

## CHAPTER XIII

# External Assistance and Regional Co-operation

### I. INTRODUCTION

745. Malaysia has consistently recognized the importance of international collaboration in securing solutions to the economic problems of developing countries. These relate *inter alia* to the mobilization of development assistance both capital and technical to supplement domestic resources for the acceleration of socio-economic development as well as the need for regional co-operation to enlarge the capacity of developing countries to surmount their common problems.

746. This Chapter outlines the efforts to be made by the Government during the Third Malaysia Plan (TMP) for securing the required level of development assistance; fostering greater economic co-operation at the international, regional and sub-regional levels; and stepping up its own technical assistance efforts to other developing countries.

### II. NEED FOR EXTERNAL ASSISTANCE

747. The Government has committed itself to accelerating national economic and social development through the New Economic Policy (NEP) as well as the maintenance of law and order in the country. Notwithstanding the achievements of the nation's past development efforts, the prevailing high incidence of poverty and the wide disparities in income continue to pose a major challenge to the timely attainment of the objectives of the NEP. The public sector development programme under the TMP seeks to meet this challenge. As discussed in Chapter XII, these development efforts will involve investments for projects which generate socio-economic benefits for the lower income groups.

748. The large financing requirements for the investments targetted under the TMP will come mainly from the nation itself through greater mobilization of domestic resources. The proportion of revenue from taxation to the Gross National Product which stood at 23% in 1975, is indicative of the efforts already being made to mobilize domestic resources

for development. As private investment has an important role to play in achieving the country's development goals, there is a need to strike a balance between additional taxation on the one hand and the provision of adequate incentives to the private sector to play a meaningful role in national economic development on the other. A greater emphasis on securing adequate levels of external assistance to supplement domestic resources is therefore important for the development effort.

749. Malaysia is well-placed to attract such assistance in view of:—

- (i) its strong credit standing, comparatively low external debt and consistently good performance on economic, financial and political criteria which ensure effective utilization and timely servicing of all assistance received; and
- (ii) its ability to implement the TMP being well within the country's overall absorptive capacity.

### **III. TECHNICAL ASSISTANCE**

750. Malaysia receives technical assistance from four main sources. The first is from bilateral sources. Malaysia is a member of the Colombo Plan for Co-operative Economic Development in South and Southeast Asia. Technical Economic Co-operation Agreements concluded with non-Colombo Plan countries constitute the other portion of bilateral technical assistance.

751. Under the Colombo Plan, close technical and economic co-operation has been maintained with Australia, Canada, India, Japan, New Zealand and the United Kingdom. Technical and Economic Co-operation Agreements concluded with non-Colombo Plan countries include Belgium, Bulgaria, France, the Federal Republic of Germany, Indonesia, Kuwait, the Netherlands, Poland, Rumania, Saudi Arabia, the Union of Soviet Socialist Republics and the United Arab Emirates.

752. The second source of technical assistance is multilateral agencies. The most significant of these are the United Nations Development Programme (UNDP) and the Commonwealth Fund for Technical Co-operation (CFTC).

753. A third source of technical assistance comes from specialized agencies and foundations. These include the Asia Foundation, the Ford Foundation and the International Development Research Centre. Malaysia also receives assistance from various voluntary organizations including the International Executive Service Corps, the Canadian Executive Service Corps, the United States Peace Corps, the Japanese Overseas Co-operation Volunteers, the German Volunteer Service, the Canadian University Services Overseas, the Australian Volunteer Agencies, the Volunteer Service Abroad (New Zealand) and the Volunteer Service Overseas (the United Kingdom).

754. A fourth source of technical assistance is the engagement of professional staff under Inter-Governmental Agreements. In recent years, Malaysia has secured the services of doctors, engineers and teachers under these Agreements.

**Review of technical assistance, 1971-75**

755. The total value of technical assistance received during the period 1971-75 amounted to \$330 million or 1.6 % of total current expenditure of the Federal and State Governments. As shown in Table 13-1, about \$150 million originated from Colombo Plan countries, in particular, Australia, Canada, India, Japan, New Zealand and the United Kingdom. It is envisaged that these countries will continue to play an important role in meeting the technical assistance requirements for the TMP.

