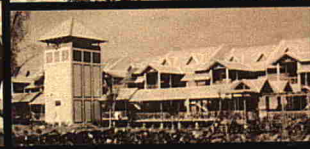


LABUAN **AFTER ATTAINING** **THE STATUS OF** **FEDERAL** **TERRITORY**

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LABUAN

AFTER ATTAINING THE STATUS OF FEDERAL TERRITORY



Advisers:

Encik Abas Salleh, KMN
(Director-General, Department
of Information Malaysia)

Encik Mohamad Salleh Rafie
(Deputy Director-General, Department
of Information Malaysia)

Puan Zurinah Hassan
(Acting Director, Publication Division)

Encik Ahmad Mohd. Hassan
(Director, Visual Production Division)

Editor:

Encik Tee Thiam Kim

Designer :

Puan Zainab bte Abdul Hamid

Asst. Designer :

Puan Zubaidah Bte Haron

Photographer:

Encik Michael Leo

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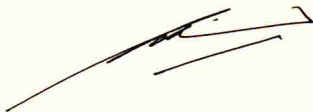


Labuan had undergone rapid development since it was declared a Federal Territory and placed under the direct jurisdiction of the Federal Government. Its people enjoy the numerous benefits and amenities as a result of it being upgraded to a federal territory.

The declaration of Labuan as an International Offshore Financial Centre (IOFC) in October 1990 represents yet another commitment of the Federal Government to develop Labuan.

The Federal Territory of Labuan is currently known to the world as the IOFC which will be on par with other financial centres such as the Bahamas, Jersey, British Virgin Islands and Gibraltar.

Various infrastructure and other facilities are being undertaken in Labuan to support its role as a financial centre. Among the major projects to be implemented are a Financial Park to accommodate offshore banking and financial institutions, an international school, the upgrading of the Labuan Airport, a jetty and a port. All these are to ensure that Labuan becomes an IOFC and a centre fully equipped for commercial and business activities within the Asia Pacific region.



DR. MAHATHIR BIN MOHAMAD
Prime Minister of Malaysia.



PREFACE



I would like to congratulate the Department of Information, Malaysia for the efforts in publishing this pictorial book in conjunction with the 9th anniversary of Federal Territory of Labuan.

Being aware of the importance of information on target audience and its influence in shaping public opinion, the Ministry of Information through its agencies are in the forefront in formulating, planning, coordinating and implementing public relation to ensure that the people within and outside the country would truly understand and be fully aware of all Government's policies and plans.

In view of this, I am sure that this book, entitled "Labuan - After Attaining The Status of Federal Territory" would not only help to fill the need for information on development and progress in Labuan, but would also popularise Labuan as a successful International Offshore Financial Centre in the world.

Indeed, this book will also serve as a historical record which will be of great meaning for future reference.

It is hoped that this book will inspire more writers to contribute their ideas in assisting the government to attract more foreign investors to Federal Territory of Labuan.



DATO' MOHAMED RAHMAT
Minister of Information, Malaysia.



MESSAGE

I would like to take this opportunity to thank the Department of Information and all those involved in making this book a success.

Labuan has undergone drastic changes since it was declared a Federal Territory nine years ago. Labuan has achieved tremendous physical development to-date and will continue to undergo rapid development through comprehensive planning in search of transforming the island into a remarkable place on the world map.

However, the efforts to turn Labuan into a popular IOFC require active involvement and commitment by all parties concerned, be it the government, the private sector or the people. Let us work hand in hand to ensure that our plans will materialise.

DAIM ZAINUDDIN (S.S.M., D.H.M.S., S.A.A.P.)
Chairman
Labuan Development Authority.





PREFACE

After attaining the Federal Territory status on 16 April 1984, followed by its declaration as an IOFC on 1 October 1990, Labuan has drawn vast attention and interest of local and foreign investors as well as the people at large.

At present there are limited articles or books on Labuan. In view of this, the Information Department of Malaysia has taken the initiative to publish this book.

Among other things, the object of this book is to compile write-ups on development and progress achieved after Labuan was made Federal Territory. This book will also serve as a historical record of the island's development. It is primarily targeted at the investors and business circle and the people at large.

In line with the Information Department's function as communicator to foster closer relations between the Government and the people and vice versa, it is hoped that with the publication of this book, it will help Malaysians to better understand the intentions and objectives of the Government to turn Labuan into a popular IOFC.

ABAS BIN SALLEH
Director-General,
Department of Information Malaysia.





MESSAGE

The announcement on 1 October 1990 declaring Federal Territory of Labuan as an International Offshore Financial Centre was another milestone in its economic development, beside being a free port and a barter trade centre that had long been established. The Federal Territory of Labuan has thus become one of the most prominent financial centres in Malaysia.

Labuan has progressed forward and various steps are being taken to speed up its development, infrastructural and social, and its economy. The Development of the 'International Financial Park' which will be the centre for various activities, is being vigorously implemented. Telecommunication and transportation facilities are being improved. The private sectors are also playing active role in facilitating the government's effort by providing adequate hotels of international standard, ample business and commercial spaces as well as accommodations in view of Labuan's potential as a tourist destination.

The presence of various government departments and agencies and the setting up of Labuan Development Authority certainly would facilitate the development of the island in a more rapid and systematic manner. All the agencies will cooperate closely in their efforts to provide the various services to investors, traders, manufacturers and the general public.

I am sure that with the efforts that are being undertaken, the Federal Territory of Labuan is moving towards its objective of becoming a successful International Offshore Financial Centre in the Asia-Pacific, a region which has been indentified as a potential area for economic growth.

ABDUL RAHMAN BIN HAJI ALI
Director,
Federal Territory Administration, Labuan.



HISTORICAL BACKGROUND

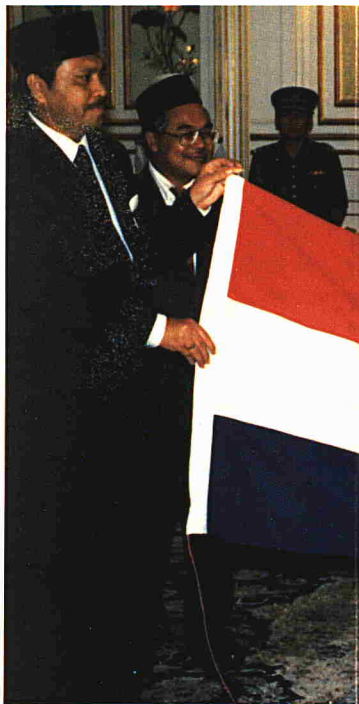
Labuan has undergone many changes in the past decades. During the height of the Majapahit empire, like other southeast Asian countries, the island became part of the empire. With the fall of the empire, Labuan was then ruled by the Sultan of Brunei.

In 1846, the British occupied and took possession of Labuan. By 1847, the British Government concluded a treaty of Friendship and Commerce with the Sultan of Brunei, at the same time acquiring the island of Labuan. Subsequently, in 1848 Labuan was declared a free port. James Brooke became the island colony's first governor.

The British had wanted to turn the island into a powerful base where it could build up commerce with the neighbouring areas and to make South China Sea safe for British ships.

