Opening Remarks

By

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Delivered at the 15th Ministerial Meeting of

Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT)

23 October 2008, Thursday, 09.20-09.30 A.M.

At Palembang, South Sumatera, Indonesia

Your Excellency, H.E. Lukman Edi, Minister of Development for Disadvantaged Areas, Head of Indonesian Delegation,

Your Excellency, Dr. Bin Ali Hamsa, Deputy Director-General II, Economic Planning Unit, Prime Minister's Department, Head of Malaysian Delegation,

Honorable Governors and Chief Ministers from Indonesia, Malaysia, and Thailand

Deputy Director General, Southeast Asia Department, Asian Development Bank

Chairmen of the IMT-GT Joint Business Council,

Distinguished Delegates, Ladies and Gentlemen,

It is a great pleasure for me to be here. I would like to thank the Government of Indonesia and the Governor of South Sumatera for hosting this Meeting in this lovely city. Also on behalf of my delegation, I would like to express deep appreciation for your hospitality and the efficient arrangement of all the meetings during the past three days.

Excellencies,

It was a year ago that we held the Ministerial Meeting of IMT-GT in Thailand. Since then, the world has changed quite drastically. The oil price has rallied to over 140 dollars per barrel before it's coming back down as fast as it went up. The price also partly contributed to high commodities prices which together raised the cost of living in every corner of the world.

The financial turmoil in the US now has grown into a full-bloom crisis effecting many large as well as small developing countries such as Iceland and Hungary.

Our region is doing relatively well during this trouble time, and the world is expected the developing countries to continue to be a source of growth for next year.

So, let us strengthen our subregion through more intensive IMT-GT cooperation such that we can better support the world growth, and at the same time, increase the standard of living of people in the IMT-GT area.

Ladies and Gentlemen

Apart from this pressing issue of financial crisis, the food and energy prices will continue to be a long term problem which could threaten the national security and human security once the urgency of the financial crisis subsides.

The long-term development agendas in the new era are not only involving traditional trade and financial integration as before, but we

also have to take into account the important issues of food, fuel and climate changes.

Fortunately, there are strengths in IMT-GT which we can combine and utilize to even turn the crisis into the opportunities to highlight the potential of our area as an attractive investment area with potential for higher future growth.

Now let me highlight some of those strengths:

Firstly, **tourism.** Tourism sector is not only providing an important source of foreign earning for our country, but also spreads the benefit directly to SMEs and small localities. To strengthen our tourism attractiveness, there are many tourism attractions in this area which we can jointly promote. Phuket, Penang, Langkawi and Aceh, for example can be one of the world most fascinating tourism area. We also have to promote more domestic tourists to travel within the subregion. As local travelers discover new places, the foreign tourists usually seek them out and follow.

Secondly, **Halal Products and Services.** Although we will face the world economic slowdown, but the world's Halal products and services market is very large and many of its consumers are among the high income group. We should prepare to increase our cooperation in production, testing and verification, marketing as well as logistics to open up more opportunities for us to jointly expand into the world market.

Thailand is working very hard for the progress in these areas together with equally active participation of members of the working groups and the enthusiasm of IMT-GT private sector.

The third area is energy. As we are in a resource-rich region, we should continue to find a scope for cooperation in energy sector which could generate many large and small investments in related industries in this subregion.

I encourage the IMT-GT national secretariats to consider concrete proposal relating to important issues outside the domain of six existing working groups, such as the cooperation in energy and environment, and propose a practical mechanism for the implementation which will be the most efficient.

Distinguished Delegates,

This is the second year of the implementation of the IMT-GT Roadmap. In the first year, we have made many progresses such as finishing the construction of Buketa bridge at the border of Thailand and Malaysia, establishing the IMT-GT Plazas in Thailand, beginning the Visit IMT-GT Year 2008, expanding the memberships to include all 14 southern provinces of Thailand, and added the Ranong-Phuket-Aceh connectivity corridor into the IMT-GT Roadmap.

I look forward to hearing the progress of the second year implementation and believe that we still have many important works ahead of us.

I particularly would like to see that we have concrete projects to support the economic corridors in the IMT-GT, including the Ranong-Phuket-Aceh corridor which was added last year.

In the last summit, the leaders has asked the ADB to help study and identify the necessary infrastructures which have to be put in place in order to increase the connectivity along and between corridors, and also requested to look into the issue of any rules and regulations which hinder trade and investment flows within the IMT-GT area. I believe that these are important issues which we have to answer.

Another issue is the establishment of CIMT to assist and coordinate the secretariat's works. I am very pleased to have been informed that CIMT has already started to perform its role while waiting for the process of formally establishing the legal entity in Malaysia.

I encourage all players of IMT-GT namely the Working Groups, the Governors and Chief Ministers, the Joint Business Council, the ADB, the ASEAN Secretariat and CIMT to continue the good works and put in extra efforts as we are approaching the mid-term of the Roadmap, and in facing the turbulent world economy.

Ladies and Gentlemen,

I wished also to thank SOM and delegates for working hard during the past three days to prepare to report to Ministers and prepare for the 4th IMT-GT Summit which will be held in Thailand during the 14th ASEAN Summit in December this year.

Thailand as the chair of ASEAN is preparing all necessary details to ensure that the upcoming ASEAN Summit is smooth and efficient and that all participants enjoy the unique Thai hospitality. ASEAN is working toward the ASEAN Economic Community, and the IMT-GT can be a catalyst and example of a fruitful cooperation and spirit of community.

Our task at hand is to make sure that this meeting resulting in a good progress of IMT-GT cooperation as well as useful suggestions for further steps to be later reported to the leaders at the Summit in December.

Thank you.