

**AGREED MINUTES OF THE
12TH INDONESIA-MALAYSIA-THAILAND GROWTH TRIANGLE (IMT-GT)
SENIOR OFFICIALS' MEETING
14 NOVEMBER 2005, PEKANBARU, INDONESIA**

INTRODUCTION

1. The Twelfth Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Senior Officials' Meeting convened in Pekanbaru, Indonesia, on 14 November 2005. The Malaysian delegation was headed by Dato' Abdul Rahman Husin and the Thai delegation was headed by Dr. Poramettee Vimolsiri. The Indonesian delegation was led by Dr. Firman M. U. Tamboen, and acted as the Chairman of the Meeting.

The full list of delegates is attached as **ANNEX 1**.

OPENING SESSION

2. The agenda of the Opening Session consisted of the Welcoming Address by the Governor of the Riau Province, Mr. Roesli Zainal, and the Introductory Remarks of the Chair of the 11th IMT-GT SOM by Dr. Poramettee Vimolsiri followed by the handover of the Chairmanship to Dr. Firman M. U. Tamboen.

3. In his Welcoming Address, Mr. Roesli Zainal bid a very warm welcome to all the delegates of the Twelfth SOM to the Riau Province, Indonesia. He expressed and highlighted that the Meeting had its own significance. He identified certain key areas of cooperation that had great potential for development, namely the agricultural business sector. He also emphasized the need for the Private Sectors to take a leading role in the IMT-GT cooperation.

The Welcoming Address of the Governor of the Riau Province, Indonesia, appears as **ANNEX 2**.

4. In his Remarks, Dr. Poramettee Vimolsiri, Chair of the 11th IMT-GT SOM, expressed his great appreciation to the Government of Indonesia and the Provincial Government of the Riau for arranging the 12th IMT-GT SOM. He noted that the sub-region had faced great obstacles caused, among others, by the tsunami, avian influenza, and the rising oil price, and nevertheless, the sub-region showed its resilience and were in the process of recovering. Dr. Poramettee Vimolsiri informed the Meeting that despite these difficult circumstances, the Implementing Technical Groups and the IMT-GT Joint Business Council managed to have many successful meetings. Thus, the IMT-GT has more than 100 proposals waiting for prioritization and implementation. He expressed his hopes that the Meeting would come out with effective resolution on the challenges faced by the IMT-GT sub-region.

The Introductory Remarks of the Chair of the 11th IMT-GT SOM appears as **ANNEX 3**.

PLENARY SESSION

AGENDA ITEM 1: OPENING

5. The Chairman of the 12th IMT-GT SOM, Dr. Firman M. U. Tamboen, opened the Meeting and stated, among others, that it was an honor and a privilege to chair the 12th IMT-GT SOM and he expressed his hopes that the Meeting would benefit the respective

countries in improving and enhancing the lives of the people in the member provinces, and also in strengthening the IMT-GT cooperation to a greater extent. He pointed that the IMT-GT brought increased business opportunities, trade transactions, tourism flows, and people to people relations.

6. Dr. Firman M. U. Tamboen noted that there had been some successes but there still existed the needs to ensure the sustainability, viability, and vitality of the IMT-GT in the development of the sub-region. He highlighted as well the need to ensure that future projects would be effective, efficient, and of mutual benefit. Dr. Firman M. U. Tamboen also mentioned the establishment of the Governors' Forum that was held in the sideline of the 12th IMT-GT SOM in order to strengthen the public-private partnership.

The Statement of the Chairman of the 12th IMT-GT SOM appears as **ANNEX 4**.

AGENDA ITEM 2: ADOPTION OF THE AGENDA

7. The Meeting considered and adopted the Agenda of the 12th Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Senior Officials' Meeting, which appears as **ANNEX 5**.

