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MALAYSIA

Selected Issues

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Approved by the Asia and Pacific Department

May 22, 1998

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I. MALAYSIA: SUCCESSFUL POVERTY REDUCTION¹

A. Introduction

1. **In 1971, with the launching of its New Economic Policy (NEP), the Malaysian government announced its twin objectives of eradicating poverty and restructuring society by eliminating the “identification of race with economic function” and “reducing existing imbalances in income, employment, and the ownership and management of productive assets in the economy.”**² Economic growth and structural change were seen as integral to the success of the New Economic Policy. In addition to investment incentives aimed at improving the economic status of the bumiputra (ethnic Malay) population, policies were focused on rural development and improving the provision of education and health services. The National Development Policy (1991-2000) aimed to continue the upliftment of the bumiputra community while striking “an optimum balance between the goals of economic growth and equity.”³

2. **In conjunction with an impressive growth performance, these policy objectives have rendered Malaysia’s record on poverty reduction and social indicators a remarkable one** by any developing country standards, including other East Asian countries. Income inequality also declined during the NEP period, although clearcut conclusions have not yet been reached about trends in the 1990s.⁴

3. **This note undertakes a brief examination of poverty trends in Malaysia since the early 1970s and the policies that may have contributed to its reduction.** The paper is organized as follows: Section B presents trends in poverty. Section C describes some of the policies that may have generated the poverty outcome. Section D contains some concluding remarks.

B. Trends in Poverty and Income Distribution

4. **Poverty has traditionally been concentrated in rural areas amongst households with low educational attainment.** In 1970, more than 88 percent of the poor lived in rural areas. Also, poverty was overwhelmingly concentrated amongst Malays (78 percent of the

¹Prepared by Amrit Singh.

²Mid-Term Review of the Second Malaysia Plan, 1971–75, 1973.

³The Second Outline Perspective Plan, 1991–2000, 1991.

⁴Some observers believe that income inequality may have worsened because of the rise in the premium on skilled labor and the fact that growing migrant labor could be depressing low-skill wages.

poor were Malays). About 77 percent of the poor were farmers and about 97 percent had not gained education beyond the primary level. The groups that were most vulnerable to poverty were paddy farmers, farm laborers, rubber smallholders and rubber estate laborers.⁵ More recent information suggests that remaining poverty in Malaysia is still a predominantly agricultural phenomenon associated with low levels of education.

5. **By far, the most notable trend is the dramatic reduction in poverty from almost 50 percent in 1970 to less than 10 percent in 1995 (Table A).**⁶ During this period, there has been a significant reduction in rural poverty which fell from close to 60 percent to 16 percent.

Table A. Households below the Poverty Line, 1970-95
(In percent of all households)

	1970 ¹	1976 ¹	1984	1989	1995
Total	49.3	39.6	20.7	17.1	9.6
Urban	21.3	17.9	8.5	7.5	4.1
Rural	58.7	47.8	27.3	21.8	16.1

Source: Fifth, Sixth and Seventh Malaysia Plans.

1/ Data refer to Peninsular Malaysia only.

6. **The incidence of poverty fell in all of the states.** However, states which were less developed and characterized by a dominance of traditional agricultural and fishing industries (mainly Kelantan, Kedah, Perlis, Sabah and Perak) continued to exhibit higher poverty levels and lower poverty reductions than the more industrialized states (Table B).

⁵Source: Sudhir Anand, *Inequality and Poverty in Malaysia*, Oxford University Press (1983).

⁶Recent World Bank ("*Everyone's Miracle? Revisiting Poverty and Inequality in East Asia*") World Bank, 1997) calculations corroborate these trends. Based on a poverty line of \$1 per day per capita at 1995 prices, these calculations show that, among the group of East Asian countries, Malaysia recorded the largest percentage reduction in poverty—95 percent over the period 1975-95. The headcount index declined from 17 percent to less than 1 percent over this period. In contrast, Thailand's headcount index fell by 90 percent, Indonesia's by 82 percent and China's by 63 percent over the same period. These data are not strictly comparable to the official estimates cited above, because the authorities' estimate of the poverty line is higher than that used by the World Bank.

Table B. Incidence of Poverty by State, 1976 and 1984
(In percent of total, unless otherwise indicated)

State	1976	1984	Percent change
Johor	29.0	12.2	-58
Kedah	61.0	36.6	-40
Kelantan	67.1	39.2	-42
Melaka	32.4	15.8	-51
Negeri Sembilan	33.0	13.0	-61
Pahang	38.9	15.7	-60
Pulau Pinang	32.4	13.4	-59
Perak	43.0	20.3	-53
Perlis	59.8	33.7	-44
Selangor	22.9	8.6	-62
Terangganu	60.3	28.9	-52
Federal Territory of Kuala Lumpur	9.0	4.9	-46
Peninsular Malaysia	39.6	18.4	-54
Sabah	58.3	33.1	-43
Sarawak	56.5	31.9	-44

Source: Mid-term Review of the Fifth Malaysia Plan, 1986-90

7. **All occupational groups, agricultural and non-agricultural, registered a decline in the incidence of poverty.** Between 1970 and 1984, the percentage of paddy farmers who were poor fell from 88 percent to 58 percent. For manufacturing workers, the percentage declined from 23½ percent in 1970 to 8½ percent in 1984.

8. **The drop in poverty in Malaysia has been accompanied by substantial improvement in other social indicators.** Life expectancy at birth increased from 61½ years in 1970 to 71 in 1993 and the infant mortality rate fell from 45.2 per thousand to 11.8 per thousand over the same period. Primary enrollment rates increased from 84 percent in 1970 to 89 percent in 1995, while secondary school enrollment rates increased from 25½ percent in 1970 to 56 percent in 1995 (Table C).

Table C. Social Indicators of Development, 1970-95

	1970	1980	1995 or latest
Infant mortality (per '000 live births)	45.2	30.4	11.8
Life expectancy at birth (in years)	61.6	66.9	71.5
Immunization (% of children under 12 months)	...	58	90
Population per physician	4,310	3,916	2,441
Access to safe water (% of population)	29	71	90
Gross primary school enrollment ratio	87	93	93
Gross secondary school enrollment ratio	34	48	59

Source: The World Bank, Social Indicators of Development Database.

9. **Income inequality which increased through the mid-1970s has fallen sharply through the 1980s.** The Gini coefficient rose from about 0.50 in 1970 to 0.53 in 1976, and then fell steadily to 0.51 in 1979, 0.48 in 1984 and 0.45 in 1990. It has since risen slightly, reaching 0.46 by 1995, the latest year for which data are available.⁷ Quintile shares echo the trends in Gini coefficients. The ratio of the income of the top quintile to that of the bottom quintile rose until the mid-1970s, before falling steadily during the period since then. Between 1976 and the early 1990s, the bottom quintile had increased its share of income from 3 percent to 5 percent of total income and the top quintile experienced a decline in its share from 57 percent to 54 percent over the same period.

C. Factors Underlying the Success with Poverty Reduction

Employment generation through growth and diversification

10. A sustained period of rapid economic growth, characterized by the diversification of the productive base, strong labor-intensive export-orientation and broad-based productivity increases (including in agriculture) have been at the root of Malaysia's achievements in poverty reduction.

⁷Recent World Bank calculations (World Bank, 1997, op.cit.) indicate that Malaysia was the only East Asian country in which there was a pronounced decline in inequality.

• **Malaysia's outstanding growth performance is clearly an important factor** contributing to the reduction in poverty and the increase in the incomes of the poor.⁸ Real per capita GDP growth averaged 4½ percent from 1960 to the present. Since the mid-1970s, with the exception of the recessionary period 1985-87, per capita growth has averaged 6½ percent.

• **At the same time as this growth took place, there was significant diversification in the composition of output.** The general thrust of policies was to enable a shift of resources away from low productivity, traditional agricultural activity to higher productivity farming and manufacturing activity (Table D).

Table D. Malaysia: GDP by Sector of Origin, 1960-95
(Percent of GDP)

	1960	1965	1970	1980	1990	1995
Primary	44	40	39	31	28	21
Manufacturing	12	15	18	25	30	36
Services	44	45	43	44	42	43

Source: Malaysia Five Year Plans.

• **The record of rapid growth has also resulted in a steady decline in unemployment, the latter typically strongly positively correlated with a decrease in poverty.** Unemployment averaged 5.8 percent in the 1970s, 6.3 percent in the 1980s when average real GDP growth rates were the lowest, and 3.3 percent from 1990-95, when growth rates picked up. The labor market has grown increasingly tight in the 1990s and in 1995, the unemployment rate fell to a record low of 2½ percent. Most of the new jobs created in the late 1980s and 1990s were in the manufacturing sector, confirming the trends in Table E which shows an 8 percent increase in the share of manufacturing sector employment between 1990 and 1995 alone.

Table E. Employment of Sector of Origin, 1965-95
(Percent of total employment)

	1965	1970	1980	1990	1995
Primary	55	53	41	27	19
Manufacturing	8	9	16	20	26
Construction	4	3	6	6	8
Services	33	35	37	47	47

Source: Malaysia Five Year Plans.

⁸Cross-country evidence indicates that economic growth is associated with declining poverty. See Deininger, K. and L. Squire: "A New Dataset Measuring Income Inequality," *World Bank Economic Review*, Vol. 10, No. 3, pp. 565-91 (1996).

• **A significant boost to the growth process came from labor intensive export-oriented manufacturing activity, increasingly financed by foreign direct investment inflows.** Since independence in 1957, Malaysia has been a fairly open economy, with low rates of effective protection. After a brief period of import substituting industrialization, the policy regime switched to one of export orientation in the late 1960s.⁹ Investment rates averaged 30 percent in the 1980s and 35 percent in the 1990s, increasingly financed by foreign direct investment (FDI). Much of this FDI—which increased from an average of 3 percent of GDP between 1975 and 1988 to more than 7 percent of GDP in 1989–95—was concentrated in export-oriented manufacturing industries. Exports rose from about 43 percent of GDP in the mid-1970s to nearly 80 percent of GDP in the mid-1990s. The share of manufactured exports rose dramatically from 16 percent in 1960 to nearly 80 percent in 1995, with most of the increase occurring since the mid-1980s (Table F). In the 1990s alone, the proportion of labor absorbed by the manufacturing sector increased annually by 9 percentage points. By the mid-1990s, official estimates are that more than half the total number of jobs generated in Malaysia were generated from FDI. Of the latter, almost two-thirds were in the electrical and electronic products industry.

Table F. Composition of Exports, 1960–97
(Percent of the value of total exports)

	1960	1970	1980	1990	1997
Rubber	55	33	16	4	2
Tin	14	20	9	1	0
Crude Petroleum	0	3	24	13	4
Palm Oil	2	5	9	6	6
Manufactured goods	16	11	22	59	80

Source: Malaysia Five Year Plans.

• **Policies were also geared toward achieving productivity increases in agriculture.** The rate of growth of agriculture was about 3–5 percent over the 1970s and 1980s, more rapid than in other developing countries in the region, and contributed to the reduction of rural poverty in Malaysia. While growth in the manufacturing sector provided employment and higher real earnings for the population, in contrast with many other ASEAN

⁹To promote exports and investment in export-oriented activity, Malaysia set up several incentive schemes. Important amongst these were the Pioneer Status scheme (offering tariff and tax exemptions for 5–10 years), the Investment Tax Credit scheme which offered tax exemptions equivalent to the amount of investment incurred in the incentive period, and free trade zones.

countries, the rapid development of the manufacturing sector has not been at the expense of the agricultural sector which provided the livelihood for the majority of the poor.

- **Specific measures to increase productivity in agriculture** included a range of policies designed to widen the agricultural base and encourage the use of modern inputs (e.g., high-yielding varieties of seeds, chemical fertilizers, etc.), price supports, irrigation facilities, input subsidies, credit availability, extension services, and technological support. For example, for rubber smallholders, the government established the Rubber Industries Smallholders Development Authority (RISDA) which facilitated the adoption of high-yielding rubber trees and better production technology. In addition, the agricultural diversification drive was intensified through (i) the development of large tracts of undeveloped forest lands; and (ii) the establishment of the Agricultural Bank, the expansion of the activities Federal Agricultural Marketing Authority (FAMA), and (iii) the creation of the National Paddy and Rice Authority; and the Rubber Industry Replanting Board, the latter designed to further rejuvenate the rubber industry. The effect of these policies was particularly strong on rice production where both total output and yields rose sharply. More generally, the achievements of the pro-agriculture policies were to increase productivity in agricultural smallholdings both through the adoption of better techniques in existing crops and through diversification. An important example of this success was the development of the oil palm plantations and the palm oil industry; Malaysia is currently the world's largest producer of palm oil.

Focus on human resource development, rural development, and targeted poverty reduction programs

11. In addition to overall economic growth and diversification, there have been several sector specific initiatives focused on human resource development, rural development, and targeted programs to alleviate hardcore poverty. Public expenditure in these sectors has been maintained at about 8–10 percent of GDP since the early 1980s, at the same time that significant fiscal consolidation has taken place.

12. **Expenditures on health and education in Malaysia were aimed toward enhancing the quality of human capital and served to increase the degree of progressivity inherent in fiscal policy.** As stated in the NEP, the strategy for eradicating poverty entailed “providing a wide range of free or subsidized social services designed to raise the living standards of the low income groups.”¹⁰ In the mid-1980s, these services constituted nearly 10 percent of household income and the bottom quintile of the population received the largest share (about one-third) of total expenditure.

- **Education was an important focus of the early Malaysia plans.** The first nine years of education (primary and lower secondary) are provided free of charge by the government. Participation rates for education at all levels have grown steadily (Table C).

¹⁰Second Malaysia Plan, 1971–75

Furthermore, Malaysia's spending on education, which has remained steady at 5–6 percent of GDP since the early 1980s is much higher than in its ASEAN neighbors (2 percent in Indonesia, 3 percent in Thailand and 2–3 percent in the Philippines). At the same time, because the demand for an educated workforce has remained buoyant, the return to education has not diminished with the expanded coverage of the education system. One area of relative weakness in the education system is in the provision of higher levels of education. While Malaysia's primary and secondary school enrollment ratios are higher than its neighbors, it lags behind in tertiary enrollment rates, which stood at about 8½ percent in the early 1990s compared to the all Asia average of 10 percent. To fill this gap, there has been an increase in the role of the private sector in higher levels of education, specifically aimed at providing the labor necessary for the growing high-tech industry sector.

- **Education services have been relatively efficiently delivered.** The bottom quintile of the population received a larger share of primary and secondary education expenditure, and the public subsidy is estimated to have improved the income share of this quintile by almost 1 percentage point. In sum, the available evidence suggests that Malaysia's success in reducing poverty and income inequality can be attributed in part to education policies which provided the poor with the scope for income mobility through the acquisition of human capital.

- **Access to health services has also contributed to improving social indicators.** Federal government public health expenditure as a percent of GDP has been steady at about 1½ percent of GDP over the past two decades and has typically been higher than Malaysia's ASEAN neighbors. Moreover, it has been relatively well-targeted with an estimated quarter of total health expenditures reaching the poorest quintile of the population.

13. **Rural development occupied a primary role in the government's poverty eradication efforts.** In particular, the government's efforts were focused on the development of new land to enable smallholders to cultivate high-value crops. As such, it was recognized as the key to alleviating poverty and was accorded a central role since the New Economic Policy was launched.

- **The primary vehicle for new land development was the Federal Land Development Authority (FELDA)**, whose main objective was to settle farmers in new land thereby increasing their incomes and preventing overcrowding in existing farmland and confiscation of land from large private estates. For these purposes, land is first vested with FELDA for development. FELDA then prepares detailed land use plans, employs contract labor (many of whom would eventually be settled in these areas) to clear jungles, plant and maintain the crops for the first few seasons, and build villages and community centers, rural roads, clinics and schools. FELDA also provides occasional income supplements to compensate for income variations due to commodity price fluctuations. These efforts supplemented the above-mentioned measures to improve agriculture through land

development, consolidation schemes to enable smallholders to cultivate high value crops, and a range of subsidies (including fertilizer, credit and price subsidies) to increase incomes within occupation groups, including paddy farmers, rubber smallholders and fishermen. A study by the World Bank in 1991 indicates that these rural development programs tend to be relatively well-targeted at the poor, but could prove increasingly cost-ineffective as they require development of more and more marginal land.¹¹

14. **Since the late 1980s, the authorities have launched several anti hard-core poverty programs which provide targeted assistance to those households classified as the hard core poor.**¹² The most important hardcore poverty alleviation programs include special assistance to malnourished children, textbooks and scholarships for students, health care for the elderly, priority access to land through the various land development programs, access to marketing and credit programs, low-cost housing assistance and training in cottage industry and handicrafts. In addition, Project Ikhtiar—launched in the late 1980s and modeled after the Grameen Bank experience in Bangladesh—provides small loans to very poor households to enable them to undertake productive activities. The project is run by a private trust but is partially funded by the Malaysian government's hardcore poverty program. Project Ikhtiar has been especially successful with female borrowers and has gradually been expanded throughout the country.

D. Conclusions

15. The most dramatic declines in poverty in Malaysia took place between the mid-1970s and the mid-1980s, following the launching of the NEP. Available information suggests that the reduction in poverty can be attributed to rapid growth and employment and the emphasis on agriculture and rural development. As for other specific social expenditure programs, widespread access to publicly funded education over the NEP period appears to have contributed to reducing poverty and reducing income disparities.

¹¹"Growth, Poverty Alleviation and Improved Income Distribution in Malaysia: Changing Focus of Government Policy Intervention," World Bank, January 1991.

¹²Those whose monthly household income is less than half the official poverty line (RM 212 per month in 1995 prices).

II. LEGAL FRAMEWORK FOR BANKRUPTCY AND INSOLVENCY¹³

A. Overview and Summary

16. **Bankruptcy procedures in Malaysia are governed by the Bankruptcy Act, 1967 (applying to individuals and partnerships), the Companies Act, 1965 (for corporate entities), and the Banking and Financial Institutions Act (BAFIA), 1989 (providing specific rules for banking and financial institutions).** These laws are interlinked and contain cross references to one another.

17. **The legal framework governing bankruptcy and insolvency appears to be generally comprehensive, especially by regional standards, and has been largely modeled on the U. K. system.** Notwithstanding the generally comprehensive overall framework, there are some areas for improvement, including the lack of a comprehensive framework for rehabilitation of troubled companies (although a number of options exist in practice); a bias in favor of creditors; relatively wide discretionary powers in providing assistance to troubled financial institutions; and overlapping powers over financial institutions between Bank Negara and the Minister of Finance.

18. **The Companies Act and the BAFIA are of particular interest as corporate and financial entities will experience increasing difficulties in the period ahead as the impact of the economic slowdown intensifies.** The provisions in these two pieces of legislation relating to bankruptcy and insolvency are set out below (Sections B and C). Finally, a more detailed description of areas for improvement is set out in Section D.

B. The Companies Act, 1965

19. **The provisions of the Companies Act apply to all “companies” as defined in the Act, that is any entity incorporated pursuant to the Act or pursuant to any corresponding previous enactment.** As such, the Companies Act applies to all corporate entities in Malaysia, including banks and finance companies insofar as its provisions are not derogated by those of the BAFIA.

