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Economic Growth and Industrialization Strategy in Malaysia*: Before 1980

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I. *INTRODUCTION*

Development plannings always consist of objective, aim and guide–line for achieving or solving various problems. In the developing countries, for instance in which poverty, unemployment and economic growth are the subject of a conscious efforts of eradication and upliftment through development planning. The one common factor in all these planning efforts is that they serve the ideological prerequisites of the nation concerned. In this respect, they cannot, for practical reasons, really be free from political considerations[1].

Immediately after independence in 1957, the Malaysian government (Malaya at that time) embarked to draw up plans or blueprints for economic development. Malaysia's development performance has been generally regarded as successful with high real growth rates of gross domestic product (GDP) averaging more than 5 percent per annum over the decade of the 1960s.

II. *EXPORT GROWTH AND DIVERSIFICATION — AN OVERVIEW*

Malaysia represents one of the most 'open economics' in the world[2]. During the British colonial period, Malaysia was made to served two economic purposes; (i) As a

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* The discussion here is concentrated only on West Malaysia. All currency stated is in Malaysian Ringgit (M$), except stated otherwise.

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source of raw materials, mainly natural rubber and tin, and (ii) As a market for the manufactured products of the industrialised areas[3]. It was the export sector which enjoyed a rapid growth as a result of the rising demand for raw materials in the industrialised countries. Rubber and tin enjoyed very favourable prices and consequently considerable export surpluses were generated. The purchasing power of the Malaysian dollar remained remarkably stable and inflation has been running at a rate of about 0.7 percent per annum. (Table 1.1, 1.2, and 1.3)

The export sector stimulated the other sectors, promoted development of infrastructures, contributed to government revenue, and planted the seeds for a multi–racial population. During the years 1955–66 Malaysian exports and imports constituted 73 percent of the GDP and taxes to government revenue for the years 1947–67 was 39 percent[4]. The five commodities, namely natural rubber, tin iron ore, palm oil and timber constituted more than 83 percent of exports. In 1965 rubber and tin alone accounted for 55 percent of the country's exports and 30 percent of gross national product (GNP)[5].

Export commodities particularly rubber and tin, have been extremely vulnerable to price fluctuations. For example during the great depression of the 1930s, the world price of rubber fell by nearly 50 percent and that of tin by about 30 percent. Rubber exports fell by 75 percent while tin exports fell by the 74 percent between 1929 and 1932[6]. But due to the impact of the Korean War between 1949 and 1950, the rubber price rose by nearly 180 percent and Malayan exports increased in value by 122 percent. The second post–war export boom, accompanied by a 46 percent jump in export earnings, occurred in 1955, which was a year of prosperity for the industrial countries. The third boom took place in 1959 and 1960 largely as a result of increased industrial production in the west, notably in the United States.

The years 1963–66 may also be called boom years, since exports had been rising. The fourth post–war boom differs from the previous ones in that it was not due so much to rising export prices as to increasing export volumes. Every export boom has been followed by a recession with falling export prices and proceeds[7].

Such a state of instability and uncertainty not only affects domestic savings but also discourages the inflow of foreign investments. It is, therefore, apparent that the fortunes of Malaysia depends largely on external conditions which are beyond her control, as aptly noted by an economist, 'It makes little difference who is in power in Kuala Lumpur; if the United States sneezes, Malaysia will catch influenza'[8].

In addition that these uncertainties of economic development, the other problems such as an unusually rapid rate of population growth place special emphasis on the need for a steady and substantial pace of economic expansion. To assure satisfactory rates of further expansion and development, it seems essential that both the export sector and a broad range of activities serving domestic economic requirements continue to contribute to a rising national output.

Between 1947 and 1960, Malaysia's total population grew by 2.7 million or some 47 percent with a constant average encountered in previous intercensal periods; 2.2 percent in 1931–47, 3.1 percent in 1921–31 and 2.6 percent in 1911–21[9]. The high birth rate was the consequence of accelerated permanent residence in the country and more equal sex ratios in the adult population. In 1947, the population was already more youthful than it had been in 1931 and this feature was accentuated in the post–war years by large natural increases. As a consequence of the youthfulness of the population, the labour force increased by only 0.37 million in the 1947–57 decade

as compared to a total population increase of 1.9 million. Migration of population from rural areas to urban centres was stimulating the growth of urban centres was stimulating the growth of urban services and at the same time creating social and economic problems. The urban population growth in Malaysia in 1947–57 was 105 percent compared to the total population growth of 28 percent[10].

