

“(i) A comprehensive analysis of the prospects of development in Southeast Asia;

“(ii) Recommendations on an investment programme, divided into medium and long-term phases, based on economic priorities of individual projects within each mode; and

“(iii) Recommendations on the policies and measures (including fiscal policies and Government regulations), which should be taken to ensure that the development of Transport and Communications in the region best serve the economic and social development plans of Southeast Asia.”

On behalf of the Conference of Southeast Asian Officials, the Malaysian Government has the honour to request the Asian Development Bank to undertake the regional transport survey referred to above. If this request is favourably received by the Bank, the Southeast Asian Governments concerned would be further pleased if the Bank would also assume responsibility for the formulation of the detailed terms of reference and scope of work of the survey as well as all arrangements relating to its execution.

In the execution of the survey, the Bank will wish to maintain close liaison and consultation with Southeast Asian Governments participating in the survey. It would appear to be desirable that the first of such consultations should be arranged before the finalization of the detailed terms of reference and scope of work of the regional transport survey. To this end, it is suggested that after the staff of the Bank has had the opportunity to consider the detailed terms of reference and scope of work of the survey, a meeting should be convened between officials of the Bank and the Co-ordinating Committee of Transport and Communications Officials of Southeast Asian countries which was established at the Conference in September 1967. As soon as the wishes of the Bank are known in this regard, the Malaysian Government will undertake to convene the Co-ordinating Committee in Manila for such a meeting.

In regard to the financing of the regional survey, the Malaysian Government is pleased to inform the President that the Government of the United States has offered to assist in the financing of the survey while the Government of Japan has offered to provide experts to assist in conducting the survey in the event that the Asian Development Bank agrees to administer the survey. The Malaysian Government is confident that the scope of work of the survey when completed will itself help in obtaining additional financing from other donors. The procedures to be adopted in eliciting such additional financing could be the subject of discussion between Bank Officials concerned and the Co-ordinating Committee of Southeast Asian Transport and Communications Officials at the meeting proposed earlier.

Together with her offer to assist in the financing of the regional transport survey, the United States Government has also offered to assist in the financing of feasibility studies for high priority regional projects that can be carried out immediately in the field of Transport and Communications. Southeast Asian Governments which participated in the Conference are interested in utilising this offer expeditiously, and discussions are underway between officials of the Malaysian Government, on behalf of the Conference, and officials of the United States Government on the administrative arrangements which should be set up to bring about the speedy realization of this objective. In addition, a matter of concern is the need to co-ordinate such feasibility studies with the objectives and execution of the overall regional transport survey. The Malaysian Government is hopeful that suitable arrangements for the utilization of offers to finance feasibility studies and for their co-ordination with the survey can be established and suggests that this is another matter that could be profitably discussed between Bank officials and the Co-ordinating Committee of Southeast Asian Transport and Communications officials at their first meeting.

Finally, the President will undoubtedly be interested to learn that an edited and printed version of the Report of the Conference of Southeast Asian Officials on Transport and Communications will be despatched to all potential donors on 4th January, 1968, with the request that they consider assisting positively in the implementation of the Transport and Communications Programme in Southeast Asia.

The Government of Malaysia would like to take this opportunity to refer to paragraph 7 of the joint communique of the Conference of Southeast Asian Officials on Transport and Communications which stated:—

“The Conference considered that it would be desirable if a special fund were established under Article 19 of the Charter of the Asian Development Bank through which external resources could be channelled for regional transport and communications projects in Southeast Asia.”