

**AGREED MINUTES
INDONESIA-MALAYSIA-THAILAND GROWTH TRIANGLE
13th MINISTERIAL MEETING
PETALING JAYA, SELANGOR, MALAYSIA
14 SEPTEMBER 2006**

INTRODUCTION

1. The Thirteenth Ministerial Meeting (MM) of the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) was convened in Petaling Jaya, Selangor, Malaysia on 14 September 2006. The Indonesian delegation was led by H.E. Muhammad Lutfi, Chairman of the Investment Coordinating Board and the delegation from Thailand was headed by H.E. Suranand Vejjajiva, Minister Attached to the Prime Minister's Office. The Malaysian delegation was led by H.E. Senator Dato Sri Mohd. Effendi Norwawi, Minister in the Prime Minister's Department, who also acted as the Chairman of the 13th IMT-GT MM.

The full list of delegation is attached as **Annex I**.

AGENDA ITEM 1: OPENING REMARKS

2. In his Opening remarks, the H.E. Senator Dato Sri Mohd. Effendi Norwawi, Minister in the Prime Minister's Department, as the Chairman of the 13th IMT-GT MM welcomed all the distinguished delegates and extended his gratitude and appreciation to the State Government of Selangor for co-hosting the Meeting and providing excellent arrangements for all the delegates. He stressed that the establishment of IMT-GT was meant to bring more development in the less-developed areas of the sub-regional cooperation. In his speech, he touched on the Leaders' Summit, Roadmap for Development of IMT-GT, role of Provincial and State Governments as well as public and private sectors. He also highlighted on the development of Tourism, Human Resource and Hinterland. He welcomed the inclusion of two new members namely the province of Lampung in Indonesia and the state of Negeri Sembilan in Malaysia. He then emphasized the need for commitment from the respective governments for the success of IMT-GT.

The Opening Remarks of the Chairman of the 13th IMT-GT MM appears as **Annex II**.

3. In his Opening remarks, H.E. Suranand Vejjajiva, Minister Attached to the Prime Minister's Office, Thailand stated that substantial efforts have been undertaken to follow up on projects with the active participation of the private and public sectors. He also conveyed his appreciation to the ADB for taking the initiative to draft the first IMT-GT Roadmap with a clear vision and equipped with flagship projects. He stressed on the need for closer cooperation and coordinated efforts to reflect the aspiration of the leaders as well as facilitating trade and investment. He was pleased to note on the proposed establishment of the new meeting mechanism especially with regard to the 5 new Working Groups, the Governors' and Chief Ministers' Forum and the Joint Business Council. He also emphasized on the need to establish more Working Groups to reflect more specific initiatives. He also expressed his appreciation to the members of the Governors' and Chief Ministers' Forum for their leadership, initiatives and suggestions as well as the Forum's assistance and facilitative role which will bring IMT-GT entities together and lead to more commitments to proposals and projects. He then expressed that the IMT-GT could possibly be the leading arena of sub-regional cooperation by the galvanized strength of the member countries in creating real benefit to the people.

The Opening Remarks of the H.E. Suranand Vejjajiva, appears as **Annex III**.

4. In his Opening remarks, H.E. Muhammad Lutfi, Chairman of the Investment Coordinating Board, Indonesia stressed that it is pertinent to identify mechanism to move forward the proposals made during the SOM and Governors' and Chief Ministers' Forum. He emphasized on the need for a closer coordination by the respective governments and stakeholders to enhance economic development, promoting trade and creating a resilient network of transportation in the IMT-GT sub-region. He concluded by reiterating the commitment of the Indonesian Government in moving forward the IMT-GT sub-region.

The Opening Remarks of the H.E. Muhammad Lutfi, appears as **Annex IV**.

AGENDA ITEM 2: ADOPTION OF THE AGENDA

5. The Meeting considered and adopted the Agenda which appears as Annex V.

AGENDA ITEM 3: BUSINESS ARRANGEMENTS

6. The Meeting was held in plenary. The programme of the Meeting appears as Annex VI.

AGENDA ITEM 4: REPORT OF THE 2nd GOVERNORS' AND CHIEF MINISTERS' FORUM

7. The report of the the Second Governors' and Chief Ministers' Forum was presented by the H.E. Dato' Seri Dr. Mohamad Khir bin Toyo, the Chief Minister of the State of Selangor Darul Ehsan who is also the Chairman of the Forum. The Forum was convened in Petaling Jaya, Selangor, Malaysia on 13 September 2006. The Indonesian delegation was led by H.E. H.M. Rusli Zainal, the Governor of Riau Province and the delegation from Thailand was headed by H.E. Cherdpan Na Songkhla, Governor of Trang Province. The Chairman of the Forum reiterated that the collective efforts undertaken rest on the four strategic thrusts identified, namely, expanding and enhancing intra- and inter-regional trade between members of IMT-GT; promoting cross-border investment to diversify the economic base of the sub-region; joint development of potential economic sectors by the private sector; and improving the delivery mechanism to accelerate joint efforts to be undertaken by both the private and public sectors. He expressed that the IMT-GT can be a catalyst towards the integration of ASEAN by promoting development among member states and provinces. He also informed the effort undertaken by ADB to develop the IMT-GT Roadmap for Development (2007-2011). He also called for the reduction of bureaucracy to facilitate investment in the sub-region.