At first, Labuan was administered as a colony by a governor residing on the island and a nominated Legislative Council. In 1890, the British North Borneo Chartered Company took over the administration of Labuan at the British Government's request but in 1904 the British Government decided that the island be returned to them.

His Majesty the Yang di-Pertuan Agong presenting Labuan's flag to Labuan's representative at a special conferment ceremony held at the Palace.







In 1907, Labuan became part of the Straits Settlements, a British colony comprising Singapore, Penang and Malacca.

On 1 January 1942 during World War II, the Japanese landed and occupied Labuan and other parts of Sabah until it was liberated on 10 June 1945 when a Brigade of The Australian 9th Division landed at Labuan.

Thereafter, Labuan came under the British administration until 18 July 1946 when the island became part of the colony of the British North Borneo, later known as Sabah. On 16 September 1963, together with Sabah, Labuan became part of the Federation of Malaysia.

The proposal to place Labuan under the administration of the Federal Territory jurisdiction was first revealed by the Chief Minister of Sabah, Datuk Harris Mohd. Salleh on 1 August 1983.

This was subsequently followed by the signing of the Declaration of Labuan as Federal Territory on 16 April 1984 which paved the new facet of speedier growth ahead under the direct administration of the Federal Government.

On 1 October 1990, the establishment of Labuan as an International Offshore Financial Centre (IOFC) has further enhanced the attractiveness of Labuan as an investment centre.

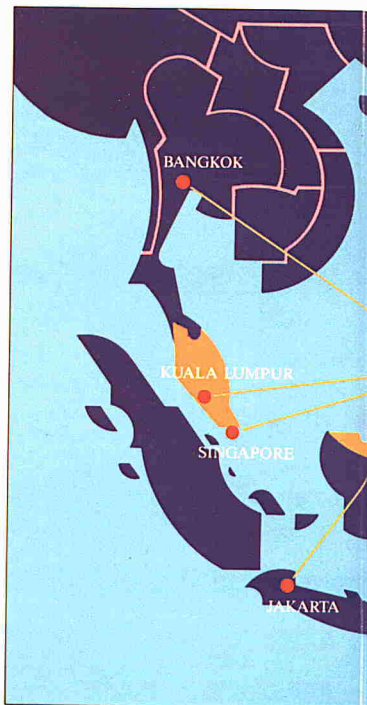
The official flag of Labuan Federal Territory was flown on national day (31 August 1992), for the very first time.

GEOGRAPHICAL LOCATION

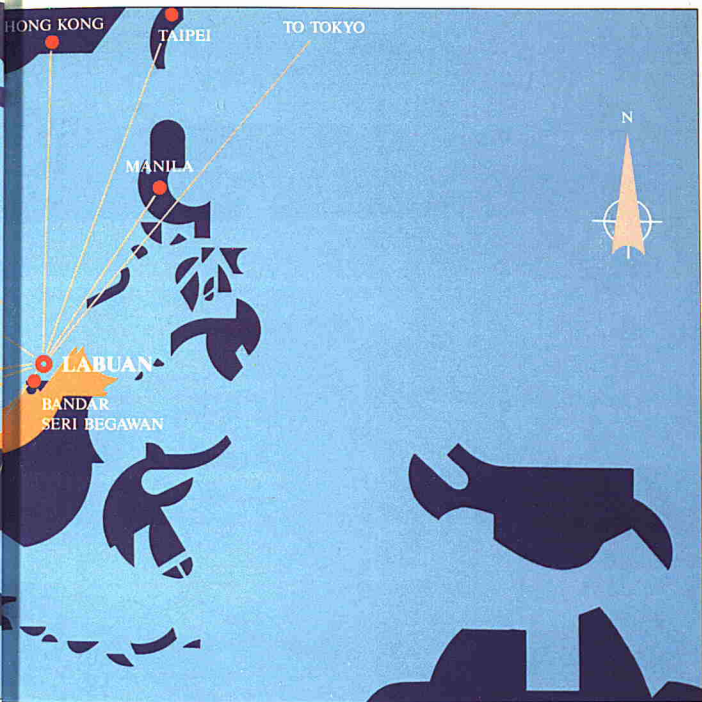
The island of Labuan lies off the north-west coast of Borneo. It is 8 kilometres away from the shoreline of Sabah and is 123 kilometres from Kota Kinabalu - the capital of Sabah. It takes less than two hours to cross by ferry, 45 minutes in a speed boat and two and a half hours of flight time between Kuala Lumpur and Labuan.

Labuan island covers an area of 92 square kilometres. The island is rather flat and undulating except at the northern part where it is slightly hilly. It is located on the major shipping and air routes of the ASEAN region, being roughly equidistant from Bangkok, Hong Kong, Jakarta, Kuala Lumpur, Manila and Singapore.

Labuan became a Federal Territory on 16 April 1984. The Federal Territory of Labuan comprises the island of Labuan and covers the territories within 4.8 kilometres (or three nautical miles) of the island of Labuan, including the islands of Burung, Dahat, Kuraman, Papan, Rusukan Besar and Rusukan Kecil.



Labuan's strategic location made it a unique port





1	3
	2

1. Ferry shuttle services are popular transportation linking Labuan with Menumbok, Sipitang, Limbang, Kota Kinabalu and Brunei.
2. The Fishery Department uses speed boats to safeguard Labuan's water.
3. Air services help to shorten the journey to Labuan.





THE PEOPLE AND DEVELOPMENT

Like many other places in Malaysia, Labuan is multi-racial, multi-cultural, multi-religious and multi-lingual. Despite this diversity, the people live in unity, goodwill and harmony with a rich heritage in traditions and cultures of its people.

Labuan has a population of 50,000 which comprises Malays, Kedayans, Kadazans (indigenous), Chinese, Indians and other minority groups.

Since it was placed directly under the administration of the Central Government, the island has achieved great progress. The Labuan Municipal Council together with other government agencies have worked very closely and cooperated in bringing about the rapid changes on the physical development of Labuan.

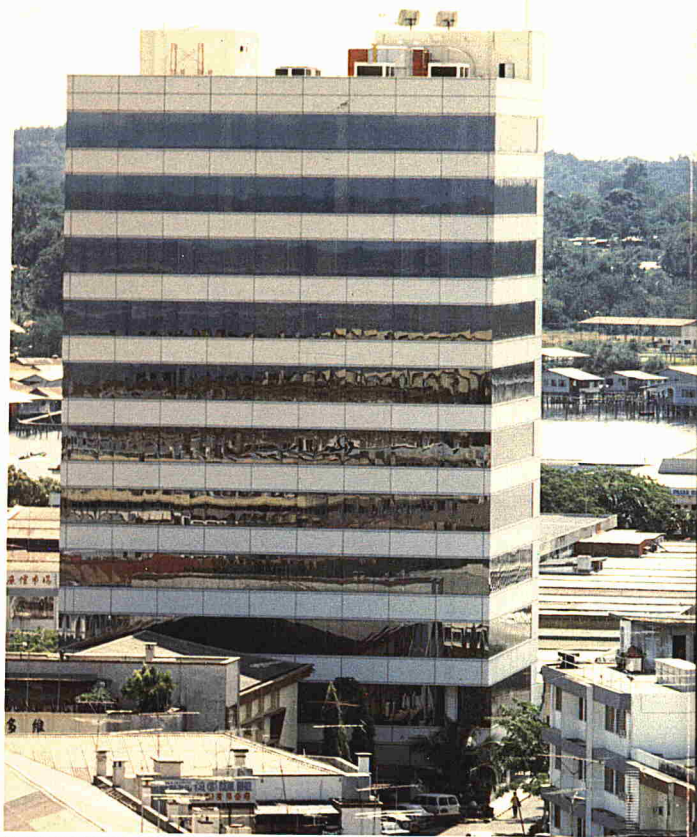
Various public utilities and facilities are being provided and upgraded from time to time. These include public phones, telecommunications, roads, street and traffic lights, electricity and water supply to meet the needs of the future.

