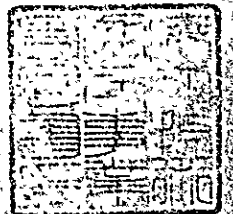


**SOME OBSERVATIONS
ON
THE MALAYSIAN ECONOMY**

(REPORT OF THE JAPANESE ECONOMIC MISSION TO MALAYSIA)

OVERSEAS TECHNICAL COOPERATION AGENCY OF JAPAN

MARCH 1963



調査統計課



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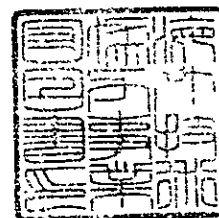
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Foreword

The Federation of Economic Organizations of Japan, recognizing the important impact which the projected formation of the Federation of Malaysia would produce upon the economy of South East Asia, undertook a series of studies on the economies of the Federation of Malaya, State of Singapore, Brunei, North Borneo and Sarawak early in 1962. Those studies aroused a keen interest in the Japanese business circles and created a strong desire to see at first hand economic conditions prevailing in those countries and territories. It was in response to this generally increased interest that the Federation of Economic Organizations sent, under the sponsorship of the Government of Japan and the Overseas Technical Cooperation Agency, an economic mission to those areas in September 1962.

This economic mission, which I had the privilege to lead, was composed of seventeen members representing major industries of Japan and made a three week visit to the Federation of Malaya, the State of Singapore, Brunei, North Borneo and Sarawak from 3 through 25 September, 1962. The mission's task was to make a field study of their economies and find out the ways and means of promoting economic cooperation between Japan and the future Federation of Malaysia. Thanks to the courtesies and facilities extended to us by the local governments and business organizations, we could obtain fruitful results in broadening our knowledge and deepening our understanding of those areas and the problems they face.

We are deeply impressed with the vision and personality of Tunku Abdul Rahman, Prime Minister of the Federation of Malaya and Mr. Lee Kuan Yew, Prime Minister of the State of Singapore and with their firm determination to make this part of the world a stronghold of freedom and peace. Under their brilliant leadership, a bright future appears already promised for the peoples

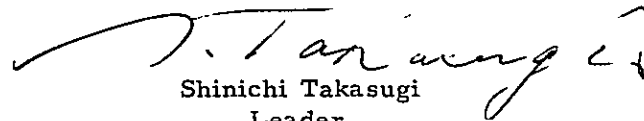
living in those areas. We renewed our recognition of the importance and urgency of strengthening our mutual economic cooperation so that Japan could contribute to the realization of the grand idea conceived by those great personalities.

Owing to limitations imposed by the short stay (hardly one week each in the Federation of Malaya, Singapore and the Borneo territories) and to the fact that most of the mission's members visited those areas for the first time, all we could do was to absorb a torrent of information provided to us relating mainly to local conditions in general. As we were busily engaged in trying to get a general picture of the areas, we could not afford to get into details of any specific aspect of industrial development. Such being the case, it would be pretentious if we dared to say anything by way of recommendation or advice to those people who are actually engaged in the task of development. Our observations given in the following pages are therefore no more than simple impressions we had upon our first hand contact with those areas. They might not be new to specialists and might even be made amiss sometimes, I am afraid, due to our misunderstanding, for which I must ask the reader's indulgence. I expect, however, that a number of missions and teams will follow us hereafter to study individual technical details in order to make more specific contributions.

As to another aspect of our task, that is, the promotion of the understanding of the areas involved among the Japanese public, we have undertaken, to start with, the dissemination of the information we obtained during our trip by publishing a book in the Japanese language containing all the information and data made available to us together with our views and comments. We hope that this book(attached to the present report) will constitute a basis, as the first comprehensive guide to the economies of the Malaysian areas, for further development of economic cooperation between Japan and those countries and territories.

Finally, may I express my deep appreciation, on behalf of all the members of the mission, to the Governments and business circles of the Federation of Malaya, the State of Singapore, Brunei, North Borneo and Sarawak for the warm

welcome and facilities they extended to the Mission throughout its trip. I earnestly hope that the results of our visit will serve as a cornerstone in the foundations of friendly economic relations between Japan and the future Federation of Malaysia.



