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The heart of the matter

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THE TASK OF transforming the once sleepy Labuan into a vibrant financial and commercial centre second to none in this region, is proceeding with vigour. Basic infrastructure facilities and state-of-the art communications technology are being developed on the island to ensure business can be conducted with ease and efficiency. It is significant that Prime Minister Datuk Seri Dr Mahathir Mohamad chose the opening of the RM360 million Labuan Financial Park on Aug 29 last year to announce a package of incentives meant to bolster Labuan as a leading international offshore financial centre (IOFC) and as a major business and tourist destination.

The occasion can be seen as a signal from the government that its push to develop the IOFC is not based merely on administrative and legal measures. Physical development, particularly infrastructure, matters just as much.

Labuan Development Authority chairman Tun Daim Zainuddin said on Aug 26 last year that the island would be transformed into a world-class resort and financial centre within the next five years upon the completion of several projects.

These projects, some new and some on-going at the time, are worth RM2.5 billion. Among them are the Labuan Financial Park, water and electricity supplies, a new airport terminal, a government office complex, a golf course, houses, condominiums and resort hotels.

Developed by Financial Park (Labuan) Sdn Bhd, the park complex is the centerpiece, serving as the nerve centre of the IOFC. It is the headquarters of the Labuan Offshore Financial Services Authority (Lofsa), which oversees the regulatory aspect of the IOFC.

The sprawling financial park, spread over 4.6ha, will eventually offer about 198,000 sq metre of space of which 35 per cent has been allocated for offices, 14 per cent for commercial use and the rest for housing and amenities for modern living.

The complex comprises two 18-storey office blocks, a double-storey podium and two 16-storey apartment blocks. It also has a 1,700-capacity convention hall, 1,000 parking lots and 134 shoplots, including a supermarket.

Many of the larger businesses operating in Labuan are expected to be based in the main tower block. These include all the offshore banks together with trust companies, law offices, trading and non-trading offshore companies.

The offshore banks operating from Kuala Lumpur have been directed to move to Labuan by March 31. Among the larger tenants is Maybank International (Labuan) Ltd, which with its group of companies has taken up an entire suite of the tower block.

A RM35 million earth satellite station enables the park to have 6,000 exchange lines with direct lines to a high-speed trunk network as well as direct satellite and cable links. Time Telecommunications Sdn Bhd is working on a 21km fibre-optic cable stretching from the earth station to the park.

Located opposite the park is Sheraton Labuan Hotel, the island's first five-star international business-class hotel.

The park's ability to attract business is apparent. It was reported in January that Bonia Corporation Bhd has opened a fully franchised boutique

there as the park `represents the heart of Labuan's growing commercial centre'.

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