Winding up provisions

Modes of winding up

20. **A company may be wound up either by the Court (referred to as “compulsory winding up”) or voluntarily by resolution of its shareholders.**

¹³Prepared by Pascale De Boeck, Legal Department.

21. **A winding up by the Court is initiated through a petition, which may be filed by a range of interested parties, including any creditor of the company.** In addition, Bank Negara is given the *locus standi* to petition for the winding up of any bank, financial institution, or insurance company. The grounds on which a petition to wind up a company can be filed include failure of the company to pay its debts, defined to encompass situations where the debtor company fails to discharge a debt in excess of RM 500 within three weeks of a written demand from a creditor.

22. **In contrast, the voluntary winding up of a company is initiated through a resolution of the shareholders.** Within 7 and 10 days after passing the resolution, the company must, respectively, lodge a written copy of the resolution with the Registrar and give public notice of the resolution in a newspaper. After the voluntary winding up has commenced, the company must cease carrying on business (unless continuing its business would be beneficial to the winding up process) and appoint (after having called a meeting of its creditors) one or more liquidators to wind up its affairs and distribute its assets.

The liquidator

23. **The winding up process centers on the liquidator, who essentially assumes control of the company concerned, disposes of its assets, and pays its debts.** A liquidator is usually appointed, in the case of a compulsory winding up, at the time the Court orders the winding up and, in the case of a voluntary proceeding, at the time the shareholders' resolution is passed. However, if it is desired to preserve the assets and activities of the company pending the final court order or shareholders' resolution for the dissolution of the company, a provisional liquidator may be appointed. The appointment of a provisional liquidator precludes the commencement or continuance of any legal proceedings against the company without special permission from the Court. In practice, provisional liquidators are usually appointed when a company has already become insolvent and there is a desire to keep its tangible assets intact for equitable distribution among creditors.

Repayment priorities and ranking of debts

24. The rules in the Companies Act relating to the rights of unsecured creditors, debts provable, and valuation of annuities applicable to corporations correspond closely to those in the Bankruptcy Act. **The Companies Act in addition has special rules governing preferential debts, the most relevant of which are summarized below.**

25. **As a general rule, the winding up process does not affect any security held by a creditor of the company (such as a mortgage over property of the company).** Unless restrained by a court order, secured creditors are not required to prove their debts and can realize their security in full satisfaction of their debts. If their security is insufficient for the full value of their debts, creditors may make unsecured claims for the balance.

26. **An important aspect of Malaysia's bankruptcy legislation relates to the right to set off mutual claims, which clearly favors creditors.** Specifically, when a creditor (secured or unsecured) has mutual dealings with the debtor company and is also its debtor, the creditor must first set off the debt and claim only the balance, if any. This is of particular relevance for banking institutions, because the portion of the claim being paid through set-off will in fact be paid in full as the set-off amount is not subject to any reduction resulting from the bankruptcy proceedings. However, under case law, a bank's right to set-off does not extend to funds credited to an insolvent company's account after the commencement of liquidation proceedings as such funds will have been taken over by the liquidator. Another important aspect of the set off is that creditors having both preferential and nonpreferential claims must set off ratably between the two.

27. **Creditors with floating charges¹⁴ over the undertakings and assets of the insolvent company are normally given priority over unsecured creditors in regard to assets subject to those charges, except with regard to the specific classes of debt noted below.**

28. **With regard to the payment of unsecured debt, the Companies Act establishes a priority order among the various classes of unsecured debts, which applies to all types of winding up.** Unsecured debts are to be paid in the following order:

- The costs and expenses of winding up, including the liquidator's remuneration. In addition, creditors whose claims were properly incurred during liquidation (including expenses related to carrying on the business) have priority over other unsecured creditors.
- Wages and salaries (including wages paid in lieu of notice of termination).
- Workmen's compensation (in the event of liquidation, employees have a direct right of action against the insurers).
- Vacation leave.
- Superannuation and provident fund contributions.
- Federal taxes.

Under this preferential repayment system, each class of debt is paid in full one-by-one in the order set out above. When it is not possible to pay a particular class of debts in full, the various creditors are paid *pari passu*. All other unsecured debts not noted above are paid *pari passu* between themselves.

29. **The provisions relating to payment of unsecured debts have a number of other important features.** In particular, when a third party makes a payment to an employee of a

¹⁴A general and continuing charge or lien against all assets, as opposed to specific assets, of a company. This type of securitization is common in bank lending to companies which have continuously changing asset base (i.e., inventories in stock).

company on its behalf in respect of wages, salary, or vacation leave, the third party has the same right and priority in seeking repayment as the employee would have if the payment had not been made. Accordingly, if a bank had made a loan to a company for the purpose of paying wages or other types of salary, and the proceeds of the loan are used for that purpose, the bank would be entitled to recover its loan as a preferential debt to the same extent that the employees would have had they not been paid. In addition, while creditors holding floating claims over the undertakings and assets of a company securing a loan are entitled to all the assets of the company subject to such charges, there is an exception to this principle that allows wages, salaries, remuneration due as vacation leave, and superannuation and provident fund contributions to be paid out of assets subject to the floating charge in cases where the assets available to the general creditors are insufficient.

Voidance of certain transfers/transactions

30. **The Companies Act provides for the recovery of assets transferred by the debtor company to the prejudices of creditors in the period immediately preceding bankruptcy, in line with contemporary international practice.** For example, certain voluntary conveyances, transfers, and gifts made no later than two years prior to commencement of winding up proceedings are absolutely void. Similarly, certain transfers, charges, and payments made by an insolvent company in favor of some of its creditors in preference to other creditors are void if made within six months of presentation of the winding up petition or commencement of the winding up process.¹⁵ Transactions will be voided if it can be demonstrated that an undue preference has been given to a specific creditor (over other creditors).

Arrangements and reconstructions

31. **There are no comprehensive provisions in the Companies Act for the rehabilitation of troubled companies.** However, a “compromise or arrangement” may be concluded between a company and its creditors. To validate such a plan, an application must first be made to the Court for an order to call a meeting of the affected creditor or class of creditors. For the compromise or arrangement to be validated, it must be approved by “a majority in number representing three-fourths in value of the creditors or class of creditors” present and voting at the meeting. Thereafter, the plan must be submitted to the Court for approval, which may be granted “subject to such alterations or conditions as it thinks fit”. Once approved, the agreement is binding on all creditors. Pending the approval of a compromise or arrangement, the Court may restrain any winding up proceedings against the company in question.

¹⁵To the extent set off is allowed where there have been mutual dealings, preferential payments (through set off) to banks over other creditors may be retained, although such payments would otherwise have been voided had they been made directly outside of a set-off situation.

32. **In addition, the provisions for the reconstruction of troubled companies are limited.** In particular, there are no detailed provisions for the rehabilitation of troubled companies through judicial management, such as the appointment of independent managers to devise a comprehensive recovery plan and the automatic suspension of claims against a troubled company pending its rehabilitation.

Other provisions protecting creditors' interests

Registration of charges

33. **There are detailed rules and requirements for the registration of charges on a company's assets.** Registration is to be done within thirty days of the creation of the charge. Failure to register a charge within that time period will render it void as against a liquidator or any other creditor of the company. The charge registration requirement is intended to protect all persons who deal with potentially troubled companies, especially banking institutions with outstanding loans securitized by the company's assets. As the charges registered against a company are generally public information, any potential creditor should be able to ascertain the true financial condition of a company before undertaking business with it.

Receivers and managers

34. **The power of creditors to appoint a Receiver or manager over the property of a company is typically derived from a debenture.** A debenture is usually an instrument issued to a creditor creating a charge over a company's property in consideration for loans extended by the creditor. The Receiver's role is limited, in that possession of the company's property is entered into purely for the purpose of realizing the security of the appointing creditor in order to satisfy the creditor's claims. Receivership as a resolution approach is therefore completely separate from the winding up process.

C. The Banking and Financial Institutions Act, 1989

35. **The BAFIA establishes rules for the licensing and regulation of institutions carrying on banking, finance company, merchant banking, discount house, and money broking business.**

Licensing of institutions

36. **Any entity conducting banking, finance company, merchant banking, discount house, and money broking business must hold a valid license, which is granted by the Minister of Finance on the recommendation of Bank Negara Malaysia, and must be a public company (with the exception of the money broking business, which may only be conducted by a corporation).**

Revocation

37. **The Minister of Finance may, on the recommendation of Bank Negara, revoke a license** if it appears that, inter alia, the interests of persons dealing with, or are about to deal with, the institution (i.e., depositors and creditors) are threatened in any way; a “composition or arrangement” with creditors has been made against the institution; a receiver or manager has been appointed; possession has been taken by, or on behalf of, any holder of a secured debenture, of any property of the institution; or the institution has insufficient assets to meet its liabilities.

38. **In contrast, the Minister must revoke a license** if a winding up order has been issued against an institution, or a resolution for its voluntary winding up has been adopted by its shareholders.

39. **Any banking institution dissatisfied with a decision taken by the Minister to revoke its license may appeal to the High Court**, which in turn may uphold the decision, overturn it, or impose restrictions on the license (see below).

Imposition of restrictions in lieu of revocation

40. **In cases where revocation is not obligatory, the Minister (or the High Court, in cases of appeal) may impose restrictions on a license if the circumstances do not appear to warrant revocation.** In such cases, the Minister, on the recommendation of Bank Negara, may impose: a limit on the duration of the license; specific conditions to protect the interests of the institution’s creditors, depositors, customers, or other persons dealing with the institution; or both a limit and specific conditions. Specific conditions that may be imposed include: requiring the institution to take certain actions or refrain from taking certain actions; restricting the scope of its business; limiting the acceptance of deposits, the extension of credit facilities, or making particular investments; prohibiting the solicitation of deposits or entering into particular types of transactions; or removing any director, controller, or manager.¹⁶

Notification of intended action

41. **The Minister is obligated to provide written notice of his intention to revoke an institution’s license or impose restrictions**, specifying the nature of the proposed action and the grounds for the decision, and provide the institution the opportunity to respond in writing. No prior notice is required in cases where revocation is mandatory or the Minister considers, on the recommendation of Bank Negara, that revocation or the imposition of restrictions is urgently required.

¹⁶The Minister may at any time, on the recommendation of Bank Negara, impose new conditions or revoke any previously imposed conditions. Failure to comply with any conditions imposed by the Minister are grounds for revocation of the institution’s license.

Minimum capital funds requirement

42. **A license may not be granted if the institution's capital funds (i.e., its paid-up capital and reserves) unimpaired by losses or otherwise are below the legally prescribed minimum (which varies by type of institution).**

Changing the status of licensed institutions

43. **No agreement or arrangement for the purpose of changing control of a licensed institution; selling, disposing, or otherwise transferring the whole or part of the institution's business; merging the institution with another; or reconstructing the institution can be entered into unless it is in writing and has been approved by the Minister.**

Supervisory and control powers

Examination and investigation

44. **Bank Negara is obligated to examine, from time to time, each licensed institution's books, accounts, and transactions.** The Minister has the power to direct Bank Negara to conduct an examination if the institution is suspected of carrying on its business in contravention of the BAFIA or the Central Bank Act 1958, or to the detriment of its depositors and creditors, or that the institution has insufficient assets to cover its liabilities.

Obligation to inform

45. **Institutions are obligated to immediately inform Bank Negara that they are insolvent, or are about to suspend payment or otherwise become unable to meet any of their obligations.**

Interventions by Bank Negara

46. **When Bank Negara is so informed, and has determined that the institution in question is conducting its business in a manner detrimental to its depositors or creditors, etc., the Bank may, in writing and with prior concurrence of the Minister, take action against the institution, including prohibiting further extension of credit (or closure of particular credit facilities), and remove management and appoint replacements. In addition to, or in lieu of these actions, Bank Negara may recommend that the Minister, by order published in the *Gazette*, allow it to assume control of all or portions of the institution's property, business, and affairs. Alternatively, Bank Negara can make application to the High Court to appoint a receiver or manager to do the same, or petition the High Court to initiate winding up proceedings. However, no order may be made unless the licensed institution has first been given the opportunity to make representation in respect to the proposed order.**

Powers to reduce share capital

47. Whenever Bank Negara (or its designee) assumes control of a licensed institution and the paid-up capital of that institution is lost or unrepresented by available assets, it (or its designee) may petition to the High Court for an order to reduce the institution's share capital by canceling any portion of its paid-up capital that is lost or unrepresented by available assets.

Lending powers

48. When Bank Negara considers that a licensed institution is likely to become unable to meet any or all of its obligations, or that it is about to suspend any payments, it may, with the concurrence of the Minister and after having consulted an Advisory Panel,¹⁷ grant loans to that institution against the security of its own shares or any other shares, purchase the shares of the institution for the purpose of controlling it, or grant loans to another licensed institution for the purpose of purchasing shares, properties, or liabilities of the troubled institution.

Moratorium

49. The Minister may, on the recommendation of Bank Negara, issue orders (to be published in the *Gazette*) prohibiting an institution from carrying on all or part of its business or from performing any act or function connected with its business, authorizing the Bank to apply to the High Court for a stay of execution (to stop the commencement or the continuance of any actions and proceedings of a civil nature against the institution), suspending the institution's license, or providing for any other matters of an incidental nature. Such orders may be modified, altered, or replaced from time to time provided the institution concerned has been given a reasonable time to make representations in respect of the proposed order.

Depositors receive priority

50. Whenever an institution becomes insolvent, its assets in Malaysia are to be made available to meet all liabilities in respect of deposits in Malaysia in priority over other liabilities of the institution.

Linkage to the Companies Act, 1965

51. To the extent that any licensed banking or financial institution is also a company as defined in the Companies Act 1965, any provisions of the Act are in addition to the provisions of the BAFIA and not in derogation thereof. In cases of conflict or inconsistency between the provisions of the two, those of the BAFIA prevail.

¹⁷As established in the Central Bank of Malaysia Act, 1958.

D. Areas for Improvement

Lack of a judicial framework for rehabilitation

52. **A major limitation of Malaysia's bankruptcy legislation is the lack of a comprehensive framework for the rehabilitation of troubled companies (similar to reorganization under Chapter 11 of the US Bankruptcy Code) to re-establish them as going concerns.** Despite the lack of comprehensive legal provisions, several options exist in practice for the rehabilitation of troubled companies in Malaysia, including:

- **Financial workout**, whereby a company and its creditors voluntarily work out an agreement to pay creditors and keep the concern afloat, where such an agreement is approved by the Court under the aegis of the Companies Act.
- **Corporate restructuring**, whereby a company's business is reorganized, including cutting out non-viable or non-core businesses, usually following a business or financial review, initiated either by the company itself or by its creditors. The latter would be based on a due diligence report focussing on the company's future cash flow position.
- **Management restructuring**, under which management reforms are implemented to improve the company's business profitability and cash flow.
- **Executory arrangements such as receivership or liquidation.** Creditors generally have the right to appoint receivers and managers to take control of the assets of troubled companies, especially when there are risks that the assets could be lost.

A major drawback of these practical options is that by the very nature of their informality they generally require consensus by all parties concerned, which could unduly slow the reorganization process, thus precluding the possibility of successful rehabilitation. The rehabilitation options by their informal nature could also result in a lack transparency. The main advantage of judicial management is that the courts can impose the rehabilitation plan, thus speeding up implementation of the rehabilitation process while providing full transparency.¹⁸

Bias in favor of creditors

53. **Many features of the bankruptcy laws can be construed as "pro-creditor",** which could create aspects of moral hazard in that financial institutions may engage in high risk

¹⁸While Chapter 11 in the United States is not without its limitations—namely, reorganization under it can be contentious, excessively costly, and also very slow—inclusion of a formal framework for rehabilitation through judicial management would nevertheless be desirable for Malaysia and enhance transparency.

lending knowing that they will receive preferential access to the borrowers assets in the event of insolvency. These features include the mandatory use of set off between mutual claims arising between a debtor and a creditor (which in practice gives preference to the creditor to extent of the amount of the set off), the subrogation of rights of employees in cases of loans granted to a company to make wage payments, and the deferment of floating charges for repayment of specified unsecured debts in the event of insufficient assets to repay creditors.

Wide discretionary powers

54. **The degree of discretion allowed in deciding whether and how to provide assistance to troubled financial institutions is extensive under the BAFIA, and also leads to some aspects of moral hazard given the expectation of full depositor protection. Moreover, such wide discretion with regard to taking remedial action creates risks that various institutions may not be treated equally, or that the regulatory authorities will be influenced or prevented from taking action for political or other reasons (e.g., favoritism).**

Overlapping powers over financial institutions

55. **On many issues that are critical to effective and independent banking supervision, such as licensing, deciding ownership, implementing lending limits, reorganizing institutions, and taking action against banks, the Minister of Finance plays a central role, in that Bank Negara's actions must have the concurrence of the Minister, which in principle could result in tensions between the two. Further, Bank Negara and the Minister must petition the High Court for some measures before they can act to resolve troubled institutions, which might result in unwarranted delays in taking preemptive action in times of crisis.**

Table 1. Malaysia: Expenditure on Gross Domestic Product
in 1978 Prices, 1993-97

	1993	1994	1995	1996	<u>Prel.</u> 1997
(In millions of ringgit)					
Domestic demand	100,673	114,628	130,252	137,168	148,556
Consumption	61,769	67,827	73,856	77,493	81,181
Private	46,866	51,455	56,288	59,675	62,504
Public	14,903	16,372	17,568	17,818	18,677
Investment	38,904	46,801	56,396	59,675	67,375
Private	24,592	31,459	39,411	44,675	48,374
Public	15,097	15,004	16,304	16,485	17,998
Change in stocks	-785	338	681	-1,485	1,003
Net exports	-56	-4,713	-9,943	-6,540	-7,693
Exports	89,455	109,566	128,827	138,043	151,507
Imports	89,511	114,279	138,770	144,583	159,200
Gross domestic product	100,617	109,915	120,309	130,628	140,863
Net factor payments from abroad	-5,326	-5,970	-6,680	-7,490	-8,516
Gross national product	95,291	103,945	113,629	123,138	132,347
(Annual percentage change)					
Domestic demand	9.8	13.9	13.6	5.3	8.3
Consumption	6.0	9.8	8.9	4.9	4.8
Private	4.6	9.8	9.4	6.0	4.7
Public	10.7	9.9	7.3	1.4	4.8
Investment	16.3	20.3	20.5	5.8	12.9
Private	19.1	27.9	25.3	13.4	8.3
Public	8.4	-0.6	8.7	1.1	9.2
Change in stocks 1/	0.4	1.1	0.3	-1.8	1.9
Net exports 1/	-1.3	-4.6	-4.8	2.8	-0.9
Exports	17.2	22.5	17.6	7.2	9.8
Imports	19.1	27.7	21.4	4.2	10.1
Gross domestic product	8.3	9.2	9.5	8.6	7.8
Net factor payments from abroad	2.4	12.1	11.9	12.1	13.7
Gross national product	8.7	9.1	9.3	8.4	7.5

Source: Data provided by the Malaysian authorities.

1/ Annual change as a percent of GDP.