AGENDA ITEM 3: BUSINESS ARRANGEMENTS

8. The Meeting was held in plenary. Program of the Meeting appears as **ANNEX 6**.

AGENDA ITEM 4: CONSIDERATION OF THE ACCEPTANCE OF NEW MEMBERSHIP OF THE IMT-GT

9. Mr. Suryadi Saman, Representative for Bangka Belitung, stated his intention to join the IMT-GT. He hoped that with the joining of the Bangka Belitung Province, the IMT-GT cooperation could be strengthened. He informed the Meeting of potential areas of cooperation from the Bangka Belitung Province that would strengthen the cooperation, namely Marine Tourism and Mining Industry.

10. Mr. Risman Bakrie, Representative for Riau Islands, stated his intention to join the IMT-GT.

11. Mr. Dato' Abdul Rahman Husin, stated that the Government of Malaysia approved the application of the State of Melaka to join the IMT-GT. Mr. Zainal Hussin, Director for Economic Planning Unit of Melaka, stated the wish of the State of Melaka to become a member of the IMT-GT. He expressed his hope that the inclusion of the State of Melaka will further strengthen the cooperation in the future.

12. Thailand welcomed the new members of IMT-GT and informed the Meeting that several provinces in the South of Thailand had shown interest to join the IMT-GT and are in the process of proposing the idea to the Royal Thai Government. Thus, there are potentials to have more members from Thailand in the future.

13. The Meeting agreed to accept the new members of the IMT-GT and would recommend these provinces to become member of the IMT-GT at the 12th IMT-GT Ministerial Meeting.

AGENDA ITEM 5: REPORT OF THE IMT-GT JOINT BUSINESS COUNCIL

14. Mr. Arsyadjuliandi Rahman as the Chairman of the IMT-GT Joint Business Council (JBC) presented the Report of the IMT-GT JBC to the 12th Senior Officials' Meeting. In his Report, Mr. Arsyadjuliandi Rahman informed the Meeting that the 18th IMT-GT Joint Business Council (18th JBC) was held on 11-12th November 2005 in Pekanbaru. He informed the Meeting that there existed strong interest and commitment from the business and government sectors of the IMT-GT in attending and participating in JBC events. The JBC would continuously strive to further encourage the participation of the business and government sectors towards achieving the goals of the IMT-GT.

15. In his Report, Mr. Arsyadjuliandi Rahman presented information for the SOM and those for the SOM's consideration, facilitation and follow-up. For SOM's information, he stated, among others, the set up of a Taskforce on Rehabilitation and Reconstruction of Tsunami Affected Areas. He also informed the Meeting that the States of Terengganu and Negeri Sembilan from Malaysia have been admitted into the JBC during the 17th and 18th IMT-GT JBC. The JBC also informed the Meeting of the possible cooperation between JBC with ADB, IDB, and UNDP to develop the IMT-GT, particularly in Aceh and other tsunami affected areas.

16. For the SOM's consideration, facilitation, and follow-up, he requested, among others, the SOM to consider the inclusion of Terengganu and Negeri Sembilan into the IMT-GT as well as including the JBC as a dialogue partner in the upcoming IMT-GT Summit. The JBC also requested the SOM to support, facilitate, and assist the JBC on several projects, particularly those proposed in the 5-year IMT-GT JBC Economic Development Plan as well those proposed through the ITG Working Groups.

Full Report of the Chairman of the IMT-GT Joint Business Council appears as **ANNEX 7**.

17. Thailand thanked the JBC for its very comprehensive report and viewed that many recommendations and initiatives are positive for the future IMT-GT activities. Thailand noted that there were some very ambitious project proposals which are not possible to be accommodated under the existing administrative framework in Thailand. He mentioned, among others, the request to grant the provincial and state autonomous authority to approve permits for direct investments and licenses as well as declaring the IMT-GT region as a "Special International Economic Zone". However, efficient facilitation to private sector in term of "One Stop Services" is possible and should be accelerated.

18. Malaysia noted the request to include Terengganu and Negeri Sembilan and needed further consultation before making the application. The proposals on Riau Airlines to Johor and immigration issues would need further consultation. Malaysia noted positively most of the proposals, such as Item 8, which contained the proposed 5-years IMT-GT JBC economic development plan.

19. Chairman of the Meeting took note on the Report of the JBC to the SOM and would report it to the 12th IMT-GT Ministerial Meeting.