TABLE 13-1

**MALAYSIA: VALUE OF TECHNICAL ASSISTANCE RECEIVED<sup>1</sup>, 1971-75**  
(\$ million)

<i>Donor</i>	1971	1972	1973	1974	1975	<i>Cumulative total, 1971-75</i>
United Nations Development Programme and United Nations Agencies	11.5	11.5	11.4	14.2	17.9	66.5
Colombo Plan countries ... ..	39.7	37.4	16.7	32.8	22.7	149.3
Non-Colombo Plan countries ... ..	2.6	29.2	22.7	2.4	1.7	58.6
Volunteer agencies ... ..	6.9	6.9	7.6	7.8	7.5	36.7
Specialized agencies ... ..	1.6	3.9	4.8	4.2	4.3	18.8
TOTAL ... ..	62.3	88.9	63.2	61.4	54.1	329.9

<sup>1</sup> Excludes Malaysia's contribution to these programmes as shown in Table 13-5.

756. The UNDP and other Specialized Agencies of the United Nations contributed an average of \$13.3 million annually. This represents the nation's second largest source of technical assistance. Owing to the international nature of the sources and their commitment to economic and technical co-operation, the UNDP and UN Specialized Agencies' contributions are expected to remain important.

757. Technical assistance extended by non-Colombo Plan countries, Volunteer and Specialized Agencies increased substantially during the Second Malaysia Plan (SMP) period. While the bulk of this was from bilateral sources, the Volunteer Agencies contributed significantly towards programme and project implementation capacity through the assignment of trained, skilled and dedicated manpower. The Volunteer Agencies and Specialized Agencies are expected to maintain their contributions at present levels for the duration of the TMP.

758. Table 13-2 indicates the composition of technical assistance by type. Expert services accounted for almost one-half of the total technical assistance received. About 38% of technical assistance was given in the form of equipment in conjunction with the provision of foreign expertise. Training accounted for 16% of the total value of technical assistance. Although this is currently the smallest end-use of technical assistance, the nation will make increasing recourse to this type of assistance under the TMP to develop local expertise.

TABLE 13-2

**MALAYSIA: COMPONENT BREAKDOWN OF TECHNICAL ASSISTANCE<sup>2</sup> BY SECTOR, 1971-75**

(\$ million)

<i>Sector</i>	<i>Expert/Volunteer</i>	<i>Training</i>	<i>Equipment</i>
<i>Economic</i>			
Agriculture and rural development ... ..	32.3	0.6	11.6
Mineral resource development ... ..	0.2	—	1.2
Commerce and industry ... ..	12.5	0.8	0.3
Feasibility studies ... ..	0.2	—	8.9
Transport ... ..	5.2	0.1	22.5
Communications ... ..	6.7	2.0	1.9
Utilities ... ..	2.4	—	12.9
<i>Social</i>			
Education and training ... ..	53.4	41.9	22.2
Health and family planning ... ..	13.2	5.0	7.2
Social and community services ... ..	4.9	0.4	—
General administration ... ..	11.6	0.5	28.3
<b>TOTAL ...</b>	<b>142.6</b>	<b>51.3</b>	<b>117.0</b>

<sup>2</sup> Specialized Agencies' contributions are not included.

759. The sectoral allocation of technical assistance as shown in Table 13-3 reflects the relative need for the transfer of real resources. High priority has been given to education and training, agriculture and rural development, transport and communications and general administration. The concentration of technical assistance in these four areas results from the need to build up an infrastructure of public facilities and an efficient administrative machinery which will provide the framework for further growth and development of the country. In education and training, technical assistance has been channelled to the Ministry of Education for projects such as educational development, curriculum development and educational television. Tertiary institutions such as the Universities, *Institusi Teknologi MARA* and the *Politeknik Ungku Omar* have also benefitted substantially from technical assistance. A significant proportion of volunteers in the educational sector have been directed towards the teaching of science and mathematics both at the secondary and tertiary levels.

