

Labuan IBFC expects number of companies to grow by 8%-10%

The financial centre has grown from strength to strength within the 26 years of its existence

by **PREMALATHA JAYARAMAN**

LABUAN International Business and Financial Centre (Labuan IBFC) expects the number of companies at the off-shore international business and financial centre to grow between 8% and 10% this year.

Labuan IBFC Inc Sdn Bhd CEO Danial Mah Abdullah said the financial centre has grown from strength to strength within the 26 years of its existence which clearly demonstrates its robustness, despite the downturn in global trade and investments.

"We are fortunate to be in Asia. It allows Labuan IBFC to grow in tandem with the region. While some other centres are recording negative growth rates, Labuan IBFC recorded an increase of over



Pic by Hussein Shaharuddin

Malaysian Investment Development Authority CEO Datuk Wira Jalilah Baba (left) with Danial speaking to reporters at the inaugural Labuan IBFC-MICCI Malaysian Roadshow for 2016 yesterday

7% in the number of companies," he told reporters at the inaugural Labuan IBFC-MICCI Malaysian Roadshow for 2016 yesterday.

Danial said the growth is also a testament of not only Labuan's attractiveness, but also the high economic prospects of the region.

Currently, he said Labuan IBFC is home to 13,000 companies, 209 insurance companies, 54 banks and 374 leasing companies, which have established strong and sound financial infrastructure.

"The key to the success of Labuan IBFC lies in its agility. We have worked towards

diversifying our growth sectors to sustain the development of the midshore jurisdiction," he said.

For instance, he said it is developing the Labuan captive business to position Labuan IBFC as a preferred Asian centre for captive and self-risk management solutions.

He said Labuan IBFC offers cost-effective and flexible solutions such as its captive insurance and leasing businesses for Malaysian companies expanding out into the region.

"With the Asian Economic Community, investors and businesses, including those based in Malaysia are able to gain access to a larger marketplace in Asean.

"In this regard, Labuan IBFC is an ideal entry point for investors and businesses into Asean, operating in a tax and currency neutral environment offered in the jurisdiction," he said.

Danial said that Labuan IBFC's unique qualities, without a doubt, offer comprehensive options for Malaysian businesses that are going global to look at penetrating Asean's burgeoning markets.

He added that the growth of captive in the midshore jurisdiction is precipitated by the increasing demand from the Malaysian risk owners who seek cost-effective and flexible solutions to manage their own risks.