

## **TABLES**

2.1 Malaysia: Percentage of GDP by Industry, 1965-2000	7
2.2 Malaysia: Percentage of Employment by Sector, 1965-2000	9
2.3 Malaysia: Agricultural Sector Value-Added, 1990-2000 (RM Million at 1978 Price)	11
2.4 Peninsular Malaysia: Incidence of Poverty in Rural and Urban Sectors, 1970-1990 (In Percentage)	13
2.5 Malaysia: Relative Contribution of Agricultural to the National Economy, 1960-1995 (In Percentage)	16
2.6 Malaysia: Total Effects of Pricing Policies Compared to Non-Agriculture, 1960-1988 (Based on relative price)	19
2.7 Malaysia: Total Effects of Pricing Policies Compared to Non-Agriculture, 1960-1988 (Based on value-added)	20
3.1 UR-AoA Reductions in Agricultural Support and Protection, 1995-2000	42
4.1 Contribution of Subsidy and Level of Income and Poverty Line Among Rice Producers in MUDA Area	60
4.2 West Malaysia: Poverty Incidence in Agricultural Sector, 1970-1985 (In Percentage)	65

## GLOSSARY

AMS	Aggregate Measurement of Support
AOA	Agreement on Agriculture
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of South East Asian Nation
BERNAS	Beras Nasional
BHA	Blair House Accord
CAP	Common Agricultural Policy
CPI	Consumer Price Index
DDA	Dunkel Draft Agreement
ERP	Effective Rate of Protection
EU	European Union
FAO	Food and Agricultural Organization
GATT	General Agreement on Tariff and Trade
GDP	Gross Domestic Product
HC	Havana Charter
HPAEs	High-Performing Asian Economies
IMF	International Monetary Fund
ICITO	Interim Commission for the International Trade Organization
MP	Malaysia Plan
MTNs	Multilateral Trade Negotiations
NAP	National Agricultural Policy
NRP	Nominal Rate of Protection
NTBs	Non-Tariff Barriers
OECD	Organization for Economic Co-operation and Development
RM	Ringgit Malaysia
R&D	Research and Development
SAPs	Structural Adjustment Programmes
SCM	Subsidies and Countervailing Measure
SPS	Sanitary and Phytosanitary Standards
TNCs	Transnational Corporations
TBT	Technical Barriers to Trade
UNDP	United Nations Development Programme
UNCTAD	United Nations Conference on Trade and Development
UR	Uruguay Round
US	United States
WTO	World Trade Organization

<b>DECLARATION</b>	i
<b>ACKNOWLEDGEMENTS</b>	ii
<b>ABSTRACT</b>	iv
<b>TABLES</b>	v
<b>GLOSSARY</b>	vi
<b>CONTENTS</b>	vii
<b>BIBLIOGRAPHY</b>	
<b>APPENDIX</b>	

## **CHAPTER 1: INTRODUCTION**

1.0	Introduction	1
1.1	Importance of the Study	2
1.2	Objective of the Study	3
1.3	Methodology	3
1.4	Limitations of the Study	3
1.5	Organization of the Study	4

## **CHAPTER 2: DEVELOPMENT OF AGRICULTURE SECTOR IN MALAYSIA**

2.0	Introduction	5
2.1	Trend of Agricultural Sector in Malaysia	5
	2.1.1 Agriculture in the National Economy	12
	2.1.2 Agriculture in Economic Transformation	14
	2.1.3 Macro Policy Impact on Agricultural Prices and Incomes	18
	2.1.4 Diversification of the Agricultural Sector	22
	2.1.5 Agricultural Sector in Malaysia: Any Way Forward?	24
2.2	NAP III (1998-2010): Formula for Agricultural Sector's Rejuvenation?	28
	2.2.1 Approaches in the NAP III	29
	2.2.2 New Policy Thrusts and Strategies	32
	2.2.3 Enhancing Food Security and Combating Inflation	32

### **CHAPTER 3: DEVELOPMENT OF AGRICULTURE TRADE REGULATIONS**

3.0	Introduction	34
3.1	Birth of the WTO	34
	3.1.1 The Uruguay Round	36
	3.1.2 Essence of the AoA of WTO	39
	3.1.3 Last Minute Adjustment: For a Self-Fulfilling Goal?	40
	3.1.4 Positive Aspects of the AoA	43
	3.1.5 AoA Main Deficiencies and Imbalances	44
	3.1.6 Unfair Arrangement Under AoA	46
3.2	Dangerous Wave of Agricultural Trade Liberalization	48
	3.2.1 The Unfavourable Effects	50
	3.2.1.1 Unfair Obligation	50
	3.2.1.2 Food Insecurity	51
	3.2.1.3 Uncertainty on Specific Domestic Support	52
3.3	Losers and Gainers Under the UR Accomplishment	52

### **CHAPTER 4: ANALYSIS OF THE STUDY**

4.0	Introduction	55
4.1	Implications of Trade Liberalization on Agriculture	55
	4.1.1 Cheap Imports	57
	4.1.2 Priority for Export Crops	58
	4.1.3 Transnational Corporations (TNCs)	58
	4.1.4 Government Services	58
	4.1.5 Deteriorated Income Level	59
	4.1.6 Other Effects	61
4.2	Issues in Food Security: A Global Concern	61
4.3	The Relevance of NAP III With Current Challenges and Needs	68
4.4	Malaysia's Agricultural Sector: Setting Own Path or be Set up?	71

## **CHAPTER 5: CONCLUSION AND RECOMMENDATION**

5.0	Policy Considerations	72
5.1	Concluding Remarks	75

## **BIBLIOGRAPHY**

## **APPENDIX**