

**INDONESIA-MALAYSIA-THAILAND  
GROWTH TRIANGLE  
(IMT-GT)**

**The 1<sup>st</sup> Working Group Meeting on  
Infrastructure and Transportation**

**AGREED MINUTES**

**Bangkok, Thailand  
13-14 November 2007**

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**INTRODUCTION**

1. The 1st Working Group Meeting on Infrastructure and Transportation of the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) was convened in Bangkok, Thailand on 13-14 November 2007. The Indonesian delegation was led by H.E. Mr Heru Prasetyo, Director of the Legal Affairs and International Cooperation, Ministry of Transportation, The Republic of Indonesia, the Thai delegation was led by H.E. Mrs. Pawasut Chunganuwat, Inspector General, Ministry Of Transport, Thailand and the delegation from Malaysia was headed by H.E. Leslie Leon, Under Secretary, Ministry Of Transport Malaysia, who also acted as the Chairman of the 1st IMT-GT MM. The Meeting was also attended by representatives from the Joint Business Council (JBC), Asian Development Bank (ADB) and the Centre for IMT-GT Sub-Regional Cooperation (CIMT).

The full list of delegations is attached as **ANNEX I**.

2. The Meeting was officially opened by H.E. Mr. Chaisawasd Kittipornpaiboon, Permanent Secretary, Ministry of Transport of Thailand. In his Welcoming Address, the Permanent Secretary highlighted that since it was first formed 14 years ago, the IMT-GT through its sincere and continuing efforts has achieved significant progress including the expansion of transport links in the land, air and maritime sectors within the region. He also expressed his sincere appreciation to the Asian Development Bank (ADB) for undertaking a preliminary study on the development of the economic connectivity corridors, which would be a key factor for the long-term growth of trade, investment and tourism in the IMT-GT. Finally, he emphasized the continuing need for close cooperation among member countries toward further development and growth of the region.

The full text of the Welcoming Address appears as **ANNEX II**.

**AGENDA ITEM 1:                    OPENING REMARKS BY THE CHAIRPERSON**

3.     In his Opening Remarks, H.E. Leslie Leon, Under Secretary Ministry Of Transport Malaysia, warmly welcomed all the distinguished delegates and expressed his appreciation to the Ministry of Transport, Thailand for the kind hospitality accorded as well as the excellent arrangement made in the organisation of this WG meeting. He reiterated the goals of the IMT-GT were essentially toward increasing trade and investment, increasing exports, enhancing the welfare of the people and encouraging the private sector to play a leading role with the public sector acting as facilitator. In all of these, transportation is a key factor and a critical enabler to realize the objectives of the IMT-GT.

**AGENDA ITEM 2:                    ADOPTION OF THE AGENDA**

4.     The Meeting considered and adopted the Agenda which appears as **ANNEX III**.

**AGENDA ITEM 3:                    BUSINESS ARRANGEMENTS**

5.1    The Meeting was held in plenary. The programme of the Meeting appears as **ANNEX IV**.

5.2    The Meeting also appointed a drafting Committee comprising of representatives from the Member Countries, CIMT and ADB.

**AGENDA ITEM 4:                    DECISIONS/FOLLOW-UP REQUIREMENTS FROM  
THE 14<sup>TH</sup> MINISTERIAL AND SENIOR OFFICIALS  
MEETING OF THE IMT-GT, 3-6 SEPTEMBER 2007**

6.     The Centre for IMT-GT Sub-Regional Cooperation (CIMT) briefed the Meeting on the key decisions/follow-up requirements arising from the 14<sup>th</sup> Ministerial and Senior Officials Meeting of the IMT-GT, held in Songkhla on 3-6 September 2007 which were as follows:-

6.1 14<sup>th</sup> Senior Officials Meeting (SOM):

Key Issues included:

Air Linkages:

6.1.1 WG to identify airlines that could serve the requirements of tourists during the Visit IMT-GT Year 2008;

6.1.2 The need to provide low cost airline services for the sub region;

General Issues:

6.1.3 WG to look into the energy and natural resources sector as an important part of economic development;

6.2 14<sup>th</sup> Ministerial Meeting (MM):

Key Issues included:

6.2.1 Enhancement of connectivity as an important strategy in support of greater mobility of people and goods and promotion of trade and tourism;

6.2.2 The potential of Malaysia's plan for the development of the Northern Corridor Economic Region (NCER) and Thailand's new southern economic development plan;

6.2.3 The suggestion for another corridor development i.e Ranong-Phuket-Aceh;

6.3 With regard to the identification of airlines, the Meeting noted the formation of several new airlines for example Fire Fly in Malaysia which had the potential and could be considered to operate services including low cost operations within the region. The Meeting also noted that Thailand had designated Nok Air and Thai Air Asia as airlines to serve the IMT-GT region.