Many development projects such as planned housing and modern accommodation for uniformed staff continue to be improved to enhance the living standard and quality of living of the inhabitants.

Labuan Town Centre is alive with business and commercial activities.







The imposing Oceanic building at the heart of Labuan town centre is one of the highest.

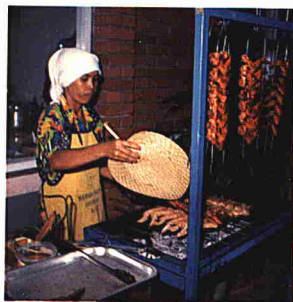
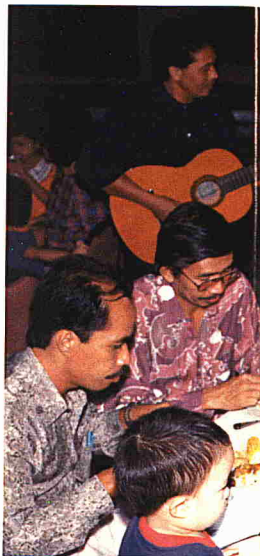
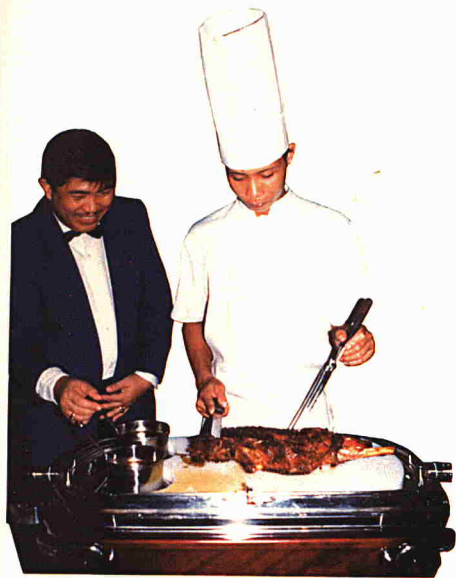


An aerial view of Labuan Municipal Council.

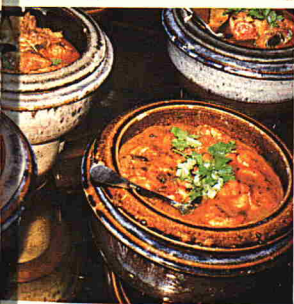
In the meantime, schools and other institutions of learning play an important role in education to ensure that the island has adequate supply of skilled and semi-skilled workers for its development.

In addition, measures are being undertaken to beautify the urban areas of Labuan by providing recreational parks and parking bays to meet the increasing demands in line with the rapid progress of the island.

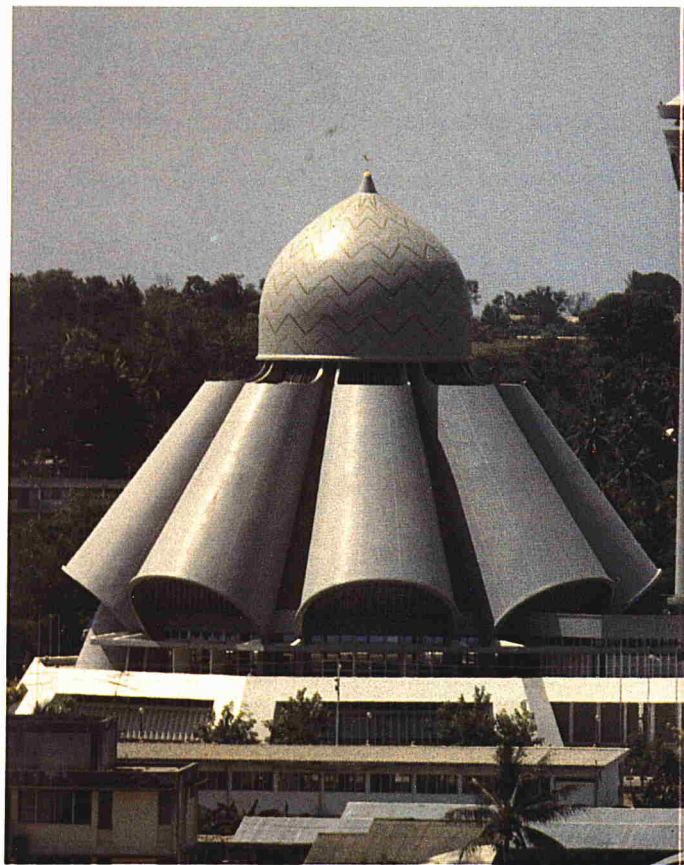
Efforts are being taken to check erosion at coastal areas in order to safeguard the island's natural beauty. With the inception of Labuan Development Authority in early 1992, the development of Labuan in future will definitely be more systematic and at a faster pace.



An eatery serving variety of local dishes.



Gourmet centre serves variety of dishes and cuisine to whet one's appetite.



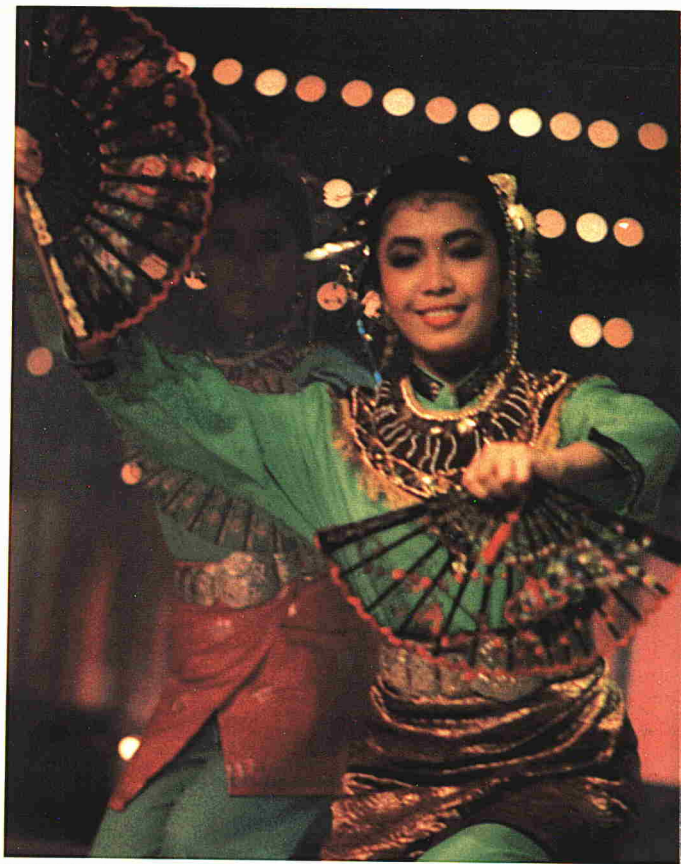
A multi-racial population enjoys religious freedom.