The average growth rate of real GNP in Malaysia was about 7 percent a year during 1961–76. According to the World Bank report (1978), the sustained high growth in Malaysia at that time was basically the result of the country's wealth in natural resources, especially of its untapped reserves of cultivable land; an outwar–oriented growth strategy; good, albeit cautious, economic and management; and not least, stable social and political institutions[11]. Besides, a big push for export diversification through rapid expansion of the production especially palm oil was modest before the 1970s.

Under the Malaysian five year plans, a special objective was set up. This necessitates the launching of an integrated social and economic programme designed to promote a balance growth. The government was giving every reasonable encouragement to sustained development and diversification of the economy. For instance, the Second Five Year Plan 1961–65, for public investment was made up to agriculture, public utilities and transport, which together accounted for over 60 percent[12]. In the First Malaysia Plan (FMP) 1966–70 apart from qualitative objectives such as racial and regional integration by promoting welfare for all; were emphasized and may be summarized as follows[13]:

i. The integration of the peoples and states of Malaysia by promoting the welfare of all.
ii. A steady increase in the level of income and consumption per head.
iii. An improvement in the standard of living of the rural population and other low income groups by increasing their productivity.
iv. The provision of employment opportunities for the additional labour force and a reduction in the existing level of unemployment and underemployment.
v. A diversification programme in agriculture and industry so as to reduce the dependence on rubber and tin.
vi. An educational programme for all Malaysians so that they may participate effectively in the process of economic and social development.
vii. A programme for effective family planning to reduce the demographic pressure.
viii. A land settlement scheme to provide the landless with economic size farms; and
ix. An efficient and sufficient infrastructure.

Thus, the development strategy of Malaysia until 1970 can be said to strengthen both agriculture and rural development. Measures to overcome the economic imbalance between the urban and the rural population have been given the largest financial allocation. The first step had been taken by government through the land development schemes and diversification of agricultural products.

III. *THE PATTERN OF AGRICULTURE SECTOR*

At the time of independence in 1957, agriculture accounted for almost 50 percent of the GDP of the Malaysia and more important about 60 percent of the labour force was employed in that sector. The government through its five year plans was taking the initiative to provide facilities and opportunities for the rural population to improve its levels of economic and social well–being. Many land development schemes such as Federal Land Development Authority (FELDA), Rubber Industry (Replanting) Board (RIP), Rural and Industrial Development Authority (RIDA), and a new Ministry of Rural Development were set up in 1959[14]. As a result of the expansion and modernisation of the agricultural sector, these was an increase in employment opportunities.

Agriculture has an important role to play in both the economic and social development of the country. In short, the agricultural policy of the government after independence was geared to attain self–sufficiency in essential foodstuffs, increase both quantitatively and qualitatively, diversify cropping, and so forth. In other areas of agriculture besides rubber, the aim of the government was stated as follows:

> So that the dependence of the country on imported foodstuffs could be reduced and the income and output of the small farmer, fisherman, forester, raised — by providing more land, by diversifying and intensifying production, encouraging the use of fertilizers and off season cropping, by improving cultivation techniques, extending cooperation and improving fisheries and the practices of poultry rearing and animal husbandry[15].

During the decade 1966–75, agricultural institutions have been established both at the federal and state levels with the aim of providing more effective channels through which extension of credit, marketing services and research results will be provided to farmers in the effort to increase productivity and make them more commercially oriented[16].

Notable among these were the expansion of the activities of the Agricultural Development Bank, the establishment of the National Paddy and Rice Authority (LPN), the Food Industries of Malaysia Authority (FIMA), the Fisheries Development Authority (MAJUIKAN), the Livestock Development Corporation (MAJUTERNAK), the Rubber Industry Smallholder Development Authority (RISDA), the Farmers' Organization Authority (FEO), and the various States Agricultural Development Corporations. Special mention must be made of the Malaysian Agricultural Research and Development Institute (MARDI), which was established in 1968. MARDI is responsible for all public sector production research on all crops (except rubber), livestock, poultry and fresh water fisheries.

The government continues to place heavy emphasis on land development as the key determinant for the achievement of these agricultural development objectives. During 1961–76 the growth rate of agricultural output was about 6 percent a year, among the highest in the four Asean countries. (Table 1.4) The expansion in the production of palm oil and rubber, which accounted for about half of the agricultural output, has been the principal factor in agricultural growth. The diversification of the agricultural activities including fishing, livestock, horticultural, pepper and cocoa accounted for the favourable performance of primary sector.

