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MAHATHIR-LABUAN

MAHATHIR: LABUAN A WINDOW TO LIBERALISATION OF M'SIAN FINANCIAL MART

By: Mohd Fisol Jaafar

LUXEMBOURG, June 12 (Bernama) -- Labuan International Offshore Financial Centre (Labuan IOFC) will be the window to the liberalisation of the Malaysian financial market, Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad told Luxembourg business fraternity here today.

Calling on Luxembourg's institutions to set up their bases in the offshore financial centre, he said banks and other financial institutions in Labuan would have preference in tapping the domestic market.

"I understand that institutions from Luxembourg have not made their presence in Labuan yet although five of the second listings in Labuan International Financial Exchange (LFX) have primary listing in the Luxembourg Stock Exchange," Dr Mahathir said.

He said this in his keynote address at a meeting with Luxembourgish businessmen, bankers and fund managers organised by Luxembourg Chamber of Commerce, Luxembourg Bankers' Association and the Federation of Luxembourg Industrialists.

Dr Mahathir arrived here from Geneva, Switzerland last night for a two-day official visit to Luxembourg, the first by a Malaysian prime minister.

The prime minister said Labuan IOFC, launched in October 1990, offers a wide range of offshore financial products and services to customers worldwide, namely offshore and investment banking, offshore insurance, trust business, fund management, investment holding, company management services, capital market activities and Islamic financing.

The financial infrastructure in Labuan is well developed as it has more than 3,200 companies comprising 50 offshore banks including three Islamic banks, 103 insurance entities including one Islamic insurance operator, 12 fund managers, 24 leasing companies, supported by 18 trust companies and 41 other service providers.

Dr Mahathir said the Labuan IOFC will further expand its activities, with the establishment of the LFX, which was market driven.

Currently there are eight listings on the LFX comprising two primary and six secondary listings.

"There is a scope for financial instruments listed on the Luxembourg Stock Exchange to have secondary listing on the LFX to tap the huge market in the Asia Pacific region," he said. -- BERNAMA

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