6.4 The Meeting noted the importance of the energy, ICT and natural resources sectors as an important part of infrastructure development. However, the Meeting took note that projects pertaining to the natural resources sector are being undertaken under the WG on Agriculture, Agro-Industry and Environment. With regard to the inclusion of energy sector projects under this WG, Malaysia and Indonesia were of the view that since the scope of such non-transportation infrastructure related projects were more nationwide rather than confined to IMT-GT, the WG should focus on transport and transport related infrastructure.

6.5 In this regard, the Meeting agreed to seek further clarification and direction from respective national secretariats as to the suitability and efficacy of including such non-transportation infrastructure related projects under the purview of the WG or alternatively to suggest any other suitable forum. The CIMT was requested to take this matter up with the national secretariats of the three countries and inform the WG at the earliest.

The full presentation of the CIMT appears as **ANNEX V**.

**AGENDA ITEM 5: REPORT ON THE DEVELOPMENT OF THE IMT-GT COOPERATION OF TRANSPORT PROJECTS UNDER IMT-GT ROADMAP/PRESENTATION OF THE SUB-WG REPORTS**

7. Indonesia informed the Meeting on the progress report of the various projects under the IMT-GT Roadmap including an update on the status of the development of the ASEAN Highway consisting of AH 2 and AH 25 routes. Indonesia also requested for further discussion on mutual recognition on road vehicle registration, transport operating licenses and inspection certificates.

8. As for sea transport, a cost and benefit analysis is being conducted toward the revival of the ro-ro ferry services between Belawan-Penang, and the possibility is being explored of initiating ferry services on the Penang-Malahayati, Trang-designated port in Indonesia and Kuala Linggi-Dumai route. On port development, Indonesia is undertaking improvements to several ports i.e Belawan and Dumai as well as rehabilitation of the port in Aceh.

9. On air transport, Indonesia informed that projects under the roadmap have already being implemented and that three Indonesian carriers are currently servicing the Medan-Penang v.v. route. Indonesia also informed that co-terminalisation with own-stopover rights had already been agreed upon at the 3rd

Sub ITG on Air Transport Meeting IMT-GT on 9-11 August 2006 in Bangkok, Thailand. The implementation of this matter can be further discussed with the airlines.

The full presentation made by Indonesia is attached as **ANNEX VI**

10. Thailand informed the Meeting on the progress report of the various projects under the IMT-GT Roadmap including the following bridge projects i.e (i) The Bridge across Golok River at Tak Bai, Narathiwat Province, Thailand and Pengkalan Kubur, Kelantan, Malaysia, (ii) The Bridge across Golok River at Sungai Golok, Narathiwat Province, Thailand and Rantu Panjang, Malaysia, (iii) The Bridge across the Golok River at Buketa, Narathiwat Province, Thailand and Bukit Bunga, Malaysia. Road projects are as follows i.e (i) Pattani – Yala – Betong – Penang, (ii) Ban Nathawee – Ban Prakob – Alor Star, (iii) Satun – Wang Prachan/ Wang Klien – Perlis, (iv) Satun By-Pass for the inter-modal linkage to Tamalang Port and (v) The development of arterial roads along the Western coastline from Chumphon – Ranong – Trang – Satun and the Eastern coastline from Surat Thani – Nakhorn Si Thammarat – Songkhla. Thailand also highlighted the importance of transport facilitation and related software issues to expedite the development of the IMT-GT.

The full presentation made by Thailand is attached as **Annex VII**

11. Malaysia informed the Meeting on the progress report of the various projects under the IMT-GT Roadmap which essentially touched on the expansion of transport links within the sub-region including the establishment of passenger ferry services between various points like (i) Langkawi-Satun, (ii) Port Klang-Dumai-Tg Balai (iii) Melaka-Dumai and (iv) Melaka-Bengkalis and the current status of ro-ro ferry services on the (i) Penang-Belawan (ii) Penang-Malahayati (iii) Penang-Trang and (iv) Kuala Linggi (Melaka)-Dumai routes.

12. The Meeting also discussed the position of the Sub-Working Groups (Sub-WGs) i.e Sub-WG on Land Transport (led by Thailand), Sub-WG on Maritime Transport (led by Malaysia) and Sub-WG on Air Transport (led by Indonesia). The Meeting agreed to retain the Sub-WGs and allow the WG and/or the Lead Countries to decide on the convening of any Sub-WGs meeting as and when the need so arises.