Since the Second Five Year Plan 1960–65, the government have adopted a more active land development, drainage and irrigations, and rubber replanting. The government land agency, FELDA was entrusted with 'promoting and assisting the in-

vestigation, formulation and implementation of projects for land development and settlement in the Federation of Malaya'.

The Working Party on land development which recommended the establishment of FELDA stated the need for planned land development as follows:

> The traditional methods of development of agricultural land in the Federation (Malaya) in the past have been (a) by large estates, and (b) by Malay and Chinese smallholders. Estate development does not seem likely to expand again at the same rate as it did the first part of this century ... The population of this country has grown rapidly in the past few years and continues to increase. It would, therefore, seem vitally necessary that the land resources be carefully assessed and husbanded, and that large areas for new development should be alienated only after being planned[17].

Thus the FELDA was established by the Land Development Ordinance (No. 20) in 1956 with the main function to promote and assist the investigation, formation and carrying out of projects for the development and settlement of land. According to C.MacAndrew who studied the FELDA and its role in modernising the rural Malay from 1956 to 1975, FELDA has under gone three stage of development[18].

The first was from 1956 to 1960, when it was mainly a financial organisation, acting as a supplies of funds to the state government to start land schemes ... During the second period, FELDA (from 1961–67) not only switched its policy and became actively involved in the running of land schemes in all their aspects but grew rapidly in staff and size. Finally in the third phase of its number of schemes and the settlers taken in but diversified its crops, moving into bulk processing and marketing, and also with the setting up of the Settlers Development Division in 1967, started to actively try to socialise its settlers and move them into a more modern way of life. FELDA's concentration was given to the most valuable crops, these being rubber, coconut, oil palm, pineapple and cocoa. By the end of July 1981, FELDA had developed a total of 1,367,221 acres under various crops (excluding 72,943 acres of village areas). (Table 1.5)

In short, the modernization and commercialization of agricultural products especially in the rural sector, not only intended to reduce inequality of income and wealth among the races and between the regions, but the 1970s can also be called the turning–point of dual–economy of Malaysia development[19]. (Table 1.6 shows that the growth of agricultural output, 1971–85).

IV. *THE GROWTH OF MANUFACTURES*

The 1955 Economic Survey of the British Colonial Territories reported on Manufacturing activity in Malaya as follows:

> Much of the industry in the Federation (Malaya) consists in the initial processing of locally produced raw materials and, in the case of the Penang Tin Smelter ... of imported raw materials. Thus there are factories for the manufacture of palm oil, coconut oil, various kinds of rubber sheet, and so on ... There are a fair number of manufacturing establishments in the Federation, most of them on a very small scale, many being family concerns.
>
> Manufactured products included various kinds of ships and small boats, industrial gases, wire and wire netting, pottery, bricks, aerated waters, various kinds of foodstuff, furniture, rubber articles (including rubber shoes), soap and matches. The main centres of industry are around the Klang–Kuala Lumpur district of Selangor and in Penang[20].

During 1955 and 1956, two surveys had been taken by World Bank mission and

the Industrial Development Working Party which formed the basis of the Malaysian industrialisation programme. The World Bank mission emphasized the need for infrastructures and investment incentives consisting of depreciation allowance and tariff protection. The Industrial Development Working Party, in endorsing the World Bank recommendations, also stressed the importance of free transfer of capital and earnings, guarantee against nationalization and tax incentives especially for pioneer companies.

Although manufacturing in comparison with other activities such as agriculture and services was still a relatively minor activity in Malaysia in the early 1960s, its contribution to GDP increased from 8.7 percent in 1960 to 11.9 percent in 1967. During the First Malaysia Plan, the manufacturing output rose at an annual rate of 9.4 percent in current price[21]. In 1960 almost all the manufacturing sector was dominated by rubber processing whose output constituted more than 40 percent of the total industrial ouput.

The orientation towards the home market and substantial import substitution policy in foodstuffs, beverages, tobaccco products, petroleum products, cement, rubber and plastic goods, fertilizers and textilers, by which is meant the take–over of the existing market from foreign producers behind the protective wall, formed the early basis of industrialisation. Statistically the average proportion of industrial out–put which went into domestic use was 30.4 percent in 1965 while the corresponding share for exports was 55.3 percent. Total value added arising from manufacturing was estimated at M$204 million in 1959 and by 1973, the figure had increased by more than ten–fold to M$2,060. (Table 1.7)

V. *IMPORT SUBSTITUTION AND EXPORT EXPANSION*

For discussion relating to the growth in manufacturing in Malaysia the role of government must be taken into considerations. The emphasis on manufacturing in the First Malaysian Plan, appears to have been based on the following considerations[22]. First, total merchandise exports from Malaysia were expected to increase by less than 1 percent per annum during the five years to 1970. This was the net outcome of an expected decline in the prices of natural rubber and palm oil, declining volume of tin and other primary products exports. Given this forecast it was argued that import substitution was an essential part of the growth strategy, and the best prospects for import substitution were to be found in the industrial sector.