Table 2. Malaysia: Expenditure on Gross Domestic Product
in Current Prices, 1993-97

	1993	1994	1995	1996	<u>Prel.</u> 1997
(In millions of ringgit)					
Domestic demand	165,379	193,407	227,480	247,229	272,765
Consumption	102,919	116,504	132,331	143,460	154,083
Private	81,313	92,568	104,695	114,875	123,569
Public	21,606	23,936	27,636	28,585	30,514
Investment	62,460	76,903	95,149	103,769	118,682
Private	39,255	51,700	66,577	77,064	85,531
Public	24,101	24,657	27,543	28,437	31,823
Change in stocks	-896	546	1,029	-1,732	1,328
Net exports	-173	-3,133	-8,754	2,555	4,268
Exports	135,525	173,771	208,699	229,841	261,290
Imports	135,698	176,904	217,453	227,286	257,022
Gross domestic product	165,206	190,274	218,726	249,784	277,033
Net factor payments from abroad	-8,265	-9,412	-10,555	-11,872	-13,971
Gross national product	156,941	180,862	208,171	237,912	263,062
(Annual percentage change)					
Domestic demand	12.9	16.9	17.6	8.7	10.3
Consumption	9.0	13.2	13.6	8.4	7.4
Private	8.4	13.8	13.1	9.7	7.6
Public	11.7	10.8	15.5	3.4	6.7
Investment	19.9	23.1	23.7	9.1	14.4
Private	22.8	31.7	28.8	15.8	11.0
Public	11.9	2.3	11.7	3.2	11.9
Change in stocks 1/	0.3	0.9	0.3	-1.3	1.2
Net exports 1/	-1.5	-1.8	-3.0	5.2	0.7
Exports	18.7	28.2	20.1	10.1	13.7
Imports	21.0	30.4	22.9	4.5	13.1
Gross domestic product	11.2	15.2	15.0	14.2	10.9
Net factor payments from abroad	3.2	13.9	12.1	12.5	17.7
Gross national product	11.7	15.2	15.1	14.3	10.6

Source: Data provided by the Malaysian authorities.

1/ Annual change as a percent of GDP.

Table 3. Malaysia: Gross Domestic Product by Sector of Origin
in 1978 Prices, 1993-97

	1993	1994	1995	1996	<u>Prel.</u> 1997
(In millions of ringgit)					
Primary sector	24,244	24,288	25,209	25,961	26,646
Agriculture, forestry, and fishing	16,205	16,047	16,230	16,580	17,077
Mining and quarrying	8,039	8,241	8,979	9,381	9,569
Secondary sector	34,347	39,371	45,210	50,834	57,046
Manufacturing	30,324	34,782	39,825	44,684	50,247
Construction	4,023	4,589	5,385	6,150	6,799
Tertiary sector	42,026	46,256	49,890	53,833	57,171
Electricity, gas, and water	2,176	2,475	2,797	3,134	3,556
Transport, storage, and communications	6,921	7,776	8,855	9,723	10,690
Wholesale and retail trade	12,428	13,427	14,781	16,111	17,367
Business services 1/	10,650	11,713	12,938	14,491	16,330
Government services	10,073	11,022	11,454	11,855	12,319
Other services 2/	-222	-157	-935	-1,481	-3,091
Gross domestic product	100,617	109,915	120,309	130,628	140,863
(Annual percentage change)					
Primary sector	2.7	0.2	3.8	3.0	2.6
Agriculture, forestry, and fishing	4.3	-1.0	1.1	2.2	3.0
Mining and quarrying	-0.4	2.5	9.0	4.5	2.0
Secondary sector	12.7	14.6	14.8	12.4	12.2
Manufacturing	12.9	14.7	14.5	12.2	12.4
Construction	11.2	14.1	17.3	14.2	10.6
Tertiary sector	8.4	10.1	7.9	7.9	6.2
Electricity, gas, and water	12.7	13.7	13.0	12.0	13.5
Transport, storage, and communications	6.8	12.4	13.9	9.8	9.9
Wholesale and retail trade	11.1	8.0	10.1	9.0	7.8
Business services 1/	10.4	10.0	10.5	12.0	12.7
Government services	9.5	9.4	3.9	3.5	3.9
Other services 2/	-166.3	-29.3	495.5	58.4	108.7
Gross domestic product	8.3	9.2	9.5	8.6	7.8
(Percent of GDP)					
Primary sector	24.1	22.1	21.0	19.9	18.9
Agriculture, forestry, and fishing	16.1	14.6	13.5	12.7	12.1
Mining and quarrying	8.0	7.5	7.5	7.2	6.8
Secondary sector	34.1	35.8	37.6	38.9	40.5
Manufacturing	30.1	31.6	33.1	34.2	35.7
Construction	4.0	4.2	4.5	4.7	4.8
Tertiary sector	41.8	42.1	41.5	41.2	40.6
Electricity, gas, and water	2.2	2.3	2.3	2.4	2.5
Transport, storage, and communications	6.9	7.1	7.4	7.4	7.6
Wholesale and retail trade	12.4	12.2	12.3	12.3	12.3
Business services 1/	10.6	10.7	10.8	11.1	11.6
Government services	10.0	10.0	9.5	9.1	8.7
Other services 2/	-0.2	-0.1	-0.8	-1.1	-2.2

Source: Data provided by the Malaysian authorities.

1/ Finance, insurance, real estate, and business services.

2/ Community, social and personal services, private nonprofit services to households and domestic services of households, less imputed bank service changes and plus import duties.

Table 4. Malaysia: Composition of Investment and Saving, 1993-97

	1993	1994	1995	1996	<u>Prel.</u> 1997
(In millions of ringgit)					
Gross domestic investment	62,460	76,903	95,149	103,769	118,682
Private gross fixed capital formation	39,255	51,700	66,577	77,064	85,531
Oil and gas	3,164	3,412	2,616	1,451	1,777
Other	36,091	48,288	63,961	75,613	83,754
Public gross fixed capital formation	24,101	24,657	27,543	28,437	31,823
Federal government	5,425	5,479	6,604	6,386	8,176
Statutory bodies	1,590	1,620	2,219	2,030	2,279
State governments	2,790	3,086	3,502	4,098	3,990
Local governments	570	806	760	862	763
Public enterprises	13,726	13,666	14,458	15,061	16,615
Change in stocks	-896	546	1,029	-1,732	1,328
Gross national saving	54,535	62,133	73,324	91,517	105,282
Private sector	27,196	29,400	40,561	51,788	58,078
Public sector	27,339	32,733	32,763	39,729	47,204
(Percent of GDP)					
Gross domestic investment	37.8	40.4	43.5	41.5	42.8
Private gross fixed capital formation	23.8	27.2	30.4	30.9	30.9
Oil and gas	1.9	1.8	1.2	0.6	0.6
Other	21.8	25.4	29.2	30.3	30.2
Public gross fixed capital formation	14.6	13.0	12.6	11.4	11.5
Federal government	3.3	2.9	3.0	2.6	3.0
Statutory bodies	1.0	0.9	1.0	0.8	0.8
State governments	1.7	1.6	1.6	1.6	1.4
Local governments	0.3	0.4	0.3	0.3	0.3
Public enterprises	8.3	7.2	6.6	6.0	6.0
Change in stocks	-0.5	0.3	0.5	-0.7	0.5
Gross national saving	33.0	32.7	33.5	36.6	38.0
Private sector	16.5	15.5	18.5	20.7	21.0
Public sector	16.5	17.2	15.0	15.9	17.0

Source: Data provided by the Malaysian authorities.

Table 5. Industrial Production Index, 1993-97

	1993	1994	1995	1996	1997
(Index numbers: 1993 = 100)					
Total	100.0	112.4	127.1	141.1	156.2
Mining	100.0	103.6	112.8	119.4	122.3
Electricity	100.0	113.8	129.9	146.5	167.3
Manufacturing	100.0	114.9	131.2	147.3	165.7
Food	100.0	106.5	113.8	118.8	123.3
Beverages	100.0	115.4	127.6	147.5	147.5
Tobacco	100.0	98.8	100.8	108.3	129.8
Textiles	100.0	119.4	130.7	133.2	142.5
Wearing apparel	100.0	96.4	95.6	92.7	94.4
Petroleum refineries	100.0	116.4	137.4	149.3	164.1
Industrial chemicals	100.0	110.2	123.9	154.3	180.0
Other chemical	100.0	115.1	115.0	131.0	140.9
Wood products	100.0	104.2	110.5	123.1	121.0
Rubber products	100.0	115.4	130.5	145.0	149.9
Nonmetallic minerals	100.0	113.1	125.5	156.2	171.7
Iron and steel	100.0	114.8	129.5	153.6	165.7
Nonferrous metal	100.0	114.5	129.3	144.0	193.8
Fabricated metal	100.0	117.0	127.6	157.1	176.0
Electrical machinery and electronics	100.0	121.7	146.9	159.9	181.8
Transport equipment	100.0	119.8	163.1	199.5	227.9
(Annual percentage change)					
Total	9.6	12.4	13.1	11.0	10.7
Mining	1.2	3.6	8.9	5.9	2.4
Electricity	12.4	13.8	14.1	12.8	14.2
Manufacturing	12.9	14.9	14.2	12.3	12.5
Food	9.1	6.5	6.9	4.4	3.8
Beverages	4.0	15.4	10.6	15.6	0.0
Tobacco	13.6	-1.2	2.0	7.4	19.9
Textiles	30.5	19.4	9.5	1.9	7.0
Wearing apparel	0.9	-3.6	-0.8	-3.0	1.8
Petroleum refineries	8.3	16.4	18.0	8.7	9.9
Industrial chemicals	5.6	10.2	12.4	24.5	16.7
Other chemical	9.1	15.1	-0.1	13.9	7.6
Wood products	22.1	4.2	6.0	11.4	-1.7
Rubber products	18.2	15.4	13.1	11.1	3.4
Nonmetallic minerals	6.0	13.1	11.0	24.5	9.9
Iron and steel	12.6	14.8	12.8	18.6	7.9
Nonferrous metal	3.8	14.5	12.9	11.4	34.6
Fabricated metal	57.5	17.0	9.1	23.1	12.0
Electrical machinery and electronics	16.6	21.7	20.7	8.8	13.7
Transport equipment	3.5	19.8	36.1	22.3	14.2

Source: Data provided by the Malaysian authorities.

Table 6. Malaysia: Total Proposed Capital Investment in Approved Manufacturing Projects, 1993-97 1/

(In millions of ringgit)

	1993	1994	1995	1996	1997
Total	13,753	22,951	20,869	34,258	25,763
By ownership					
Foreign ownership	3,713	8,350	6,400	12,956	4,186
Joint ownership	6,520	10,117	8,600	15,122	17,458
Malaysian majority	4,377	7,516	6,240	7,616	10,351
Foreign majority	2,084	2,506	2,224	7,407	7,014
Equal ownership	59	95	136	99	93
Malaysian ownership	3,520	4,484	5,869	6,180	4,119
By industry					
Electrical and electronic products	2,305	6,339	3,152	13,062	6,204
Textiles and textile products	895	1,316	635	480	277
Wood, furniture and fixture	767	2,524	2,112	978	744
Rubber and rubber products	90	152	171	241	285
Food, beverages and tobacco	459	923	506	405	760
Petroleum and gas	3	475	708	3,713	6,552
Chemicals and chemical products	2,490	3,533	2,900	3,342	1,323
Non-metallic mineral products	2,131	2,473	4,045	3,338	1,591
Basic and fabricated metal products	1,967	2,839	3,998	2,166	4,762
Transport equipment	1,072	877	1,415	1,183	1,027
Miscellaneous	1,574	1,500	1,227	5,350	2,239

Source: Data provided by the Malaysian authorities.

1/ Includes equity and loans.

Table 7. Malaysia: Ongoing and Planned Investment
in Infrastructure--Main Projects

Main Projects	Expected Construction Period	Estimated Cost (RM million)	Estimated Annual Cost				
			1997	1998	1999	2000	2001 and beyond
Government (Federal and State)							
Roads--Ongoing Projects							
Middle Ring Road II (Phase 2)	1992-2000	995	400	40	50	50	260
Access Road to Bakun Hydroelectric Dam	1995-1999	403	150	150	103	...	...
Simpang Pulai-Lojing-Gua Musang-Kuala Berang Road	1990-2005	1,100	80	150	150	200	500
Kuala Kangsar-Grik Road	1997-2000	200	50	100	80	20	...
Johor Bahru Inner Ring Road	1996-1999	118	40	50	28	...	...
Roads--Planned Projects							
Batang Rejang Bridge	1998-2000	200	...	50	100	50	...
Upgrading Betong-Kayu Malam Road	1998-2000	80	...	30	40	10	...
Ports							
Lahad Datu Port	1995-1998	108	35	5	2	...	...
Labuan Integrated Port	1996-2000	248	2	4	80	100	26
Lahad Datu Port	1995-1998	108	35	5	2	...	...
Water Supply							
Rehabilitation and Upgrading of Water Supply System	1994-2000	950	158	192	91	...	...
Private Sector 1/							
Roads--Ongoing Projects							
New North Klang Straits Bypass	1996-1998	515	250	250	...	...	...
Butterworth Outer Ring Road	1997-1999	346	132	118	96	...	...
Rail							
Light Rail Transit, System I Phase I	1993-1996	1,275	completed	...	...	...	...
Light Rail Transit, System I, Phase II	1996-1998	2,200	770	860	...	...	...
Light Rail Transit, System 2	1995-1999	4,350	1,305	1,740	1,305	...	...
Express Rail Link KL-KLIA	1996-1999	2,100	630	1,050	420	...	...
KL Linear City People-mover Rapid Transit	1997-1999	2,200	440	1,100	660	...	...
Ports							
West Port of Port Klang	1992-2001	1,650	713	106	10	10	...
Tanjung Pelepas Port	1995-2000	2,800	605	819	335	784	...
Pasir Gudang Phase IV	1993-1996	260	completed	...	...	...	...
Phase II NBCT, Penang Port	1996-2004	241	104	31	56	51	...
Kuching Port Terminal	1993-1998	201	111	47	...	...	...
Bintulu Port General Cargo Berth	1996-1998	201	110	48	...	...	...
Airports							
Kuala Lumpur International Airport	1993-1998	9,000	2,835	1,883	...	...	...
Water Supply							
Interstate Water Transfer	1998-2005	7,654	...	...	...	...	...
Total		39,503	8,955	8,828	3,608	1,275	786

Source: Data provided by the Malaysian authorities.

1/ According to the authorities' classification. Many private sector infrastructure projects are undertaken at the behest of the government and are financed by government-guaranteed loans.

Table 8. Malaysia: Labor Market Developments, 1993-97

	1993	1994	1995	1996	1997
	(In thousands)				
Population	19,207	19,650	20,689	21,169	21,666
Total labor force	7,627	7,834	8,140	8,372	8,607
Labor force participation rate (in percent)	66.8	66.8	66.9	66.7	66.6
Unemployment rate (in percent)	3.0	2.8	2.8	2.5	2.7
Total employment	7,396	7,618	7,913	8,161	8,375
Primary sector	1,716	1,621	1,454	1,382	1,317
Agriculture, forestry, and fishery	1,680	1,585	1,413	1,339	1,274
Mining and quarrying	36	36	41	43	43
Secondary sector	2,286	2,490	2,719	2,904	3,081
Manufacturing	1,742	1,892	2,052	2,178	2,316
Construction	544	598	667	726	765
Tertiary sector	3,394	3,508	3,741	3,875	3,977
Transport, etc.	344	366	395	414	433
Wholesale and retail services, hotels and restaurants	1,292	1,318	1,337	1,375	1,383
Business services 1/	332	352	379	403	422
Government services	864	868	872	877	880
Electricity, gas and water	48	61	71	74	76
Other services	514	542	687	732	783
	(Annual percentage change)				
Total labor force	3.5	2.7	3.9	2.9	2.8
Total employment	4.2	3.0	3.9	3.1	2.6
Primary sector	-3.3	-5.5	-10.3	-4.9	-4.7
Agriculture, forestry, and fishery	-3.3	-5.7	-10.9	-5.2	-4.9
Mining and quarrying	-2.7	0.0	13.1	5.7	0.0
Secondary sector	6.5	8.9	9.2	6.8	6.1
Manufacturing	6.3	8.6	8.4	6.2	6.3
Construction	7.3	9.9	11.6	8.8	5.4
Tertiary sector	6.9	3.4	6.6	3.6	2.6
Transport, etc.	5.5	6.5	7.9	4.8	4.6
Wholesale and retail services, hotels and restaurants	-6.5	2.0	1.4	2.8	0.6
Business services 1/	10.6	6.2	7.4	6.5	4.7
Government services	0.6	0.5	0.5	0.5	0.4
Electricity, gas and water	2.1	27.1	16.4	4.2	2.7
Other services	96.2	5.4	26.8	6.6	7.0
	(Percentage share of total employment)				
Total employment	100.0	100.0	100.0	100.0	100.0
Primary sector	23.2	21.3	18.4	16.9	15.7
Agriculture, forestry, and fishery	22.7	20.8	17.9	16.4	15.2
Mining and quarrying	0.5	0.5	0.5	0.5	0.5
Secondary sector	30.9	32.7	34.4	35.6	36.8
Manufacturing	23.6	24.8	25.9	26.7	27.7
Construction	7.4	7.8	8.4	8.9	9.1
Tertiary sector	45.9	46.0	47.3	47.5	47.5
Transport, etc.	4.7	4.8	5.0	5.1	5.2
Wholesale and retail services, hotels and restaurants	17.5	17.3	16.9	16.8	16.5
Business services 1/	4.5	4.6	4.8	4.9	5.0
Government services	11.7	11.4	11.0	10.7	10.5
Electricity, gas and water	0.6	0.8	0.9	0.9	0.9
Other services	7.0	7.1	8.7	9.0	9.3

Source: Data provided by the Malaysian authorities.

1/ Finance, insurance, real estate, and business services.

Table 9. Malaysia: Registered Unemployed by Occupation, 1993-97

	1993	1994	1995	1996	1997
(Number of registered unemployed persons)					
Total	31,617	26,445	25,546	21,668	23,762
Industrial	11,365	9,198	8,210	7,081	7,684
Agricultural	193	132	98	76	71
Services	835	584	674	472	446
Clerical	15,909	13,589	13,181	11,061	11,486
Professional and technical	2,558	2,149	2,629	2,263	2,867
Others	757	793	754	715	1208
(Percentage share of total registered unemployed)					
Total	100.0	100.0	100.0	100.0	100.0
Industrial	35.9	34.8	32.1	32.7	32.3
Agricultural	0.6	0.5	0.4	0.4	0.3
Services	2.6	2.2	2.6	2.2	1.9
Clerical	50.3	51.4	51.6	51.0	48.3
Professional and technical	8.1	8.1	10.3	10.4	12.1
Others	2.4	3.0	3.0	3.3	5.1

Source: Data provided by the Malaysian authorities.