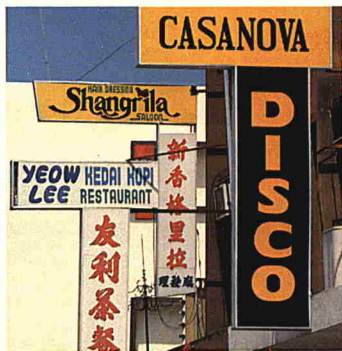


Colourful flora, evergreen trees and other greeneries help to beautify the urban area of Labuan.





Traditional dance is part of the rich heritage and cultures of the people.

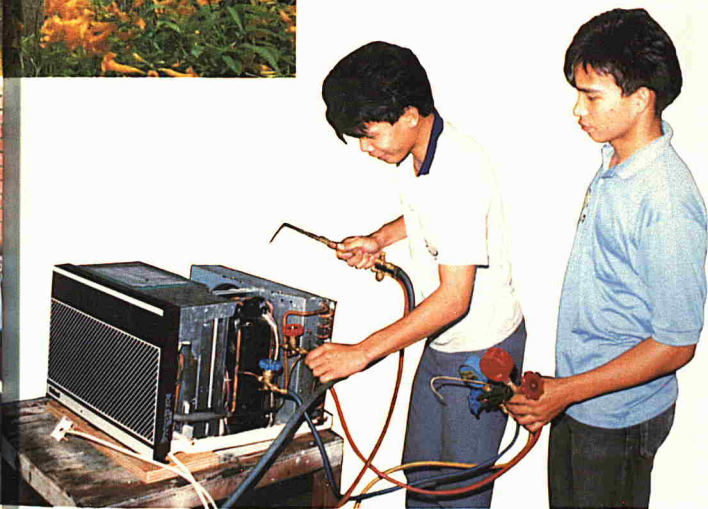






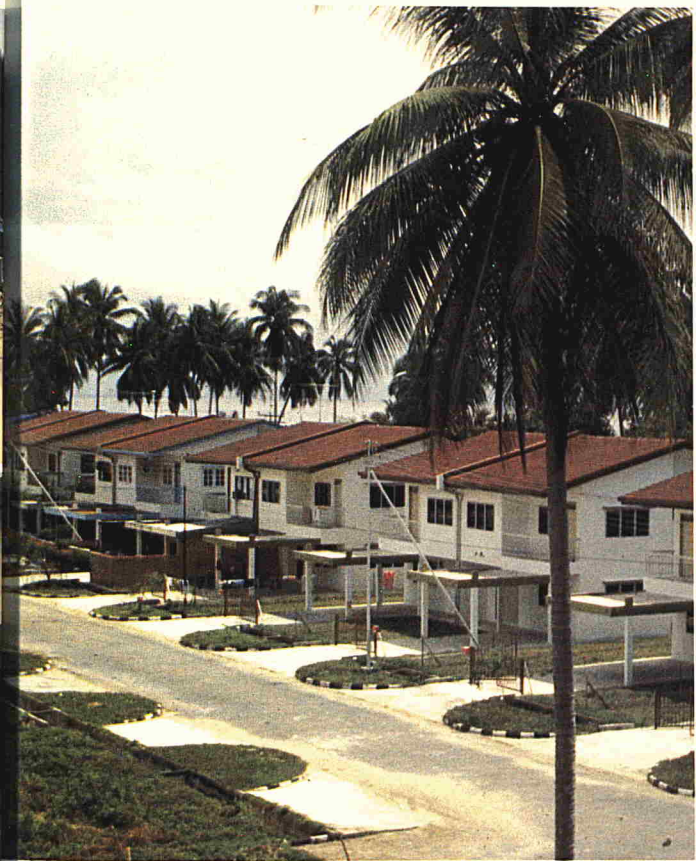
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1. Schools help disseminate knowledge and skills.
2. Youths with adequate skills and training are imperative for Labuan's progress.
3. Apprentices acquire the skills and technical know-how in order to contribute meaningfully to the industrial sector.





Some of the new and well-planned housing projects with comfort and luxury in mind.







1	2
3	4

1. Extensive infrastructural facilities are being provided in Labuan.
2. Life in Labuan is tranquil and calm.
3. Bus services shuttling passengers to and fro, from villages to town centre.
4. One of many basic facilities in Labuan.



Public phones facilitate instantaneous communications.

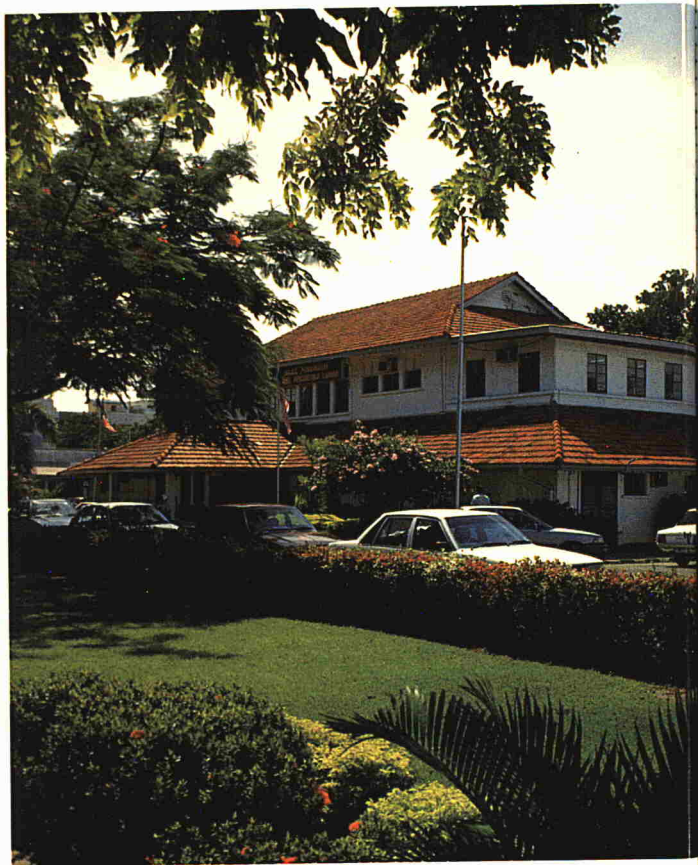


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- 1 *Post Office is eveready to serve you.*
- 2 *'Kedai Telekom' offers a full fledge of telecommunications service to its clients.*
- 3 *The Police Force enjoys modern accommodation.*
- 4 *The Public Works Department is responsible for planning and maintaining with infrastructure and public amenities in Labuan.*







*Labuan Municipal Council, an administrative centre
in Labuan*

The Marine Department and the Royal Customs and Excise Department.



