

provision of social services, particularly in the fields of health and education. It appears that practically all the countries in the region have increased expenditure on development in the public sector.

Private investment continues to be of major importance in the economic growth of the region. It is being encouraged by member governments through the provision of credit and marketing arrangements, by making available facilities such as buildings, power and technical advice, and also through tax concessions, direct financial assistance, protective tariffs and other measures.

Foreign private investment has been encouraged, particularly in fields where such investment is likely to be of benefit to economic development. Special treatment has been accorded to foreign investment in certain fields such as the provision of facilities for repatriation of capital and for remittance of current earnings. There have been many instances of fruitful collaboration between foreign and domestic private capital and also between foreign capital and the government of a country.

External economic assistance continues to play an important role in supplementing the resources available within the area itself. While it is not possible to estimate precisely the total amount of external resources directed to the region in 1956-57, it appears that in total the equivalent of about US \$1,000 million has been made available by donor countries in the form of economic and technical assistance. From the beginning of the Colombo Plan to the middle of 1957 the total external aid has amounted to about US \$3,500 million. In addition, the International Bank for Reconstruction and Development has made loans to countries in the area amounting to about US \$39 million in 1956-57; and further loans to the value of US \$191 million have been made since June 1957. The total of International Bank loans to countries in the area since 1949 thus amounts to US \$586 million.

It is, of course, impossible to assess in monetary terms the economic value of technical assistance provided in the form of training or experts; but since 1950 training has been extended to approximately 13,000 trainees from countries of the area, while about 6,000 experts have been provided by Colombo Plan members and United Nations agencies.

## The Tasks Ahead

The following passages are taken from that section of the communiqué dealing with the tasks which lie ahead:

Six years of the Colombo Plan have now elapsed: years in which member countries have been engaged in an intensive effort to accelerate economic development. It would be surprising if in this period some unforeseen problems, as well as achievements, had not emerged. The maintenance of satisfactory future progress will in no small measure depend on readiness to face these problems, to recognize their causes, and take them fully into account in reaching new decisions.

The amount and utilization of capital available in the year 1956-57 provide very satisfactory evidence of the increasing tempo of economic development in South and South-East Asia. In previous years one of the difficulties has been to use capital in development up to the full amounts potentially available. Shortages of some goods and facilities, of managerial skills, of technicians and of administrative personnel, combined with shortcomings in planning, have in many cases been the main limiting factors in development, with the result that projected developments have sometimes not been fully realized. This is still true of most countries. But the enormous amount of development activity currently in progress in some countries is an indication of the vitality of their economies in both the public and the private sectors.

The experience of the past year has, however, underlined the risk that the pace of development may outrun the availability of resources, and the consequent need for the implementation of development plans to be flexible so that they can be rephased as necessary to match the resources available. Plans or policies serve the purpose of settling priorities and securing balanced development. At this meeting member countries re-emphasized the need for a realistic approach to planning. They acknowledged that the implementation of formal plans may have led to rising confidence and increased demands in various parts of a country's economy, which raised consequential problems for all governments . . .

Private capital already goes to South and South-East Asia in significant amounts which cannot be exactly measured, through many diverse channels. The importance of foreign private capital lies both in its contribution to production facilities and in promoting local enterprise and talent. Governments of the area have generally shown awareness of the need to take positive steps, within the framework, of their own particular economic circumstances, to encourage such investment. All countries have to compete