Secondly, with the relatively high rate of unemployment, and for the long–run diversification in the economy to lessen the dependence on a few primary commodities it seemed necessary to undertake local manufacturing of certain final consumer goods which had previously been imported.

In the initial stage of implementation of import substitution strategy, attention was focussed primarily upon consumer goods, largely because the existing domestic market was mainly oriented toward consumer goods and presumably also because the cost disadvantage between domestically produced and imported goods is less for consumer goods than for intermediate or investment goods[23]. In the subsequent stages, industrialisation based on import–substitution could be used to cover intermediate and investment goods, and also to break into overseas markets, although policies designed to pursue the first stage can obstruct growth in the subsequent stages[24]. In the author's analysis here, there are enough evidence to show that industrialisation in

Malaysia especially during the decade 1960s import–substitution and export expansion of the manufacturing sector acted as a basis of industrialisation.

In the 1960s industries with the highest value added were food processing, rubber, wood, and chemical products utilizing the products of the country's most important primary activities, namely agriculture, fishing, forestry, and mining. Manufacturing activities with the smallest value added were leather, textile, footwear, and paper products. And in the medium amount value added were tobacco manufacturing, manufacturing of non–metallic mineral product, and the manufacture of metal products, machinery, and transport equipment. However, according to some analysis this is a typical behaviour of any country just embarking on industrial development where production for the domestic market precedes the production of goods for exports[25]. (Table 1.8)

However the industrial trends in the 1960s with its characteristics of import–substitution seems to have declined in importance as a source of growth and a continued expansion in the share of exports[26]. For instance, in 1960 domestic production of tobacco products, wood products, furniture, and printing and publishing activities comprised over two–thirds of the total supply. By 1967 food processing, beverages, rubber products, chemicals, and non–metallic mineral products joined the group of industries with over two–thirds of total supply met by domestic production.

Considering the fact that in 1967 tobacco products, wood products, and furniture had over 90 percent self–sufficiency, it could be said that for all intents, the import–substitution phase based on the domestic market in these sectors is almost completed. More clearly in 1973, 89.5 percent of consumer non–durables, 94.8 percent of consumer durables and 86.5 percent of intermediate goods were being produced domestically.

The industries that have further import–substitution possibilities are foods, textiles, footwear, paper and paper products, metal products, and miscellaneous industries. Among the fastest growing are the markets for capital and intermediate goods. The capital goods were growing at 24.6 percent per annum; within this group basic metals, non–electrical machinery, electrical machinery and transport equipment experienced increases in domestic demand of more than 22 percent each year between 1968–73. (Table 1.9 and 1.10)

Overall with regard to market shares for manufacturing output in 1969 and 1970, 17 percent of manufacturing output were exported. And according to the *Bank Negara* Annual Report (1972), the major markets for Malaysian wood products were the United Kingdom, the United States, Japan, and Singapore. Cotton fabrics, clothing, and foodwear were also sent to the United Kingdom, United States, and Singapore whereas in the food products group, pineapple and pineapple juice faced tariff walls of the European Economic Community (EEC)[27]. Singapore also was the main market for chemicals and chemical products, non–metallic mineral products iron and steel products, and machinery and transport equipment.

The growth of manufacturing initially relied heavily on import–substitution, but after the late 1960s export expansion become a leading factor. The Finance Minister of Malaysia in his 1973's budget speech said,

> Industrialisation in Malaysia has now reached the stage where greater efforts must be made to export our manufactured goods. This is obvious when we have gone as far as we are likely to go in the matter of import–substitution.

With respect to the export performance of Malaysia's manufacturing industry

over the entire decade from 1960 to 1970, the Second Malaysia Plan has this to comment:

> Manufactured exports from West Malaysia showed even greater dynamism. Over the decade (1960–70) their average annual growth rate was 14.2 percent. By 1970 an absolute level of M$515 million was achieved as compared to M$282 million 1965. Exports of manufactured products grew at more than twice the rate of total exports. In 1960 manufactured products comprised less than 5 percent of total exports, while by 1970 they exceeded 10 percent. It is also significant that the rate of growth of manufactured exports was higher than that of net manufactured output, indicating that Malaysia's industries were becoming increasingly export oriented[28].

