

Labuan IBFC continues to grow after three decades

LABUAN: After more than three decades since its establishment, the Labuan International Business and Financial Centre (Labuan IBFC) has continued to grow to become a diverse business area.

Director-General Danial Mah Abdullah said sectors such as banking, insurance and corporate services continued to flourish in Labuan IBFC to fulfil the region's financial and intermediation needs.

"Growth in innovative digital finance business has also gained momentum, partly due to Labuan Financial Services Authority's (Labuan FSA) business-facilitation approach in embracing digital revolution," he said at a dinner in conjunction with Penang Governor Tun Abdul Rahman Abbas' visit here.

He said there are more than 30 financial technology (fintech)-related companies currently present in Labuan IBFC, conducting various digital businesses ranging from digital banking, insurtech to digital intermediaries such as robo-advisory, digital exchanges, crypto trading platforms as well as e-payment systems.

"There are more in the pipeline, in fact, we are also digitally enhancing the Labuan International School, which is owned by Labuan FSA, by partnering with an e-wallet service provider to enable digital transactions in the school," said Danial.

He said as the special economic zone continue to grow, the workforce was expected to double this year from about 5,000 last year, aided by the booming oil and gas sector offshore of Sabah.

Demand for office space had also increased, to the extent that the Financial Park Complex's business occupancy was said to have reached its maximum capacity, he said.

Currently, Labuan IBFC is home to more than 6,000 active entities.

On another note, Danial said as part of Labuan FSA's push for higher business substance in Labuan, it has liberalised other requirements such as allowing Labuan entities to set up marketing offices in more places in Malaysia, including Penang.

"Now, some Labuan banks are setting up offices in Penang to expand their northern Malaysian market, and this is one of the ways Labuan can contribute to the economy and generate business opportunities to other cities, like Penang," he said.

He said the various financial services offered out of Labuan can be capitalised on to facilitate businesses, finance infrastructural developments and attract investments into Penang.