TABLE 13-3

MALAYSIA: ALLOCATION OF TECHNICAL ASSISTANCE  
BY SECTOR, 1971-75

(\$ million)

Sector	1971	1972	1973	1974	1975	1971-75	
						Total	Share of total (%)
<i>Economic</i>							
Agriculture and rural development	10.6	7.0	7.3	11.8	8.7	45.4	13.8
Mineral resource development ...	1.2	—	0.1	0.1	—	1.4	0.4
Commerce and industry ...	2.0	1.9	2.5	3.5	3.7	13.6	4.1
Feasibility studies ...	1.7	7.2	—	0.2	—	9.1	2.8
Transport ...	12.3	1.9	9.2	4.0	0.3	27.7	8.4
Communications ...	1.5	4.9	4.8	2.7	2.1	16.0	4.8
Utilities ...	0.9	2.0	11.0	1.0	0.4	15.3	4.6
<i>Social</i>							
Education and training ...	24.0	26.5	20.0	28.2	26.7	125.4	38.0
Health and family planning ...	4.2	3.6	3.4	7.3	8.5	27.0	8.2
Social and community services ...	1.5	1.3	1.4	0.8	0.7	5.7	1.7
General administration ...	2.4	32.6	3.5	1.9	2.9	43.3	13.1
TOTAL ...	62.3	88.9	63.2	61.5	54.0	329.9	100.0

760. In agriculture and rural development, the research institutes were important beneficiaries. These included the Malaysian Agricultural Research and Development Institute (MARDI) and the Department of Agriculture itself in areas such as agricultural planning and programme identification, food handling and crop protection. Other beneficiaries were agencies such as the Federal Land Development Authority (FELDA), the National Livestock Development Authority (MAJUTERNAK) and the Fisheries Development Authority of Malaysia (MAJUJIKAN) as well as the Department of Statistics. Specialized training institutions including the Fisheries Training Institute in Penang have also benefitted from technical assistance in their research and training programmes. A number of projects were implemented with technical assistance inputs. These included the Forest Industries Development Project, the Trengganu Logging Training Centre, the Cocoa Cultivation and Processing Project, the study of the development possibilities for the fish industry in the Dindings Region, the Padi Mechanization Scheme in Bumbong Lima and the supply and installation of grain silos in Trengganu.

761. The transport and communications sector continued to be a major user of technical assistance. The Telecommunications Department obtained equipment, expertise and fellowship training awards for the Telecoms Training Centre. Several feasibility studies and follow-up design tasks

were also completed under technical assistance programmes. These included the Kuantan/Segamat highway, the design and supply of steel structures for 21 bridges in Sarawak, the National Airport Master-plan Study, the Gua Musang/Kuala Krai highway and the Shipping Services Study. The planning capabilities of the Malaysian International Shipping Corporation, the Malayan Railway and the Highway Planning and Public Transport Unit of the Ministry of Works and Utilities were enhanced with the assignment of experts under multilateral and bilateral arrangements.

762. In the field of general administration, technical assistance has been utilized for on-going training programmes for administrators and other professional staff in the public service. The National Institute of Public Administration (INTAN) has benefitted in a major way from such assistance as have a number of Ministries in the Government.

#### **Requirements for technical assistance, 1976-80**

763. In planning for the nation's overall requirements for technical assistance, three areas have been identified. Short-term operational personnel to support Malaysian professionals in education, health and agriculture will still be required in keeping with the projected expansion of the services to be rendered by these sectors. Medium and long-term technical assistance will be needed for research and development projects, sometimes coupled with equipment, to ensure their effectiveness. Training scholarships and fellowship programmes will be essential for upgrading the country's manpower.