ECONOMIC ACTIVITIES

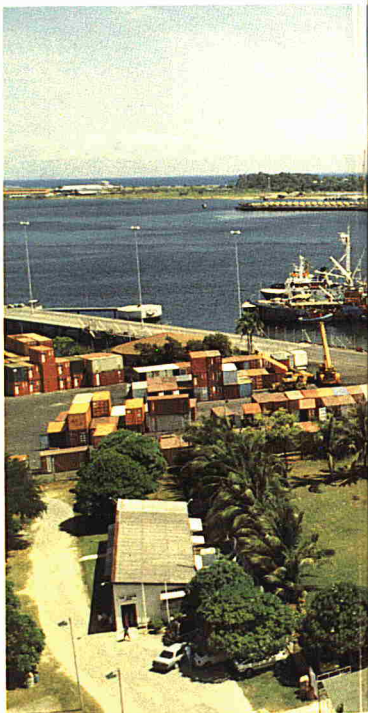
Traditionally, the Pribumis of Labuan, especially the Kedayans, were originally agriculturists planting rice, coconuts, vegetables, sugar canes, sireh and betelnuts. Some of them are still agriculturists. A number of Pribumis also work as fishermen and many of them are found in the civil service and the private sector.

Jungle produce collected by the Labuan people in the early days were bees wax, camphor, camphor oil, swallow's nests and gutta purcha. Silversmiths and brass founders, skilful tradesmen from Brunei sell their wares in Labuan.

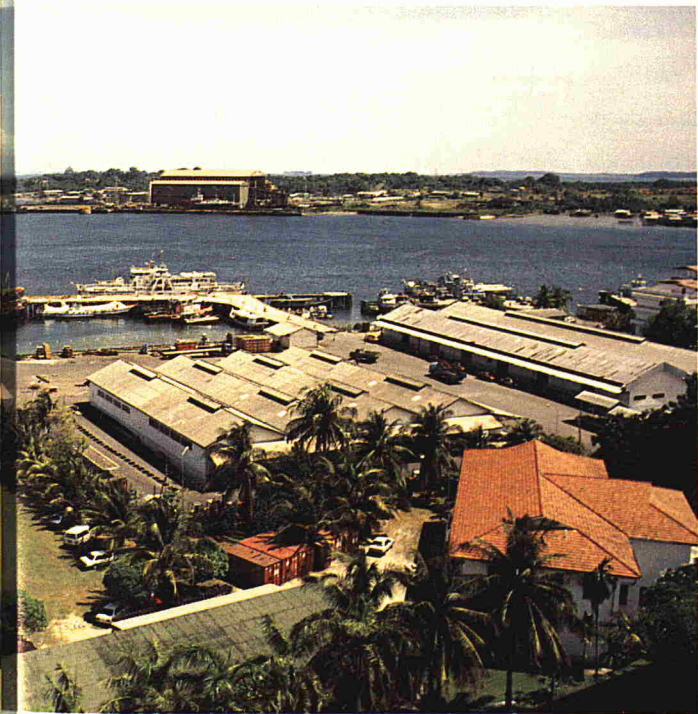
Whereas, the Chinese have started to run shops and involved in farming since the island was opened to settler in 1847 until today.

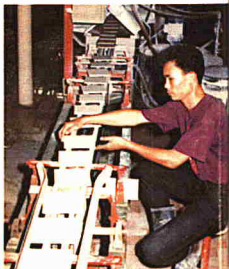
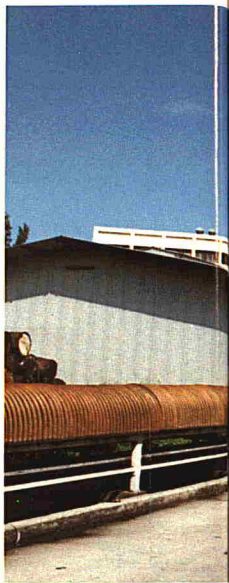
After becoming Federal Territory, Labuan has undergone rapid development. The rapid construction and upgrading of infrastructure, utilities and amenities, and a handful of well-planned mammoth projects being underway, will accelerate further the development of the island.

These are particularly significant to the development of the manufacturing, trade and shipping industries. The support services industries, tourism and hotel related industries will also be benefited as well.



A busy Labuan port.







Sabah Flour and Feed Mill Sdn. Bhd - an important industry in Ranca-Ranca Industrial Zone.

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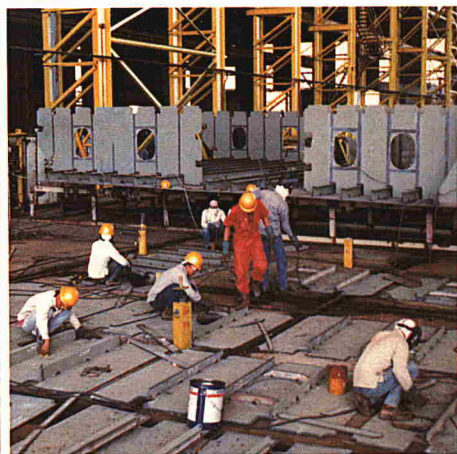
- 1 *Flour is packed for marketing.*
- 2 *Marble industry is becoming more important in line with the rapid development in construction, it provides more employment opportunities.*
- 3 *Carpentry requires efficient and skilled workers.*

In line with our country's buoyant economic performance and its sustainable growth from 1988 onward, the island is gradually shaping up and transforming into an investment centre in the region.

With the anticipated influx investment in the near future, more job opportunities will be created, hence, the people of Labuan will be benefited.



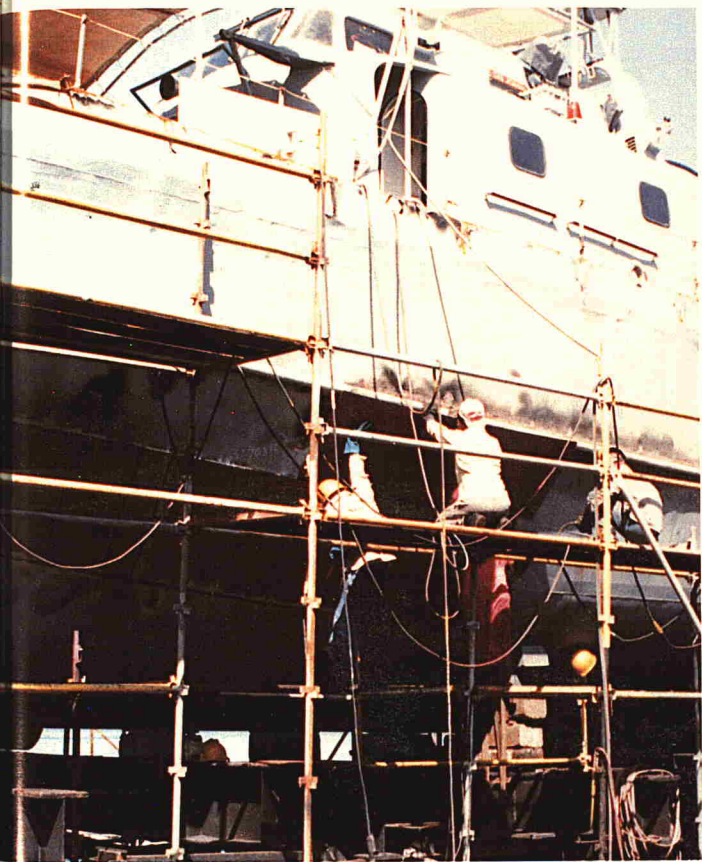
A scene at the harbour.