To sum up, for the decade 1960s the growth of Malaysian manufacturing industry appears to be predominantly domestic market oriented with the exports playing a rather passive role. In the 1970s Malaysia began to expand its markets outside of the country. Export orientation has not only faced stiff competition in international markets but also besetted with many problems. Besides other industrial sources, for instance capital, labour and so forth must be *inward–looking*[29] in its approach which has costly implications.

During 1970–76 manufacturing growth averaged 13 percent a year. By 1976 manufacturing value added exceeded 23 percent of GDP (at factor cost). For the years between 1971–75 the export performance of the manufacturing sector increased by about 29 percent per annum and the share of manufactured exports in gross merchandise exports accordingly increased from 11.4 percent in 1970 to 23 percent in 1975. The main manufactured exports comprising food, rubber products, industrial and electrical machinery and wood products together accounted for 87.4 percent of total export of manufactures. Gross exports of textiles and clothing including leather and footwear increased by about 22 percent per annum in real term. The most remarkable is exports of electronics and electronics components which increased sharply during 1971–75.

The manufacturing sector in Malaysia, as in other resource–rich countries, faces an exchanges rate that tends to be largely determined by exports of such natural resources as tin, rubber, and petroleum. According to survey by the mission of World Bank (1978), those exports clearly exert an upward pressure on the exchange rate. That may be desirable for controlling inflation, but the risk is that other exports, such as manufactured exports, may be put at a competitive disadvantage. Besides the continuation of rapid manufacture growth, particularly in labour–intensive sector is essential in attaining the New Economic Policy (NEP).

VI. *CONCLUSION*

It can be concluded that the rapid economic growth during the period 1960s provide clear evidence of expansion in the manufacturing sector in the 1970s. The manufacturing sector as part of the diversification in the economy was giving a great impact on the social progress and solving the country's economic and social problems.

Thus, the manufacturing sector has apparently acted as an 'engine of growth' in the development of Malaysia. The NEP which started in 1971 has been designed to correct economic imbalances along racial lines in terms of ownership control and employment besides placing a heavy responsibility upon the manufacturing sector to accelerate the existing pace of development.

FOOTNOTES

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Table 1.1 *SOME INDICES ON MALAYSIA ECONOMIC DEVELOPMENT*

	Average annual rate of growth (%)		
	1961–70	1970–76	1961–76
Population	2.8	2.6	2.7
Gross National Product	6.4	7.7	6.7
Consumption	4.7	6.8	5.4
Investment	6.7	9.4	8.7
Exports	6.0	7.9	6.4
Imports	2.9	6.9	4.7
Gross Domestic Product (At Market Prices)	6.3	7.8	6.8
Agriculture	5.8	5.5	5.7
Industry	7.6	9.2	8.0
Services	5.5	8.5	6.5
Consumer prices	1.1	7.7	3.0
Money supply (includes quasi money)	9.9	21.5	13.9

Note: Unless otherwise noted, the growth rates are in real terms. Except for the growth of population, which is based on point-to-point calculations, the growth rates are estimated by the least squares method.

Source: Kevin Young (eds.), *Malaysia Growth and Equity in a Multiracial Society*, The Johns Hopkins University Press, 1980, P. 317.

Table 1.2 *MALAYSIA–GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN (AT FACTOR COST AND IN CURRENT PRICE) 1960–1970*

Indicator	Annual Rate of Growth (% p. a.)	Amount 1970 ($ Million)
Agriculture (Excluding Forestry and Fishing)	1.5	2,150
Mining and Quarrying	6.2	548
Manufacturing	11.4	1,254
Construction	6.9	290
Electricity, Water, and Sanitary Services	12.1	233
Other Services (Including Transport, Communication, Trade, Banking, Insurance, Public Administration, and Dwellings)	6.1	3,624

Source: *Second Malaysia Plan*; *The Economic Report 1972–73*; and *Bank Negara Quarterly Economics Bulletin*, March 1973.