764. A large number of important projects aimed at improving the living conditions of the poor have been identified. In the *agriculture sector*, which includes fisheries, where the incidence of poverty is highest, the aim of these projects is to increase productivity and incomes. Programmes identified include crop protection, grain handling and storage, soils analysis, crop diversification and land development. The development of natural and agricultural resources such as water, forestry, pastures, livestock, fisheries and poultry are also important. Assistance is required for the Water Management Training Centre, the implementation of the Fisheries Long-Term Development Plan, livestock development, programmes undertaken by various agricultural agencies, the crop protection programme of the Department of Agriculture, the FELDA Settler Training School and research projects to be undertaken by the Rubber Research Institute including the Rubber Wood Technology and Weed Control and Herbicides projects.

765. In view of the pace-setting role of industry in the TMP, the *industrial sector* will require technical assistance in respect of training and consultancy services. Vocational and technical education undertaken by various MARA Vocational Schools as well as the activities of the National Industrial Training and Trade Certification Board need an increasing supply of well-qualified technical staff. Both short and long-term consultancy services will be

required by the MIDF Industrial Consultants Sdn. Bhd., the National Productivity Centre and the Federal Industrial Development Authority (FIDA). Closely associated are the requirements of the National Electricity Board (NEB) in the establishment of its Training School and the Metal Industries Development Centre to be established by FIDA.

766. Considerable technical assistance will continue to be required for the implementation of programmes in the *transportation and communications sector*. These would include expertise to assist with feasibility and design studies for new ports, roads, telecommunications and urban centres. The modernization programmes of the Malayan Railway, urban transport planning projects and the on-going Flight Information Region project of the Civil Aviation Department would place continuing demands on technical assistance and consultancy services.

767. The provision of *health and other social services* is being increasingly directed towards the less fortunate segments of society. Para-medical staff in terms of short-term volunteers with expertise in radiology and nursing will be required to extend the reach of health services. Experts will also be in demand to constantly upgrade the quality of health and medical services.

768. In the field of *education and training*, the need for teachers particularly at the secondary and tertiary levels is a priority requirement for the teaching of science and mathematics. Teaching assistance will also be required for the teaching of English as a strong second language.

#### **Technical assistance administration**

769. In view of the many requirements of technical assistance, the need for a detailed evaluation of priorities is important. The determination of these priorities by the Economic Planning Unit—the agency responsible for the evaluation, monitoring, co-ordination and administration of technical assistance—will take account of the following:—

- (i) the importance of the technical assistance inputs requested for the successful completion of the project; and
- (ii) the availability of Malaysian counterpart inputs to understudy and take over from the experts upon completion of their assignments.

770. Periodic reviews of the country's technical assistance requirements will take account of the need to overcome project delivery constraints, changes in the policies of donor countries and the capacity of the recipient agencies to fully absorb and utilize technical assistance. The aim will be the evolution of a streamlined administrative framework which is more responsive to project requirements.

#### IV. CAPITAL ASSISTANCE

771. Capital assistance to Malaysia takes a number of forms:—

(i) Project loans from multilateral sources in particular, the World Bank, the Asian Development Bank (ADB), and the Islamic Development Bank (IDB).

(ii) Bilateral loans under Government-to-Government agreements.

Market loans, suppliers' credits for specific purposes and external loans raised for defence purchases are other important elements in the external borrowing programme.

#### Review of progress, 1971-75

772. As shown in Table 13-4, during the period 1971-75, Malaysia secured external capital assistance totalling \$2.3 billion. Although this was larger than the revised SMP target of \$1.4 billion, a large share of the assistance secured was for projects whose implementation will stretch into the TMP. Notwithstanding this fact, there were shortfalls in the disbursement of loans secured indicating the need for improvements in project preparation and implementation capacity under the TMP.