Staff busy at work at Sabah Shipyard.



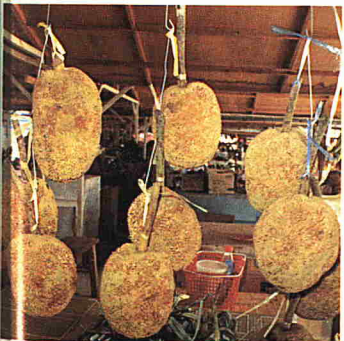
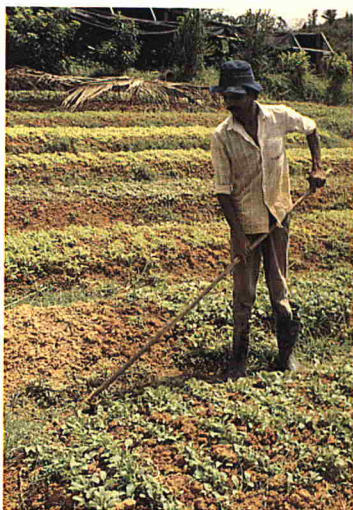
Sabah Shipyard is actively involved in making and repairing ships.





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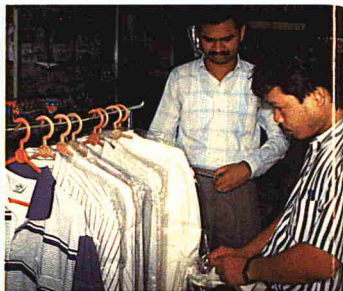
- 1 A normal scene at the market.
- 2 A small portion of the island's inhabitants are farmers.
- 3 Banana stalls at coastal area.





Various types of business are carried out in Labuan Town.





Duty Free Shops, a unique feature of Labuan.



Supermarkets sell various range of products.





Barter trading, the mainstay of the economy for decades.



Some daily activities at Labuan harbour.



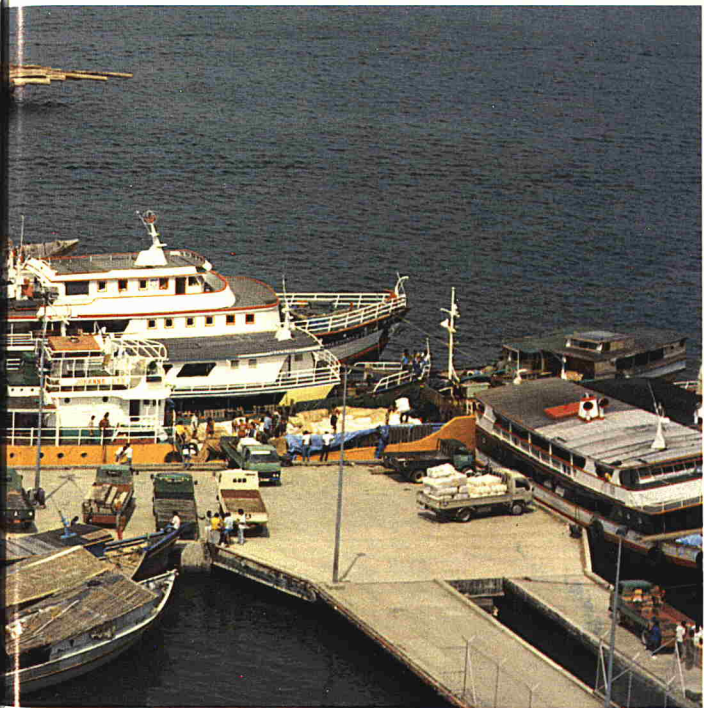




THE FUTURE OF LABUAN



Labuan will soon be on par with other financial centres in the world.

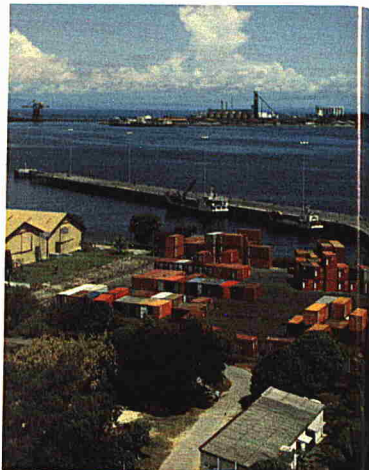


It is always the objective of the Federal Government to endeavour to develop the island as a dynamic administration and growth centre.

The establishment of Labuan as an International Offshore Financial Centre (IOFC) on 1 October 1990, further enhances the attractiveness of Labuan as an important entreport and investment centre in the region, in line with its free port status.

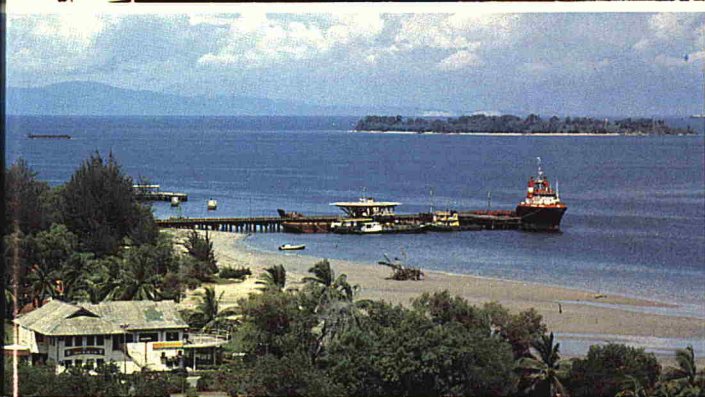
IOFC is a centre that caters for international business activities in the fields of banking, insurance, corporate funding, investment and trust management under a low-tax structure. Apart from the low-tax structure, an IOFC is characterised by zero or minimum exchange control requirements, a high level of secrecy of the identity of clients, supervision by the authority, and little regulation or restrictions on the flow of funds to attract investors.