Table 1.3 *SOME SELECTED COUNTRIES OF ASIA AND THE PACIFIC REGION INDICATORS OF POPULATION, GROSS DOMESTIC PRODUCT, PER CAPITA GROSS NATIONAL PRODUCT AND PRIVATE CONSUMPTION EXPENDITURE*

Countries/ Region	Population Total 1969		Urban population		Gross National Product 1969		Per capita GNP 1969		Private Consumption Expenditure	
	(million)	(%)	(million)	(%)	(US$ bill)	(%)	(US$)	(%*)	Per capita in 1969 (US$)	As % of total of Region
Burma	27.0	2.4	1.1	0.6	2.10	0.6	66	0.8	56	1.0
Hong Kong	4.0	0.4	3.5	2.1	3.18	1.0	686	10.1	109+	1.0
Indonesia	116.0	10.2	9.5	5.6	12.50	3.8	96	2.8	49+	3.8
South Korea	31.1	2.7	8.7	5.1	7.00	2.1	190	10.2	133+	2.8
Malaysia	10.5	0.9	0.8	0.5	3.69	1.1	284	5.5	208	1.5
Philippines	37.2	3.3	4.9	2.9	8.14	2.5	182	5.4	182	3.7
Singapore	2.0	0.2	2.0	1.1	1.63	0.5	724	6.0	500+	0.7
Taiwan	13.8	1.2	4.6	2.7	4.76	1.4	268	11.0	185	1.7
Thailand	34.7	3.0	2.1	1.2	6.29	2.0	151	7.8	120	2.8
South Vietnam	17.9	1.6	2.2	1.3	4.46	7.3	207	7.3	187	2.3
Sub-total	294.3	25.8	39.4	23.0	53.75	16.3	183	–	118	21.3
Japan	102.3	9.0	53.7	31.4	166.40	50.4	1288	10.4	733+	50.3
Australia	12.3	1.1	7.2	4.2	31.20	9.5	2041	5.3	1510+	12.3
New Zealand	2.8	0.2	1.3	0.7	5.24	1.6	1612	3.4	1085	1.9
Sub-Total	117.4	10.3	62.2	36.4	202.84	61.5	1374	9.8	822	64.4
Other Asian@	726.8	63.9	69.4	40.6	73.25	22.2	101	–	101	14.1
TOTAL	1,138.5	100.0	171.0	100.0	329.84	100.0	241	6.8	264	100.0

Note: *Average annual rate of increase per annum ovre the previous five year. –Not available
+1968 data, @ Excluding Communist China, North Korea and North Vietnam.
Private Consumption Expenditure refers to the value of final expenditure by households and private non-profit institutions on current goods and services, less sales of similar goods.

Source: Adapted from, Junid Saham, *British Industrial Investmant in Malaysia 1968–71*, Oxford University Press, 1980, p. 82.

Table 1.4 *RATE OF GROWTH OF AGRICULTURAL OUTPUT AND TOTAL AND PER-CAPITA FOOD PRODUCTION IN ASEAN COUNTRIES*

	Change from previous year (%)						Annual rate of growth 1961–71 (percentage)	Annual rate of growth 1971–75 (percentage)
	1970	1971	1972	1973	1974	1975		
Indonesia								
Agriculture	8.04	2.48	−1.61	7.38	5.67	0.67	3.30	2.92
Food production	8.93	3.28	−1.59	8.07	6.29	1.31	3.16	3.47
Food output percapita	6.32	–	−4.95	5.21	3.64	−0.82	0.46	0.77
Malaysia (West)								
Agriculture	3.40	6.58	2.47	11.44	5.37	0	5.62	5.17
Food production	5.84	9.66	4.40	9.03	10.56	7.04	5.85	8.14
Food output percapita	4.31	5.78	2.34	6.11	7.25	3.38	2.98	4.97
Philippines								
Agriculture	4.17	1.60	2.36	6.15	2.83	7.59	2.95	4.11
Food production	4.96	0.79	2.34	6.87	3.52	8.16	3.03	4.34
Food output percapita	1.00	−2.97	−1.02	3.03	0	4.85	−0.20	0.78
Thailand								
Agriculture	3.08	3.73	−9.35	17.46	−3.21	7.28	4.44	3.18
Food production	2.31	4.51	−10.79	18.55	−2.59	9.27	4.52	3.79
Food output percapita	−1.85	1.89	−13.89	15.05	−5.31	560	1.19	0.67

Source: John Wong, *ASEAN Economies in Perspective*, Macmillan Press, Singapore, 1979, p.185.