**AGENDA ITEM 6: REPORT OF THE IMT-GT JOINT BUSINESS COUNCIL**

13. The Joint Business Council (JBC) updated the Meeting on the progress of their activities. The JBC among others raised the need to provide airlines services including low-costs airlines services within the region particularly in the light of the Visit IMT-GT Year 2008. In this regards, JBC requested member Countries to favourably consider and facilitate the proposed operation by Asmara Air within the IMT-GT region. JBC also requested for the enhancement of sea linkages within the region. The JBC also informed the Meeting on the current status of several projects including the ASA Niaga, Harbour City Development in Port Klang, Selangor, an International Passenger Ferry Terminal Complex in Port Dickson, Negeri Sembilan and Barter Trade Port at Tumpat, Kelantan.

**AGENDA ITEM 7: MONITORING OF THE IMT-GT ROADMAP**

14. ADB made a presentation on development of IMT-GT Economic Connectivity Corridors (IMT-GT ECC), including findings from a preliminary study entitled: "Expanding Horizons: A Study on the Development of the Indonesia-Malaysia-Thailand Growth Triangle Economic Corridors". The development of economic corridors had been identified as a primary IMT-GT flagship project at the 13th Ministerial Meeting in Selangor in 2006. This study was undertaken by ADB as a first step in implementing a key recommendation of the Road Map.

15. This study identifies the current status of infrastructure assets, potential areas for intervention, and potential areas for research and provides recommendations for the development of the economic corridors identified in the IMT-GT Roadmap. In the presentation, ADB took the opportunity to share its experience with the remarkable transformation of the Greater Mekong Subregional Cooperation (GMS) in the last 14 years to provide some inspiration for IMT-GT economic connectivity corridors. Key issues in corridor development include: the need for the development of a multi-modal transport system, the need to address infrastructure demand and the deteriorating quality of roads in Indonesia, development of feeder roads. In addition, development of IMT-GT ECC will also require enhanced "software" including trade facilitation and other policies related to cross border trade. Enhancing the role of the private sector will also be critical.

16. ADB also informed the Meeting that four studies are currently underway for further development of the IMT-GT ECC: (i) Port Development and Maritime Trade Study, (ii) Trade and Logistics Development, (iii) Trade and Investment Database and (iv) Sumatera Investment and Trade Assessment. Findings from the first two studies are expected by February 2008.

The full ADB presentation is in **ANNEX VIII**

17. The Meeting agreed that member countries would review the Study on IMT-GT ECC and convey their views (if any) through their respective national secretariats by 30 November 2007.

18. CIMT presented its views on the study which included the observation that the study basically assesses the four new economic connectivity corridors proposed as flagships in the IMT-GT Roadmap for Development 2007-2011 with a brief mention of the economic activities and characteristics along these connectivity corridors. CIMT was of the view that the future development of these four IMT-GT ECC would not deviate drastically from existing and related sub-regional or national economic corridors already in place or being launched by the respective governments. CIMT suggested that further work on development for IMT-GT ECC should incorporate both Northern Corridor Economic Region (NCER) and plans of the Government of Thailand for development of Southern Provinces. CIMT also suggested that the WG, ADB and JBC focus on developing clear recommendations on how IMT-GT development projects could be incorporated in the member countries' respective national programmes.

19. The JBC noted that ADB's role in enhancing IMT-GT subregional cooperation is becoming clearer and more defined. JBC also underlined the need to provide more support to SMEs through lower costs of transportation (i.e. air and sea) across the connectivity corridors. JBC also stated that it would play its role in supporting infrastructure connectivity in IMT-GT.

20. The Meeting expressed its appreciation to ADB on its initiatives and requested ADB to provide more support in terms of software infrastructure development.

**AGENDA ITEM 9: DATE AND VENUE OF THE 2<sup>nd</sup> WORKING GROUP MEETING**

21. Malaysia informed the Meeting that it would host the 2<sup>nd</sup> WG Meeting in the second-half of 2008. The actual date and venue of the Meeting would be conveyed in due course.

**AGENDA ITEM 10: CONSIDERATION AND SIGNING OF THE MINUTES OF THE 1<sup>st</sup> WG MEETING**

22. The Meeting considered and adopted the Agreed Minutes of the 1<sup>st</sup> WG. The Heads of Delegation signed the Agreed Minutes.

**AGENDA ITEM 11: CLOSING REMARKS BY CHAIRPERSON**

23. The Chairperson once again expressed his deep appreciation and gratitude to the Ministry of Transport, Thailand for the excellent arrangements in the organization and expeditious conduct of this working group meeting.