.

The 158-member Association of Banks in Singapore (ABS) on Thursday

issued guidelines for the inclusion of [greenhouse gas emissions](#), deforestation, forest degradation and biodiversity loss among the criteria for approving commercial loans.

The move came in the wake of fires illegally started to clear land for plantations on Sumatra island and the Indonesian part of Borneo, which have shrouded Singapore and Malaysia in acrid smoke since early September.

"The banking sector in Singapore wants to play a bigger role in driving responsible business and long-term [sustainable development](#)," ABS director Ong-Ang Ai Boon said in a statement.

The smoky haze has also reached the popular Thai holiday islands of Phuket and Samui, forcing several planes packed with beach-bound tourists to turn back.

Palm oil and pulp and paper companies are believed to be the main culprits behind the use of burning to clear massive tracts of land for their plantations, but prosecution by Indonesian authorities has been rare, prompting affected countries like Singapore to resort to economic pressure.

Singapore's biggest supermarket chain, NTUC Fairprice, this week withdrew from its shelves all paper products sourced from Indonesian-owned Asia Pulp & Paper (APP), which has corporate offices in the city-state.

The company's suppliers are suspected of starting forest fires in Indonesia.

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Citation: Singapore banks urged to curtail loans to haze-linked firms (2015, October 9) retrieved 26 April 2024 from <https://phys.org/news/2015-10-singapore-banks-urged-curtail-loans.html>

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