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LABUAN WILL BE A FULL-FLEDGED TAX HAVEN IN 1996, SAYS MAHATHIR

LABUAN, Jan 29 <sup>94</sup> (Bernama) -- Labuan will function as a full-fledged tax haven in 1996 when the majority of the essential facilities are completed, said Datuk Seri Dr Mahathir Mohamad.

In a special message in conjunction with Labuan Fest '94 and the island's 10th anniversary celebrations as a federal territory, the Prime Minister said that the government's decision to make Labuan an international offshore financial centre (IOFC) had succeeded.

He added that the island had attracted many financial institutions which were setting up their offices there.

He added that at present the task of ensuring the island's progress rested on all including the public and private sectors as well as the local people.

The Prime Minister noted that the residents in Labuan had benefitted from the island's growth since becoming a federal territory in 1984.

Mahathir expressed confidence that the Labuan Fest would help promote further the island as a tax haven and tourist destination. -- more

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Meanwhile, Labuan Development Authority (LDA) Chairman Tun Daim Zainuddin reiterated that the declaration of Labuan as an IOFC on Oct 1, 1990 underscored the commitment of the government to bring progress to the island.

In his speech during the official launching of Labuan Fest 94 here today, Tun Daim Zainuddin predicted that the government's effort to place Labuan on the world map as a vibrant tax haven could be achieved within a short period.

He added that although at this early stage Labuan offered lesser facilities, the large number of offshore companies being registered here was a positive indication of things to come.

"By the end of 1993, there was 250 offshore companies registered in Labuan and I'm confident many more companies will be incorporated and operate here after 1995 when we have better facilities," he said.

He added that the island's growth provided wide opportunities for the local people and urged them to make every effort to improve their economic well-being.

The Pesta Labuan will continue for nine days. Major attractions included an exhibition by both public and private sectors, pan-Borneo games, entertainment and cultural events. -- Bernama

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