

Signing of Japanese ODA Loan with Malaysia

–Assisting the Establishment of Undergraduate and Graduate Institutions for Japanese-style Engineering Education–

1. On December 27, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of Malaysia to provide up to a total of 6.697 billion yen for the Development Project for Malaysia-Japan International Institute of Technology (MJIT).

2. MJIT is an academic institution established under Universiti Teknologi Malaysia to introduce Japanese-style engineering education. Based on an agreement between the heads of state of Japan and Malaysia in April 2010, the Government of Malaysia approved the project in May 2010 and the school opened in September 2011. The objectives of the project are to provide with materials and create an educational curriculum for a Japanese-style engineering education, and to develop human resources with the practical, state-of-the-art technological research and development capacity that is needed in industry. Thereby, it aims to contribute to economic and social development in Malaysia with strengthened international competitiveness. The funds for this project will be allocated to the procurement of educational and research materials and equipment, as well as to consulting services.

3. Since the latter half of the 1990s, institutions of higher education have expanded in Malaysia. The number of students enrolled in higher education increased from 510,000 in 2005 to 820,000 in 2009, and the average annual growth rate of students enrolled in higher education over the past five years has increased by 10.6% in undergraduate programs, 16.7% in master's programs and 19.7% in doctoral programs. Although a shift has been taking place in Malaysia's manufacturing industry, moving from conventional labor-intensive assembly and processing industries to include stronger research, design and development, as well as high added-value industries, there are not enough human resources with the advanced skills required to support knowledge-intensive production bases, and providing education in order to meet this need has become increasingly important.

4. In its 2020 national development plan, known as Vision 2020, the Malaysian government has laid out its goal of making Malaysia into an advanced nation by the year 2020, and the creation and maintenance of a first-rate human resource education base is positioned as one of its priority policies in its 10th Five-Year Plan (2011-2015) to forge a high-income economy and produce innovation. One of the policies of Vision 2020 is to expand the supply of human resources with advanced knowledge suited to the needs of industry, and especially to expand higher education. With the creation of MJIT and the acquisition of technical expertise and work ethic in Japanese-style education, human resources with high productivity and competitiveness will be developed.

5. By providing human resource education in which application abilities are mastered through the "Kohza" system built onto a core of laboratory activities (a particular feature of Japanese engineering education), the project aims to promote on-going research and development activities and improve research and development capacity, primarily among young researchers. Toward that end, there are 23 universities in Japan currently participating in this project, and the university consortium that develops instructor loan and fellowship programs has been created. To assist in university operations, curriculum establishment and academia-government partnerships, JICA is also providing technical cooperation, which includes the dispatch of a JICA expert as a deputy dean of MJIT.

6. As an international engineering base that will train the human resources required by industry, MJIT is expected to strengthen Malaysia's international competitiveness, and to contribute to securing for Japanese industry a supply of talented human resources with Japanese-style engineering education.



Loan agreement was signed by Dato' Dr. Mohd Irwan Serigar Bin Abdullah Deputy Secretary General, Ministry of Finance Malaysia(right) and Mr. Izumi Arai, Vice-President, JICA(left).

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment (years)	Deferment period (years)	Procurement
		Project	Consulting services			
Development Project for Malaysia-Japan International Institute of Technology	6,697	2.0	0.01	30	9	General untied

2. Project Summaries

Development Project for Malaysia-Japan International Institute of Technology

Executing Agency

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Planned Implementation Schedule

- (i) Completion of project: June 2018 – with the graduation of undergraduate seniors
- (ii) Issuing of letters of invitation for consulting services (including construction monitoring): January 2012
- (iii) Tender announcement for initial procurement package for international competitive bidding on project construction: Procurement package title: Package 3 (FY 2014 undergraduate, graduate and lecture education and research materials and equipment)
Release date: October 2012