AGENDA ITEM 6: REPORT OF THE IMPLEMENTING TECHNICAL GROUPS**6.1 Implementing Technical Group on Open Market Operations**

20. Mr. Terdsak Pattayanum, Inspector General of the Ministry of Information and Communication Technology from Thailand presented the report of the Implementing Technical Group on Open Market Operations. He pointed out 3 projects that had been implemented, namely Harmonizing the Tariff of Telecommunication Services within the IMT-GT area, IMT-GT Portal Development, and Smart School Project.

Full report of the ITG appears as **ANNEX 8**.

6.2 Implementing Technical Group on Trade and In-Situ Development

21. Dr. Ali Hamsa from Malaysia presented the report of the 3rd Implementing Technical Group on Trade and In-Situ Development, which was held on 24 October 2005. The ITG discussed the status of existing projects and also considered new project proposals. The existing projects include New Border Township of Kota Putra, Halal Industrial Hub Project, and Common Border Wholesale Market. The ITG has also informed that the IMT-GT International Trade Fair in Hat Yai will be held in April 2006.

Full report of the ITG appears as **ANNEX 9**.

6.3 Implementing Technical Group on Transport and Infrastructure Development

22. Mr. Kanasan Krishnasamy from Malaysia presented the report of the Implementing Technical Group on Transport and Infrastructure Development. He mentioned that the discussion on the ITG should be maintained and the Government's role was important to facilitate cooperation in the Growth Triangle. The strategies discussed were to encourage the private sector to take the lead role in the identification and implementation of joint IMT-GT projects on transport while government promoted and facilitated a conducive business environment for joint projects to be implemented.

Full report of the ITG appears as **ANNEX 10**.

6.4 Implementing Technical Group on Sectoral Development/Tourism

23. Mr. Kittipol Chotipimai presented the report of the Implementing Group on Sectoral Development/Tourism. He reported, among others, the 3rd Meeting of the IMT-GT, ITG on Tourism Development, which was held in Langkawi, Malaysia, in September 2005. The meeting discussed the Programme of IMT-GT, ITG on Tourism Development, covering 2 main issues, namely Marketing and Promotion Activities as well as Tourism Development. He also highlighted the importance of the IMT-GT Master Plan between Thailand and Malaysia and hoped it could expand to cover Indonesia. He also reported various other proposals put forth by Indonesia, Malaysia, and Thailand.

Full report of the ITG appears as **ANNEX 11**.

6.5 Implementing Technical Group on Cross-Sectoral/Human Resources Development

24. Mr. Togarisman Napitupulu presented the report of the Implementing Group on Cross-Sectoral/Human Resources. He reported the results of the 3rd Meeting of the ITG on Cross Sectoral (HRD) which was held on 18-21st of September 2005 in Trang, Thailand. He reported, among others, 2 projects proposed by Indonesia, 6 new projects from Malaysia, and Thailand proposed 8 projects. Mr. Tagarisman Napitupulu also proposed that the ITG on Cross-Sectoral Development (HRD) should not only focus on labor mobility but also on other related issues of mutual interest such as health, energy substitution, and/or bio-fuel. He also informed the Meeting that Indonesia would host the 4th Meeting of the ITG on Cross Sectoral (HRD) in mid-2006.

25. Malaysia supported the proposal by Indonesia to host the technical meeting of the Joint Labour Market Information and Mutual Recognition Agreement (MRA) in Pekanbaru, Riau in 2006. The result of this Meeting will be reported to the 13th IMT-GT Meeting. Malaysia noted that there were many projects proposed on human resource development. In this regard, there is a need to focus and prioritize human resource development programme especially to cater specific skills and training needs.

Full report of the ITG appears as **ANNEX 12**.

