

resulting from new investment.

4. The past year has been, in a measure, a turning point in the progress of the Asian members of the Colombo Plan. Many countries have recently formulated new or renewed national plans and others have given continuing attention to improving the planning and execution of their public investment projects. For 1955-56, the aim was to expend an estimated £791 million on development in the public sector in countries of the area and for 1956-57 it is the intention to raise the level of expenditure by over a quarter. The greater part of this cost of development in the public sector is being provided through the efforts of the people of the area. In addition to governmental development projects, private investment is making an important contribution especially in agriculture and small-scale industries.

5. In 1955-56 assistance from contributing member governments of the Plan, from international institutions and from other agencies, was greater than in previous years and the rate at which it was used on specific projects was accelerated. External capital assistance in addition to supplementing the countries' own resources has a value of generating further domestic investment. It was recognised that there is an important place for private external investment as a means of obtaining capital inflow, particularly because of the technical knowledge it brings with it and its flexibility.

6. One of the main obstacles to balanced economic development in the Colombo Plan area is the lack of skilled personnel. Much can be done through capital projects to raise productivity, but without adequate technical skills the fullest use may not be made of new possibilities opened up by higher soil fertility, electric power and new machinery.

The main emphasis in improving social services such as health and education, too, must lie with trained staff, helped by modern equipment. For these reasons, successive meetings of the Consultative Committee have stressed the need for the
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