TABLE 13-4

#### MALAYSIA: FOREIGN LOANS SECURED DURING 1971-75 (\$ million)

	<i>Source</i>								
<i>Multilateral</i>									
World Bank	...	...	...	...	...	...	...	...	710.5
Asian Development Bank	...	...	...	...	...	...	...	...	547.2
								Sub-total	1,257.7
<i>Bilateral</i>									
Canada	...	...	...	...	...	...	...	...	126.2
Denmark	...	...	...	...	...	...	...	...	14.4
France	...	...	...	...	...	...	...	...	28.3
Federal Republic of Germany	...	...	...	...	...	...	...	...	52.0
Japan (Yen Credit) <sup>3</sup>	...	...	...	...	...	...	...	...	470.3
Republic of Korea	...	...	...	...	...	...	...	...	9.2
Kuwait <sup>3</sup>	...	...	...	...	...	...	...	...	66.1
Saudi Arabia <sup>3</sup>	...	...	...	...	...	...	...	...	191.2
Sweden	...	...	...	...	...	...	...	...	86.3
United States of America	...	...	...	...	...	...	...	...	10.1
								Sub-total	1,054.1
								TOTAL	2,311.8

<sup>3</sup> The Third Yen Credit and the loans raised from Saudi Arabia and Kuwait are only expected to be disbursed during the TMP.



773. Project loans from multilateral sources amounted to \$1.3 billion and formed the major component of all assistance received. Of the total World Bank commitments to Malaysia amounting to \$710 million, about \$128.5 million of these loans had been disbursed up to the end of 1975. During the SMP, World Bank financing was secured for 14 projects in land development (Keratong and Jengka), drainage (Western Johor), education, transport including public transport, water supply and sewerage.

774. Of the \$547 million secured from the ADB for 17 projects to be implemented for periods stretching beyond the SMP, a sum of \$55.4 million had been disbursed. They comprised in the main, infrastructural projects for road and port development as well as regional development. Project loans from bilateral sources totalling \$1.1 billion were utilized for a wide array of projects, in particular, consultancy services and projects with high equipment content.

775. The Second and Third Yen Credits amounting to approximately \$470 million were major components of bilateral capital assistance. Disbursements progressed satisfactorily as loan agreements are in practice signed only after project preparation is finalized. The Third Yen Credit was signed in January 1975 for projects initiated in the latter part of the SMP to be implemented during the TMP.

776. In 1975, soft term loans amounting to \$250 million were obtained from Saudi Arabia and Kuwait. These will be utilized during the TMP for land settlement in Pahang Tenggara and Ulu Kelantan, the establishment of a Medical Faculty at the *Universiti Kebangsaan Malaysia* and the construction of a new campus for the *Universiti Teknologi Malaysia*.

777. Equally important sources of project loans were Canada, Denmark, France and Sweden. A survey of forest resources in Sabah and the Pahang Tenggara Masterplan Study were completed with assistance from Canada. The Tuanku Jaafar Power Station extension project was financed with French credit while project loans from Denmark were used principally for consultancy services and the purchase of agricultural equipment.

#### **Requirements for capital assistance, 1976-80**

778. The requirements for capital assistance for the TMP have been determined on the basis of a careful evaluation of the experiences learned during the SMP period and an assessment of the resources that can be mobilized. While the financing of the proposed programme of \$18.6 billion would require substantial foreign borrowing, the favourable prospects on the balance of payments and the strong external reserves position of the country will permit a high level of foreign borrowing from institutional, bilateral and market sources.

779. The net requirements from the World Bank for the TMP are estimated to amount to approximately \$1.5 billion. Since the Bank is limited to financing a maximum of 35% or the foreign exchange costs for any single project, project identification and preparation efforts have been intensified to generate the large number of projects required.

780. The Government welcomes the increasing emphasis being given by the World Bank to anti-poverty programmes. In this connection, the Government is hopeful that World Bank support will be received for, among others, the following: land rehabilitation schemes of the Federal Land Consolidation and Rehabilitation Authority, the development of coconut areas, village modernization and development, the Kuantan and Kelantan urban development projects, Sites and Services projects throughout the country and integrated rural development schemes in Peninsular Malaysia, Sabah and Sarawak.