Table 1.5 *FELDA DEVELOPMENT PROGRESS TILL JULY 30, 1981*

Crop	Number of Schemes	Acreage Developed	Families settled
Rubber	115	440,290	23,288
Oil Palm	178	801,296	37,735
Sugarcane	2	14,177	443
Cocoa	11	37,208	183
Coffee	1	1,307	–
	307	1,294,278	66,649
Village Area		72,943	
Total		1,367,221	

Source: *FELDA Files*, 1981.

Table 1.6 *MALAYSIA: GROWTH OF AGRICULTURAL OUTPUT, 1971–85 (1975 = 100)*

	1970	1971	1976	1977	1978	1979	1980	1985	Average annual growth rate(%) 1971–75	1976–80	1971–80	1981–85
Rubber	85.9	86.9	111.3	109.2	108.7	108.3	108.3	112.1	3.1	1.6	2.3	0.7
Palm oil and Kernels	34.3	46.8	110.5	128.2	141.9	173.8	205.9	309.6	24.0	15.5	19.6	8.5
Sawlogs	92.5	94.2	136.7	148.2	147.6	140.1	128.6	107.6	1.6	5.2	3.4	−3.5
Padi	83.4	90.2	101.8	95.0	71.6	104.8	111.5	129.3	3.7	2.2	2.9	3.0
Pepper	94.9	84.1	113.8	85.0	94.9	nil	107.2	152.6	1.1	1.4	1.2	7.3
Fish	62.6	67.2	109.3	131.1	145.4	157.7	159.3	193.9	9.8	9.8	9.8	4.0
Livestock[1]	77.1	81.5	103.8	103.9	109.6	91.0	95.6	112.5	4.2	−0.9	2.2	3.3
Miscellaneous[2]	79.5	91.0	120.7	123.6	124.7	132.6	138.2	161.6	4.4	6.7	5.5	3.2
Aggregate Production index	75.9	81.5	116.1	120.5	121.9	128.7	133.3	155.3	5.7	5.9	5.8	3.1

Note: [1] Includes beef from buffulo and oxen, mutton, pork and poultry meat and eggs.
[2] Includes sago, tapioca, cocoa, cofee, sugarcane, ground nuts, maize, fresh fruits, tobacco, spices, food crops and other minor crops.

Source: *Forth Malaysia Plan 1981–85*, p.294.

Table 1.7 *MALAYSIA: VALUE ADDED AND SHARE IN GROWTH 1959–1973 FOR MANUFACTURING ($ MILLION)*

					Share in Growth(%)				Annual Growth Rate(%)		
	1959	1963	1968	1973	1959–63	1963–68	1968–73	1959–73	1959–63	1963–68	1969–73
Food	53	65	140	239	7.1	17.6	7.8	10.0	5.2	16.6	11.3
Beverages	10	13	36	61	1.7	5.4	2.0	2.7	6.8	22.6	11.1
Tobacco	11	28	57	131	10.1	6.8	5.9	6.5	26.3	15.3	18.1
Textiles	a	4	20	104	–	3.8	6.7	–	–	38.0	39.1
Footwear & Clothing	a	4	7	36	–	0.7	2.4	–	–	11.8	38.8
Wood Product	33	49	94	301	9.1	10.6	16.6	14.6	10.4	14.0	26.5
Furniture	3	8	10	19	2.9	0.5	0.7	0.9	27.8	4.6	13.7
Paper	a	3	6	18	–	0.7	1.0	–	–	14.9	24.6
Printing	17	29	53	115	7.1	5.6	5.0	5.3	14.3	12.8	16.8
Leather	a	1	1	3	–	–	0.2	–	–	0	24.6
Rubber	15	23	51	81[b]	4.7	6.6	2.4	3.6	11.3	17.3	9.7
Chemicals	15	42	79	175	10.1	8.7	7.6	8.6	29.4	13.5	17.2
Petloleum Products	a	a	41	52	–	a	0.1	–	–	–	4.9
Non–metallic minerals	13	28	62	122[c]	8.9	8.0	4.7	5.9	21.1	17.2	14.5
Basic Metal	a	9	21	135	–	2.8	9.0	–	–	17.2	14.5
Metal Products	9	18	39	66	5.4	4.9	2.2	3.2	19.0	16.7	11.1
Machinery(except electrical)	6	15	25	87	5.4	2.3	5.0	4.4	25.7	10.8	28.3
Electrical Machinery	a	5	21	189	–	3.8	13.4	–	–	33.2	55.2
Transportation Equip	8	6	19	62	–1.2	3.1	3.5	6.4	–0.7	25.9	26.7
Miscellaneous	11	23	14	62	22.7	7.5	3.8	31.7	–	–	34.7
TOTAL[d]	204	371	797	2,060	100.0	100.0	100.0	100.0			

Note: a. Included in miscellaneous,
b. Excluding rubber remilling, latex processing and smokehouse,
c. Including pottery, china and earthenware,
d. Excluding off–estate processing.

