

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

SECOND GOVERNORS' AND CHIEF MINISTERS' FORUM

REPORT

**Selangor, Malaysia
13 September 2006**



INDONESIA MALAYSIA THAILAND – GROWTH TRIANGLE (IMT-GT)

REPORT OF THE 2ND GOVERNORS' AND CHIEF MINISTERS' FORUM

PETALING JAYA, SELANGOR, MALAYSIA
13 SEPTEMBER 2006

INTRODUCTION

1. The Second Governors' and Chief Ministers' Forum was convened in Petaling Jaya, Selangor, Malaysia on 13 September 2006. The Indonesian delegation was led by H.E. H.M. Rusli Zainal, Governor of Riau Province and the delegation from Thailand was headed by H.E. Cherdpan Na Songkhla, Governor of Trang Province. The H.E. Dato' Seri Dr. Mohamad Khir bin Toyo, the Chief Minister of the State of Selangor Darul Ehsan, headed the Malaysian delegation and acted as the Chairperson of the Forum.

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

AGENDA ITEM 1: OPENING SESSION

2. The Governor of Riau Province, H.E. H.M. Rusli Zainal, in his opening remarks expressed his special thanks to the Chief Minister of Selangor for being the host of the Forum and for the warm welcome and kind hospitality extended to all delegates. He introduced the members of his delegation and called upon Malaysia and Thailand to introduce their delegations respectively. He noted that this is the second Forum and recorded his thanks to the H.E. Dato' Seri Mahadzir bin Khalid, the Chief Minister of Kedah for convening the first Forum in Langkawi.

3. He officially handed over the chairmanship of the Forum to the H.E. Dato' Seri Dr. Mohamad Khir bin Toyo, and expressed confidence that the Forum would be fruitful and successful under his chairmanship. The new Chairman expressed his appreciation and noted the importance of this Forum as a mechanism to strengthen the cooperation among the provinces. He was happy to note that the membership in IMT-GT increased from 10 to 25 states and provinces. He reiterated that the collective efforts to develop the sub-region rest on four main thrusts, namely, expanding and enhancing intra and

inter-regional trade between the IMT-GT member states; promoting cross-border investment in order to diversify the economic base of the sub-region; joint development of sectors with economic potential by the private sector; and improving the delivery mechanism for accelerating joint efforts of both the private and public sectors. He expressed that the IMT-GT can act as a catalyst towards the integration of ASEAN and promotes development among member states and provinces. He was also happy to note that the IMT-GT Roadmap for Development (2007-2011) will be presented by Asian Development Bank (ADB) in this Forum. He also called for the reduction of bureaucracy to facilitate investment.

The opening remarks are as in **Annex II**.

AGENDA ITEM 2: ADOPTION OF AGENDA

4. The Forum considered and adopted the Agenda of the IMT-GT Second Governors' and Chief Ministers' Forum which appears as **Annex III**.

AGENDA ITEM 3: ELECTION OF DRAFTING COMMITTEE

5. The Forum appointed 2 (two) representatives from each country as members of the drafting committee as follows:

- | | | |
|--------------|---|-------------------------|
| a) Indonesia | - | Mr. Jondi Indra Bustian |
| | - | Mr. Muhammad Ridwan |
| b) Malaysia | - | Mr. Che Azemi Haron |
| | - | Mr. Ravi Muthayah |
| c) Thailand | - | Mr. Choen Krainara |
| | - | Mrs. Achane Boonchai |

AGENDA ITEM 4: REPORT AND UPDATE OF THE IMT-GT GOVERNORS' AND CHIEF MINISTERS' FORUM

6. The Governor of Riau Province, Indonesia highlighted activities conducted since the first Forum. The socialization of the IMT-GT Governors' Forum with the Governors of Sumatera, held in Jakarta on 17 April 2006, received full support and enthusiasm from those who attended. Another important activities was the tabling of the proposal on the format and mechanism of the IMT-GT Governors' and Chief Ministers' Forum by Indonesia in the informal SOM in Bengkulu, Indonesia on 30 May 2006. He

then presented the working paper on the proposed mechanism which among others touched on the structure, period of Chairmanship (one year), frequency of meeting and the reporting mechanism.

The report on the proposed format and mechanism of IMT-GT Governors' and Chief Ministers Forum is as in **Annex IV**.

7. Thailand agreed on the proposal and suggested that the Governors' Forum be held immediately following the JBC Meeting. Malaysia, however, observed that the proposed structure seems to reflect the position of the Governors' Forum as secondary to the SOM and as such suggested the structure to be reviewed to reflect the parallel structure between SOM and Governors' Forum.

AGENDA ITEM 5: ASIAN DEVELOPMENT BANK PRESENTATION ON IMT-GT ROADMAP

8. Dr. Pradeep Srivastava of ADB briefed the Forum on the draft IMT-GT Roadmap as approved by the 13th SOM IMT-GT. The Forum was informed that the objective of the Roadmap is to provide a common vision and framework of cooperation to ensure that all IMT-GT instrumentalities move in the same direction and in a mutually reinforcing manner. It is comprehensive in structure and its content include stock taking; vision, goal and objective; strategic thrusts; programmes and action plan as well as implementing mechanism and financing. The proposed vision statement which was edited by SOM reads as "***seamless, progressive, prosperous and peaceful sub-region with improved quality of life***". The Roadmap also includes guideline on the formulation and implementation of programmes and projects; assist in mobilizing resources from development agencies, financial institutions as well as potential investors and broaden support for the IMT-GT sub-regional cooperation initiative.

9. 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.

The draft report of the IMT-GT Roadmap appears as **Annex V**.

AGENDA ITEM 6: REPORT AND UPDATE OF THE IMT-GT JOINT BUSINESS COUNCIL (JBC)

10. The H.E. Dato' Seri Abdul Rahman Maidin, Chairman of the IMT-GT JBC presented the IMT-GT JBC report to the Forum. He informed the Forum that JBC has set up several taskforces under the EXCO and Various ITGs of the JBC to implement and look into details of the projects or issues concerning the specific sectors such as airlines, energy hub, tourism and branding. He also forwarded proposals related to, among others, the new logo of IMT-GT JBC, to synchronize JBC meeting with the Governors' Forum and SOM twice a year, the inclusion of University Network (UNINET) as a supporting mechanism to IMT-GT and to declare the 2008 as Visit IMT-GT Year.

11. The Forum agreed to the proposals made by JBC. However, some proposals will need to be referred to the respective Governments of member countries for approval.

The report of the Chairman of the IMT-GT JBC appears as **Annex VI**.

AGENDA ITEM 7: OTHER MATTERS

12. The Chairman welcomed the province of Lampung, Indonesia and the state of Negeri Sembilan, Malaysia as new members of IMT-GT and stated that they will benefit by participating actively in the IMT-GT cooperation.

AGENDA ITEM 8: CLOSING

13. The Chairman thanked the delegates for their valuable contributions and noted that it has been a very fruitful Forum and hoped that the cooperation among member countries will reach new heights and make greater progress towards creating the sub-region into a more prosperous economic zone.