781. The net requirements from the ADB are estimated at \$860 million. In line with the development strategy to open up opportunities for growth in the less developed States, the Government will continue to seek the assistance of the ADB principally for projects which contribute to greater regional balance. These include irrigation projects in Sarawak, electricity programmes in Sabah, the Kuala Krai/Gua Musang/Lipis road, the East-West Highway dispersal links, the Trengganu River multi-purpose project and infrastructure for townships in Pahang Tenggara and Trengganu.

782. Financing from the IDB as well as other bilateral sources will be sought to meet the substantial financing requirements for transport, power and communications projects. They will be largely utilized for projects with a high component of off-shore costs.

783. Bilateral loans will be sought from a number of countries including Canada, France, Japan, Kuwait, Saudi Arabia and the United Arab Emirates. The Government is hopeful that the contributions from Kuwait and Saudi Arabia will be additional to the loans totalling \$250 million provided in 1975 for projects to be implemented during the TMP.

## **V. REGIONAL ECONOMIC CO-OPERATION**

784. Recent changes in the international economic order have drastically altered the traditional structure of international relations. Although this world-wide economic crisis has affected all countries, the developing countries have experienced the greatest set-backs in their development efforts.

785. Recognizing the vital importance of regional economic co-operation to enable countries to meet common problems while accelerating their progress and development, Malaysia is intensifying its efforts to foster greater collaboration at the international, regional and sub-regional levels. This is borne out by its active participation in several regional organizations including the Association of Southeast Asian Nations (ASEAN), the United

Nations and its Specialized Agencies, the Islamic Conference, the Ministerial Conference for the Economic Development of Southeast Asia, the Colombo Plan for Technical Co-operation and a number of specialized Southeast Asian Agencies.

#### **Association of Southeast Asian Nations (ASEAN)**

786. With the formation of ASEAN which comprises Malaysia, Indonesia, Philippines, Singapore and Thailand, Malaysia has committed itself to the basic aim of ASEAN which is to accelerate the economic growth, social progress and cultural development of this important sub-region. This will be achieved through joint endeavours in the spirit of equality and partnership. This also calls for more effective collaboration in trade expansion efforts, improvement to transportation and communication facilities and collective action to enable more rapid development of the agricultural and industrial sectors. The central purpose of ASEAN, as re-stated at the Bali Summit which culminated with the Declaration of ASEAN Concord signed by the Heads of Governments on 24th February, 1976, is to advance the well-being of the Southeast Asian peoples through effective socio-economic development.

787. On the basis of the recommendations of a United Nations Study Team on "Economic Co-operation in ASEAN", the ASEAN group has endorsed and is implementing several regional projects in the key sectors of agriculture, industry, trade, transport and communications. Projects identified in the field of commerce and industry include the selective Trade Liberalization Schemes, Industrial Complementation Schemes, Trade Statistics, training in Export Promotion and the ASEAN Product Display Centre.

788. ASEAN has also developed close relations with the European Economic Community (EEC). Preferential treatment has been secured under the Generalized System of Preferences of the EEC for several primary export products from ASEAN countries. Assistance has also been obtained from the EEC in export promotion and regional integration activities.

789. In view of the growing need to consider appropriate measures in the field of economic co-operation, the Second ASEAN Economic Ministers Meeting held in Kuala Lumpur in March, 1976 resulted in a number of important steps being taken for regional co-operation. Agreement was reached to establish an Experts Group to review the industrial co-operation programme, in particular to examine the feasibility of establishing the following ASEAN industrial plants: urea projects in Indonesia and Malaysia, superphosphate production in the Philippines, diesel engines manufacture in Singapore and soda-ash production in Thailand. Other projects being considered include metal-working machine tools, fisheries, electrolytic tin plating, heavy-duty rubber tyres and electronic components.

790. Agreement was also reached for concerted action on basic commodities, particularly food and energy, with a view to according priority and trading preferences to member countries. The adoption of a joint approach to world economic problems is another feature of the growing cohesion among ASEAN countries.

