

## NATURAL RESOURCES

Malaysia is well endowed with natural resources

- Hot, wet tropical climate, year round growing season
- Dense tropical rainforest; wood and other forest products
- Fertile soils
- Vast mineral reserves including gas and oil

These were all initially developed / exploited by the Colonial power (Britain)

Excellent resources are seen by some a curse and a drawback to development as they lead to dependence on the export of commodities and retard manufacturing development. This has not been the case for Malaysia

Malaysia is still a leading producer of oil, palm oil, timber and rubber. 60% of all palm oil exports come from Malaysia, and Petronas the Malaysian oil giant is a big oil/gas earner

Some say Malaysia is developing in spite of its vast resources rather than because of them

## MALAYSIA : DEVELOPMENT

Until the 1980's Malaysia was a Pre-Industrial society based on Shifting Cultivation, Plantation agriculture of Rubber and Palm oil for export and timber / logging. This led to deforestation and its associated problems



## POLICIES

5 yr plans have been used to :-

- Widen the economic base
- Enhance the Service sector
- Move to knowledge based and capital intensive industry
- Improve social welfare
- Make tourism sustainable

The economy has a growth rate of over 5% per annum and in the year 2000 the Service sector hit 50% of employment a sign of an Industrial Society in the Clarke Fisher model.

## DEVELOPMENT/ INDUSTRIALISATION

Malaysia typifies a Newly Industrialising Country (NIC). This is shown by its move away from primary products towards manufactured products for export. These have primarily been electronic and electrical goods (E and E), but more recently it has diversified its manufacturing base and exports to include more non E and E products.

In terms of Rostow's model Malaysia is moving through the 'take off' stage towards the 'drive to maturity'.

Transnational Corporations (TNC's) have been fundamental in Malaysia's push towards development.

Despite the rapid development and rises in the standard of living regional disparities and inequalities still exist between Peninsular and East Malaysia

## STAGES OF DEVELOPMENT

1. Dependence on primary product export
2. Import substitution. Tariffs to block imports and production for the home market
3. Export driven development
4. High-Tech knowledge based development
5. High Income Society status (MEDC) expected by 2020

EXPORTS	<u>Commodities</u>	<u>Manufactures</u>
1960	94%	6%
2000	20%	80%