Surging imports have been associated with improved consumer confidence and spending, as well as capital and infrastructure projects stemming from the dramatic economic improvements. This mood is also reflected in the surging Kuala Lumpur Stock Market which has been among the world's best performers since 1987.

Malaysia boasts an infrastructure second to Singapore in the ASEAN region; however, the high growth rate has created bottlenecks in ports, roads and utilities. The government has responded to this under a new economic plan committed to infrastructure development.

The Sixth Malaysia Plan (1991-95), which sets out the government's strategy and policy objectives for economic development, seeks to diversify Malaysia's industrial base, enhance human resource development, promote technological upgrading, and reduce imbalances among sectors and regions of the country. The plan envisages economic growth of 7.5 percent a year, until 1995.

Due to i) increased foreign investment (particularly in the electronics sector), ii) favourable world prices for exports and iii) the government's deliberate policy to maintain the ringgit comparatively low against the currencies of Malaysia's major trading partners, manufacturing is expected to retain its position as the largest sector in the economy. With an average growth rate of 11.5 percent per year, it is expected to account for more than 32 percent of the GDP by 1995.

Construction is targeted to expand 8 percent each year while agriculture is expected to grow at only 3.5 percent annually and to lessen its share of the economy to 15.5 percent in 1995.

With real GDP growth expected to continue at over 7 percent per year for the next several years (refer to Table III in the Preface), combined with Government programs which support accelerated infrastructural growth, and annual imports of over U.S. $37 billion, Malaysia offers tremendous potential for Canadian exports.