

Marginal impact on Labuan financial sector: DG

LABUAN: The Covid-19 pandemic has slightly impacted Labuan's international financial sector as the leasing segment has felt the pinch over the first few months of 2020.

Labuan Financial Services Authority (Labuan FSA) director-general Datuk Daniah Mah Abdullah said the situation was rather akin to a 'double whammy', owing to the uncertainty of the global economic landscape.

"Covid-19 has affected our sector and this is unprecedented...we are not sure of the business landscape moving forward, there's so much uncertainty...you're not sure how it's going to be played out, so to speak.

"We are the regulator, a member of all these various multilateral kind of organisations that comprise all these regulators... (there's) a lot of all sharing of information, sharing of knowledge, and so on, how to handle this situation, and what other jurisdictions are doing.

"We have been scanning around and we have been attending Zoom meetings, with all these other regulators in terms of how we are managing the situation," he said.

Mah said some form of impact on the industry were seen in the first few months of this year, but were not on a large scale, but some sectors would be affected such as the leasing business.

"It's like a double whammy, because last year there was a significant drop in oil prices that has affected the oil and gas sector in Labuan... and the situation is now compounded with Covid-19, that doubles the burden," he said during a recent interview with Labuan International Business Financial Centre (IBFC) chief executive officer Farah Jaafar-Crossby in conjunction with Labuan IBFC's 30 Years of Intermediating Asia.

Mah however said there were also some pockets of positive impact as the new norms are taking its shape in the financial sector.

"You talk about digital related businesses...we have been focusing on that industry in the last couple of years, and we are seeing some increase again in that area.

"Of course, in the insurance side, there's one element of captive business. We are seeing a lot more players in that spectrum as well. But overall, we will continue to scan the region to see what else that we can do, in terms of moving Labuan IBFC forward," he said. - Bernama