

PUSH FOR MORE BUSINESS

By K.T. Arasu

KUALA LUMPUR, Tues. — The Government has assured the private sector that it will liberalise business and industry further.

It also promised to keep Labuan, Malaysia's offshore financial centre, free of illegal activities by admitting only "players of integrity and international standing."

Datuk Seri Dr Mahathir Mohamad said today the policy allowing 100 per cent foreign equity ownership of manufacturing projects, which was to have expired last year, had been extended to this year.

"Further measures to introduce greater liberalisation in the private sector will

be announced later, together with the release of the Second Outline Perspective Plan in June," the Prime Minister said.

And he pledged to continue promoting a healthy climate for business when opening a two-day conference here on *Labuan — An International Offshore Financial Centre*.

It is jointly organised by Mida, the Malaysian Institute of Accountants and the Malaysian Insurance Institute.

Dr Mahathir said the Government would give priority to developing the financial services industry.

"A more efficient, innovative and competitive financial sector is vital to the growth process and overall development of the nation, particularly as the economy becomes increasingly more modern and industrialised," he said.

Dr Mahathir said the launching of Labuan as an international offshore financial centre represented an important part of the strategy to develop financial services to support the nation's development thrust.

He wanted Labuan to be "a window to Malaysia" to attract new sources of foreign capital.

He, however, cautioned potential offshore companies against misconstruing government efforts and overtures as proclaiming a "free-for-all policy."

"Let me dispel any idea, and forestall any criticism, that the Government has created an entrepot for legalising illegal drug money and other laundering activities," Dr Mahathir said.

He said only "offshore players of integrity and high international standing" would be admitted.

Dr Mahathir said this selective process was not only limited to offshore banks, insurance companies and investment firms but would also be the standard for professions providing legal, accounting and trust services.

He said plans had been drawn up to provide a conducive work environment for offshore financial institutions, including office buildings equipped with latest technology.

He said these would be built in areas to be zoned as a financial park or banking district.

He added that the Government had requested MAS to schedule more direct flights between Labuan and Kuala Lumpur and Kota Kinabalu.