

Human resources development is seen as a key ingredient in the country's development impetus. The New Economic Policy (1970-1991) focused on the issue of Bumiputra (indigenous) ownership of wealth and achieved a figure of 20.3% in 1991 compared to 3% in 1970. The current National Development Policy emphasizes the development and nurturing of a commercially viable and well-trained community of Bumiputra entrepreneurs and managers who can maintain and enhance their wealth. Foreign partners or entities that are able to provide the necessary training in technology and knowledge building will find many opportunities for strategic linkages.

- **Infrastructure**

Malaysia boasts an infrastructure in ASEAN second only to that of Singapore. 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. Spending on infrastructure in the sixth Five-Year Plan is at its highest levels ever, representing 29.3% of total spending, or RM\$17.2 billion. While the government is primarily concentrating on transportation projects, there are increasing demands for power capacity and transmission system improvements.

- **Pollution**

With its Southeast Asian neighbours, Malaysia is beginning to face the environmental problems that go hand-in-hand with a growing economy. Air and water pollution are widespread, and Kuala Lumpur in particular suffers regularly from a haze problem caused by forest fires and vehicle exhaust fumes.

MALAYSIA'S BUSINESS ENVIRONMENT



- **The Market**

Malaysia represents a market of 20 million people whose appetite for capital goods and consumer and luxury items continues to grow.

The commitment to increased foreign investment will continue, albeit on a more selective basis. The government has identified the following as priority sectors for further development: manufacturing, infrastructure and civil engineering, financial services and shipping. Foreign investments and joint ventures with the greatest potential for

technology and knowledge transfer will be most favoured for Government subsidies and incentives.

- **Forms of investment**

Foreign investors can operate in Malaysia either by establishing a subsidiary or by entering into a joint venture with a local partner. In some cases, foreign companies are allowed to register branch offices.

Companies that are export-oriented are generally permitted to have foreign ownership of between 30% and 100%, depending on how much of their