

MALAYSIA

Domestic Situation

Malaysia is a federation, formed in 1963, with a strong central government which has been controlled since independence by the National Front (NF), a broadly-based coalition dominated by an exclusively Malay party. Fifty-four per cent of the population is Malay, 35 per cent is Chinese and 10 per cent is Indian. The NF has pursued policies of strengthening national unity while promoting greater Malay participation in economic affairs. The nation's economic performance during the past few years, however, has made it clear to the Government that continued private investment from the Chinese community will diminish until policies which strongly favour the Malays are eased. In spite of Chinese concerns regarding their future role in Malaysia, the country has undergone a sustained period of rapid economic advancement fuelled by strong international demand for Malaysian oil, tin, rubber, palm oil and timber.

International Preoccupations

Malaysia's relations with its ASEAN partners - Singapore, Indonesia, Thailand and the Philippines - are an essential part of its foreign policy. It has actively participated in ASEAN's rapidly evolving consultative arrangements on co-ordination of economic and foreign policies. In its foreign policy, Malaysia leans towards the West. It has long been an active but moderate participant in the Non-Aligned Movement, a committed member of the developing countries group, and a supporter of producer-country positions on international commodity issues.