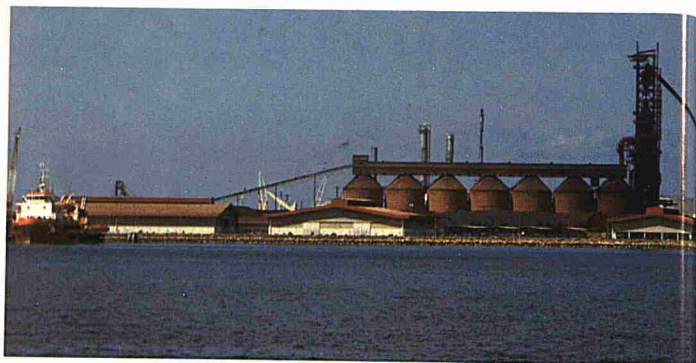
Being strategically located in the centre of ASEAN, and with close geographical proximity to many Asian countries, Labuan is undoubtedly an ideal place to attract surplus funds in the Asia-Pacific region, as well as foreign investors to operate from its shore, which could then provide Malaysia with greater access to the international market.



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3	

1. Labuan's vibrant economy is well reflected from the continuing increase in cargo container handling.
2. Labuan port will be expanded to cater for further needs in future.
3. Labuan Shell Depot.





The establishment of Labuan as an IOFC will definitely bring great benefit to Malaysia in general and Labuan in particular. As an IOFC complete with its facilities as a promotional factor, infrastructural development will take place to meet the needs of the companies. In furtherance of this, other sectors such as wholesale and retail market, the construction of hotels, offices and houses will develop to meet the requirements of those involved directly or indirectly in the IOFC in Labuan.

This will definitely lead to the increase in per capita income that will in turn improve the standard of living of the people.

The establishment of Labuan as an IOFC (also as a tourist destination as a supporting sector) will undoubtedly create job opportunities not only in the infrastructural development activities but also from the participation of local and foreign companies in business activities on the island which require skilled and semi-skilled workers. Apart from gaining knowledge on international trade through the transfer of technology.

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1. *Sabah Gas generates electricity, exports HBI goods and methanol.*

2. *Ships anchoring at Labuan Port.*

3. *An aerial view of Labuan.*

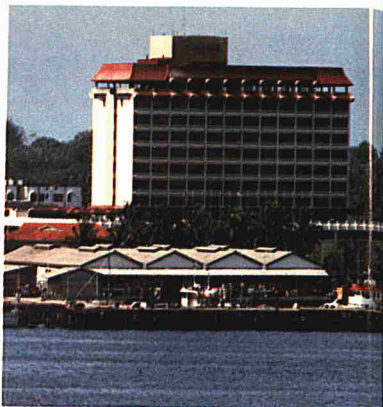


Malaysians will also be benefited in enjoying the social amenities, modern health and recreational facilities made available on the island as well as from other fringe economic activities such as the production of handicrafts.

With the development of Labuan, it is expected that the population of the island will increase to meet the demand of labour force.

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- Hotels of international standard are available in Labuan.*
- Labuan town centre is a hive of economic activities.*
- Development in Labuan Town Centre is well balanced with the green natural environment.*

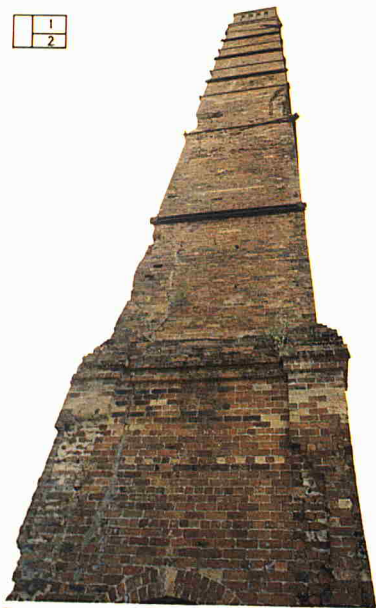




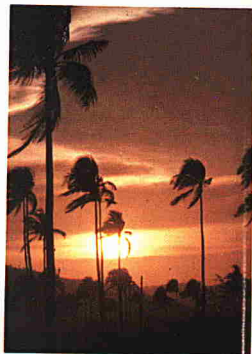
In addition, the increase in tourism facilities provided by the Government through the participation of the private sector will attract more tourist to Labuan. This will not only lead to the increase in the demand for commodities that will benefit the wholesalers and retailers but also will increase job opportunities in these sectors.

- 1 A house in Kampung Air beautifully decorated with flowers..
- 2 The natural and unperturbed beauty of Labuan has great potential for tourism.

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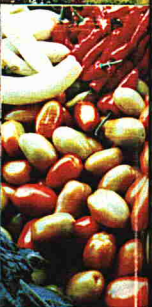
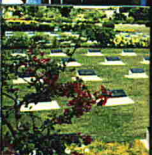


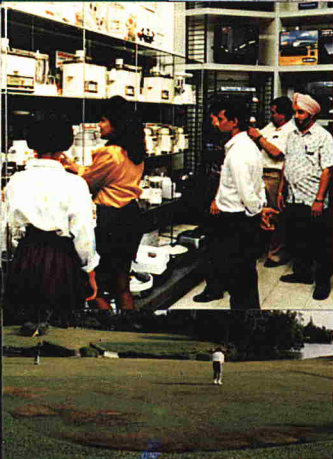
The Chimney remained as a historical symbol of the existence of coal mine in Labuan.



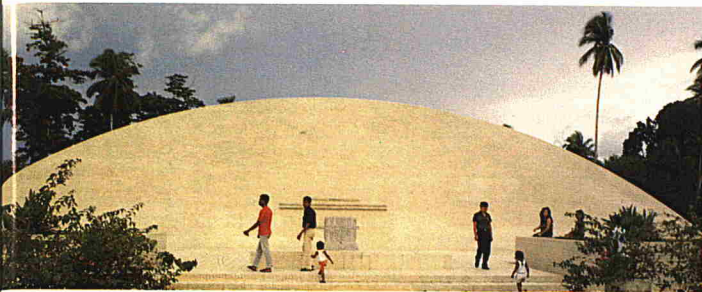


An attractive view of Layang-Layang beach.







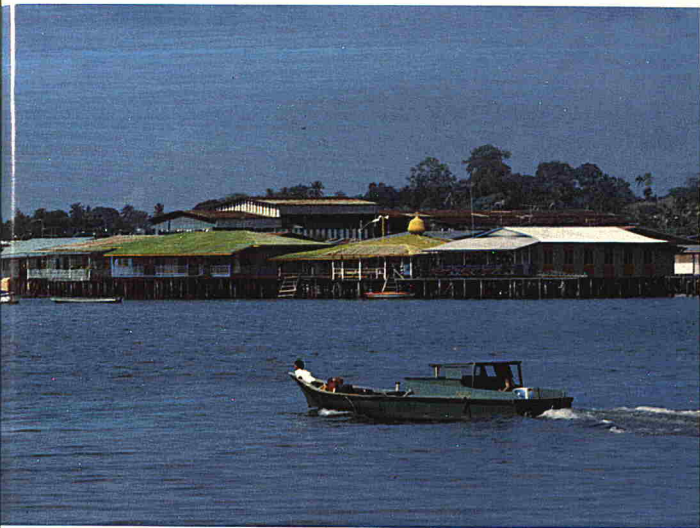


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1. Peace Memorial of Labuan.
2. Peace Memorial of Labuan attracts thousands of peace lovers.
3. Labuan War Cemetery is now a tourist destination.
4. Labuan Botanical Garden.
5. Various rivetment projects have been carried out to prevent coastal line erosion.