6.6 Implementing Technical Group on the Development of the Hinterland and Intra-trade

26. Mr. Rismansyah Danasaputra presented the report of the Implementing Group on the Development of the Hinterland and Intra-trade. He reported on the 3rd Meeting of the ITG on Development of the Hinterland and Intra-trade (ITG-DHIT). Recognizing the connection take-up by the private sector on livestock and fisheries due to slow connection. The Meeting urged the ITG to address this issue. The Meeting noted progress made on halal food and support the collaboration among the public agencies in the member countries. Malaysia agreed with the IMT-GT Halal laboratory networking for supporting halal food inspection and accreditation. The Meeting welcomed the proposed meeting between Majelis Ulama Indonesia (MUI), Jabatan Kemajuan Islam Malaysia (JAKIM) and Central Islamic Committee of Thailand (CICOT).

Full report of the ITG appears as **ANNEX 13**.

AGENDA ITEM 7: REVIEW OF COOPERATION AND FUTURE DIRECTION OF THE IMT-GT

27. Mr. Dato' Abdul Rahman Husin expressed his deepest appreciation to the Government of the Republic of Indonesia, especially to the Government of the Riau Province for arranging the Meeting. He urged the ITGs to remain focused and project specific and also provided a platform for both public and private sectors to exchange ideas and views. He announced the inclusion of Melaka as the member state from Malaysia. He congratulated the Joint Business Council (JBC) for being active in seeking ways to increase trade and investment in the sub-region. He suggested to the IMT-GT to take stock taking the achievements in the past decade and look forward to further develop this sub-region. He proposed the formulation of a Roadmap of Development for IMT-GT.

28. Dr. Poramettee Vimolsiri emphasized the need to streamline the IMT-GT mechanism by reducing the number of meetings of the ITGs and sub-ITGs and the importance of updating the data and statistics of the IMT-GT sub-region to be put into the IMT-GT website for its completion and dissemination. He also emphasized the need to address the role and opportunities of IMT-GT in the world economy in the process of preparing the IMT-GT into the world map and launching the Roadmap of the Development of IMT-GT.

29. Dr. Firman M. U. Tamboen recalled that the establishment of the IMT-GT was aimed at strengthening cross border cooperation and understanding with a view of accelerating the economic growth through increasing trade and investment cooperation within the sub-region as well as enhancing sub-regional competitiveness for export, investment, and improving the quality of life of the people. He also highlighted the significant role of the private sectors as the agent of growth for the sub-regional economic development.

AGENDA ITEM 8: OTHER MATTERS

8.1 Presentation of the Study on Barter Trade Opportunities in the IMT-GT

30. Malaysia presented the Study on Barter Trade Opportunities in the IMT-GT that had been conducted since 2003 and completed in 2005.

Presentation of the Study on Barter Trade Opportunities in the IMT-GT by Malaysia appears as **ANNEX 14**.

8.2 Preparation for the IMT-GT Leaders' Meeting during the 2005 ASEAN Summit

31. Malaysian delegation briefed the meeting regarding the Preparation for the IMT-GT Leaders' Meeting to be held in Kuala Lumpur, Malaysia, in December 2005.

8.3 Report of the Governors' Forum

32. The Meeting was briefed on the Governors' Forum that was being held back-to-back with the 12th IMT-GT SOM.

8.4 Date and Venue of the 13th IMT-GT SOM

33. The Meeting agreed that the next IMT-GT will be held in Malaysia in 2006 with the date and venue to be decided later on.

AGENDA ITEM 9: CONSIDERATION OF THE DRAFT AGREED MINUTES OF THE 12TH IMT-GT SENIOR OFFICIALS' MEETING

34. The Meeting considered and endorsed the Agreed Minutes of the 12th IMT-GT Senior Officials' Meeting.

AGENDA ITEM 10: SIGNING OF THE AGREED MINUTES OF THE 12TH IMT-GT SENIOR OFFICIALS' MEETING

35. The Senior Officials' of the IMT-GT member countries signed the Agreed Minutes of the 12th IMT-GT Senior Officials' Meeting, which appears as **ANNEX 15**.

AGENDA ITEM 11: CLOSING

36. The Meeting expressed its sincere appreciation to the Government of the Republic of Indonesia for the warm hospitality accorded to the IMT-GT countries' delegations and for the excellent arrangements made for the Meeting.
