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GOVT AGREES TO CUT DUTY-FREE ELIGIBILITY PERIOD IN LABUAN TO 24 HOURS

By: Yong Soo Heong

LABUAN, Aug 29 (Bernama) -- The government has agreed in principle to reduce the eligibility period for duty-free shopping in Labuan to 24 hours from the present 72 hours, Prime Minister Datuk Seri Dr Mahathir Mohamad announced here today.

His announcement was greeted with thunderous applause from the financial community who had gathered for the official opening of the Financial Park and the launch of the Labuan Offshore Financial Services Authority (LOFSA) by the prime minister.

"This (reduction) should improve the attractiveness of Labuan for duty-free shopping," he said. However, he did not give a firm date as to when the ruling will be implemented.

Dr Mahathir said as more people came through and to Labuan, there would be a higher frequency of flights to facilitate business and casual travellers.

"In this regard, we will try to make it as affordable for tourists to visit Labuan and for travelling costs of the business community to be kept low," he said.

Similarly, he said tariff rates for telecommunications in Labuan would be kept as competitive as possible to make it attractive to set up business and offices on the island.

Dr Mahathir said Labuan had a lot to offer to visitors who wanted to combine work with pleasure or for those who want to come to enjoy a clean and healthy holiday.

He said there would soon be an 18-hole golf course to cater for the needs of golfers while sea activities such as fishing and diving and other sea sports were being developed and packaged for the discerning visitors on the unspoilt island.

"Labuan indeed will be an ideal get-away from the concrete jungle and stresses of city life," he said.

Yet, the prime minister said it would also be a place for bankers and businessmen to discuss finances, get international expertise on how to maximise returns on investment or minimise the cost of borrowing "while enjoying the sun and beach and all of nature's bounty".

Dr Mahathir also said one could also take short hops by plane to Layang-Layang, Malaysia's premier diving resort, or to the Mulu Caves, the biggest cave in the world. -- BERNAMA

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