Shinichi Takasugi
Leader,
Japanese Economic Mission
to Malaysia

A. The Federation of Malaya

I. Problems

(1) Economic development plan

The Government of the Federation of Malaya is now engaged in the execution of the Second Five-Year Plan 1961-65 with the total investment expenditures of M\$5,050 million. According to the Plan, the major motives are the rapid growth of population and instability of the prices of rubber and tin; the former threatens the present high level of per capita income and the latter necessitates the protection of the nation's economic life against the effects of fluctuating prices of those two export products. Primary emphasis is placed on agriculture mainly in the fields of rural development and rubber replanting. At the same time, efforts are being made for the promotion of industrialization. The Mission visited various industrial estates developed or being developed in Petaling Jaya in the neighbourhood of Kuala Lumpur, in Johore Bahru, in Prai and Butter-warth and in Tasek in the vicinity of Ipoh. The Mission was impressed by the efforts devoted by the local governments to the construction of those industrial estates. But some questions remained unsolved:

1) Co-ordination in regard to projects to be carried out in various industrial estates:-

So far as the Mission could know, it appeared that there was practically no overall co-ordination made in respect to the projects being or are to be realized in the respective industrial estates. Each industrial estate seems to be free to choose whatever project it desires without regard to industries to be established in other industrial estates. At Petaling Jaya, for example, the Mission inquired what was the relationship between the list of pioneer industries and the industries which have been or are to be established there. The answer given was that there was no relationship between these two. Any industry whether designated as pioneer industry

or not can be established in the industrial estate if that particular industry is judged to be innocuous to public health. In other words, the selection of industries is left to individual entrepreneurs. When the limited national market is taken into account for any commodity, this may lead to dangerous competition.

2) Supply of power:-

According to the statistics of the Central Electricity Board the total of installed power generating capacity does not exceed 170,000 KW. Even if additional power supply expected from the completion of the Cameron Highlands hydroelectric project is taken into account, the total installed capacity will linger at less than 300,000 KW for some time to come.

Admitting that power generating capacity is increased as industrialization makes progress, this is not a very encouraging condition for certain types of industry which require a large amount of power such as urea and aluminium production (which appear in the Federal Government's schedule of pioneer industries).

3) Tariff protection:-

The Federal Government has set up a tariff consultative committee to consider, upon application, the appropriateness of a home-manufactured product being protected by protective tariffs. We felt, however, that the Federal Government is not in mood to favour tariff protection. Reflecting such attitude of the Government, the committee takes usually a considerably long time before arriving at any decision. The Mission understands that utmost caution should be taken in applying protective tariffs, weighing its merits and demerits from the point of view of consumers' interest. However, if industrialization is pushed forward at a reasonable pace at all, the Government would have to adopt a firmer attitude in that regard.

4) Inadequacy of financial institutions:-

There is the Malayan Industrial Development Finance Ltd. with the

capital participation of the Government (5%) which is given the task to help finance projects in the private sector. However, it is constituted primarily by private capital and its financing capacity appears not to be adequate enough. It seems advisable that a financial institution fully subscribed to by the Government and with a larger financing capacity like the Economic development Board of Singapore be created in order to channel the Government's development funds into the private sector. Another point might be made: the limitation placed on central bank operations. There is no doubt that it has contributed to monetary stabilization, but to the extent that it implies inflexibility in monetary operations, it might work to the disadvantage of the promotion of industrialization. We learn that by virtue of 1960 Malaya British-Borneo Currency Agreement which came into force on the 1st January, 1961, the Board of Commissioners of Currency is allowed for the first time to hold among its assets publicly-issued dollars securities of, or guaranteed by, the participating governments up to a maximum of M\$300 million. This is certainly contributive to economic development by allowing the Board to expand the range of fiduciary elasticity.

(2) Financial resources

There is a large permanent outflow of private funds. This appears to be disadvantageous to the economic development of the Federation at least from three different points of view: firstly, besides its evident adverse effect upon the domestic formation of capital, it weakens the justification of the appeal for increased external loans which the government intends to make as the price of rubber goes down; secondly, the outflow abroad of a large part of income reduces the scale of domestic effective demand, and thus discourages new investments; thirdly, it makes foreign investors wonder why these profits are not reinvested in Malaya. It may go so far as to prove to them that interesting investment opportunities are absent in Malaya.