Table 10. Malaysia: Changes in Average Wage Rates, 1993-97 1/

(Percentage change)

	1993	1994	1995	1996	1997
Estate workers	8.3	...	21.1	...	...
Harvesting	-5.8	...	17.5	...	...
Sorting	10.5	...	15.1	...	...
Mining	...	...	...	...	...
Manufacturing	...	8.4	10.2	12.2	9.8
Food manufacturing, beverages, tobacco industries	17.1	14.0	10.9	9.0	0.2
Textile, weaving, etc., industries	55.8	18.7	9.2	10.6	5.3
Wood and wood products	10.0	7.8	2.3	9.2	8.3
Petroleum refineries	...	12.7	12.2	11.5	1.7
Nonmetallic, mineral industries	86.1	8.8	15.1	8.6	4.5
Basic metal, metal products	17.4	9.3	13.3	2.8	10.2
Electrical and electronics products	82.3	7.1	14.5	13.5	9.6
Chemicals, chemical and plastic products	20.0	5.8	6.8	11.9	19.2

Source: Data provided by the Malaysian authorities.

1/ For supervised personnel.

Table 11. Malaysia: Average Domestic Prices and Taxes
on Energy-Related Products, 1993-97

(Cents per liter; unless otherwise indicated)

	1993	1994	1995	1996	1997
Crude oil					
Excise duty	0.00	0.00	0.00	0.00	0.00
Import duty	0.00	0.00	0.00	0.00	0.00
Gasoline regular					
Price	106.00	106.00	106.00	106.00	106.00
Excise duty	54.85	58.62	58.62	58.62	58.62
Import duty	54.85	58.62	58.62	58.62	58.62
Gasoline premium					
Price	113.00	113.00	110.00	110.00	110.00
Excise duty	54.85	58.62	58.62	58.62	58.62
Import duty	54.85	58.62	58.62	58.62	58.62
Kerosene 1/					
Price	66.10	66.10	66.10	66.10	66.10
Excise duty	13.29	17.06	0.00	0.00	0.00
Import duty	13.29	17.06	0.00	0.00	0.00
Diesel oil					
Price	65.10	65.10	65.10	65.10	65.10
Excise duty	13.23	17.32	19.64	19.64	19.64
Import duty	13.23	17.32	19.64	19.64	19.64
Fuel oil 1/ 2/					
Excise duty (in tons)	16.73	16.73	0.00	0.00	0.00
Import duty (in tons)	16.73	16.73	0.00	0.00	0.00
Natural gas 2/					
Excise duty (cents/kg.)	1.0	1.0	1.0	1.0	1.0
Import duty (cents/kg.)	1.0	1.0	1.0	1.0	1.0

Source: Data provided by the Malaysian authorities.

1/ Duties on kerosene and fuel oil were abolished on October 10, 1994.

2/ Prices of fuel oil and natural gas (liquefied) are not available.

Table 13. Malaysia: Producer Price Index, 1993-97

Weights	1996				1997									
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
	(Index numbers, 1989 = 100)													
Food and live animals	14.9	105.0	111.0	113.6	119.9	122.8	116.9	119.8	122.4	120.5	121.1	121.0	123.1	125.8
Beverages and tobacco	2.1	131.0	133.7	136.7	137.4	137.5	137.4	137.4	137.4	137.3	137.3	137.4	137.6	137.7
Crude materials	18.0	103.1	113.4	121.3	119.5	113.6	121.9	123.1	117.5	115.3	116.5	114.2	110.0	113.6
Mineral fuels	18.8	104.7	100.0	99.7	112.2	120.0	106.9	110.0	110.6	121.2	120.7	112.3	115.3	131.5
Animal and vegetable oils	8.5	102.0	121.5	153.0	144.2	162.8	145.5	147.3	139.9	143.9	155.5	151.0	149.0	195.7
Chemicals	4.4	106.6	107.0	109.3	110.5	111.8	110.4	110.9	110.7	109.9	110.2	111.0	111.6	114.3
Manufactured goods, n.e.i.	10.8	108.9	112.4	112.3	113.2	113.3	113.3	113.4	112.9	113.0	112.5	112.3	112.5	115.9
Machinery and transport equipment	18.4	102.5	102.9	101.0	101.6	104.9	101.3	101.2	101.4	102.3	102.4	102.8	105.8	108.5
Miscellaneous goods	3.6	108.3	114.1	116.7	120.7	119.2	120.6	120.9	120.9	120.3	119.1	118.6	118.6	120.3
Communication and transport	0.6	111.2	113.1	112.7	113.0	112.4	113.0	113.0	113.0	113.0	112.5	112.2	112.3	112.7
Total	100	105.1	109.3	113.6	116.2	119.3	115.3	116.7	115.6	117.3	118.5	116.1	116.7	125.8
Domestic production	79.3	105.4	110.7	115.9	119.2	122.2	118.1	119.9	118.3	120.4	121.7	118.8	119.0	129.4
Imports	20.7	103.7	103.9	104.6	104.7	107.6	104.2	104.5	104.6	105.3	105.7	105.5	107.5	111.6
		(Annual percentage change)												
Food and live animals	1.5	5.7	2.4	2.4	5.5	2.4	3.5	6.7	7.2	4.9	3.6	1.0	0.6	4.4
Beverages and tobacco	7.6	2.0	2.3	0.5	0.1	0.1	1.2	0.7	0.2	-0.1	-0.1	0.0	0.1	0.3
Crude materials	-0.1	10.0	7.0	-1.5	-4.9	-4.9	-0.5	-0.9	-2.1	-2.6	-4.4	-7.2	-6.4	-1.5
Mineral fuels	-0.7	-4.5	-0.3	12.5	6.9	6.9	6.2	9.8	11.7	22.5	12.9	2.1	4.2	8.5
Animal and vegetable oils	-2.3	19.1	26.0	-5.8	12.9	12.9	-6.9	-5.8	-7.2	-3.2	6.9	2.5	6.5	36.0
Chemicals	0.5	0.4	2.2	1.1	1.2	1.2	1.7	1.6	0.8	0.3	-0.2	0.1	0.8	4.0
Manufactured goods, n.e.i.	1.2	3.2	-0.1	0.8	0.1	0.1	2.0	1.1	0.4	-0.3	-0.7	-1.0	-0.4	2.6
Machinery and transport equipment	2.4	0.4	-1.8	0.5	3.3	3.3	-1.1	-0.4	1.6	2.0	1.1	1.6	4.3	6.1
Miscellaneous goods	0.4	5.4	2.3	3.4	-1.3	-1.3	5.0	4.5	2.7	1.5	-1.2	-1.9	-1.9	0.0
Communication and transport	4.3	1.7	-0.4	0.3	-0.5	-0.5	0.3	0.3	0.4	0.3	-0.4	-0.7	-0.6	-0.3
Total	0.7	4.0	3.9	2.3	2.3	2.6	0.9	2.1	2.3	3.9	2.8	-0.5	1.0	7.2
Domestic production	0.5	5.0	4.7	2.8	2.8	2.6	1.4	2.7	2.5	4.6	3.0	-0.9	0.6	7.5
Imports	1.6	0.2	0.7	0.1	2.8	2.8	-1.2	-0.5	0.8	1.3	1.4	1.0	2.8	6.0

Source: Data provided by the Malaysian authorities.

Table 14. Malaysia: Federal Government Revenue and Grants, 1994-98

	1994	1995	1996	Budget 1/ 1997	Prel.	Budget 1/ 1998	Revised budget 2/
(In millions of ringgit)							
Tax revenue	39,012	43,306	49,168	52,356	55,760	56,163	45,576
Taxes on net income and profits	17,408	20,136	22,661	23,663	27,121	26,870	21,268
Oil production companies	2,210	2,137	2,203	2,570	3,861	3,037	3,087
Petronas	1,413	1,672	1,762	2,056	3,861	3,037	3,087
Other oil companies	797	465	441	514	0	0	0
Other companies	10,562	11,707	14,166	14,326	16,688	16,754	11,729
Individuals	4,567	6,203	6,172	6,645	6,429	6,929	6,332
Other 3/	69	89	120	122	143	150	120
Taxes on property	219	281	437	422	542	509	420
Taxes on goods and services	11,904	14,029	15,966	17,193	17,607	18,672	14,691
Sales tax	4,131	4,868	5,473	5,736	6,167	6,700	5,457
Imported goods	1,546	1,664	1,768	1,624	2,007	2,121	1,812
Domestic goods	2,585	3,204	3,705	4,112	4,160	4,579	3,645
Selective excises on goods	4,298	5,280	5,790	6,292	6,053	6,401	4,431
Tobacco and alcoholic beverages	913	1,055	1,066	1,151	1,146	1,193	1,083
Petroleum products	1,620	1,899	1,908	2,008	1,705	1,949	1,620
Motor vehicle tax	1,697	2,280	2,756	3,075	3,138	3,195	1,658
Other	68	46	60	58	64	64	70
Selective excises on services	3,475	3,881	4,703	5,165	5,387	5,571	4,803
Motor vehicle tax	1,313	1,496	1,699	1,807	1,973	1,993	1,970
Taxes on international trade	6,800	6,474	7,173	8,045	7,577	7,243	6,677
Import duties	5,642	5,621	6,132	7,075	6,524	6,763	5,889
Tobacco and alcoholic beverages	332	366	419	401	425	457	364
Petroleum products	1,750	1,546	1,685	1,772	1,749	1,601	1,704
Other import duties	3,560	3,709	4,028	4,902	4,350	4,705	3,821
Export duties	1,158	853	1,041	970	1,053	480	788
Petroleum	1,098	751	996	868	1,024	445	753
Palm oil	28	74	24	86	9	19	19
Other	32	28	21	16	20	16	16
Other tax revenue 4/	2,681	2,386	2,931	3,033	2,913	2,869	2,520
Nontax revenue	8,168	7,765	9,890	9,156	10,396	11,036	11,099
Property income	5,418	5,553	5,634	5,887	5,786	6,273	6,289
Public financial institutions	38	2	19	6	7	3	3
Rent and interest 5/	1,654	1,741	1,667	1,139	1,688	1,184	1,181
Dividends paid by Petronas	3,100	3,100	3,100	3,100	3,100	4,100	4,100
Petroleum royalties	626	710	848	1,642	991	986	1,005
Administrative fees and charges on sale of goods, fines, and forfeit	2,126	1,692	3,481	2,971	4,600	4,752	4,534
Contributions to pension fund	0	0	0	0	0	0	0
Other nontax revenue	624	520	775	298	10	11	276
Capital revenue	74	86	88	76	53	74	51
Total revenue	47,254	51,157	59,146	61,588	66,209	67,273	56,726
Foreign grants	0	0	0	0	0	0	0
Total revenue and grants	47,254	51,157	59,146	61,588	66,209	67,273	56,726
(In percent of GDP)							
Tax revenue	20.5	19.8	19.7	18.9	20.1	18.9	15.2
Nontax revenue	4.3	3.6	4.0	3.3	3.8	3.7	3.7
Total revenue	24.8	23.4	23.7	22.3	23.9	22.6	18.9

Source: Data provided by the Malaysian authorities.

1/ Includes effects of tax measures contained in the 1997 and 1998 budgets.

2/ Refers to budget plans announced in December 1997.

3/ Consists of income taxes on cooperatives and other direct taxes.

4/ Excludes expenditure refunds and net lending.

5/ Excludes privatization receipts. From 1994 on, privatization receipts are not included by the authorities in revenues. They accrue to the off-budget government investment fund, Khazanah.

Table 15. Malaysia: Economic Classification of Federal Government Expenditure and Net Lending, 1994-98

	1994	1995	1996	Budget 1997	Prel.	Budget 1998	Revised budget 1/
(In millions of ringgit)							
Current expenditure 2/	36,222	37,747	44,929	42,571	45,568	43,807	39,882
On personnel, goods, and services	17,239	18,822	21,639	20,240	20,467	20,477	18,646
Wages and salaries	11,016	11,433	14,324	13,078	13,195	12,829	12,829
Other goods and services 3/	6,223	7,389	7,315	7,162	7,272	7,648	5,817
Interest payments 4/	6,815	6,521	6,795	6,595	6,425	6,364	6,364
Subsidies and other current transfers	12,168	12,404	16,495	15,736	18,676	16,966	14,872
Transfers to state governments	1,440	1,410	1,451	1,556	1,563	1,616	1,398
Pensions	2,737	2,755	3,509	3,648	3,638	3,635	3,635
Other current transfers 5/	7,991	8,239	11,535	10,532	13,475	11,715	9,839
Development expenditure	8,934	11,212	11,796	16,358	13,879	15,615	12,301
Direct development expenditure	8,635	11,017	10,783	15,218	12,762	15,193	11,766
Net lending 6/	299	195	1013	1,140	1,117	422	535
Adjustment for accounts payable	-655	-649	-255	0	-349	0	0
Total expenditure and net lending	44,501	48,310	56,470	58,929	59,098	59,422	52,183
(In percent of total expenditure)							
Current expenditure 2/	81.4	78.1	79.6	72.2	77.1	73.7	76.4
Expenditure on goods and services	38.7	39.0	38.3	34.3	34.6	34.5	35.7
Wages and salaries	24.8	23.7	25.4	22.2	22.3	21.6	24.6
Other goods and services 3/	14.0	15.3	13.0	12.2	12.3	12.9	11.1
Interest payments 4/	15.3	13.5	12.0	11.2	10.9	10.7	12.2
Subsidies and other current transfers	27.3	25.7	29.2	26.7	31.6	28.6	28.5
Transfers to state governments	3.2	2.9	2.6	2.6	2.6	2.7	2.7
Pensions	6.2	5.7	6.2	6.2	6.2	6.1	7.0
Other current transfers 5/	18.0	17.1	20.4	17.9	22.8	19.7	18.9
Development expenditure	20.1	23.2	20.9	27.8	23.5	26.3	23.6
Direct development expenditure	19.4	22.8	19.1	25.8	21.6	25.6	22.5
Net lending 6/	0.7	0.4	1.8	1.9	1.9	0.7	1.0
Adjustment for accounts payable	-1.5	-1.3	-0.5	0.0	-0.6	0.0	0.0
(In percent of GDP)							
Current expenditure	19.0	17.3	18.0	15.4	16.4	14.7	13.3
Expenditure on goods and services	3.3	3.4	2.9	2.6	2.6	2.6	1.9
Wages and salaries	5.8	5.2	5.7	4.7	4.8	4.3	4.3
Direct development expenditure	4.5	5.0	4.3	5.5	4.6	5.1	3.9

Source: Data provided by the Malaysian authorities.

1/ Refers to December 1997 budget plans. March revisions not yet available.

2/ Includes expenditure refunds.

3/ Includes defense expenditures shown in the development budget and some net lending shown in the current budget.

4/ Excludes contributions to the sinking funds.

5/ Consists of subsidies, indemnities, refunds and write-offs, transfers to statutory bodies, and other transfers.

6/ Includes repayments of loans from revenue and loan funds, and revenue from sales of shares.

Table 16. Malaysia: Functional Classification of Federal Government Expenditure and Net Lending, 1994-98

(In millions of ringgit)

	1994	1995	1996	Budget	Prel.	Budget	Revised
				1997		1998	Budget 1/
General services	30,049	33,604	37,688	39,052	39,980	39,457	33,790
General public services	6,498	9,197	8,669	9,042	9,986	8,521	7,123
General administration	4,205	6,426	5,700	6,107	6,942	5,583	4,579
Internal security	2,293	2,771	2,969	2,935	3,044	2,938	2,544
Defense	5,565	6,121	6,091	6,183	5,877	5,748	4,579
Education	10,108	10,603	12,489	12,651	12,881	13,427	11,300
Health	2,529	2,772	3,474	3,472	3,727	4,259	3,706
Social security 2/	2,737	2,755	3,509	3,648	3,638	3,635	3,635
Housing and community developments	2,612	2,156	3,456	4,056	3,871	3,867	3,447
of which: Community and social securities	1,703	1,425	2,143	2,404	2,404	2,404	2,194
Economic services	8,949	9,309	11,978	11,996	11,626	12,867	10,785
Agriculture, forestry, and rural development	2,536	2,495	2,618	2,582	2,405	2,444	2,166
Transport and communication	3,730	4,191	5,655	5,489	4,992	6,133	5,003
Other economic services 3/	2,683	2,623	3,705	3,925	4,229	4,290	3,616
Unallocable	6,158	6,046	7,059	7,881	7,841	7,098	7,608
Public debt interest	6,815	6,521	6,795	6,595	6,425	6,364	6,364
Transfers to state governments	1,440	1,410	1,451	1,556	1,541	1,616	1,616
Others 4/	-2,097	-1,885	-1,187	-270	-125	-882	-372
Adjustment for accounts payable	-655	-649	-255	0	-349	0	0
Total expenditure and net lending	44,501	48,310	56,470	58,929	59,098	59,422	52,183
Memorandum item:							
Public debt interest/GDP (percent)	3.6	3.0	2.7	2.4	2.3	2.1	2.1

Source: Data provided by the Malaysian authorities.

1/ Refers to December 1997 budget plans. March revisions not yet available.

2/ Includes government pensions.

3/ Includes general administration, regulations and research, mining, manufacturing and construction, and utilities.

4/ Includes expenditure refunds and net lending items.

Table 17. Malaysia: Federal Budgetary Developments, 1994-98

	1994	1995	1996	Budget	Prel.	Revised	
				1997		Budget	Budget 1/
	1998						
(In millions of ringgit)							
Total revenue and grants	47,254	51,157	59,146	61,588	66,209	67,273	56,726
Tax revenue	39,012	43,306	49,168	52,356	55,760	56,163	45,576
Nonpetroleum tax revenue	32,334	36,973	42,376	45,138	47,421	49,131	38,412
Taxes on net income and profits 2/	15,417	18,280	20,895	21,515	23,802	24,342	18,601
Sales tax and excises 3/	12,965	14,516	16,989	18,218	18,815	19,592	15,591
Taxes on international trade	3,952	4,177	4,492	5,405	4,804	5,197	4,220
Petroleum tax revenue	6,678	6,333	6,792	7,218	8,339	7,032	7,164
Oil production companies	2,210	2,137	2,203	2,570	3,861	3,037	3,087
Excises and duties	4,468	4,196	4,589	4,648	4,478	3,995	4,077
Nontax revenue	8,242	7,851	9,978	9,232	10,449	11,110	11,150
Petroleum	3,726	3,810	3,948	4,742	4,091	5,086	5,105
Other 4/	4,516	4,041	6,030	4,490	6,358	6,024	6,045
Total expenditure and net lending	44,501	48,310	56,470	58,929	59,098	59,422	52,183
Current expenditure	36,222	37,747	44,929	42,571	45,568	43,807	39,882
Wages and salaries	11,016	11,433	14,324	13,078	13,195	12,829	12,829
Other expenditure on goods and services	6,223	7,389	7,315	7,162	7,272	7,648	5,817
Interest payments	6,815	6,521	6,795	6,595	6,425	6,364	6,364
Subsidies and transfers	12,168	12,404	16,495	15,736	18,676	16,966	14,872
Development expenditure	8,279	10,563	11,541	16,358	13,530	15,615	12,301
Direct expenditure	8,635	11,017	10,783	15,218	12,762	15,193	11,766
Net lending 5/	-356	-454	758	1,140	768	422	535
Overall balance	2,753	2,847	2,676	2,659	7,111	7,851	4,543
Memorandum items:							
Current balance	10,958	13,324	14,129	18,941	20,588	23,392	16,793
Primary balance 6/	9,568	9,368	9,471	9,254	13,536	14,215	10,907
(In percent of GDP)							
Total revenues	24.8	23.4	23.7	22.3	23.9	22.6	18.9
Total expenditures	23.4	22.1	22.6	21.3	21.3	20.0	17.4
Overall balance	1.4	1.3	1.1	1.0	2.6	2.6	1.5
Current balance	5.8	6.1	5.7	6.8	7.4	7.9	5.6
Primary balance	5.0	4.3	3.8	3.3	4.9	4.8	3.6

Source: Data provided by the Malaysian authorities.

