

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Malaysia: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	65	676.30	33.43
Education	8	259.87	12.84
Energy	22	324.78	16.05
Finance	5	25.70	1.27
Health	8	183.13	9.05
Industry and Trade	8	55.58	2.75
Multisector	5	1.66	0.08
Public Sector Management	9	2.13	0.11
Transport	20	256.36	12.67
Water and Other Urban Infrastructure and Services	22	237.62	11.75
Total	172	2,023.12	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

Malaysia: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007–2018

No. of Transactions Signed	1
	Amount (\$ million)
Loans	10.00
Equity Investments	-
Guarantees	-
Total	10.00

- = nil.

ADB support in Malaysia has been focused on advancing regional cooperation and integration, catalyzing private investments through public-private partnerships, and capacity building.

MALAYSIA

Malaysia has transformed itself from a nation reliant on natural resources into a middle-income country in which services account for half of total output. However, as an open and trade-reliant economy, Malaysia remains vulnerable to international developments. Keeping a sound current account and fiscal consolidation are medium-term challenges, with the Government of Malaysia continuing efforts to boost domestic demand and investments. The government, elected in May 2018, has also announced new directions toward economic restructuring and enhanced productivity.

Under the 11th Malaysia Plan, the country aims to reach high-income status by 2020, but initiatives to achieve this goal have encountered challenges. The midterm review of the plan outlined a need to realign strategies to improve the well-being of the country's people. New directions of the government include (i) increasing competitiveness; (ii) empowering human capital; (iii) promoting balanced regional development and inclusive development;

(v) improving governance towards greater transparency and efficiency in public services; and (vi) enhancing environmental sustainability.

The Asian Development Bank (ADB) began working with Malaysia in 1966, with country-level engagement resuming in 2011.

Cumulative loan disbursements to Malaysia amount to \$1.41 billion. These were financed by regular and concessional ordinary capital resources.

ADB-SUPPORTED PROJECTS AND PROGRAMS

Following the Asian financial crisis in 1998, ADB's engagement with Malaysia recommenced only in 2011.



An Arrangement of Cooperation was signed in September 2017 to provide a comprehensive and coherent framework for a new development partnership including collaboration on activities at subregional, regional, state, and federal levels.

ADB support in Malaysia has focused on advancing regional cooperation and integration, catalyzing private investments through public-private partnerships, and capacity building. To address climate change, the government implemented a reimbursable technical assistance to implement the Green City Action Plan for integrated urban management. This includes ADB-assisted studies to convert existing street lights to energy-efficient lamps across the city of Melaka and a prefeasibility study for solar power farms.

ADB supports and facilitates Malaysia's active partnerships in the Association of Southeast Asian Nations (ASEAN), the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), and the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). These partnerships foster and develop cross-border infrastructure projects, energy cooperation, and trade facilitation. Other priorities include the strengthening of regional economic surveillance, promoting special border economic zones, and collaboration in developing economic corridors. ADB has increased

collaboration on the development of regional financial markets, the adoption of prudential and supervisory standards for Islamic financial markets, the promotion of trade and investment in Malaysia, and procurement. The bank supported the establishment of the [ASEAN Infrastructure Fund \(AIF\)](#), with Malaysia contributing \$150 million in equity. Malaysia will remain Chair of the AIF Board until the end of 2019.

Recognizing the crucial need to increase competitiveness and productivity in Malaysia, ADB provides technical assistance, advisory services, and capacity-building support to the government by conducting studies and hands-on knowledge workshops. Seminars and workshops were held for government staff on various methodologies for promoting sound monetary and fiscal policies.

NONSOVEREIGN OPERATIONS

There were no nonsovereign business operations in Malaysia in 2018.

However, as a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from

commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's [Trade Finance Program](#) and [Supply Chain Finance Program](#).

ADB began cofinancing operations in Malaysia in 1982. Since then, cumulative direct value-added official cofinancing commitments for Malaysia have amounted to \$2.28 million for five technical assistance projects. Cumulative direct value-added commercial cofinancing for Malaysia has amounted to \$48.92 million for one investment project.

Malaysia: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2007	-	1
2008	100.0	1
Total	50.0	2

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Malaysia: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	10.06	0.10	1.58	0.01	1,329.20	0.73
Consulting Services	1.51	0.20	16.56	2.38	77.50	0.61
Total Procurement	11.57	0.11	18.14	0.14	1,406.69	0.73

Malaysia: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects*	1	48.92
Commercial cofinancing	1	48.92

* A project with more than one source of cofinancing is counted once.