(3) Plurality of Social Structure

Political power resides with the Malays whose participation in economic activities is still very limited, which is reflected in the low income level of the Malays as compared with the economically active Chinese. Our impression is that the perfect integration of these two races seem to take still some time due to differences of religion and customs. It would be necessary, therefore, for smooth and rapid economic development that the harmonious relationship between the Malays in government and the Chinese in business be promoted since the government protection is particularly sought when industries are still in their infantile stages. At the same time, increased participation of the Malays in economic activities would be contributive to the economic development of the nation as a whole. In this sense, the Mission expects that the newly-established National Investment Company which encourages Malay investments in industrial enterprises will play an increasingly more important role.

II. Appraisal

(1) The IBRD Mission sent to Malaya in 1954 stated already in its report:

"Major technological or geological discoveries apart, the possibilities for the establishment of large new industrial enterprises seem limited.

"Malaya's industrial development in the future, as in the past, seem likely then to follow the pattern of individually small advances over a wide range of industries catering chiefly to the domestic and nearby markets."

"The character of typical Malayan industry also seems likely to continue in some sort of intermediate position between East and West, generally avoiding the most highly mechanized and capital-expensive industries and processes on the one hand, and on the other avoiding the lavish use of labor, at the expense of equipment and training, which is possible in some other Asian countries." ("The Economic Development of Malaya"; 1955, pp. 120 - 121, the Johns Hopkins Press)

Eight years after the IBRD Mission, we find ourselves in entire agreement with the Mission. The prevailing wages are high by Asian standards as a result of

the prosperity of rubber, tin and other primary production and of ensuing export-import trade, which excludes the possibility of labor-intensive industries capable of meeting international competition in price. On the other hand, the basic raw materials with which Malaya is endowed are, except for iron ores, scarcely associated with advanced industrial development. (Rubber and tin-using industries are more advantageously located near centers of consumption.) Sources of cheap power and domestic supplies of fuel appear to be very limited. We have to conclude therefore that, hemmed in by relatively expensive labor on the one hand and limited industrial possibility of local raw materials on the other, industrialization appears to be possible only within a very limited range.

(2) We understand that industrialization in some way or another is a long-run necessity for Malaya in view of its rapid population growth. We felt, however, that the pressure of population growth is not yet very acute as in India or Pakistan, and the Government of the Federation may well place main emphasis on foreign exchange earning primary products.

It is wise, in that sense, of the Government of the Federation of Malaya to have oriented the gravity of the Second Five-Year Plan towards agriculture, primarily based on rural development and rubber replanting.

(3) In these circumstances, our economic cooperation could take two forms:

a) Joint venture:

Joint ventures on a small industrial unit manufacturing consumer goods based on local or imported raw materials catering to the domestic market (pending tariff arrangements between the future Malaysian territories, and the coordination between Malaya and Singapore in respect to industrial projects which, left as they are, may lead to dangerous competition.) Two difficulties are encountered in particular in this field: The traditionally well-established mechanism of imports supply which encourages the dependency upon increased imports and discourages the entry of domestic products into the

market on account of their competition with imported products on the one hand and on the other, the Government's liberal attitude towards imports. We should expect, therefore, that a joint venture, even if protected by various measures taken under the Pioneer Industries Ordinance, will have to surmount difficulties arising from marketing.

b) Technical assistance:

This is a field in which our country has much to offer. The Mission was glad to be told in Penang that rice yield has increased by 350% over three years thanks to a Japanese expert sent under the Colombo Plan. Improvements in technical skill create an increase in production which, in its turn, generates increased income and demand. A reasonable expansion of the technical assistance scheme to Malaya is, therefore, desirable.

B. The State of Singapore

I. Problems

The efforts of the Singapore Government towards industrialization have been made in two directions: Construction of industrial estates and establishment of a legislative and administrative framework to encourage private industrial investments.

The industrial estate which is currently under construction at Jurong, on the southwest of the Island, extends over an area of approximately 9,000 acres, of which 127 acres for light industries and 265 acres for heavy industries are expected to be completed by the end of this year. As to the measures for the encouragement of industrial investments, the Government established the Economic Development Board to provide financial and technical assistance to projects undertaken by private entrepreneurs as well as a bunch of laws and regulations providing for complete tax exemption on profits for five years from day of production, selective protection by tariff, preferential buying by all Government Departments and Statutory Bodies, etc. Thus, so far as the facilities provided by the Government for investors are concerned, Singapore may be regarded as one of the most interesting place to invest in. Problems are, however, not a few:

(1) Free port and Industrialization:

The advantage one can find in establishing industries in a free port is to be able to export manufactured goods at a price lower than normal on the basis of raw materials imported free of duty. If this advantage is found in Singapore, it has plenty of chances to succeed to its industrialization. Are the conditions of production such as the cost of labor, electricity, water and so on favourable as compared with those of other places in the same status? The Mission found that the answer was negative with respect to many products which can usually be regarded as suitable for manufacturing under the similar circumstances. The high costs of labour and public utilities excludes the possibility of establishing industries in that line.