#### **The Colombo Plan**

791. The Colombo Plan for Co-operation and Economic Development in South and Southeast Asia was established to provide a framework within which international efforts could be encouraged to overcome the vast problems facing the countries in the area. Malaysia which has over the past 20 years utilized more than 6,000 training places and secured the services of more than 1,200 experts under the Colombo Plan is, on its part, making available more training places in Malaysian institutions for trainees from the region. These are in the fields of telecommunications, land development, customs and police administration, broadcasting, development planning and public administration. Malaysia also contributes to the Colombo Plan Staff College for Technical Education located in Singapore and the Population and Drug Advisory Programmes of the Colombo Plan.

#### **The UNDP and the UN Specialized Agencies**

792. Malaysia is an active participant in several on-going regional projects which are under the auspices of the United Nations and its Specialized Agencies. These include the Asia Trade Expansion Programme, the Asia Rice Trade Fund, the Asian Statistical Institute and the Asian Development Institute.

793. In addition, Malaysia is providing host facilities for the Asian Centre for Development Administration (ACDA). This Institute which commenced courses in October, 1973 is concerned with the training of senior administrators and leaders of national research and training institutions. The Centre is provisionally housed in facilities equipped by the Government. Malaysia has also made available a permanent site and the construction of a new building is underway.

794. The Southeast Asia Tin and Research Development Centre and the Asian Institute for Broadcasting Development are also located in Malaysia. Appropriate provisions will be made in the TMP in support of these Centres.

#### **Ministerial Conference for the Economic Development of Southeast Asia**

795. This Conference serves as a useful consultative forum for the exchange of ideas on the development of the Southeast Asian region. Since its inception nine years ago, it has brought into realization a number of regional projects.

796. Projects initiated by this Conference and involving the active participation of Malaysia include:—

- (i) the Southeast Asian Fisheries Development Centre which has as its basic aim the development of the fishing industry in the Southeast Asian region. The Centre now has three departments, Training in Thailand, Research in Singapore and Aquaculture in the Philippines;
- (ii) the Southeast Asian Promotion Centre for Trade, Investment and Tourism established for the promotion of exports investment and tourism in the regions; and
- (iii) the Study Group on Asian Tax Administration and Research for exchange of information on tax administration in the context of economic development.

#### **Other Southeast Asian Regional Projects**

797. A number of other regional endeavours have been initiated by Southeast Asian Governments. The first is the Inter-Governmental Coordinating Committee on Family and Population Planning in Southeast Asia which was established following a Southeast Asia Ministers Conference on Family and Population Planning held in Kuala Lumpur in 1970. The second is the Southeast Asia Agency for Regional Transport and Communications Development which was established by the first Conference of Transport and Communications Ministers of the region in Kuala Lumpur in 1967. Recognizing the importance of co-operative action in areas such as these, Malaysia has provided host facilities for the secretariats and continues to help the financing of associated local costs.

798. Another important Southeast Asian agency is the Southeast Asian Ministers of Education Organization. Malaysia's role in this organization includes the provision of host facilities for the Regional Centre for Education in Science and Mathematics (RECSAM) located in Penang.

#### **Islamic Conference**

799. The Islamic Conference, first mooted in Rabat, Morocco in 1969, has made significant progress in many fields of co-operation. Several economic, social and cultural projects are now being implemented including the International Islamic News Agency, the Islamic Development Bank, the Islamic Cultural Centre and the Islamic Solidarity Fund. The success achieved so far has provided greater impetus for widened co-operation.

800. The IDB, operational since October 1975, with headquarters in Jeddah, Saudi Arabia, was established for the purpose of fostering economic development and social progress of member countries and Muslim communities. Malaysia, one of the signatories to the IDB Charter, has already pledged \$49 million to the capital stock of the IDB.

801. Malaysia will continue to give every possible support to the realization of the goals of the Conference. It will emphasize economic and technical co-operation as well as trade and investment expansion among member countries.

