

**Sep 12, 2006****Throwing the book at polluters****By For The Straits Times, Ivan Png**

MANY months of intensive preparation will soon climax with the Sept 14 opening of the 2006 International Monetary Fund (IMF) and World Bank Annual Meetings. Interestingly, the meeting is being held in Asean - a region where the role of the IMF during the 1997-98 Asian financial crisis was controversial.

Meanwhile, as we prepare to welcome the world's financial policymakers, we have been suffering several consecutive days of haze. The Pollutant Standards Index (PSI) has hovered above 50 - that is, outside the 'good' range - since last Thursday. The main cause of the poor air quality is the burning of forests in neighbouring Indonesia.

Fortunately, the haze is not (yet) as terrible as it was in 1997 when the PSI hit a record high of 226 and the reading hovered around 100 for 12 consecutive days. Ironically, it was probably Indonesia's economic recession coupled with a change in weather conditions that ended the 1997 haze.

Just weeks ago, Singapore got a favourable rating from the international media for its air quality, which is better than that of its regional competitor, Hong Kong. Some hedge fund managers were reported to be considering relocation to Singapore.

But with the haze now moving in our direction, hedge fund managers might just move in another direction.

This year's haze, appearing just as delegates to the IMF-World Bank meetings are arriving, simply adds insult to injury.

Indonesian President Susilo Bambang Yudhoyono visited Singapore last week. Before his visit, Indonesian Minister of Communication and Information Sofyan Djalil assured that his government had 'targeted extinguishing all hot spots by Sept 2, before the working visit of the President to Singapore'.

President Yudhoyono has come and gone, but the haze continues.

In 2002, Asean signed an Agreement on Transboundary Haze Pollution. The agreement provides no enforcement mechanism and, in the good Asean fashion, relies on each country to do its part for the good of all. Nevertheless,

Indonesia has refused to ratify even this fairly toothless piece of paper.

Can we do something more besides wait and hope?

A better solution would be for Singapore to extend the scope of the Environmental Pollution Control Act to foreign polluters that cause harm here.

Indonesia is pressing Singapore to sign an extradition treaty. This would dovetail nicely with the proposed extension to our environmental law. Any person charged with causing cross-border pollution should be extradited for trial in Singapore.

In principle, trying an Indonesian polluter would be no more difficult than trying Singaporeans accused of having sex with under-aged children in foreign countries. In both instances, the prosecutor would have to collect evidence in the foreign jurisdiction.

One difference is that the environmental offence involves a foreign defendant. It might be asked why any Indonesian company would show up to be prosecuted in a Singapore court.

The answer is simple: The same businesses that are clearing plantation land by fire may well have a substantial presence in Singapore. They need funds to finance themselves, marketing and trading services to promote their sales and transportation networks to ship their products. They are very likely to be using our financial markets, trading houses as well as ports and airports.

The Attorney-General can prosecute the Singapore-based affiliates of the polluters. We are fast approaching the 10th anniversary of the terrible haze and the Asian financial crisis. The solution to both environmental and fiscal problems is the same: proper governance. Good financial governance has already been put in place. Now, it is time to do likewise for cross-border environmental management.

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