Singapore's industrialization should, therefore, cater primarily to the domestic market and, under special tariff arrangements to the markets of the neighbouring countries. Even in that case, at least in the initial stages, industries should be protected against competition from abroad, which means the imposition of protective tariffs on many of imported manufactured goods. Is the imposition of protective tariffs on many imports compatible with the status of free port, then?

The explanation given by the Singapore authorities is that there is no contradiction between these two policies because Singapore's free port trade consists to an overwhelming extent of products which are not likely to be manufactured in Singapore; namely there is rubber which alone accounts for a quarter of the total transit trade at the one end of the range of the trade; at the other end, there are products like watches which are not likely to be manufactured in Singapore for some time. Hence it should be possible where it is necessary in selected cases to protect local industries in the initial stages by a moderate measure of tariff protection.

(2) Size of market:

If it is so, the products to be manufactured in Singapore should be consumed in the limited market of its own and that of the neighboring countries including the future Malaysian territories.

It is self-evident that the demand of 1.7 million inhabitants of Singapore can hardly justify the establishment of an industry of any sizeable scale. The prerequisite, therefore, seems to be for Singapore to have some kind of tariff arrangements with the Malaysian territories so that her products may enter these markets free of import duties. The Federation of Malaya with her population of 6.4 million should be given primary attention. There seem to be, however, two factors which may work to the disadvantage of Singapore: firstly, Malaya is also engaged in its own industrialization and will have juvenile industries to protect from outside products; secondly import duty is an important component of the

budgetary income of Malaya.

(3) Products to be manufactured:

The Mission was furnished with a list of "products which the Economic Development Board wishes to see manufactured in Singapore" during the course of conference with its officials. The list includes such chemical products as calcium carbide, calcium cyanamide, ammonia, etc. In the case of ammonia, its turnover is given as 120,000 to 180,000 tons a year calculated as ammonium sulphate. It was pointed out by the Mission that production of ammonia on such a small scale was not feasible. In Japan, where production conditions are more favourable with reciprocal industrial help, the minimum annual turnover which is feasible is generally considered to be not less than 250,000 tons. The view was expressed that it would be more interesting for Singapore to engage in manufacturing of secondary products on the basis of imported cheap basic materials rather than attempting to produce the basic materials themselves incurring a large capital outlay for necessary equipment. Although discussions on technical details were not entered into on all the items enumerated in that list, the Mission felt there was still much to do in the selection of products to be manufactured in Singapore.

(4) Labour

One of the greatest difficulties facing Singapore is the high cost of labour, as compared with that of the countries of the region with which Singapore is likely to come into export competition. The starting salary for a university-graduate, for example, amounts to M\$600 to 900. The workers who have finished the high school course get M\$150 to 300, and those with primary school education M\$150. Together with the high cost of public utilities such as electricity and water, the high wage adds to the cost of products. It will be much more so when those factors are combined with a small industrial unit necessitated by the size of market anticipated.

Another important aspect of the Singapore labour is its high political consciousness tinged with the pride in being Chinese and in their old tradition and

culture. Labour unrest there seems to be not a simple question of wage raising struggle. The Mission, however, was very much impressed with and renewed confidence in the Chinese businessmen, who seemed really settled down in Singapore, regarding it as their only homeland, and determined to carry on economic activities with their roots fastened deeply into its soil. The victory of the PAP Government in the referendum for the formation of the Federation of Malaysia was the significant achievement, and domestic security will be maintained more firmly when Singapore is merged with the Federation of Malaya. We are, therefore, confident that the Government will succeed in maintaining social order and in creating peaceful labour.

II. Appraisal

The Mission agrees with the Government of Singapore in recognizing the urgent need for rapid industrialization in view of the high rate of population growth. If the problems enumerated above are given satisfactory solutions, Singapore will be one of the most favourable locations for industries within the Malaysian territories. Among favourable conditions, the following may deserve special mention.

