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## Making Labuan more than a haven for money-makers

THE Federal Territory of Labuan, too, was affected by the economic slowdown, but things are looking better now.

Call it hope, call it optimism. But the Labuan Development Authority (LDA) is hard at work transforming the island.

Not wanting to be merely known as an IOFC (International Offshore Financial Centre), plans are under way to make it an even more attractive place to be - for visitors and locals alike.

"We want to make Labuan the centre for business and leisure", said LDA senior manager Md Isa Jaafar as he laid out LDA's plans for Labuan from now until 2015 to a group of journalists from Kuala Lumpur who went there recently.

The island wants to make a name in three important areas: as an IOFC, a port and duty-free island, and as a tourist destination.

Time and money will be spent to promote Labuan as the research centre for banking, finance and marine-related work and activities.

As an IOFC, it is already a success story. To complement these activities, a Financial Park Complex was built with 726,000 sq ft office space, 344,000 sq ft residential units and 276,000 sq ft of shopping area. It is reputed to be the only one of its kind in any IOFC in the world.

The complex plays host to 61 offshore banks, 59 insurance companies, 20 trust companies, eight leasing companies and six fund managers.

LDA chairman Datuk Mustapa Mohamed said with Bank Negara relaxing norms for membership in the island's offshore bankers' club to include small but profitable banks, the IOFC is expected to grow faster.

Another boost will be provided by the industrial zone and integrated port. Work is under way on a 340ha site in the southern part of the island.

According to Isa, the industrial zone, costing some RM50 million, is nearing completion.

As for the integrated port, LDA plans to privatise this two-phased RM500-million project. The proposal is still being evaluated by the Economic Planning Unit. It could take 10 years to complete.

Developing and promoting Labuan as a tourist destination is another challenging task.

Mustapa said Labuan in recent years has rather lost its appeal as a shopping paradise for Bruneians, and people from Sabah and Sarawak.

The label "duty-free island" no longer attracts visitors, hence the need for new ideas.

For this purpose, a Consultative Council for the Development of Labuan was recently set up by LDA to find ways to make Labuan the island of choice for local and foreign tourists.

Chaired by Mustapa, it has 60 members and 20 of them are exco committee members.

Efforts are being made to improve existing tourism products and start new projects to enhance the natural beauty of the island.

A sum of RM30 million is allocated by the Federal Government every year for landscaping, in line with Prime Minister Datuk Seri Dr Mahathir Mohamad's wish for Labuan to be a tropical wonderland.

Also being developed is the RM21.5 million Labuan Waterfront Complex, next to the Financial Park. The complex, covering 2.4ha, is due for completion at the end of the year.

The location is ideal for jet-skiing and yachting.

There are also plans to build a circuit for go-kart racing and, maybe later, a water theme park.

Another development set to take place is the upgrading of the Water Village (Kampung Air), as tourists have been noted to enjoy walking through it.

Under phase one of this project, concrete walkways with railings which link the houses together will replace the traditional wooden walkways and the villagers will be provided with a proper sewerage system. About RM12 million will be spent on this project.

In the pipeline are plans to build chalets - with traditional and futuristic designs - and restaurants just near the village to give the surrounding area a resort-like ambience. This is expected to cost some RM26 million.

To increase employment opportunities on this island, efforts to revive Sabah Shipyard Sdn Bhd, which used to be the major source of employment for the locals, are expected to bear fruit soon, said Mustapa.

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