1/ Refers to budget plans announced in December 1997.

2/ Includes taxes on property.

3/ Includes "other tax revenue."

4/ Includes capital revenue and foreign grants.

5/ Includes adjustment for accounts payable.

6/ Overall balance plus interest payments.

Table 18. Malaysia: Federal Government Operations, 1994-98

(In millions of ringgit)

	1994	1995	1996	Budget	Prel.	Budget	Revised
				1997		1998	budget 1/
Total revenue (grants are zero)	47,254	51,157	59,146	61,588	66,209	67,273	56,726
Total expenditure and net lending	44,501	48,310	56,470	58,929	59,098	59,422	52,183
Current expenditure 2/	36,222	37,747	44,929	42,571	45,568	43,807	39,882
Transfers to:	4,584	4,451	4,142	4,894	4,702	5,585	5,367
Statutory bodies	3,036	2,953	2,586	3,217	3,057	3,888	3,888
State governments	1,440	1,410	1,451	1,556	1,563	1,616	1,398
Statutory grants	888	914	907	938	907	938	938
Other grants	552	496	544	618	656	678	460
Local governments	108	88	105	121	82	81	81
NFPEs	0	0	0	0	0	0	0
Direct development expenditure	8,635	11,017	10,783	15,218	12,762	15,193	11,766
Transfers to:	2,143	2,068	2,740	2,834	2,704	3,437	3,437
Statutory bodies	1,597	1,587	2,171	2,312	2,103	2,493	2,493
State governments 3/	75	53	69	79	38	58	58
Local governments	87	81	66	70	43	57	57
NFPEs	384	347	434	373	520	829	829
Net lending	299	195	1,013	1,140	1,117	422	535
Net loans to:	-2,766	765	2,123	298	298	298	298
Statutory bodies	165	43	43	43	43	43	43
State governments	345	247	261	261	261	261	261
Local governments	-10	-12	-8	-8	-8	-8	-8
NFPEs	-3,266	487	1827	2	2	2	2
Adjustments for accounts payable	-655	-649	-255	0	-349	0	0
Overall balance	2,753	2,847	2,676	2,659	7,111	7,851	4,543
Financing (net)	-2,753	-2,847	-2,676	-2,659	-7,111	-7,851	-4,543
External (net)	-4,757	-1,635	-2,177	...	-1681	...	...
Project loans	-429	-534	-1,503	...	-984	...	...
Market loans	-4,328	-1,101	-674	...	-697	...	...
Other	0	0	0	...	0	...	...
Domestic (net)	2,004	-1,212	-499	...	-5,430	...	...
Banking system	-853	-1,834	-2,099	...	435	...	...
Central bank	-574	-417	-1,015	...	-2,572	...	...
Claims on federal government 4/	500	1,144	1025	...	-1372	...	...
Deposits by federal government 4/	-1,074	-1,561	-2040	...	-1200	...	...
Commercial banks	-279	-1,417	-1,084	...	3,007	...	...
Claims on federal government 4/	516	-944	228	...	3457	...	...
Deposits by federal government 4/	-795	-473	-1312	...	-450	...	...
Nonbanks	2,857	622	1,600	...	-5,865	...	...
Employees Provident Fund	1,007	1,123	-400	...	-1898	...	...
Petronas	-302	-44	-70	...	-412	...	...
Insurance companies 5/	609	1,119	1513	...	-2300	...	...
Other	1,543	-1,576	557	...	-1,255	...	...
Memorandum items:							
Privatization Revenues 6/	2,909	0	0	0	0	0	0
Current balance	10,958	13,324	14,129	18,941	20,588	23,392	16,793
Overall balance (in percent of GDP)	1.4	1.3	1.1	1.0	2.6	2.6	1.5
Overall balance excluding privatization revenues (in percent of GDP)	-0.1	1.3	1.1	1.0	2.6	2.6	1.5

Source: Data provided by the Malaysian authorities.

1/ Refers to December 1997 budget plans. March revisions not yet available.

2/ Excludes net lending shown in the current budget.

3/ Includes reimbursements to state governments.

4/ Net of claims and deposits from Pension Trust Fund (which are included in monetary survey figures).

5/ Insurance companies are currently required to hold 25 percent of assets in government securities.

6/ After 1994, all privatization receipts have been transferred to Khazanah, an off-budget government investment fund.

Table 19. Malaysia: Operations of Statutory Bodies, 1994-98

(In millions of ringgit)

	1994	1995	1996	Budget	Prel.	Revised	
				1997		Budget	Budget 1/ 1998
Total revenue	7,957	6,765	7,122	7,943	7,651	8,979	8,979
Own revenue	3,324	2,225	2,365	2,414	2,491	2,598	2,598
Transfers from the federal government	4,633	4,540	4,757	5,529	5,160	6,381	6,381
Total expenditure	5,882	5,538	6,143	5,002	6,378	6,549	6,549
Operating expenditure	4,262	3,319	4,113	3,177	4,099	4,202	4,202
Development expenditure	1,620	2,219	2,030	1,825	2,279	2,347	2,347
Overall balance	2,075	1,227	979	2,941	1,273	2,430	2,430
Financing (net)	-2,075	-1,227	-979	-2,941	-1,273	-2,430	-2,430
External	-108	-167	-174	-177	-177	-177	-177
Domestic	-239	-365	-387	-311	-9	-311	-311
Net borrowing from federal government	165	43	43	43	43	43	43
Other	-404	-408	-430	-354	-52	-354	-354
Change in assets (increase -)	-1,728	-695	-418	-2,453	-1,087	-1,942	-1,942
Memorandum items:							
Current balance	3,695	3,446	3,009	4,766	3,552	4,777	4,777
Overall balance (in percent of GDP)	1.1	0.6	0.4	1.1	0.5	0.8	0.8

Source: Data provided by the Malaysian authorities.

1/ Refers to December 1997 budget plans. March revisions not yet available.

Table 20. Malaysia: Operations of State Governments, 1994-98

(In millions of ringgit)

	1994	1995	1996	Budget	Prel.	Revised	
				1997		Budget	budget 1/
				1998		1998	
Revenue and grants	7,964	8,261	9,494	9,814	9,625	9,032	8,739
Own revenue	6,449	6,798	7,974	8,179	8,024	7,358	7,283
Transfers from:	1,515	1,463	1,520	1,635	1,601	1,674	1,456
Federal government	1,515	1,463	1,520	1,635	1,601	1,674	1,456
Statutory bodies	0	0	0	0	0	0	0
Local governments	0	0	0	0	0	0	0
NFPEs	0	0	0	0	0	0	0
Expenditure	6,909	7,640	8,560	10,292	9,095	10,413	8,020
Operating expenditure	4,344	4,167	4,956	5,275	4,988	5,392	4,408
Transfers to:	290	324	478	343	496	559	559
Federal government	0	0	0	0	0	0	0
Statutory bodies	0	0	0	0	0	0	0
Local governments	290	324	478	343	496	559	559
NFPEs	0	0	0				
Development expenditure and net lending	2,565	3,473	3,604	5,017	4,107	5,021	3,612
Direct development expenditure	3,020	3,793	3,579	4,894	3,984	4,898	3,489
Transfers to:	112	85	95	90	80	115	115
Federal government	0	0	0	0	0	0	0
Statutory bodies	0	0	0	0	0	0	0
Local governments	112	85	95	90	80	115	115
NFPEs	0	0	0	0	0	0	0
Net lending	-455	-320	25	123	123	123	123
Local governments	-3	13	-7	1	1	1	1
Other	-452	-333	32	122	122	122	122
Overall balance	1,055	621	934	-478	530	-1,381	719
Financing (net)	-1,055	-621	-934	478	-530	1,381	-719
External	0	0	0	0	0	0	0
Domestic	-1,055	-621	-934	478	-530	1,381	-719
Borrowing from federal government	345	247	261	261	638	691	691
Other borrowing including change in assets	-1,400	-868	-1,195	217	-1,168	690	-1,410
Memorandum items:							
Current balance	3,620	4,094	4,538	4,539	4,637	3,640	4,331
Overall balance (in percent of GDP)	0.6	0.3	0.4	-0.2	0.2	-0.5	0.2

Source: Data provided by the Malaysian authorities.

1/ Refers to December 1997 budget plans. March revisions not yet available.

Table 21. Malaysia: Operations of Local Governments, 1994-98

(In millions of ringgit)

	1994	1995	1996	Budget	Prel.	Budget	Revised
				1997		1998	Budget 1/
Total revenue	2,629	2,872	3,108	2,988	3,210	3,572	3,572
Own revenue	2,032	2,294	2,364	2,364	2,509	2,760	2,760
Transfers from:	597	578	744	624	701	812	812
Federal government	195	169	171	191	125	138	138
Statutory bodies	0	0	0	0	0	0	0
State governments	402	409	573	433	576	674	674
NFPEs	0	0	0	0	0	0	0
Total expenditure	2,552	2,865	3,003	2,960	3,265	3,463	3,463
Current expenditure	1,746	2,105	2,140	2,197	2,447	2,678	2,678
Transfers to:	0	0	0	0	0	0	0
Federal government	0	0	0	0	0	0	0
Statutory bodies	0	0	0	0	0	0	0
State governments	0	0	0	0	0	0	0
NFPEs	0	0	0	0	0	0	0
Development expenditure	806	760	863	763	818	785	785
Overall balance	77	7	105	28	-55	109	109
Financing (net)	-77	-7	-105	-28	55	-109	-109
External	0	0	0	0	0	0	0
Domestic	-77	-7	-105	-28	55	-109	-109
Borrowing from federal government	-10	-12	-8	-8	-8	-8	-8
Borrowing from state governments	-3	13	-7	1	1	1	1
Other borrowing including change in assets	-64	-8	-90	-21	62	-102	-102
Memorandum items:							
Current balance	883	767	968	791	763	894	894
Overall balance (in percent of GDP)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Data provided by the Malaysian authorities.

1/ Refers to December 1997 budget plans. March revisions not yet available.

Table 22. Malaysia: General Government Operations, 1994-98 1/

(In millions of ringgit)

	1994	1995	1996	Budget	Prel.	Revised	
				1997		Budget	Budget 2/
				1998		1998	
Total revenue and grants 2/	59,059	62,474	71,849	74,545	79,233	79,989	69,367
Federal government	47,254	51,157	59,146	61,588	66,209	67,273	56,726
Statutory bodies	3,324	2,225	2,365	2,414	2,491	2,598	2,598
State governments	6,449	6,798	7,974	8,179	8,024	7,358	7,283
Local governments	2,032	2,294	2,364	2,364	2,509	2,760	2,760
Total expenditure and net lending	52,602	57,481	66,866	69,098	70,077	70,683	61,269
Total current expenditure 2/	41,700	42,563	51,518	47,983	51,904	49,935	45,244
Federal government	31,638	33,296	40,787	37,677	40,866	38,222	34,515
Statutory bodies	4,262	3,319	4,113	3,177	4,099	4,202	4,202
State governments	4,054	3,843	4,478	4,932	4,492	4,833	3,849
Local governments	1,746	2,105	2,140	2,197	2,447	2,678	2,678
Total direct development expenditure 3/	12,210	15,983	14,854	20,149	17,579	20,500	15,664
Federal government	6,876	9,296	8,477	12,757	10,578	12,585	9,158
Statutory bodies	1,620	2,219	2,030	1,825	2,279	2,347	2,347
State governments	2,908	3,708	3,484	4,804	3,904	4,783	3,374
Local governments	806	760	863	763	818	785	785
Net lending	-653	-416	749	966	943	248	361
Adjustments for accounts payable	-655	-649	-255	0	-349	0	0
Overall balance	6,457	4,993	4,983	5,447	9,156	9,306	8,098
Financing	-6,457	-4,993	-4,983	-5,447	-9,156	-9,306	-8,098
External	-4,865	-1,802	-2,351	...	-1,858	...	...
Domestic (including change in assets)	-1,592	-3,191	-2,632	...	-7,298	...	...
Memorandum items:							
Current balance	17,285	19,825	4,895	26,486	27,276	29,980	24,072
Overall balance (in percent of GDP)	3.4	2.3	2.0	2.0	3.3	3.1	2.7
Overall balance excluding privatization revenues (in percent of GDP)	1.9	2.3	2.0	2.0	3.3	3.1	2.7
Net lending	2,613	-903	-1,078	964	941	246	359
Federal govt. (other)	3,065	-570	-1,110	842	819	124	237
State govt. (other)	-452	-333	32	122	122	122	122

Source: Data provided by the Malaysian authorities.

1/ Includes federal, state, and local governments, and the statutory bodies.

2/ Refers to December 1997 budget plans. March revisions not yet available.

3/ Net of transfers.

Table 23. Malaysia: Operations of Nonfinancial Public Enterprises (NFPEs), 1994-98 1/

(In millions of ringgit)

	1994	1995	1996	Budget	Prel.	Budget	Revised
				1997		1998	
Operating surplus	14,803	16,339	20,762	18,307	22,267	23,870	22,232
Transfers from:	384	347	434	373	520	829	829
Federal government	384	347	434	373	520	829	829
Development expenditure	16,196	13,630	15,512	19,653	22,181	23,264	20,958
Overall balance	-1,393	2,709	5,250	-1,346	86	606	1,274
Financing	1,393	-2,709	-5,250	1,346	-86	-606	-1,274
External	5,761	6,696	2,844	0	7,045	3,500	3,500
Domestic	-4,368	-9,405	-8,094	1,346	-7,131	-4,106	-4,774
Borrowing from federal government	-3,266	487	1,827	2	2	1,017	1,017
Borrowing from state governments	0	0	0	0	0	0	0
Other (including changes in assets)	-1,102	-9,892	-9,921	1,344	-7,133	-5,123	-5,791
Memorandum items:							
Operating surplus net of transfers	14,419	15,992	20,328	17,934	21,747	23,041	21,403
Current balance	14,803	16,339	20,762	18,307	22,267	23,870	22,232
Current balance (in percent of GDP)	7.8	7.5	8.3	6.6	8.0	8.0	7.4
Development expenditure (in percent of GDP)	8.5	6.2	6.2	7.1	8.0	7.8	7.0
Overall balance (in percent of GDP)	-0.7	1.2	2.1	-0.5	0.0	0.2	0.4
Privatization receipts 3/	0	1,100	0	0	0	0	0
Overall balance excluding privatization receipts (in percent of GDP)	-0.7	0.7	2.1	-0.5	0.0	0.2	0.4

Source: Data provided by the Malaysian authorities.

1/ As a result of privatization, the number of enterprises declined from 44 in 1992 to 31 in 1996.

2/ Refers to December 1997 budget plans. March revisions not yet available.

3/ Privatization receipts from the sale of Petronas Dagan in 1993 and Petronas Gas in 1995.

Table 24. Malaysia: Consolidated Public Sector, 1994-98 1/

(In millions of ringgit)

	1994	1995	1996	Budget	Prel.	Budget	Revised
				1997		1998	budget 2/
Total revenue and grants 3/	73,478	78,466	92,177	92,479	100,980	103,030	90,770
Federal government	47,254	51,157	59,146	61,588	66,209	67,273	56,726
Statutory bodies	3,324	2,225	2,365	2,414	2,491	2,598	2,598
State governments	6,449	6,798	7,974	8,179	8,024	7,358	7,283
Local governments	2,032	2,294	2,364	2,364	2,509	2,760	2,760
NFPE operating surplus	14,419	15,992	20,328	17,934	21,747	23,041	21,403
Total expenditure and net lending	71,680	70,277	80,117	88,376	91,736	93,116	81,396
Total current expenditure 3/	41,700	42,563	51,518	47,983	51,904	49,935	45,244
Federal government	31,638	33,296	40,787	37,677	40,866	38,222	34,515
Statutory bodies	4,262	3,319	4,113	3,177	4,099	4,202	4,202
State governments	4,054	3,843	4,478	4,932	4,492	4,833	3,849
Local governments	1,746	2,105	2,140	2,197	2,447	2,678	2,678
Total direct development expenditure 3/	28,022	29,266	29,932	39,429	39,240	42,935	35,793
Federal government	6,492	8,949	8,043	12,384	10,058	11,756	8,329
Statutory bodies	1,620	2,219	2,030	1,825	2,279	2,347	2,347
State governments	2,908	3,708	3,484	4,804	3,904	4,783	3,374
Local governments	806	760	863	763	818	785	785
NFPEs	16,196	13,630	15,512	19,653	22,181	23,264	20,958
Net lending	2,613	-903	-1,078	964	941	246	359
Adjustment for accounts payable	-655	-649	-255	0	-349	0	0
Overall public sector balance	1,798	8,189	12,060	4,103	9,244	9,914	9,374
Financing	-1,798	-8,189	-12,060	-4,103	-9,244	-9,914	-9,374
External	896	4,894	493	...	5,187	...	...
Domestic (including changes in assets)	-2,694	-13,083	-12,553	...	-14,431	...	...
Memorandum item:							
Current balance 4/	31,704	35,817	40,571	44,420	49,023	53,021	45,475
Current balance (percent of GDP)	16.7	16.4	16.2	16.0	17.7	17.8	15.2
Overall balance (percent of GDP)	0.9	3.7	4.8	1.5	3.3	3.3	3.1
Privatization revenues	2,909	1,100	0	0	0	0	0
Overall balance excluding privatization revenues (percent of GDP)	-0.6	3.2	4.8	1.5	3.3	3.3	3.1

Source: Data provided by the Malaysian authorities.

1/ Consists of the federal, state and local governments, statutory bodies, and NFPEs.

2/ Refers to December 1997 budget plans. March revisions not yet available.

3/ Net of transfers.

4/ Excludes capital revenue and foreign grants.

Table 25. Malaysia: Outstanding Federal Government Debt, 1993-96

	1993	1994	1995	<u>Est.</u> 1996	<u>Prel.</u> 1997
(In billions of ringgit)					
Domestic debt	76.5	78.3	78.0	79.2	77.0
Government securities	66.0	65.0	64.7	66.9	66.3
Treasury bills	4.3	4.3	4.3	4.3	4.3
Other	6.2	9.0	9.0	8.0	6.4
Foreign debt	19.4	14.8	13.3	10.5	12.9
International institutions and foreign governments 1/	7.8	7.6	7.1	5.3	6.4
Market loans	11.6	7.3	6.2	5.2	6.5
Total debt	95.9	93.1	91.4	89.7	89.9
(In percent of GDP)					
Domestic debt	46.3	41.1	35.7	31.7	27.8
Government securities	40.0	34.2	29.6	26.8	23.9
Treasury bills	2.6	2.3	2.0	1.7	1.6
Other	3.8	4.7	4.1	3.2	2.3
Foreign debt	11.7	7.8	6.1	4.2	4.7
International institutions and foreign governments 1/	4.7	4.0	3.2	2.1	2.3
Market loans	7.0	3.8	2.8	2.1	2.3
Total debt	58.0	48.9	41.8	35.9	32.5

Source: Data provided by the Malaysian authorities.