(1) The Mission was deeply impressed with the personality and vision of the young political leaders of Singapore. They are able, energetic and quick of action. The governmental services appear to be clear of red-tape complications and inappropriate practices. One of the officials of the Economic Development Board said proudly that an application for pioneer industry status, received at 9 o'clock in the morning will be given an answer yes or no by the noon of the same day. The presence of those leaders and experts is the greatest asset for Singapore and predicts a bright future.

(2) The positive financial and technical assistance as already referred to which the Government of Singapore is prepared to extend to industrial enterprises is a great encouragement for investors interested in this field of economic activities.

(3) Port facilities and the readily available services of banking institutions, insurance and shipping companies, and trading firms are important favourable

factors.

(4) A certain level of development already achieved in manufacturing and processing industries facilitates the introduction of other industries.

(5) The forthcoming formation of the Federation of Malaysia will create new market possibilities for Singapore-manufactured products. As a matter of fact, the prospects of industrialization of Singapore depend to a large extent upon the future tariff arrangements with the other territories of Malaysia. We anticipate that an IBRD Mission led by Mr. Jacques Rueff which is expected to visit the Malaysian territories soon, will work out some solutions to secure free movement of commodities manufactured in the region.

C. THE BORNEO TERRITORIES

I. General Economic Conditions

(1) The Mission visited North Borneo, Brunei and Sarawak, but it is almost impossible to speak of those territories in any sensible way on the basis of the limited experience of one or two days' stay in each. We would like to confine ourselves to giving some of our impressions.

(2) All the three territories appear similar in the sense that they depend on primary products for export, such as timber and rubber in North Borneo, oil in Brunei, and timber, rubber, pepper and bauxite in Sarawak. Brunei holds a unique position among the Borneo territories thanks to its oil deposits. Her financial standing is extremely good and it will continue to be so for some time to come. The other territories seem to have begun to feel the problems which face many other countries in the world whose economy is dependent to a large extent upon exports of primary products: insecurity of the international price as well as demand and consequent imbalance in public finance which tends to be further pronounced on account of increasing expenditures for development. As the local authorities are fully aware, the time has come when deliberate planning and action must be undertaken to secure sustained development.

II Appraisal

The Mission felt that the Borneo territories have a bright future with their rich natural resources a greater part of which is yet to be developed. At the moment, main efforts should be concentrated on the following fields.

i) Survey of resources

The information made available to us indicates the possibility of exploiting new mineral and forestry resources. However, except for oil resources, thorough investigation of resources seems yet to be carried out. We were told that a United Nations team was currently engaged in surveying an inland region of

North Borneo. Increased efforts in this field will make the most useful contribution to those territories, permitting them to stand on a more solid basis in planning their future development.

ii) Improvement of transportation facilities

At present, transportation between distant places is maintained in the main by water (river and coastal shipping) and by air. A road connecting Jesselton and Sandakan, two important cities in North Borneo, is still under construction.

Many resources in the inland areas cannot be reached, therefore, because of the lack of efficient means of transportation. As to the port facilities, there are a few ports which ocean going vessels can use by means of off-shore loading facilities. The use of those ports, however, is limited to six months a year due to climatical reasons.

iii) Education

The population of the three territories, dispersed thinly over the wide area, hardly amounts in total to 1.3 million. It consists of Chinese, Malays and different kinds of aborigines many of whom seem to live out of the civilized society. Due to the above conditions, supply of labor is limited from the points of view of quality as well as quantity. If a substantial increase in population cannot be expected in the near future primary efforts should be made to raise the level of education especially in the field of technical training.

D. PROSPECTS OF DEVELOPMENT IN THE MAJOR BRANCHES
OF INDUSTRY.

(1) Textiles

This is a branch of industry in which international competition is most keenly felt. Local production of textile products, therefore, must take this fact into account. The market for cotton fabrics and cotton clothes is saturated, which makes new attempts in this area difficult. On the other hand, an extensive use of synthetic fibres is yet to be introduced. Weaving, printing, and cloth-making of synthetic fibres mixed with cotton, rayon or flax will be more suited for local production. In the same sense, knit and pleated wears are not yet commonly found in the market. Products of rubber-treated cloths are also conceivable in view of the abundance of raw materials.

(2) Heavy electrical equipment

Because of the economic structures of the Malaysian territories which are predominantly dependent on primary industry, demand for heavy electrical equipment is not large. The governments of these territories are now implementing development programs with emphasis on the building-up of infrastructure of their economies such as power, communications and transportation. Most of the demand for heavy electrical equipment comes from those undertakings in the government sector. Hope was expressed in Singapore to produce locally motors and switch-gears. The Mission felt, however, that the establishment of industry in these fields should be given the second priority and come only after the expansion of domestic market to be realized as a result of general industrialization, particularly in the private sector.

