

## CHAPTER VII

### CONCLUSION

The recent rate of industrial development in the Federation of Malaya has been modest, but steady and significant. It is borne out by the results of increasing employment in the industrial sector, the increasing number of firms established in the country, and the increasing value added to the national income of the country by the industrial sector. These are the very factors - the need for more employment opportunities, the need for greater prosperity, together with other subjective factors such as the need for economic stability and economic independence that act as pressures for undertaking industrialisation.- a phenomenon naturally occurring in most countries that are seeking to advance economically.

Although the rate of industrial development has been impressive judging by the time since actual industrialisation programme was at first implemented, the process is still in its infant stage and the industrial sector is still regarded as a minor one. As such, during the infant stage of the industrial development, the development has been nurtured and protected from undesirable elements that might ruin and retard the industrialisation programme, through the giving of protection, financial help and other non-financial aids as well as attracting foreigners to supply essential requirements that are needed for industrialisation and of which are absent in the Federation of Malaya. The surrounding environment ( the political, economic and social environment ) has been very favourable to allow such things to be feasible and as such also helps in encouraging industrial development.

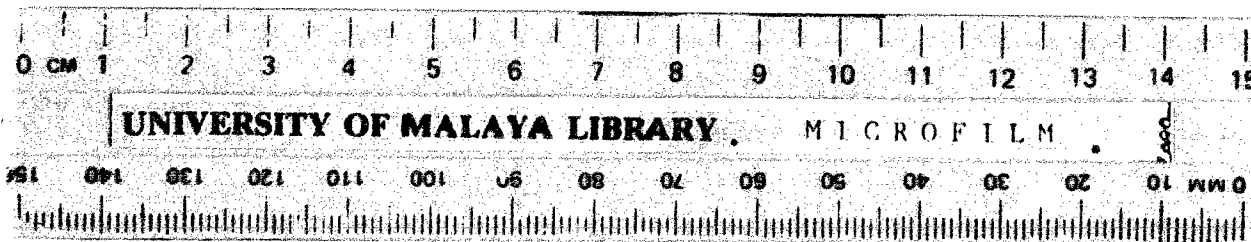
The industrial sector is still a minor one in so far as it is expressed in terms of employment and the percentage

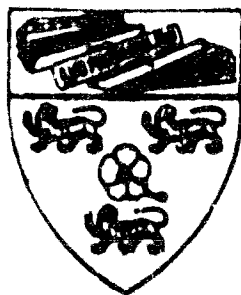
of national income that it contributes, but it is a fast rising one. If patiently watched, the industrial sector will achieve results that are expected of it. The future for its development is hopeful and bright. The conditions that have favoured the recent industrial development to take place, will, to a considerable degree of certainty, be continued in the future and they are likely to be modified and strengthened. And added to this is the availability of much potential resources required for industrialisation in Malaya and the industrial benefits which can be derived from the formation of Malaysia. Given these, together with the fact that industrialisation offers the best potentialities of growth and contributions to the economy of the country as a whole ( by strengthening the economic stability and increasing the prosperity of the country ), will mean that industrial sector can attain an importance equivalent to the agricultural sector at present, in the not too far future.

The agricultural sector in Malaya is already established and the potentialities are meagre and limited, though it cannot be said that development in that sector cannot proceed at all. The future for tin and rubber is bleak, the former because of depletion and the latter because of the continuous falling prices. These 2 sources, therefore, cannot hope to contribute very much to the prosperity of the nation. The greatest potentiality in this direction lies with the industrial sector. Given the favourable conditions, industrial development can proceed at a rate faster than the other economic sectors and will eventually play the most important role in contributing to the prosperity of the nation. That this is possible can be shown from an example in Great Britain. In that country, industrialisation started later ( in fact very much later ) than the agricultural activities, but yet , at present, the industrial sector is far more important than the agricultural sector, in terms of its contribution to the economy as a whole ( and not on strategic terms ). Further,

the very process of industrial development can also influence the other sectors of the economy to develop. For example, whatever development must be carried out in the agricultural sector, because agriculture is important to industrial development. Agricultural activities must serve as the food base to sustain industrial development.

The rate of industrialisation has been modest, but the future seems bright and hopeful that the development in the industrial economy will be carried on at a much faster rate. The industrial sector may yet rise to <sup>be</sup> a major one even in the Federation of Malaya - to the prosperity of the economy as a whole in general and to the benefit of the people in particular.





# TAMAT



UNIVERSITY OF MALAYA LIBRARY . MICROFILM .