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1. Kilan Agricultural Park.
2. Water village - a major tourist attraction.
3. Labuan Golf Course.
4. Recreational park - a place for resting, playing and relaxing.





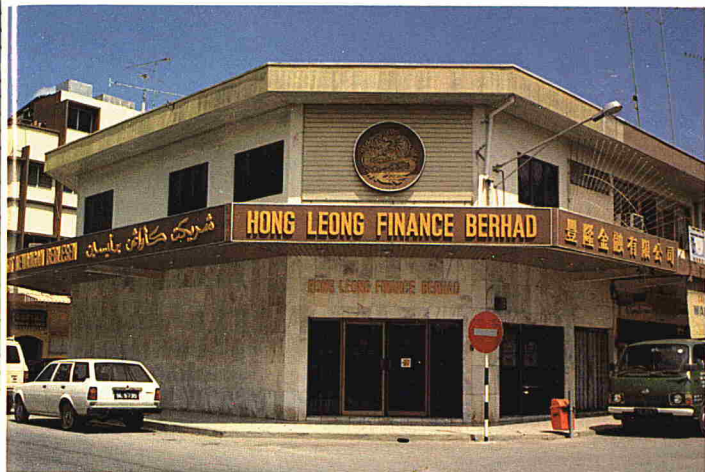






*Facilities provided by banks and financial institutions
are essential pre-requisites of an IOFC.*

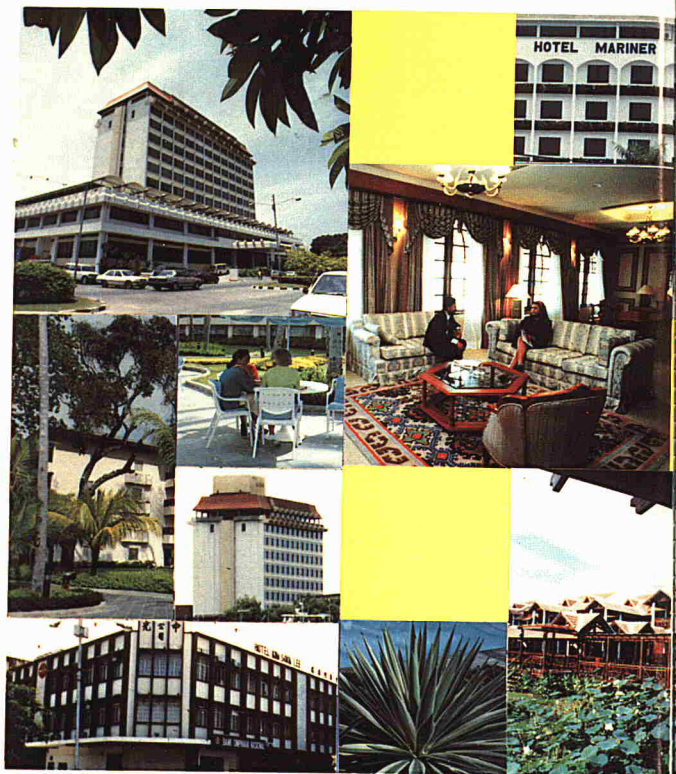




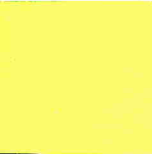


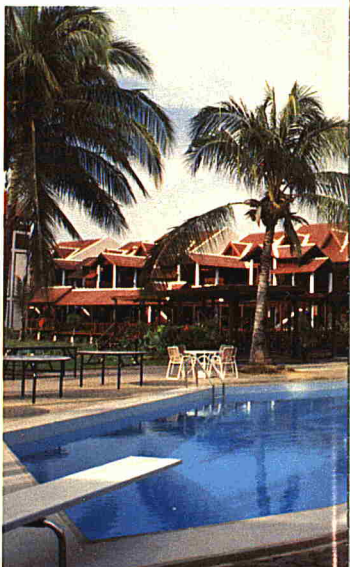
Some of the banks and financial institutions operating in Labuan.





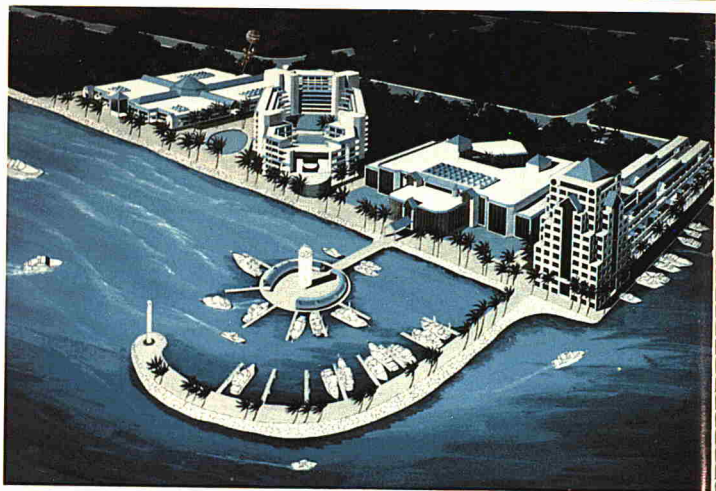
Labuan offers a wide range of tourist class hotels and hotels of international standard to suit different needs.





Low, moderate cost and first class hotel accommodation are easily available in Labuan.





1		
2	3	

- 1 Office and business spaces available in Labuan.
- 2 The proposed Marine Park at Papan Island.
- 3 An artist impression of Keruan Resort Hotel, Labuan.





The International Financial Park - the limelight of Labuan in the future.

A Brief Information On The Flag Of The Federal Territory Of Labuan



Design of Flag	:	The Flag has three horizontal stripes of equal width in red, white and blue with a crescent and a 14 - angled yellow coloured star in the centre.
Description of the symbol	:	The red, white and blue stripes and yellow star symbolize the colour of the Malaysia flag denoting that the island of Labuan is a Federal Territory in the Federation of Malaysia. The yellow star symbolizes Islam as the official religion and the 14 - angled star signifies its 13 states and the Federal Government which made up the Federation of Malaysia.
The Size of the flag	:	The normal size of the flag is 91.5cm (three feet) in width and 183cm (6 feet) in length.
Red Colour	:	Symbolizes bravery and readiness in facing any hinderance and challenge to develop within Malaysia.
White Colour	:	Symbolizes purity, sincerity and whole heartedly in enhancing the people's resilience, cultural values and their Malay- sian identity.
Blue Colour	:	Symbolizes a multi-racial nation, living in unity, prosperity and harmony in striving for economic success based on scientific and sophisticated technological knowledge.
Yellow Colour	:	Symbolizes the sovereignty of constitutional monarchy and pledge to uphold the principles of the Federal Constitution and Rukun Negara (rules which serve as guide to good citizenship).
Crescent and star	:	The yellow crescent and star which symbolize Islam and constitutional monarchy are at the centre of the flag and covering the three coloured stripes (Red, White and blue) denote stability and strength in uniting the three symbols of bravery, purity and unity.



Thank You

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