(3) Home electrical appliances

There are two essential conditions for the expansion of the market for home electrical appliances: level of income being well above that of subsistence, and extension of the supply of electricity beyond the city limits. Demand for home appliances in the Malaysian territories is steadily increasing as those two condi-

tions are gradually improved. A phenomenal growth of the sales of transistor radios was particularly noted. Some local people attributed this to the spread of popular education. In spite of these encouraging factors, local production of those goods will have to face a number of problems peculiar to the market.

Firstly, all the governments which will compose the Federation of Malaysia exercise very little restriction on the importation of these products. As a consequence, products of domestic industries will have to face competition with the world's largest and best manufacturers. Secondly, owing to the free access to imported products which the people of these territories have enjoyed for a long time, the consumers' preference for known brands is extremely strong. The local manufacturers will have to be handicapped from the start. Thirdly, the conceivable size of the market within the Federation eliminates the benefits derived from mass-production. Home electrical appliances are manufactured in very large quantities in the industrial nations. government protection will be a prerequisite for the production of these goods. Finally, the establishment of electrical industry depends much on the development of a variety of related industries such as sheet metal and plastics fabrication, welding, galvanizing, etc. The availability of these industries in the countries visited did not seem to be adequate.

In the Mission's opinion, if something is to be planned in this field, it will be wise to start from the stage of assembling imported parts. In later periods, such industry will be able to increase supply of parts from local sources, thus contributing to growth of various factories. And, in the long run, this process will serve to develop a substantial technical basis upon which many other industries can be established.

(4) Mining

Some of the mineral resources such as tin, oil and iron ores have long been important sources of income in the Malaysian territories, together with other primary products like rubber or timber. However, all of the resources have not

been tapped. There are many other prospective mines which have not been thoroughly surveyed or developed. This is particularly so in the eastern coast of the Federation of Malaya and inland areas of the Borneo territories. Some development projects are reported to be bogged down by transportation problems. Improvement of roads and harbour facilities will open new possibilities in the mining industry in these regions.

(5) Steel and other heavy industries

Both Singapore and the Federation of Malaya have their own programs for the production of steel which, in their initial stages, aim at fulfilling domestic demand. Both have plans for future expansion. In the light of the experiences of the Japanese steel industry, it will take a very long time and a lot of government protection until these industries can stand on their own feet. In this sense, various forms of assistance given by the government to the steel mill project in Singapore, namely investments and loans from public funds, financial assistance to the ship-breaking industry for the purpose of securing low cost material and preferential purchase by the government agencies, should be highly appreciated.

All these considerations apply to heavy industries in general in the countries in course of development as the largest portion of the demand for products of heavy industries usually comes from the government. Therefore, the government policy and measures towards a given industry will have decisive effects on its success.

(6) Chemical industries

In the field of chemical industries, more difficulties are involved since the production of chemical products requires a huge capital investment. Such program as is now under consideration by the Singapore's Economic Development Board, to build simultaneously ammonia, sulphuric acid, nitric acid and ammonium sulphate plants will cause a heavy burden, because international competition in the market of ammonia and ammonium sulphate is very keen and the production of those on a smaller scale does not seem to be economically feasible. The mission would recommend rather the production of ammonium sulphate from imported

ammonia at the first stage, and leave the establishment of ammonia factories to a later period when demand becomes large enough to assure stable production. It should also be noted that two of the most important elements in the production of ammonia, electricity and water, are extremely expensive in Singapore.

The kinds of industry most suited for the development would be those that are based on primary products found in the Malaysian territories. Processing of coconut, sago, rubber and wood, or production of foods and feeds should be given greater consideration. Other possibilities which deserve special attention include industries utilizing natural gas of Brunei, production of carbon black to be used in rubber processing, and some kind of plastic industry which has numerous ways of application in consumer goods.

(7) Construction materials

On account of heavy shipment expenses involved, many of construction materials can be manufactured more profitably in the locations of consumption. Some of these industries have already been in operation in various parts of Malaysia, encouraged by the vigorous construction activities under development programs. The production of sheet glass was specially taken up in the discussions between the Singapore officials and the Mission, but in view of the scale of production and the technical skill required, the Mission found that this plan was not very feasible at the present time.