1/ Consists of project loans and suppliers credit.

Table 26. Malaysia: Operations of the Employees' Provident Fund, 1993-97

(In millions of ringgit)

	1993	1994	1995	1996	<u>Prel.</u> 1997
Receipts	12,679	14,900	16,985	21,131	23,694
Contributions	7,376	8,792	10,324	12,899	14,908
Investment income	5,251	5,689	6,599	8,137	8,739
Other	52	419	62	95	47
Expenditure	2,331	2,734	3,331	3,980	5,917
Withdrawals	2,205	2,592	3,160	3,768	5,695
Operating expenditure	126	142	171	212	222
Balance	10,348	12,166	13,654	17,151	17,777
In percent of GDP	6.3	6.4	6.2	6.9	6.4
Holding of government securities	39,264	40,721	39,150	38,754	38,068
Registered employees (in thousands)	6,900	7,300	7,760	8,050	8,357
Registered employers (in thousands)	223	236	256	276	269

Source: Data provided by the Malaysian authorities.

Table 27. Malaysia: Monetary Authorities' Account, 1993-97 1/

	1996					1997							
	1993	1994	1995	1996	1997	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net foreign assets 2/	76,435	68,173	63,770	70,015	59,123	63,822	66,846	67,846	70,015	72,151	70,696	61,895	59,123
Net domestic assets	-48,182	-27,691	-15,800	-5,165	23,773	-10,273	-9,152	-6,929	-5,165	-3,248	1,854	14,323	23,773
Net claims on federal government	-2,457	-5,488	-6,223	-7,990	-6,817	-4,263	-6,779	-6,511	-7,990	-3,840	-4,412	-8,963	-6,817
Net claims on banks and NFIs 3/	-38,727	3,443	3,250	1,348	969	2,957	2,969	1,887	1,348	1,378	1,334	1,371	969
Claims on private sector	2,400	3,319	4,072	4,536	4,580	4,190	4,455	4,472	4,536	4,597	4,436	4,216	4,580
Other items net 4/	-9,398	-28,964	-16,899	-3,059	25,041	-13,157	-9,797	-6,777	-3,059	-5,383	496	17,699	25,041
Reserve money	28,253	40,481	47,970	64,850	82,896	53,550	57,694	60,916	64,850	68,904	72,549	76,515	82,896
Currency in circulation	14,649	17,170	18,913	21,066	24,532	19,714	19,467	20,029	21,066	21,567	21,881	23,323	24,532
Deposits of commercial banks	8,161	14,745	19,088	28,697	38,854	22,537	25,450	27,055	28,697	31,327	33,719	34,919	38,854
Deposits of NFIs 3/	4,605	7,354	9,187	14,696	19,510	10,796	12,324	13,395	14,696	15,995	16,949	18,273	19,510
Deposits of private sector	838	1,213	782	391	0	503	453	437	391	15	0	0	0
Net foreign assets 2/, 5/	115.5	-29.2	-10.9	13.0	-16.8	-1.0	-0.8	5.7	13.0	15.6	6.7	-9.8	-16.8
Net domestic assets 5/	-103.9	72.5	29.4	22.2	44.6	30.3	35.8	30.4	22.2	13.1	19.1	34.9	44.6
Net claims on federal government 5/	10.5	-10.7	-1.8	-3.7	1.8	-2.6	-5.4	0.9	-3.7	0.8	4.1	-4.0	1.8
Net claims on banks 5/	-107.3	149.3	-0.5	-4.0	-0.6	-1.9	-2.6	-3.6	-4.0	-2.9	-2.8	-0.8	-0.6
Claims on private sector	116.8	38.3	22.7	11.4	1.0	21.4	17.0	13.6	11.4	9.7	-0.4	-5.7	1.0
Other items net 4/, 5/	-12.2	-69.3	29.8	28.9	43.3	33.0	42.2	31.9	28.9	14.5	17.8	40.2	43.3
Reserve money	11.6	43.3	18.5	35.2	27.8	29.3	35.0	36.0	35.2	28.7	25.7	25.6	27.8
Currency in circulation	11.2	17.2	10.2	11.4	16.5	11.7	11.1	12.2	11.4	9.4	12.4	16.4	16.5
Deposits of commercial banks	6.8	80.7	29.5	50.3	35.4	45.4	52.7	51.0	50.3	39.0	32.5	29.1	35.4
Deposits of NFIs 3/	20.5	59.7	24.9	60.0	32.8	39.5	55.3	57.7	60.0	48.2	37.5	36.4	32.8
Memoranda													
Bank and NFI required reserves	12,690	21,883	28,083	43,175	57,185	33,176	37,636	40,139	43,175	46,927	49,808	52,680	57,185
Bank and NFI excess reserves	1,219	1,502	1,672	2,303	4,352	1,720	1,696	2,146	2,303	2,546	3,659	3,752	4,352

Source: Data provided by the Malaysian authorities.

1/ Bank Negara Malaysia accounts plus Treasury IMF operations. Data are reported according to the Fund monetary statistics framework. See footnote 1 to Table 31.

2/ 1997 figures exclude valuation gains on foreign currency reserves.

3/ Non-monetary financial institutions (finance companies, merchant banks and discount houses).

4/ Includes BNM deposits at banks and NFIs.

5/ Contribution to reserve money growth.

Table 28. Malaysia: Deposit Money Banks - Consolidated Statement
of Assets and Liabilities of Commercial Banks and Bank Islam, 1993-97 1/

	1996				1997								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
	(In millions of ringgit; end of period)												
Foreign assets 2/	10,482	10,542	10,320	10,255	23,288	10,546	9,726	9,339	10,255	13,187	14,309	18,102	23,288
Reserves	9,242	15,810	20,459	30,727	42,266	24,428	26,932	28,815	30,727	33,515	36,732	38,063	42,266
Claims on federal government	10,690	11,127	10,182	12,020	16,366	10,715	10,781	11,218	12,020	11,995	13,610	13,701	16,366
Claims on private sector	122,337	141,965	185,472	233,270	296,450	196,926	206,787	223,018	233,270	252,267	264,987	278,053	296,450
Claims on NFIs 3/	8,326	12,352	16,802	24,771	32,597	14,489	18,315	18,684	24,771	26,420	26,645	35,180	32,597
Other assets	56,406	44,239	44,601	39,490	62,602	41,814	42,768	37,363	39,490	43,150	64,754	59,272	62,602
Assets	217,483	236,035	287,836	350,533	473,569	298,918	315,309	328,437	350,533	380,534	421,037	442,371	473,569
Foreign liabilities 2/	31,488	17,000	15,873	21,830	39,340	14,330	20,315	22,898	21,830	28,814	31,953	34,949	39,340
Liabilities to federal government	1,903	2,858	4,149	5,546	6,000	4,663	4,449	5,296	5,546	7,459	7,488	7,335	6,000
Demand deposits 4/	29,128	31,723	36,191	44,623	44,803	37,352	37,996	41,693	44,623	47,016	46,565	46,501	44,803
Time and savings deposits 4/	90,184	99,749	124,935	157,858	191,236	131,687	137,815	143,567	157,858	162,508	170,169	177,035	191,236
Repurchase agreements	8,263	9,202	9,612	11,783	15,061	11,327	10,369	9,973	11,783	12,428	14,020	14,504	15,061
Bonds and money market instruments	14,933	26,529	38,655	42,791	57,683	38,843	42,947	44,704	42,791	49,337	54,136	54,140	57,683
Credit from central bank	-40,080	-18,079	-10,190	-2,709	-3,115	-6,012	-6,401	-5,715	-2,709	-4,020	-8,002	-2,570	-3,115
Credit from NFIs 3/	742	2,116	2,813	1,361	6,510	3,156	2,656	1,639	1,361	1,992	2,540	2,137	6,510
Capital and reserves	16,884	23,813	29,478	36,617	49,795	31,156	32,648	34,253	36,617	41,865	51,450	45,965	49,795
Other liabilities	64,038	41,123	36,320	30,833	66,256	32,416	32,515	30,129	30,833	33,135	50,718	62,375	66,256
Liabilities	217,483	236,035	287,836	350,533	473,569	298,918	315,309	328,437	350,533	380,534	421,037	442,371	473,569

Source: Data provided by the Malaysian authorities.

1/ Data are reported according to the Fund monetary statistics framework. See footnote 1 to Table 31.

2/ Valued at current exchange rates.

3/ Non-monetary financial institutions (finance companies, merchant banks, and discount houses).

4/ Includes deposits of non-residents, state and local governments, statutory bodies, and the Employees Provident Fund (EPF).

Table 29. Malaysia: Monetary Survey, 1993-97 1/

	1993				1994				1995				1996				1997				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Net foreign assets 2/	55,429	61,714	58,217	58,440	43,071	60,038	56,257	54,287	58,440	56,524	53,052	45,048	43,071								
Net domestic assets	96,983	116,528	157,012	205,800	275,388	166,771	178,619	189,828	205,800	220,713	233,853	252,670	275,388								
Domestic credit	131,067	148,065	189,354	236,290	304,579	202,905	210,795	226,901	236,290	257,560	271,133	279,672	304,579								
Net claims on federal government	6,330	2,781	-190	-1,516	3,549	1,789	-447	-589	-1,516	696	1,710	-2,597	3,549								
Claims on private sector	124,737	145,284	189,544	237,806	301,030	201,116	211,242	227,490	237,806	256,864	269,423	282,269	301,030								
Other items net	-34,084	-31,537	-32,342	-30,490	-29,191	-36,134	-32,176	-37,073	-30,490	-36,847	-37,280	-27,002	-29,191								
Broad money (M2)	152,413	178,240	215,227	264,238	318,460	226,809	234,876	244,113	264,238	277,237	286,904	298,015	318,460								
Narrow money (M1)	48,078	56,174	63,593	78,690	85,672	66,801	68,683	73,718	78,690	82,441	82,596	84,857	85,672								
Reserve money	28,253	40,481	47,970	64,850	82,896	53,550	57,694	60,916	64,850	68,904	72,549	76,515	82,896								
Less: Bank notes and coin	1,142	1,286	1,480	2,086	3,173	1,564	1,557	1,836	2,086	2,152	2,799	3,240	3,173								
Less: Bank deposits at Bank Negara	8,161	14,745	19,088	28,697	38,854	22,537	25,450	27,055	28,697	31,327	33,719	34,919	38,854								
Plus: Bank demand deposits 3/	29,128	31,723	36,191	44,623	44,803	37,352	37,996	41,693	44,623	47,016	46,565	46,501	44,803								
Quasi-money 3/, 4/	98,472	120,726	134,551	169,644	206,297	143,017	148,188	153,543	169,644	174,936	184,190	191,539	206,297								
Other financial liabilities 5/	5,863	13,100	17,083	15,904	26,491	16,991	18,005	16,852	15,904	19,860	20,118	21,619	26,491								
Net foreign assets 2/, 6/	17.5	4.1	-2.0	0.1	-5.8	2.2	-2.2	-2.3	0.1	-1.5	-1.4	-3.8	-5.8								
Net domestic assets 6/	...	12.8	22.7	22.7	26.3	23.9	24.6	23.5	22.7	23.8	23.5	25.7	26.3								
Domestic credit	12.8	13.0	27.9	24.8	28.9	27.5	27.0	29.0	24.8	26.9	28.6	23.3	28.9								
Net claims on federal government 6/	1.3	-2.3	-1.7	-0.6	1.9	-1.6	-1.4	-0.2	-0.6	-0.5	0.9	-0.8	1.9								
Claims on private sector	11.8	16.5	30.5	25.5	26.6	30.3	29.0	29.2	25.5	27.7	27.5	24.1	26.6								
Other items net 6/	...	1.7	-0.5	0.9	0.5	-0.4	1.2	-1.8	0.9	-0.3	-2.2	4.1	0.5								
M2	23.0	16.9	20.8	22.8	20.5	26.1	22.4	21.2	22.8	22.2	22.2	22.1	20.5								
M1	35.3	16.8	13.2	23.7	8.9	19.9	18.4	24.7	23.7	23.4	20.3	15.1	8.9								

Source: Data provided by the Malaysian authorities.

1/ Consolidation of the accounts of the monetary authorities, commercial banks and Bank Islam. Data are reported according to the Fund monetary statistics framework. See footnote 1 to Table 31.

2/ 1997 figures exclude valuation gains on official foreign currency reserves; financial institution net foreign assets valued at current exchange rates.

3/ Includes deposits of non-residents, state and local governments, statutory bodies, and the Employees Provident Fund (EPF).

4/ Quasi-money is equal to Bank Negara time deposits plus bank time and savings deposits plus bank repos.

5/ Includes bank negotiable instruments of deposit (NIDs).

6/ Contribution to M2 growth.

Table 30. Malaysia: Nonmonetary Financial Institutions - Consolidated Statement of Assets and Liabilities of Finance Companies, Merchant Banks and Discount Houses, 1993-97 1/

	1993				1994				1995				1996				1997						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
(In millions of ringgit; end of period)																							
Foreign assets 2/	137	167	209	362	1,057	231	255	273	362	458	616	925	1,057	8,421	10,394	12,280	15,910	22,181	18,288	19,198	20,878	22,181	
Reserves	3,727	3,073	2,995	4,856	5,193	3,302	4,076	4,463	4,856	5,201	4,907	4,800	5,193	1,990	1,936	2,031	3,466	4,193	3,587	3,712	3,708	4,193	
Claims on federal government	1,103	546	431	754	689	585	754	797	754	862	678	669	689	634	591	533	636	311	752	517	423	311	
Finance companies	59,683	71,024	91,554	121,091	149,261	96,825	104,299	111,010	121,091	128,847	137,515	148,916	149,261	44,903	51,681	65,641	85,698	106,010	91,759	98,133	105,263	106,010	
Merchant banks	10,619	13,074	15,907	21,183	26,472	16,091	18,442	19,056	21,183	23,193	24,516	26,126	26,472	4,161	6,269	10,006	14,210	16,779	13,895	14,866	17,527	16,779	
Discount houses	7,031	9,135	9,148	10,620	14,441	8,558	9,329	8,864	10,620	10,414	12,307	11,261	14,441	6,044	6,642	7,395	7,640	11,301	7,883	8,368	8,768	11,301	
Claims on commercial banks	825	2,261	1,468	2,379	2,587	1,539	1,726	1,543	2,379	2,126	3,317	2,020	2,587	163	233	285	601	553	405	622	473	553	
Finance companies	9,138	11,517	13,914	16,428	22,759	12,883	13,215	13,404	16,428	16,747	20,435	22,733	22,759	88,137	105,310	130,100	169,267	214,892	179,955	194,978	209,513	214,892	
Merchant banks																							
Discount houses																							
Other assets																							
Assets	88,137	105,310	130,100	169,267	214,892	135,410	145,817	153,039	169,267	179,955	194,978	209,513	214,892	45	30	62	43	1,138	62	801	1,221	1,138	
Foreign liabilities 2/	722	707	1,213	2,116	1,464	1,647	1,768	1,892	2,116	2,619	2,385	1,731	1,464	56,361	61,073	68,692	86,621	93,947	92,707	98,303	98,752	93,947	
Liabilities to federal government	43,200	47,396	54,212	65,918	73,371	59,257	60,581	63,423	65,918	72,670	75,919	78,222	73,371	9,464	8,964	8,880	13,470	14,879	13,450	16,248	15,224	14,879	
Time and savings deposits 3/	3,697	4,713	5,600	7,233	5,697	6,212	6,179	6,325	7,233	6,587	6,136	5,306	5,697	2,304	3,327	5,079	5,610	12,345	5,614	5,212	7,616	12,345	
Finance companies	5,039	7,556	11,097	20,047	23,050	12,781	15,554	17,547	20,047	20,296	20,131	19,063	23,050	6,911	13,267	19,094	28,469	45,743	34,070	31,786	43,968	45,743	
Merchant banks	3,252	5,562	10,370	16,249	28,163	8,236	9,518	10,346	16,249	20,845	17,115	22,911	28,163	2,186	4,969	4,979	5,685	9,212	7,108	7,626	11,156	9,212	
Repurchase agreements	1,473	2,736	3,745	6,535	8,368	4,134	5,534	5,300	6,535	6,117	7,045	9,901	8,368	6,820	8,588	10,772	13,803	17,800	14,639	16,454	17,070	17,800	
Bonds and money-market instruments	9,935	10,762	14,091	12,558	19,405	13,145	14,117	14,302	12,558	9,949	19,906	20,092	19,405	88,137	105,310	130,100	169,267	214,892	179,955	194,978	209,513	214,892	
Credit from commercial banks																							
Finance companies																							
Merchant banks																							
Discount houses																							
Capital and reserves																							
Other liabilities																							
Liabilities	88,137	105,310	130,100	169,267	214,892	135,410	145,817	153,039	169,267	179,955	194,978	209,513	214,892										

Source: Data provided by the Malaysian authorities.

1/ Data are reported according to the Fund monetary statistics framework. See footnote 1 to Table 31.

2/ Valued at current exchange rates.

3/ Includes deposits of non-residents, state and local governments, statutory bodies, and the Employees Provident Fund (EPF).