Top 5 Contractors/Suppliers from Malaysia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
Pestech Sdn. Bhd.	ENE	9.65
Swee Construction and Transport Co. (M) Sdn. Bhd. & Camdeg Co. Ltd. (JV)	ANR, TRA	9.63
Powercode-Polyware JV	WUS	1.50
Gorasia Industries Sdn. Bhd.	ENE	0.38
ICT Interactive Sdn. Bhd.	ICT	0.14
Others		0.19
Total		21.49

ANR = agriculture, natural resources, and rural development; ENE = energy; ICT = information and communication technology; TRA = transport; WUS = water and other urban infrastructure and services.

Top 5 Consultants from Malaysia Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Minconsult Sdn. Bhd.	ENE, TRA	22.55
Synergistic Innovations Sdn. Bhd.	ENE	1.53
Worldfish Center	ANR	0.98
Mediconsult Sdn. Bhd.	HLT	0.42
IEN Consultants Sdn. Bhd.	EDU	0.13
Individual Consultants		4.49
Others		0.05
Total		30.15

ANR = agriculture, natural resources, and rural development; EDU = education; ENE = energy; HLT = health; TRA = transport.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/malaysia/cofinancing.

PARTNERSHIPS

All ADB coordination activities for Malaysia are currently handled through the ADB headquarters in Manila.

Malaysia actively supports subregional programs that have a strong regional benefit. ADB continues to serve as the regional adviser and principal development partner to both BIMP-EAGA and the IMT-GT. Malaysia actively participates in these initiatives to help meet the challenges of globalization and contribute to the long-term vision of ASEAN integration. ADB directly collaborated with BIMP-EAGA in formulating the BIMP-EAGA Economic Vision 2025 and helped create the IMT-GT's Vision 2036. The bank will continue to support Green City Action Plans and a border economic area approach to development, with a commitment to explore possible nonsovereign operations. ADB also continues to provide knowledge support to Malaysia within the regional context and closely coordinates with the country as the incumbent chair of the AIF.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects

and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Malaysia, 5,301 contracts worth \$1.33 billion have been awarded to contractors and suppliers since 1966.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Malaysia, 434 contracts worth \$77.5 million have been awarded to consultants since 1966.

OPERATIONAL CHALLENGES

ADB endeavors to focus discussions with the government on how the bank can support Malaysia's new development agenda. Given the scope for improving the country's innovation potential, ADB will work to promote an environment attractive to private investment. Operational engagement will also continue to include priority projects under BIMP-EAGA and IMT-GT initiatives.

FUTURE DIRECTIONS

ADB operations in Malaysia are expected to strengthen under the Arrangement of Cooperation. The bank will target sectors and identify thematic priorities to help the government achieve its development agenda. The scope of operations will continue to include technical assistance on capacity development. Due to the weak external environment, support for catalyzing investment in key projects and increasing private sector demand will remain a priority. Partnerships under the various cooperation initiatives will continue. ADB operations will expand and diversify Malaysia's engagement in regional cooperation by leveraging initiatives under ASEAN, BIMP-EAGA, and the IMT-GT.



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Useful ADB websites

Asian Development Bank

www.adb.org

Annual Report

www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook

www.adb.org/publications/series/asian-development-outlook

ADB Data Library

data.adb.org

ABOUT MALAYSIA AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held: 289,050 (2.717% of total shares)
Votes: 328,747 (2.472% of total membership,
3.801% of total regional membership)

Overall capital subscription: \$4.02 billion

Paid-in capital subscription: \$201.05 million

Contributions to Special Funds Resources

Malaysia has contributed to the [Asian Development Fund \(ADF\)](#), which is ADB's window for concessional lending to its borrowing members up to 31 December 2016 and retaining the ADF support as a grant-only operation from 1 January 2017, and to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies.

Contributions to the ADF (committed): \$33.16 million

Contributions to the TASF (committed): \$3.41 million

Anuar bin Ariffin is the Director and **Yuemin Li-Misra** is the Alternate Director representing Malaysia on the ADB Board of Directors.

ADB operations in Malaysia are managed through ADB headquarters in Manila. The ADB Southeast Asia Department provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The Southeast Asia Department engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Malaysia.

The Malaysia government agency handling ADB affairs is the Ministry of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.