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MAHATHIR - BANK
BM

LABUAN, OCT 14 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY THE GOVERNMENT WILL NOT ALLOW INSTITUTIONS OR BANKS WITH DUBIOUS INTENTIONS TO ENTER AND OPERATE ON THIS ISLAND.

OPENING TWO SUBSIDIARIES OF PUBLIC BANK BHD -- PUBLIC BANK (L) LTD AND PB PUBLIC TRUST CO SDN BHD -- AT WISMA OCEANIC HERE, HE SAID THE GOVERNMENT DID NOT WANT BAD ELEMENTS TO TAKE ADVANTAGE OF THE ISLAND'S POSITION AS AN INTERNATIONAL OFFSHORE FINANCIAL CENTRE.

THE FEDERAL GOVERNMENT HAD SPENT MUCH MONEY TO PROVIDE VARIOUS FACILITIES AND INCENTIVES TO MAKE LABUAN ATTRACTIVE TO FOREIGN INVESTORS, THE PRIME MINISTER SAID.

+SIX LAWS HAD TO BE AMENDED TO MAKE LABUAN AN INTERNATIONAL OFFSHORE FINANCIAL CENTRE AND THE GOVERNMENT WAS READY TO PROVIDE ATTRACTIVE INCENTIVES INCLUDING TAX REFLIEF.+

+TO ENSURE THAT UNDERSIRABLE ELEMENTS DID NOT ENTER THE ISLAND, THE GOVERNMENT WILL ENFORCE STRICT CHECKS BEFORE APPROVING FOREIGN INSTITUTIONS TO COME OVER AND OPERATE IN LABUAN,+ HE ADDED. -- MORE
1712MST 14 10 90

D492

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MAHATHIR - BANK 2 LABUAN

WELCOMING PUBLIC BANK'S DECISION TO EXTEND ITS ACTIVITIES TO LABUAN, THE PRIME MINISTER HOPED AS AN EARLY BIRD JUST AFTER BANK BUMIPUTRA, PUBLIC BANK WOULD BE SUCCESSFUL IN ITS EFFORTS.

HE SAID APART FROM MAKING LABUAN A MODERN FINANCIAL CENTRE, THE GOVERNMENT ALSO PROPOSED TO ENCOURAGE THE DEVELOPMENT OF THE ISLAND'S TOURIST SECTOR.

PUBLIC BANK CHAIRMAN TAN SRI THONG YAW HONG SAID THE BANK'S DECISION TO SET UP THE TWO SUBSIDIARIES IN LABUAN REFLECTED ITS CONFIDENCE IN LABUAN'S GREAT FUTURE AS A FINANCIAL CENTRE.

PUBLIC BANK WAS CONFIDENT THAT LABUAN WOULD EMERGE AS THE FOREMOST OFFSHORE FINANCIAL CENTRE IN THE ASIA-PACIFIC REGION, TAN SRI THONG SAID.

ALSO PRESENT AT THE FUNCTION WAS THE PRIME MINISTER'S WIFE DATUK SERI DATIN PADUKA DR SITI HASMAH.

THE PRIME MINISTER AND DATUK SERI DATIN PADUKA DR SITI HASMAH ALSO VISITED THE PERNAS-SIME DARBY DUTY FREE SHOP HERE. -- BERNAMA
1727MST 14 10 90