8. The report highlighted activities conducted since the first Forum, namely, socialization and establishment of network among the members of the IMT-GT Governors' Forum which was held in Jakarta on 17 April 2006. In addition, a draft format and mechanism for the Governors' and Chief Ministers' Forum was prepared by Indonesia and discussed during the informal SOM in Bengkulu, Indonesia on 30th May 2006. It included proposals on structure, period of

Chairmanship (one year), frequency of meeting and the reporting mechanism within the Forum.

9. The Governors and Chief Ministers were briefed by the ADB on the proposed IMT-GT Roadmap for Development. The Forum endorsed in principle the proposed Roadmap including the vision statement, strategic thrusts and the action plan. However, the Chairman requested the Secretariat of member countries to further scrutinize the details of the Roadmap to facilitate the implementation of projects.

10. The Chairman reported that the Forum had discussion with the JBC on issues related to private sector participation in the sub-region. The Forum agreed in principle to the proposals made by JBC subject to further reference to the respective Governments of member countries for approval. This Forum also agreed on the inclusion of Lampung, Indonesia and Negeri Sembilan, Malaysia as the new members of the IMT-GT.

The Full report of the 2nd Governors' and Chief Ministers' Forum appears as in **Annex VII**.

11. The Chairman of the Ministerial Meeting commended the Governors' and Chief Ministers' Forum on their presentation of the report and for proposing new initiatives and suggestions. The Head of Thailand Delegation expressed the immense importance of the Forum especially in terms of providing supports on tangible project proposals. He also suggested that the Forum is continuously arranged in future.

AGENDA ITEM 5: REPORT OF THE 13th SENIOR OFFICIALS MEETING

12. H.E. Dato' Halipah Esa of Malaysia, the Chairperson of the Thirteenth Senior Officials' Meeting (SOM) presented the Report of the Thirteenth SOM for the consideration of the Ministers. She highlighted major events that have been undertaken since the last SOM in Pekan Baru, Riau, Indonesia. The Chairperson reported that the 13th SOM endorsed the inclusion of Lampung, Indonesia and Negeri Sembilan, Malaysia as new members of IMT-GT. In addition, six provinces in Thailand were accorded observer status, namely, the provinces of Chumphon, Krabi, Phangnga, Phuket, Ranong and Surat Thani. The JBC was

accepted as an Associate Member with certain criteria. SOM also accepted the ADB as an IMT-GT Development Partner.

13. The Chairperson reported that SOM had detailed discussion and deliberation with the representative of the ADB on the draft document of the IMT-GT Roadmap. The SOM agreed in principle on the preliminary draft of the Roadmap and concluded that the draft be submitted to the Ministers for further input and comments. The SOM proposed that regular discussions be undertaken to further refine the draft Roadmap before tabling in the 2nd IMT-GT Leaders' Summit. The 13th SOM also discussed the JBC report and endorsed in principle the proposals put forward by the JBC. However, SOM will provide official response during the next Informal SOM on some of the proposals that need to be deliberated further at governmental level for decision. The SOM also endorsed the proposed IMT-GT JBC logo which will be used by JBC and the Working Groups.

14. The Chairperson of the 13th SOM highlighted the progress reports submitted by all the ITGs. In addition, SOM also discussed matters pertaining to the 2nd IMT-GT Leaders' Summit to be held in December 2006 in the Philippines. The Chairperson informed the meeting that the Draft Joint Statement for the Leaders' Summit has been submitted for Ministers' consideration. However, the Draft Joint Statement will be further refined at the next Informal SOM Meeting.

15. The Chairperson put forward the following proposals from the 13th SOM for the consideration of the Ministers:

- Acceptance for New Members - Lampung, Indonesia and Negeri Sembilan, Malaysia
- Observer Status for 6 Provinces in Thailand, namely Phuket, Phangnga, Krabi, Chumphon, Ranong and Surat Thani
- Accept in Principle the IMT-GT Roadmap for Development :
 - Vision for Roadmap
 - Flagship projects under the 5 strategic thrusts
 - Establishment of coordinating and monitoring centre in Selangor, Malaysia
 - Replace existing 6 ITGs by 5 Working Groups
- Draft Joint Statement for the 2nd Leaders' Summit
- Acceptance of JBC as an Associate Member
- Acceptance of ADB as a Development Partner

- Logo of the IMT-GT JBC
- Visit IMT-GT 2008
- 14th IMT-GT SOM & MM in Phuket, Thailand in October, 2007

The full text of the reports is attached as **Annex VIII**.