Table 31. Malaysia: Banking Survey, 1993-97 1/

	1996				1997								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Net foreign assets 2/	55,521	61,851	58,364	58,759	42,990	60,268	56,511	54,523	58,759	56,920	52,867	44,752	42,990
Net domestic assets	154,526	181,462	229,300	297,028	380,073	245,882	259,719	274,521	297,028	310,056	332,528	354,960	380,073
Domestic credit	193,755	221,455	282,690	360,121	457,569	301,386	317,402	340,482	360,121	388,989	411,170	431,657	457,569
Net claims on federal government	9,335	5,147	1,592	1,224	7,278	3,444	1,861	1,982	1,224	3,278	4,232	472	7,278
Claims on private sector	184,420	216,308	281,098	358,897	450,291	297,941	315,541	338,500	358,897	385,711	406,938	431,185	450,291
Other items net	-39,229	-39,993	-53,390	-63,093	-77,496	-55,504	-57,683	-65,961	-63,093	-78,933	-78,642	-76,697	-77,496
Total liquidity (M3)	210,048	243,313	287,662	355,785	423,065	306,149	316,229	329,045	355,785	371,976	385,395	400,009	423,065
Monetary Liabilities	42,965	48,259	53,806	63,210	65,232	55,393	55,713	59,660	63,210	65,441	64,686	65,651	65,232
Narrow Money (M1) 3/	48,078	56,174	63,593	78,690	85,672	66,801	68,683	73,718	78,690	82,441	82,596	84,857	85,672
Less: Intersystem demand deposits	508	561	601	786	930	612	646	663	786	1,006	961	933	930
Less: NFI deposits at ENM 4/	4,605	7,354	9,186	14,694	19,510	10,796	12,324	13,395	14,694	15,994	16,949	18,273	19,510
Broad quasi-money	156,598	173,027	207,873	261,467	311,942	223,753	230,978	239,612	261,467	272,874	286,717	297,271	311,942
Quasi-money and bank repos 3/	98,472	108,966	134,551	169,644	206,297	143,017	148,188	153,543	169,644	174,936	184,190	191,539	206,297
NFI time and saving deposits 3/ 4/	56,361	61,073	68,692	86,621	93,947	77,606	78,472	81,781	86,621	92,707	98,303	98,752	93,947
NFI repos 4/	2,304	3,327	5,079	5,610	12,345	3,533	4,529	4,639	5,610	5,614	5,212	7,616	12,345
Less: Intersystem fixed deposits	539	339	449	408	647	403	211	351	408	383	988	636	647
Other financial liabilities 5/	10,485	22,027	25,983	31,108	45,891	27,003	29,538	29,773	31,108	33,661	33,992	37,087	45,891
Memorandum items:													
Broad money (M2)	152,413	178,240	215,227	264,238	318,460	226,809	234,876	244,113	264,238	277,237	286,904	298,015	318,460
Narrow money (M1)	48,078	56,174	63,593	78,690	85,672	0	66,801	68,683	73,718	78,690	0	82,441	84,857
Net foreign assets 2/ 6/	12.8	3.0	-1.4	0.1	-4.4	1.7	-1.5	-1.7	0.1	-1.1	-1.2	-3.0	-4.4
Net domestic assets 6/	10.3	12.8	19.7	23.5	23.3	22.7	22.4	22.3	23.5	21.0	23.0	24.4	23.3
Domestic credit	12.2	14.3	27.7	27.4	27.1	28.6	29.4	30.1	27.4	29.1	29.5	26.8	27.1
Net claims on federal government 6/	0.5	-2.0	-1.5	-0.1	1.7	-1.3	-0.7	0.0	-0.1	-0.1	0.7	-0.5	1.7
Claims on private sector	12.3	17.3	30.0	27.7	25.5	30.9	30.6	30.3	27.7	29.5	29.0	27.4	25.5
Other items net 6/	-2.2	-0.4	-5.5	-3.4	-4.0	-4.5	-5.1	-6.6	-3.4	-7.7	-6.6	-3.3	-4.0
M3	23.8	15.8	18.2	23.7	18.9	24.4	20.9	20.6	23.7	21.5	21.9	21.6	18.9
M2	23.0	16.9	20.8	22.8	20.5	26.1	22.4	21.2	22.8	22.2	22.2	22.1	20.5
M1	35.3	16.8	13.2	23.7	8.9	19.9	18.4	24.7	23.7	23.4	20.3	15.1	8.9

Source: Data provided by the Malaysian authorities.

1/ Consolidation of the accounts of the monetary authorities, commercial banks and Bank Islam, and NFIs (non-monetary financial institutions, comprising finance companies, merchant banks, and discount houses). Note that data are reported according to the Fund monetary statistics framework, although this framework is currently being revised for Malaysia in light of the new report forms submitted by financial institutions to Bank Negara.

2/ 1997 figures exclude valuation gains on official foreign currency reserves; financial institution net foreign assets valued at current exchange rates.

3/ Includes deposits of non-residents, state and local governments, statutory bodies, and the Employees Provident Fund (EPF).

4/ Nonmonetary financial institutions (finance companies, merchant banks, and discount houses).

5/ Includes bank and NFI negotiable instruments of deposit (NIDs).

6/ Contribution to M3 growth.

Table 32. Malaysia: Money and Banking Indicators, 1993-97

	1993	1994	1995	1996	1997			
					Q1	Q2	Q3	Q4
(Billions of ringgit, total per period)								
Liquidity operations of Bank Negara	-39.4	24.3	15.6	11.3	-1.8	8.1	20.1	6.6
Interbank transactions volume	544.5	818.9	857.2	888.3	223.1	276.8	412.3	527.7
(In percent; end of period)								
Interest rates								
Interbank rate (overnight)	6.16	4.90	6.50	7.15	6.43	7.18	5.71	8.3
Treasury bill rate (3-month)	5.24	4.50	5.80	6.48	6.31	6.48	6.00	6.76
Deposit rate (12-month) 1/	6.29	6.15	6.89	7.26	7.25	7.38	7.79	9.33
Average base lending rate 1/	8.22	6.83	8.03	9.18	9.24	9.50	9.61	10.33
Average lending rate 1/	9.65	8.24	9.28	10.12	10.14	10.68	10.68	11.51
Loan/deposit ratio 2/								
Commercial banks	83.5	83.7	88.9	89.3	92.1	92.6	94.0	91.9
Finance companies	85.6	87.4	89.7	90.8	89.2	92.0	97.4	95.6
Risk-weighted capital ratio (RWCR) 3/								
Commercial banks	12.9	11.7	10.6	11.2	11.2	12.2	11.0	10.7
Finance companies	8.8	10.1	9.7	10.1	10.1	10.8	10.6	10.6
(Number)								
Institutions not meeting the minimum RWCR								
Commercial banks	1	1	0	0	0	0	0	1
Finance companies	4	3	1	0	0	0	0	1
(Percent of total loans)								
Non-performing loans 4/								
Commercial banks	13.0	9.8	4.9	3.8	3.2	3.5	3.3	4.5
Principal portion	8.3	7.5	3.6	2.9	2.4	2.8	2.7	3.9
Interest-in-suspense	4.7	2.3	1.3	0.9	0.8	0.7	0.6	0.6
Finance companies	14.5	11.2	6.6	4.7	4.2	4.3	5.0	7.8
Principal portion	9.9	8.1	4.5	3.4	3.3	3.5	4.2	7.0
Interest-in-suspense	4.6	3.1	2.1	1.3	0.9	0.9	0.8	0.8
General provision 5/								
Commercial banks	1.3	1.6	1.7	1.9	2.0	2.0	2.1	2.1
Finance companies	1.1	1.3	1.5	1.5	1.6	1.6	1.6	1.7
(Percent of non-performing loans)								
Total outstanding bad debt provision 6/								
Commercial banks	34.3	35.6	57.5	79.8	81.5	76.5	85.1	61.4
Finance companies	27.7	34.0	53.0	61.0	62.2	58.4	50.1	37.7
Memorandum items:								
Number of institutions								
Commercial banks	38	38	38	38	37	36	35	35
Finance companies	40	40	40	40	40	40	39	39

Source: Data provided by the Malaysian authorities.

1/ Commercial banks.

2/ Deposits include repurchase agreements and negotiable instruments of deposit; loans exclude housing loans sold to Cagamas.

3/ The minimum RWCR is currently 8 percent for all institutions; before 1994, it was 8 percent for finance companies and domestic banks, and 10 percent for foreign banks. Compliance was mandatory by end-December 1992.

4/ As a percent of total loans including housing loans sold to Cagamas. Figures reported are under the old system of classification, which counted loans as non-performing if payments were overdue for six months or more. As of January 1, 1998, this period was shorted to three months; under the new classification, the 1997 Q4 figures would be 5.3 percent and 9.9 percent for commercial banks and finance companies, respectively.

5/ As a percent of total loans including housing loans sold to Cagamas, less interest-in-suspense and specific provisions. The minimum required provision of 1 percent was increased to 1 1/2 percent as of January 1, 1998.

6/ General plus specific provisions.

Table 33. Malaysia: Direction of Financial Institution Lending, 1993-97

(In millions of ringgit; end of period)

	1993	1994	1995	1996	1997
Agriculture	5,307	4,582	5,255	6,051	7,635
Commercial banks	4,125	3,486	3,870	4,550	5,918
Finance companies	883	764	953	1,166	1,313
Merchant banks	299	333	432	335	404
Mining and quarrying	884	723	1,184	991	1,404
Commercial banks	631	520	886	600	787
Finance companies	161	167	245	305	517
Merchant banks	91	36	54	86	100
Manufacturing	31,462	37,338	48,818	55,655	67,829
Commercial banks	26,932	32,233	42,410	47,950	58,348
Finance companies	2,521	2,945	4,005	4,999	6,699
Merchant banks	2,009	2,160	2,403	2,706	2,782
Electricity	1,004	2,999	3,750	5,127	4,407
Commercial banks	937	2,910	3,581	4,894	3,889
Finance companies	22	34	65	119	97
Merchant banks	45	55	105	113	422
General commerce	15,681	17,135	21,432	25,150	34,842
Commercial banks	13,662	15,055	19,075	22,191	29,349
Finance companies	1,414	1,393	1,545	2,263	4,592
Merchant banks	605	687	812	696	901
Building and construction	13,917	15,722	20,233	27,827	42,478
Commercial banks	9,309	10,377	14,087	19,296	29,181
Finance companies	3,557	3,942	4,371	5,552	8,287
Merchant banks	1,051	1,402	1,776	2,978	5,011
Real estate	15,267	14,624	20,572	28,033	33,441
Commercial banks	11,383	10,803	15,875	21,085	24,368
Finance companies	2,889	2,779	3,377	5,362	6,628
Merchant banks	995	1,043	1,320	1,586	2,445
Individual housing loans	24,325	28,019	32,753	39,661	48,643
Commercial banks	17,212	19,866	23,473	28,958	36,228
Finance companies	7,057	8,095	9,239	10,664	12,379
Merchant banks	56	58	41	39	36
Transport, storage, and communication	3,609	4,053	5,101	7,573	13,134
Commercial banks	2,001	2,433	2,992	4,161	8,617
Finance companies	1,436	1,413	1,820	2,971	3,470
Merchant banks	172	207	289	440	1,047
Finance, insurance, business services	22,887	22,868	31,874	46,682	61,711
Commercial banks	16,983	16,960	23,766	33,892	45,375
Finance companies	2,625	2,594	3,681	5,521	8,722
Merchant banks	3,279	3,314	4,427	7,268	7,614
Restaurants, hotels & boarding houses	2,028	2,350	2,703	3,008	4,434
Commercial banks	1,707	1,909	2,149	2,428	3,291
Finance companies	169	184	306	326	602
Merchant banks	153	257	248	254	541
Purchase of stocks and shares	5,543	12,722	13,944	15,862	18,435
Commercial banks	3,035	7,774	7,999	9,410	10,789
Finance companies	2,253	4,272	5,271	5,882	7,045
Merchant banks	255	676	674	570	601
Consumption credit	19,512	22,699	29,519	40,063	38,756
Commercial banks	3,849	4,865	6,390	8,097	7,017
Finance companies	15,653	17,803	23,122	31,956	31,731
Merchant banks	9	31	7	10	9
Other	13,073	17,452	23,754	31,189	44,055
Commercial banks	8,173	10,785	15,526	20,727	26,592
Finance companies	4,154	5,330	6,669	8,652	16,321
Merchant banks	746	1,337	1,559	1,810	1,143
Total	174,498	203,286	260,892	332,870	421,205
Commercial banks	119,940	139,976	182,079	228,240	289,746
Finance companies	44,793	51,715	64,669	85,739	108,403
Merchant banks	9,765	11,595	14,144	18,891	23,056
Memorandum items:					
Housing loans sold to Cagamas	3,722	7,457	8,992	13,665	19,263
Loans to the broad property sector	53,508	58,365	73,558	95,521	124,255

Source: Data provided by the Malaysian authorities.

Table 34. Malaysia: Developments in Malaysian Exchanges, 1993-97

	1993	1994	1995	1996	1997
Kuala Lumpur Stock Exchange (KLSE)					
Main Board					
Number of listed companies	329	347	369	413	444
Market capitalization (billion ringgit)	606.1	493.0	542.8	746.0	354.2
Market concentration ratio (percent) 1/	32.5	30.4	32.4	29.0	38.1
Turnover (million ringgit)	372,634	318,251	157,908	278,138	299,595
Turnover (million units)	105,011	58,747	30,862	47,351	62,278
Composite index (end-period)	1275.3	971.2	995.2	1238.0	594.4
percent change	98.0	-23.8	2.5	24.4	-52.0
Dividend yield (percent)	1.1	1.6	1.6	1.4	3.4
Price/earnings ratio	48.3	28.5	24.4	27.7	10.2
Second Board					
Number of listed companies	84	131	160	208	264
Market capitalization (billion ringgit)	13.6	15.9	22.7	60.8	21.9
Market concentration ratio (percent) 1/	30.4	22.0	22.2	16.4	36.1
Turnover (million ringgit)	14,642	9,806	20,877	185,061	108,958
Turnover (million units)	2,745	1,396	3,078	19,039	10,497
Second Board index (end-period)	352.0	260.7	298.7	576.3	162.9
percent change	151.7	-25.9	14.6	93.0	-71.7
Dividend yield (percent)	0.8	1.4	1.0	0.6	2.0
Price/earnings ratio	48.3	32.2	28.7	49.1	12.4
Call Warrants					
Market valuation (billion ringgit)	...	...	0.10	0.01	0.00
Turnover (billion ringgit)	...	...	74	66	23
Turnover (million units)	...	...	40	71	4
Kuala Lumpur Options and Financial Futures Exchange (KLOFFE)					
Average daily volume (contracts)	...	...	...	312	1478
Malaysia Monetary Exchange (MME)					
Average daily volume (contracts)	...	...	...	273	309

Source: Data provided by the Malaysian authorities.

1/ Value of ten largest equity issues divided by total market capitalization of respective Boards, times 100.

Table 35. Malaysia: Funds Raised in the Capital Market, 1993-97

(In millions of ringgit)

	1993	1994	1995	1996	1997 Prel.
Net funds raised by the public sector	1,181	1,778	-35	1,331	-1,407
New issues	3,748	5,500	2,750	6,000	3,794
Malaysian government securities (MGS)	1,600	2,229	2,000	6,000	3,000
MGS advance subscriptions	0	271	0	0	0
Khazanah bonds	0	0	0	0	794
Government investment certificates	1,200	3,000	750	0	0
Malaysia savings bonds	948	0	0	0	0
Less: Redemptions	2,518	3,819	2,788	4,743	5,203
Malaysian government securities	2,225	3,549	2,250	3,809	3,648
Government investment certificates	200	200	500	900	1,400
Malaysia savings bonds	93	70	38	34	155
Less: Government holdings	50	-97	-3	-74	-1
Net funds raised by the private sector	7,072	17,546	19,776	30,448	34,759
Shares	3,433	8,458	11,438	15,924	18,225
Ordinary shares (net) 1/	3,433	8,458	11,438	15,924	18,225
Initial public offers (IPOs)	913	2,973	4,175	4,099	4,756
Rights issues	1,177	3,437	5,240	5,269	8,525
Private placements/Restricted offer-for-sale	659	799	1,147	4,554	3,125
Special issues 2/	684	1,249	876	2,002	1,819
Preference shares	0	0	0	0	0
Debt securities (net) 3/	3,640	9,088	8,339	14,523	16,534
New issues	5,014	10,321	12,223	17,038	19,532
Straight bonds	2,110	1,022	3,930	2,675	3,815
Bonds with warrants	1,090	2,916	3,608	5,564	3,290
Convertible bonds	165	1,323	863	1,784	1,992
Islamic bonds	0	300	800	2,350	5,267
Cagamas bonds	1,650	4,760	3,022	4,665	5,169
Less: redemptions	1,374	1,234	3,884	2,515	2,998
Private debt securities 4/	474	384	1,249	1,765	1,358
Cagamas bonds	900	850	2,635	750	1,640
Total net issues	8,253	19,324	19,741	31,779	33,352
Net short-term securities	1,918	2,009	2,824	3,811	4,828
New issues	4,400	19,092	23,612	40,111	66,266
Commercial paper	1,715	16,602	20,217	34,321	52,376
Cagamas notes	2,685	2,490	3,395	5,790	13,890
Less: redemptions	2,482	17,083	20,788	36,299	61,438
Commercial paper	100	14,228	18,843	31,009	49,738
Cagamas notes	2,382	2,855	1,945	5,290	11,700
Total including short-term securities	10,171	21,333	22,565	35,590	38,180

Source: Data provided by the Malaysian authorities.

1/ Excludes funds raised by the exercise of Employee Share Options scheme, transferable subscription rights, warrants, and irredeemable convertible unsecured loan stocks.

2/ Issues to Bumiputera investors and selected other investors.

3/ Excludes bonds issued by the banking institutions.

4/ Includes all straight bonds, bonds with warrants, convertible, and Islamic bonds.

Table 36. Malaysia: Commodity Exports, 1993-97 1/

(In millions of U.S. dollars, unless otherwise indicated)

	1993	1994	1995	1996	<u>Prel.</u> 1997
Rubber	828	1,115	1,612	1,395	1,056
Volume ('000 tonnes)	937	1,017	1,013	980	1,018
Unit value (cents/kg)	88	110	159	142	104
Tin 2/	190	193	218	212	170
Volume (tonnes)	35,545	36,812	35,216	35,342	31,805
Unit value (US\$/tonne)	5,342	5,248	6,179	5,991	5,353
Saw logs	1,132	969	904	907	834
Volume ('000 m3)	9,288	8,417	7,746	6,985	6,396
Unit value (US\$/m3)	122	115	117	130	130
Sawn timber	1,766	1,650	1,533	1,240	988
Volume ('000 m3)	5,478	4,753	4,367	3,748	3,075
Unit value (US\$/m3)	322	347	351	331	321
Palm oil 3/	2,253	3,188	4,060	3,751	3,841
Volume ('000 tonnes)	5,882	7,127	6,630	7,324	7,609
Unit value (US\$/tonne)	383	447	612	512	505
Petroleum 4/	3,079	2,494	2,676	2,867	2,512
Volume ('000 tonnes)	21,019	19,061	19,165	17,494	15,872
Unit value (US\$/tonne)	146	131	140	164	158
LNG	1,031	972	1,266	1,886	2,399
Volume ('000 tonnes)	7,841	8,093	9,923	12,908	15,309
Unit value (US\$/tonne)	132	120	128	146	157
Major commodity exports	10,279	10,582	12,269	12,258	11,800
Manufactured exports	34,845	45,839	58,798	62,992	63,558
Other exports	1,975	2,232	2,797	3,065	3,322
Total exports (trade basis)	47,099	58,652	73,864	78,315	78,680
Memorandum item:					
Total exports (b.o.p. basis)	45,990	56,589	71,670	76,766	77,733

Source: Data provided by the Malaysian authorities.

1/ Customs data; volumes are expressed in 1988 prices and unit values are based on 1988 = 100.

2/ Includes tin-in-concentrate.

3/ Excludes export of processed palm oil and other oil products.

4/ Crude and partly refined.

Table 37. Malaysia: Manufactured Exports, 1993-97

(In millions of U.S. dollars)

	1993	1994	1995	1996	<u>Prel.</u> 1997
Electrical machinery, appliances and parts	21,417	29,100	38,631	41,450	42,272
Semiconductors	7,284	9,481	13,255	14,008	14,499
Electronics equipment and parts	4,697	6,766	9,417	11,681	14,204
Electrical appliances	9,435	12,853	15,959	15,760	13,569
Transport equipment	1,425	2,223	2,097	1,806	1,743
Food	919	1,112	1,285	1,310	1,311
Beverages, and tobacco	72	80	159	229	265
Textiles, clothing, and footwear	2,091	2,308	2,603	2,768	2,692
Wood products	1,568	1,819	1,978	2,420	2,307
Rubber products	958	1,048	1,305	1,426	1,419
Paper and paper products	206	238	310	278	265
Petroleum products	648	815	1,248	1,304	1,193
Chemicals and chemical products	1,099	1,733	2,498	2,678	2,910
Nonmetallic mineral products	411	545	670	652	616
Metal manufactures	1,187	1,385	1,859	1,989	2,010
Optical and scientific equipment	776	965	1,157	1,245	1,390
Toys and sporting goods	618	678	867	993	804
Other manufactured exports 1/	1,450	1,789	2,131	2,446	2,360
Total manufactured exports	34,845	45,839	58,798	62,992	63,558
Commodity exports	10,279	10,582	12,269	12,258	11,800
Other exports	1,975	2,232	2,797	3,065	3,322
Total exports (trade basis)	47,099	58,652	73,864	78,315	78,680
Memorandum item:					
Total exports (b.o.p. basis)	45,990	56,589	71,670	76,766	77,733

Source: Data provided by the Malaysian authorities.

