

MALAYSIA

GENERAL INFORMATION

The Federation of Malaysia consists of Peninsular Malaysia and the States of Sabah and Sarawak. The population of 18 million is composed of Malays (57%), Chinese (23%), Indians and Pakistanis (10.5%), Indonesians (5.9%), and others (0.7%). Malaysia is a parliamentary democracy with a Paramount Ruler (Yang di-Pertuan Agong) elected for a five-year term by and from a group of nine hereditary rulers of the nine states.

POLITICAL AND ECONOMIC SITUATION

Since the Federation of Malaysia was established in 1963, the country has been ruled by a single coalition of ethnic parties, now called the United Malays National Organisation (UMNO). The National Front was formed in 1973, restructuring the majority of members of the UMNO, previously the greatest group. Tun Razak, the first Prime Minister and has been President of UMNO since 1971. His son, Dr. Mahathir and his National Front Government were easily re-elected in August 1986. He was narrowly re-elected as Prime Minister in April 1987. Following the challenge in court to Dr. Mahathir's leadership by a group of UMNO dissidents, it was ruled in February 1988 that UMNO was a political organization, not a party, under Dr. Mahathir's leadership is now under organization.

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Malaysia is highly dependent on exports of primary products such as rubber, tin, oil, and palm oil. The GNP growth was 11.5% in 1987 and is expected to reach 12% in 1988. The Five-Year Development Plan (1986-1991), announced in March 1986, emphasizes the role of the private sector in the economic development.

FOREIGN POLICY INTERESTS

Dr. Mahathir has set Malaysia's foreign policy priorities in the following order of importance: (1) the Islamic Conference Organization, (2) the Commonwealth, (3) ASEAN, (4) the United Nations. He has been active in promoting the concept of "Asian Solidarity" (ASOFT) in the region. With Indonesia, it initiated a group which attempted to form a regional organization. Malaysia has been active in promoting peaceful country relations and has been a member of several high priority international organizations. Malaysia's economic links with the United States are strong.