16. The Chairman of the Ministerial Meeting commended the 13th SOM for presenting a very comprehensive and informative report to the Ministers. He was pleased to note that the IMT-GT sub-region has vast potentials for growth based on its natural resources, human resources, market size and its strategic location. The number of projects proposed by both the public and private sectors through the Roadmap and its flagship projects shows that there is a large potential for trade and investment as well as tourism and related services in this sub-region. However, the Chairman emphasized that the delivery mechanism must be strengthened to ensure successful implementation of the programs and projects. In this regard, there is a need to establish key performance indicators (KPI) to gauge the performance of the respective parties in implementing the agreed projects for the benefit of the people. The Minister directed SOM and the private sector to focus on implementing doable and viable projects that will bring about direct benefits. The Ministers agreed that financing sources and mechanism to support public and private sectors to implement the Roadmap are important and need to be addressed. The Ministers agreed with the SOM's proposals that the ADB assist in making financing arrangements including the establishment of suitable framework to make undertakings attractive to the private sector.

17. The Ministers also concurred on the need for an integrated portal for the sharing of information and enhance coordination among the IMT-GT states and provinces. They also stressed on prioritizing and expediting the implementation of selected flagship projects for the benefit of the people in the sub-region. On the Ro-Ro ferry services between Belawan and Penang, the Ministers agreed that it should be resumed as soon as possible. The Ministers emphasized on the critical roles of the JBC in enhancing development projects in the sub-region, particularly in the border towns.

18. The Ministers agreed to the proposals put forward by SOM and directed officials to facilitate the private sector in implementing flagship projects and assist in sourcing financial requirements with other financial institutions such the ADB. The Ministers commended on the proposed establishment of CMC in Selangor, Malaysia as it is an important institution to facilitate the collaboration between

member countries and other institutions such as the ADB in overseeing implementation of the Roadmap.

AGENDA ITEM 6: OTHER MATTERS

19. **Preparation of the 2nd IMT-GT Summit.** The Meeting took note of the draft joint statement for the Summit which was circulated for the consideration of the Ministers. The Ministers agreed in principle to the content of the draft joint statement. However, they directed the SOM to further refine the statement and include among others priority projects that can be implemented in short term, implementation mechanism, CMC and financing mechanism. The Ministers directed SOM to prepare a document on the framework of cooperation among member countries to implement the Road Map. The Meeting agreed the signing of this proposed document by the Ministers during the Summit to be witnessed by the Leaders.

20. **Other General Matters.** The Chief Minister of Melaka, Malaysia commended the Ministers for their role in promoting economic development in IMT-GT. He highlighted the measures undertaken by the state of Melaka to promote cooperation and collaboration with member states and provinces in striving to develop the sub-region. The state of Melaka is currently involved in several flagship projects including development of barter trade facilities in Kuala Linggi and Serkam as well as CIQ complex. The representative of Perlis, Malaysia enlightened the Meeting with regard to the objective of having this subregional cooperation. One of the purposes was to enhance the development of lesser developed areas of the sub-region.

21. The Chairman of the JBC congratulated H.E. Dato Sri Mohd. Effendi bin Norwawi on his appointment as the Chairman of MM. He reiterated JBC's continued commitment and contribution towards realizing the objectives of the IMT-GT. With regard to the Flagship projects, JBC has already initiated preparatory discussion on implementation strategies. On UNINET he proposed an expanded collaboration between institutions.

22. The representative of the ADB thanked the Ministers for inviting ADB to attend and address this Meeting. He also stated appreciation of the ADB for being accepted as a Development Partner in IMT-GT. He informed that ADB has made regional cooperation and integration as a key element of its development

strategy which include the IMT-GT sub-region. He reiterated ADB's continued commitment in assisting IMT-GT to implement programmes and projects under the Road Map.

AGENDA ITEM 7: DATE AND VENUE OF THE 14th IMT-GT MM

23. The representative of Thailand proposed that the next meeting be held in Thailand in late October 2007.

AGENDA ITEM 8: CONSIDERATION OF THE AGREED MINUTES OF THE 13th IMT-GT MM

24. The Ministers considered and adopted the Agreed Minutes of the 13th IMT-GT MM.

AGENDA ITEM 9: CLOSING

25. In his closing statement, H.E. Minister of Indonesia congratulated the Chairman on his excellent stewardship of the Meeting and also thanked the Government of Malaysia and the State Government of Selangor for the excellent arrangements and warm hospitality accorded to all delegates. He informed the Meeting that the progress achieved thus far can serve as a good benchmark to gauge future performance of our cooperative efforts. There is also a need to reduce bureaucracy and red tape to enable the private sector to invest and create job opportunities for the people.

26. The representative from Thailand also congratulated and thanked the Chairman for his excellent handling of the Meeting. He also thanked the State Government of Selangor for their excellent hospitality and arrangement.

27. In his concluding remarks, the Chairman thanked the Ministers and all delegates for taking time from their busy schedules to attend this Meeting. He was happy to note that despite having a short meeting, its outcome was commendable. He stated that this sub-region which is endowed with abundant natural resources may not achieve its development objectives if these resources are mismanaged. Thus, it is imperative for this sub-region to build its capacity to harness the resources efficiently and bring about prosperity for the people in the region. He firmly believes that through the IMT-GT cooperation the sub-region will be able to bring about equitable development and prosperity. In conclusion,

he recorded his sincere appreciation to all delegates for their participation in this Meeting. He extended his gratitude to the Chief Minister of Selangor and the people of Selangor for according excellent hospitality.