Table 38. Malaysia: Gross Imports, 1993-97 1/

(In millions of U.S. dollars)

	1993	1994	1995	1996	<u>Prel.</u> 1997
Consumption goods	7,379	9,648	11,031	11,165	11,223
Food	1,435	1,611	1,948	2,230	2,183
Consumer durables	1,594	2,116	2,293	2,028	2,116
Other	4,350	5,920	6,789	6,907	6,924
Investment goods	18,526	24,063	31,454	31,365	33,355
Machinery	5,140	6,018	8,659	8,594	8,477
Transportation equipment	2,539	4,022	4,511	3,753	4,904
Metal products	2,831	3,212	4,685	4,638	4,857
Other	8,015	10,811	13,599	14,379	15,117
Intermediate goods	19,493	25,382	34,705	35,442	33,467
For manufacturing	15,763	21,270	29,991	29,991	28,145
For construction	1,329	1,686	1,767	2,148	1,853
For agriculture	504	568	680	796	806
Crude petroleum	173	176	151	185	168
Other	1,723	1,682	2,116	2,322	2,495
Imports for re-export	212	321	411	445	485
Tin ore	114	162	181	169	145
Crude natural rubber	98	159	230	276	339
Total imports (trade basis) 2/	45,610	59,414	77,601	78,416	78,530
Memorandum items:					
Total imports (b.o.p. basis) 2/	42,792	54,889	71,632	72,730	73,788
Imports of petroleum products (c.i.f.) 3/	895	829	1,051	1,214	1,363
Lumpy imports	2,223	2,810	2,934	1,549	2,677

Source: Data provided by the Malaysian authorities.

1/ Customs data.

2/ Trade basis imports are c.i.f.; balance of payments basis imports are f.o.b.

3/ Petroleum products are a component of "other imports" in both consumption and intermediate goods categories.

Table 39. Malaysia: Oil and LNG Trade, 1993-97 1/

	1993	1994	1995	1996	<u>Prel.</u> 1997
Oil trade, net	2,204	1,899	2,191	2,112	1,565
Exports	3,581	3,161	3,633	3,893	3,514
Crude (US\$ million)	3,079	2,494	2,676	2,867	2,512
Volume (million barrels)	160	145	146	133	121
Products (US\$ million)	502	667	958	1,026	1,002
Volume ('000 tonnes)	3,433	4,966	6,560	6,180	6,259
Imports	1,376	1,262	1,442	1,781	1,948
Crude (US\$ million)	173	176	151	185	168
Volume (million barrels)	1,672	1,538	1,271	1,397	1,256
Products (US\$ million)	1,203	1,086	1,291	1,596	1,780
Volume ('000 tonnes)	7,050	6,761	7,371	8,679	9,896
LNG exports					
Exports (US\$ million)	1,031	972	1,266	1,886	2,399
Volume ('000 tonnes)	21,019	19,061	19,165	17,494	15,872
Memorandum items:					
Domestic crude production					
('000 barrels/day)	648	660	706	716	714
Domestic petroleum products					
production ('000 b/d)	233	238	249	...	...

Source: Data provided by the Malaysian authorities.

1/ Figures are reported on a trade basis.

Table 40. Malaysia: Investment Income, 1993-97

	1993	1994	1995	1996	<u>Prel.</u> 1997
	(In millions of U.S. dollars)				
Total investment income (net)	-3,175	-3,600	-4,199	-4,645	-4,806
Credits	1,831	2,189	2,508	2,529	2,405
Interest earnings	1,387	1,734	1,942	1,755	1,728
Monetary authorities' foreign assets	893	1,388	1,473	1,346	1,258
Commercial banks' foreign assets	301	240	224	172	195
Other	193	106	246	237	275
Other	445	455	566	774	676
Debits	-5,007	-5,789	-6,707	-7,173	-7,210
Interest payments by:	-1,363	-1,417	-1,843	-1,700	-2,274
Government sector	-520	-428	-425	-320	-225
Other public sector	-238	-322	-429	-553	-709
Commercial banks	-467	-424	-372	-350	-579
Nonbank financial institutions	-3	-3	-3	-3	-1
Nonbank private sector	-134	-240	-615	-473	-760
Foreign direct investment income	-3,644	-4,372	-4,863	-5,474	-4,937

Source: Data provided by the Malaysian authorities.

Table 41. Malaysia: Services Account, 1993-97

	1993	1994	1995	1996	<u>Prel.</u> 1997
(In millions of U.S. dollars)					
Freight and insurance (net)	-1,900	-2,807	-3,605	-3,387	-3,180
Receipts	749	783	1,019	1,126	1,143
Payments	-2,648	-3,590	-4,624	-4,513	-4,323
Other transportation (net)	-76	168	294	593	856
Receipts	1,117	1,403	1,770	2,151	2,342
Payments	-1,193	-1,235	-1,476	-1,558	-1,487
Travel (net)	352	1,373	1,654	1,902	1,360
Receipts	2,190	3,367	3,969	4,477	3,740
Payments	-1,838	-1,994	-2,314	-2,575	-2,380
Investment income (net)	-3,175	-3,600	-4,199	-4,645	-4,806
Receipts	1,831	2,189	2,508	2,529	2,405
Payments	-5,007	-5,789	-6,707	-7,173	-7,210
Interest	-1,363	-1,417	-1,843	-1,700	-2,274
Government, n.i.e. (net)	-28	-14	-9	-14	-23
Receipts	117	120	127	129	110
Payments	-145	-134	-137	-143	-133
Other (net) 1/	-1,649	-1,600	-1,885	-2,188	-1,594
Receipts	2,662	4,074	4,893	6,857	7,969
Payments	-4,310	-5,674	-6,778	-9,045	-9,563
Total services (net)	-6,476	-6,480	-7,749	-7,739	-7,388
Receipts	8,666	11,936	14,286	17,268	17,709
Payments	-15,142	-18,416	-22,035	-25,007	-25,096

Source: Data provided by the Malaysian authorities.

1/ Includes contract and professional charges, agency fees, commissions, rents, royalties, and salaries.

Table 42. Malaysia: Balance of Payments, 1993-97

	1993	1994	1995	1996	<u>Prel.</u> 1997
(In billions of U.S. dollars)					
Current account balance	-3.1	-5.6	-8.7	-4.9	-4.8
Trade balance	3.2	1.7	0.0	4.0	3.9
Exports, f.o.b.	46.0	56.6	71.7	76.8	77.8
Imports, f.o.b.	42.8	54.9	71.6	72.7	73.8
Services balance	-6.5	-6.5	-7.7	-7.7	-7.4
Net transfers	0.2	-0.8	-1.0	-1.2	-1.3
Capital account balance	14.4	2.5	7.0	7.4	-1.2
Medium and long-term flows, net	5.4	4.4	6.6	5.4	6.6
Public sector, net	0.4	0.3	2.5	0.3	1.7
Net federal government	-1.2	-1.8	-0.7	-0.9	-0.6
Drawings	0.5	0.5	0.2	0.3	0.2
Repayments	-1.7	-2.3	-0.8	-1.2	-0.8
Net other public sector	1.6	2.1	3.1	1.2	2.3
Drawings	2.5	3.1	4.0	3.3	3.4
Repayments	-0.9	-1.0	-0.9	-2.1	-1.1
Private sector, net	5.0	4.1	4.2	5.1	4.9
Net foreign direct investment	3.2	3.6	3.2	3.2	3.8
Inward direct investment	...	...	...	5.7	6.8
Outward direct investment	...	...	...	-2.5	-3.0
Net borrowing	1.8	0.6	1.0	1.9	1.1
Drawings	2.6	2.0	3.7	4.9	2.6
Repayments	-0.8	-1.4	-2.8	-3.1	-1.5
Short term flows, net	5.4	-3.2	1.0	4.1	-1.3
Portfolio capital 1/	3.6	1.3	-0.7	-2.1	-6.6
Overall balance	11.4	-3.1	-1.8	2.5	-6.0
Official reserves (end period)	28.3	26.6	25.1	27.7	21.7
(In percent of GDP)					
Current account balance	-4.8	-7.8	-10.0	-4.9	-4.8
Trade balance	5.0	2.3	0.0	4.1	4.0
Services balance	-10.1	-8.9	-8.9	-7.8	-7.5
Capital account balance	22.5	3.4	8.0	7.4	-1.2
Net foreign direct investment	5.1	4.9	3.6	3.2	3.9
Net short-term flows	8.4	-4.5	1.2	4.1	-1.3
Portfolio capital 1/	5.7	1.8	-0.8	-2.1	-6.7
Overall balance	17.7	-4.3	-2.0	2.5	-6.1

Sources: Information provided by the Malaysian authorities and staff estimates.

1/ Including errors and omissions.

Table 43. Malaysia: International Reserves, 1993-97

(In millions of U.S. dollars)

	1993	1994	1995	1996	1997
Central bank (net)	28,294	26,630	25,086	27,685	21,704
Foreign assets	28,308	26,642	25,097	27,691	21,706
Gold and foreign exchange	27,877	26,106	24,265	26,835	20,933
Reserve position in IMF	310	399	678	687	598
SDRs	121	137	154	169	175
Foreign liabilities	-15	-12	-10	-6	-3
Government and other official entities (net)	31	32	32	35	34
Foreign assets	31	32	32	35	34
Foreign liabilities	0	0	0	0	0
Total official (net)	28,324	26,662	25,118	27,719	21,738
Foreign assets	28,339	26,674	25,129	27,726	21,741
Foreign liabilities	15	12	10	6	3
Commercial banks (net)	-10,061	-3,990	-4,062	-7,468	-6,493
Assets	3,892	4,164	4,175	4,164	5,994
Liabilities	13,953	8,154	8,237	11,632	12,487
Memorandum items:					
Gold (in millions of troy ounces)	2.39	2.39	2.39	2.39	2.35
Gross official reserves (in months of imports)	7.8	4.2	4.6	3.5	3.8

Source: Data provided by the Malaysian authorities.

Table 44. Malaysia: Disbursed and Outstanding External Debt by Borrower, 1993-97

(In millions of U.S dollars)

	1993	1994	1995	1996	<u>Preli</u> 1997
Government debt					
Beginning of period	8,010	7,167	5,788	5,244	4,140
Net drawings	-1,218	-1,813	-653	-865	-597
Drawings	474	493	176	298	164
Amortization 1/	1,691	2,305	829	1,163	762
Adjustment	375	434	109	-239	-218
End of period	7,167	5,788	5,244	4,140	3,325
Nongovernment public sector debt 2/, 3/					
Beginning of period	4,365	5,309	7,862	10,779	11,561
Net drawings	1,662	2,195	3,102	1,130	2,303
Drawings	2,596	3,151	3,974	3,231	3,385
Amortization 1/	934	955	872	2,100	1,082
Adjustment	267	358	-185	-348	-395
End of period	6,293	7,862	10,779	11,561	13,469
Total public sector debt					
Beginning of period	12,375	12,476	13,650	16,023	15,701
Net drawings	444	383	2,449	265	1,705
Drawings	3,070	3,643	4,150	3,528	3,549
Amortization 1/	2,626	3,261	1,701	3,263	1,844
Adjustment	641	791	-76	-587	-612
End of period	13,460	13,650	16,023	15,701	16,794
Private sector debt 3/					
Beginning of period	4,009	6,721	9,454	11,046	13,236
Net drawings	1,714	2,598	1,606	2,317	2,767
Drawings	2,512	4,023	4,359	5,380	5,328
Amortization 1/	798	1,425	2,753	3,063	2,561
Adjustment	14	135	-14	-127	-320
End of period	5,737	9,454	11,046	13,236	15,683
Total medium- and long-term debt					
Beginning of period	16,383	19,197	23,104	27,069	28,937
Net drawings	2,158	2,981	4,055	2,582	4,472
Drawings	5,582	7,666	8,509	8,909	8,877
Amortization 1/	3,424	4,686	4,454	6,327	4,405
Adjustment	656	927	-90	-714	-932
End of period	19,197	23,104	27,069	28,937	32,477
Short-term debt (end of period) 4/					
Public sector	0	0	0	0	0
Commercial banks	6,411	3,844	4,443	7,275	8,097
Nonbank financial institutions 5/	0	1,720	1,932	2,869	2,100
Total external debt (end of period)					
Medium and long term	19,197	23,104	27,069	28,937	32,477
Short term	6,411	5,564	6,375	10,144	10,197

Source: Data provided by the Malaysian authorities.

1/ Includes prepayments and refinancing.

2/ Includes both loans guaranteed by the federal government and loans not guaranteed by the government.

3/ Following privatization, debt owed by the Malaysia Airline System was shifted from NFPE debt to private sector debt in 1994.

4/ Obligations of less than one-year maturity.

5/ Includes other private sector.

Table 45. Malaysia: External Debt Service by Borrower, 1993-97

	1993	1994	1995	1996	<u>Prel.</u> 1997
(In millions of U.S. dollars)					
Total debt service 1/, 2/	3,880	3,775	5,532	5,726	5,477
Amortization 1/	2,526	2,344	4,046	3,944	3,204
Public sector	1,738	991	1,456	1,310	967
Government	965	503	829	712	438
Other public sector	773	488	627	597	529
Private sector	787	1,353	2,590	2,634	2,237
Interest	1,354	1,431	1,486	1,782	2,273
Medium- and long-term debt	887	1,007	1,114	1,432	1,695
Public sector	761	755	783	852	934
Government	520	433	354	299	225
Other public sector	241	322	429	553	709
Private sector	125	252	331	580	760
Short-term debt	467	424	372	350	579
(In percent of goods and services exports)					
Debt service ratio 1/, 2/	7.1	5.5	6.4	6.1	5.7
Amortization 1/	4.6	3.4	4.7	4.2	3.4
Public sector	3.2	1.4	1.7	1.4	1.0
Government 1/	1.8	0.7	1.0	0.8	0.5
Other public sector	1.4	0.7	0.7	0.6	0.6
Private sector	1.4	2.0	3.0	2.8	2.3
Interest	2.5	2.1	1.7	1.9	2.4
Medium- and long-term debt	1.6	1.5	1.3	1.5	1.8
Public sector	1.4	1.1	0.9	0.9	1.0
Government	1.0	0.6	0.4	0.3	0.2
Other public sector	0.4	0.5	0.5	0.6	0.7
Private sector	0.2	0.4	0.4	0.6	0.8
Short-term debt	0.9	0.6	0.4	0.4	0.6
Memorandum items:					
Prepayments of federal government market loans	442	1,802	0	451	324
IMF net purchases	285	0	0	0	0
Federal government net drawing, excluding IMF	-1,218	-1,813	-653	-865	-597

Source: Data provided by the Malaysian authorities.

1/ Excludes prepayments and refinancing.

2/ Excludes interest on short-term debt.

Table 46. Malaysia: Interbank Swap Transactions, 1995-98 1/

Period	Spot Exchange Rate (RM/\$) 2/	Swap Margin 3/	Eurodollar Interest Rate	Cost of Borrowing RM Through Interbank Market			Outstanding Foreign Exchange Swaps at Bank Negara 4/
				Swap	Money Market	Difference	
(In percent per annum, unless otherwise specified)							
Jan-95	2.5572	-54	6.3	5.4	5.5	-0.1	0
Feb-95	2.5533	-46	6.3	5.5	5.7	-0.2	0
Mar-95	2.5353	-17	6.2	6.0	6.0	0.0	0
Apr-95	2.4665	-27	6.2	5.8	6.0	-0.2	0
May-95	2.4683	-23	6.1	5.7	5.8	-0.1	0
Jun-95	2.4393	-23	6.0	5.6	5.8	-0.2	0
Jul-95	2.4584	-9	5.9	5.7	5.9	-0.2	0
Aug-95	2.4966	11	5.9	6.1	6.1	0.0	0
Sep-95	2.5072	-1	5.9	6.0	6.1	-0.1	0
Oct-95	2.5445	50	5.9	6.7	6.8	-0.1	0
Nov-95	2.5425	45	5.8	6.5	6.8	-0.3	0
Dec-95	2.5405	42	5.6	6.2	6.9	-0.7	0
Jan-96	2.5615	142	5.4	7.6	7.2	0.4	0
Feb-96	2.5460	116	5.3	7.0	7.2	-0.2	0
Mar-96	2.5368	97	5.4	7.0	7.1	-0.1	0
Apr-96	2.4930	98	5.5	7.0	7.1	-0.1	0
May-96	2.4909	86	5.5	6.9	7.2	-0.3	-50
Jun-96	2.4945	86	5.6	6.7	7.4	-0.7	-312
Jul-96	2.4935	90	5.5	7.0	7.4	-0.4	0
Aug-96	2.4938	87	5.5	6.9	7.2	-0.3	0
Sep-96	2.5070	82	5.5	6.9	7.3	-0.4	0
Oct-96	2.5280	110	5.4	7.3	7.3	0.0	0
Nov-96	2.5270	93	5.5	7.0	7.3	-0.3	0
Dec-96	2.5279	79	5.5	7.1	7.4	-0.3	0
Jan-97	2.4868	83	5.5	6.9	7.4	-0.5	0
Feb-97	2.4832	85	5.6	6.8	7.3	-0.5	0
Mar-97	2.4790	58	5.7	6.8	7.4	-0.6	0
Apr-97	2.5110	60	5.7	6.8	7.0	-0.2	0
May-97	2.5140	90	5.9	7.6	7.5	0.1	0
Jun-97	2.5235	95	5.9	7.6	7.5	0.1	0
Jul-97	2.6360	190	5.8	9.1	8.4	0.7	0
Aug-97	2.9620	138	5.7	7.7	7.5	0.2	0
Sep-97	3.1975	210	5.8	8.5	8.0	0.5	0
Oct-97	3.4370	330	5.9	9.8	8.3	1.5	0
Nov-97	3.5010	275	6.0	9.6	8.5	1.1	0
Dec-97	3.8883	50	6.7	7.3	8.7	-1.4	0
Jan-98	4.5450	185	5.6	7.3	10.0	-2.7	0
12-Feb-98	3.6900	150	6.3	8.0	11.0	-3.0	0

Sources: Data provided by the Malaysia authorities and Bank Negara Malaysia *Monthly Bulletin*.

1/ Representative three-month swap effected through foreign exchange brokers at the end of the month.

2/ Average of commercial bank buying and selling rates at noon, end of period.

3/ Ringgit per RM 10,000 over a three-month period; a positive number implies a forward premium and a negative number implies a forward discount on the US\$ relative to the ringgit.

4/ In millions of ringgit.