#### VI. MALAYSIA AS A DONOR COUNTRY

802. Malaysia has within its limited resources endeavoured to provide training places, study visits and advisory assistance to other developing countries including Bangladesh and Papua New Guinea. Its main co-operative efforts have focussed upon in-service training programmes in Government development and research agencies to enable participants to share in the country's experiences in the field of development planning and implementation. Malaysia's contribution to international and regional development organizations amounted to about \$40 million as shown in Table 13-5.

TABLE 13-5

#### MALAYSIA: CONTRIBUTIONS TO INTERNATIONAL/ REGIONAL ORGANIZATIONS, 1971-75<sup>4</sup>

(\$ million)

<i>Organization</i>	1971	1972	1973	1974	1975	<i>Total, 1971-75</i>
Commonwealth/Colombo Plan ... ..	0.1	0.1	0.2	0.2	0.2	0.8
United Nations Agencies ... ..	2.8	2.7	2.7	2.7	2.7	13.6
Other Regional/International Organizations ...	1.2	1.3	1.3	2.6	19.5	25.9
<b>TOTAL ...</b>	<b>4.1</b>	<b>4.1</b>	<b>4.2</b>	<b>5.5</b>	<b>22.4</b>	<b>40.3</b>

<sup>4</sup> Includes contribution to IDB.

803. The number of participants by sector of training is summarized in Table 13-6. The trainees principally from the ASEAN region attended courses conducted by national and regional training institutions in Malaysia. These included RECSAM, INTAN, the Telecoms Training Centre, ACDA, the Industrial Training Institutes and the Forestry College.

804. In addition, Malaysian agencies participated in Third Country Training Programmes by hosting and providing training facilities for overseas participants. Study areas offered by Malaysia included agricultural research, forestry, land development, customs administration and development planning and implementation.

805. During the TMP, Malaysia will broaden its efforts to provide technical assistance for other developing countries. A greater number of training places will be made available in national training institutions and greater emphasis will be devoted to increasing the capacity and capability of regional institutions located in Malaysia. Special emphasis will be given to fellowships for trainees from the ASEAN countries.

TABLE 13-6

MALAYSIA: TRAINING PLACEMENTS AND STUDY VISITS  
OFFERED, 1971-75

<i>Sector</i>	1971	1972	1973	1974	1975	<i>Total, 1971-75</i>
Agriculture and rural development ...	7	2	22	23	15	69
Commerce and industry ...	1	6	1	5	—	13
Transport ...	—	—	—	3	3	6
Communications ...	1	2	5	5	9	22
Education and training ...	14	9	34	37	24	118
Health and family planning ...	78	46	54	99	80	357
Social and community services ...	—	—	—	1	—	1
General administration ...	8	34	14	30	33	119
<b>TOTAL ...</b>	<b>109</b>	<b>99</b>	<b>130</b>	<b>203</b>	<b>164</b>	<b>705</b>

**VII. CONCLUSION**

806. Malaysia's development efforts in past planning periods have consistently recognized the importance of external assistance for the implementation of the nation's development programme. Despite the success of past development efforts and the rapid build-up of domestic resources, the nation continues to experience financial and skilled manpower limitations which could affect the successful implementation of the large public sector programme of the TMP. Efforts to secure the required level of development assistance on concessionary terms from all possible sources will therefore be sustained. In this regard, Malaysia fully appreciates the assistance received and will continue to endeavour to effectively utilize and service all assistance extended.

807. Recognizing the importance of concerted action to enable the countries in the region to meet their common problems, Malaysia will increasingly adopt a regional perspective in contributing to the solution of these problems. Malaysia is already participating in organizations and projects of a regional nature involving the participation of several countries. As Malaysia increasingly encourages and supports regional projects, it will be also responsive to the regional implications of its own national development projects.

808. In spite of its own resource constraints, Malaysia has taken steps towards contributing to the development efforts of other countries especially those within the region. The thrust of this effort to date has been in the sharing of its experiences in development. Malaysia will continue to play an increasingly important role as a donor country through joint endeavours in the spirit of equality and partnership for the mutual benefit of countries in the region.