Source: Department of Statistics, *Census of Manufacturing Industries in West Malaysia*; 1959, 1963, 19868 & 1973.

Table 1.8 *MALAYSIA: VALUE ADDED AND EMPROYMENTIN MANUFACTURING, 1963–1968*

Industry and Code	Value Added in $ mil.(Current Price) 1963	1968	Growth: 1963–68 (%)	Contri-bution to growth %	Employment('000) 1963	1968	Average Annual Growth %
Off–estate processing	49	77	9.4	6.2	9.4	10.7	2.8
Food	65	140	16.7	16.6	13.8	18.9	6.5
Beverage	13	36	22.6	5.1	2.2	2.3	0.1
Tobacco	28	57	15.1	6.3	3.9	4.1	0.1
Textilies	4	20	43.9	3.4	1.4	5.1	26.5
Footwear	4	8	14.0	0.8	1.2	3.5	23.9
Wood products	49	94	13.9	10.0	12.0	19.5	10.2
Furniture	8	10	5.2	5.2	0.5	2.4	3.1
Paper	3	6	14.9	0.7	0.6	1.4	18.4
Printing	29	53	12.4	5.1	6.9	9.6	6.8
Leather	1	1	–	–	0.2	0.3	8.4
Rubber products	23	51	17.2	6.2	6.7	8.4	4.6
Chemicals) Petroleum)	42	120	23.4	17.2	4.1	6.1	8.3
Non–metallic mineral	28	62	17.5	7.6	5.0	7.2	12.7
Pasic metals	4	21	47.6	3.9	0.7	3.1	34.7
Metal products	23	39	11.4	3.6	5.4	8.0	9.3
Machinery	15	25	11.4	2.3	4.1	6.0	7.9
Electrical Machinery	5	21	34.6	3.5	0.6	2.1	28.5
Transport equipment	6	19	25.5	2.8	1.6	3.6	17.6
Miscellaneous	23	14	10.7	–2.0	1.7	2.8	10.5
Total	420	824	15.5	100.0	84.2	125.5	8.3

Source: Department of Statistics, *Census on Manufacturing Industries in West Malaysia*; 1963 and 1968.

Table 1.9 *EXPORT OF MANUFACTURED GOODS FROM WEST MALAYSIA, 1963–71*

	1963	1966	1969	1971	Percent increase 1963–71
	($ million, current prices)				
Consumer goods	40.4	83.3	80.0	120.0	197
Intermediate goods	56.8	79.2	130.6	563.5	892
Capital goods	34.0	43.6	132.8	160.6	372
Total Manufactured Exports As Percentage of All Exports	4.9	7.5	8.8	16.9	

Notes : (a) Consumer goods mean manufactured benerages and tobacco, canned pineapples, dairy products, textiles, footwear, consumer durables, and animal feedstuffs ; intermediate goods include plywood, veneer wood, petroleum, rubber products, cement and building materials, chemicals, fertilizers, paints, and electronic components ; while capital goods mean manufactured iron and steel, machinery and transport equipment.

(b) The manufactured goods in the Table exclude processed primary commodities such as rubber, tin, palm oil, and timber.

(c) The amounts in the Table do not include re–exports of manufactured goods, and exports to East Malaysia.

Source : Junid Saham, *British Industrial Investment in Malaysia 1963–71*, Oxford University Press, Kuala Lumpur, 1980, p. 276.

Table 1.10 *MALAYSIA, EXPORTS OF MANUFACTURED PRODUCTS 1963–67 ($ million)*

	1963	1965	1967	Increase 1963–7(%)
Total Exports	2,428	2,940	2,778	350
Manufactured Exports*	208	337	419	211
Share of Manufactured Exports in the Total Exports	8.6%	11.5%	15.1%	
Average Annual Growth Rates	1963–5	1963–7		
Total Exports	10	3.4%		
Manufactured Exports	27	18.2		

Note: *Manufactured food, textiles, and footwear, wood products, rubber products, chemical and chemical prod-ucts, non–metallic mineral products, metal products and machinery, and miscellaneous products of manufacturing industries (excluding processed rubber, palm oil, and tin).

Source: *Mid–Term Reviw of the First Malaysia Plan, 1966–70*, p.72.

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