

AGREED MINUTES
2ND MEETING OF INDONESIA-MALAYSIA-THAILAND GROWTH TRIANGLE (IMT-GT)
WORKING GROUP ON AGRICULTURE, AGRO-BASED INDUSTRY AND ENVIRONMENT
(WGAAE)
PHUKET, THAILAND,
30 – 31 MAY 2008

INTRODUCTION

1. The 2nd Meeting of Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Working Group on Agriculture, Agro-Based Industry and Environment (WGAAE) was convened at Cape Panwa Hotel in Phuket, Thailand on 30 – 31 May 2008. The Indonesian Delegation was led by Dr. Gardjita Budi, Director of Domestic Marketing, Ministry of Agriculture, Indonesia. The Malaysian Delegation was headed by Madam Rosita binti Rahim, Deputy Undersecretary for Strategic Planning and International Division, Ministry of Agriculture and Agro-Based Industry (MOA), Malaysia. The Delegation from Thailand was headed by Mr. Pinit Korsieporn, Deputy Permanent Secretary, Ministry of Agriculture and Cooperatives (MOAC), Thailand. The Meeting was also attended by Dr. Hassan Ibrahim, Director of the Centre for IMT-GT Sub-Regional Cooperation (CIMT). The Meeting was chaired by Dr. Gardjita Budi of Indonesia as lead country of WGAAE. The Meeting was attended by 66 delegates. The list of delegates appears as **Annex I**.

AGENDA 1: OPENING REMARKS OF THE CHAIRPERSON AND HEAD OF DELEGATIONS

2. Dr. Gardjita Budi, on behalf of the Indonesian Delegation, extended his appreciation to the Governor of Phuket, and the Ministry of Agriculture and Cooperatives (MOAC) for their excellent arrangement in organising of the Meeting. He reminded that the current recent escalating energy price and food shortage issues are inter-related and posing a new challenge to the agricultural sector to ensure that food shortage problem can be mitigated and not let to prolong as it will directly affect the well-being of people at large. He further stressed that managing of renewables, raw materials and natural resources are now becoming more important to ensure that the environment is also well taken care as IMT-GT pursues its economic development. He also expressed the need for IMT-GT countries to revise their agricultural policies to address new global trend of crops being produced for energy purpose, so that the IMT-GT countries would not face the adverse impact on food supply shortages. The full text of his remarks appears as **Annex II**.

3. Madam Rosita binti Rahim highlighted on the global problem where about 850 million people live at the brink of hunger, and about 820 million of them live in developing countries. She also mentioned that it was timely for the IMT-GT member countries to address the specific challenges brought about by the escalating energy and food prices that for certain will affect the lives and well-being of the IMT-GT population. On behalf of the Malaysian Delegation, Madam Rosita expressed her gratitude to Thailand for hosting the Meeting and taking all details to ensure a comfortable and successful Meeting. The full text of her remarks appears as **Annex III**.

4. Mr. Pinit Korsieporn, first read the written speech of the Governor of Phuket, Mr. Niran Kalayanamit. The Governor expressed that it was an honour for the 2nd Meeting of IMT-GT WGAAE to be held in Phuket, and he warmly welcomed all delegates to the Island. He encouraged the delegates to visit the Tsunami Early Warning System that had been installed in the Island Province since 2004, as this system was specified as one of the cooperation projects in IMT-GT under this particular Working Group. The full text of his remarks appears as **Annex IV**.

5. Mr. Pinit Korsieporn, in his own speech, mentioned that IMT-GT is one of the most active programmes to improve the quality of life for the population of the sub-region. He shared the same opinion as his colleagues from Indonesia and Malaysia on the escalating prices of energy and food as a big challenge to the sub-region, and reiterated the need for the three member countries to review their agricultural policies to include energy as one of objectives of the policies. He also welcomed all delegates to the Meeting and ensured that all Thai delegates would provide warm hospitality to the delegates from Indonesia and Malaysia to ensure a memorable stay in Phuket. The full text of his remarks appears as **Annex V**.

AGENDA 2: APPOINTMENT OF DRAFTING COMMITTEE

6. The Meeting appointed a drafting committee as follows:

Indonesia : Mr. Maruli Indra

Dr. Iskandar Panjaitan

Malaysia : Mr. Abdul Rahman bin Abdul Wahab

Mr. Muhamed Salim bin Mohd Ali

Thailand : Mr. Kasem Prasutsangchan

Dr. Margaret C. Yoovatana

Ms. Sumitra Pooltong.

AGENDA 3: BUSINESS ARRANGEMENTS

7. The Meeting was held in plenary. The details of the programme appear as **Annex VI**.

AGENDA 4: ADOPTION OF THE AGENDA

8. The Meeting adopted the revised agenda as appears in **Annex VII**.

AGENDA 5: PRESENTATION OF THAILAND STRATEGIES FOCUSED ON IMT-GT AREA

9. Thailand presented the development strategies of the Southern region of Thailand within the context of the IMT-GT development. The presentation highlighted the development directions of the southern region which could be divided into 4 clusters based on the development potentials i.e.; 1) tourism cluster along the Andaman Coast which covers Phuket, Phang Nga and Krabi provinces, and along the Gulf of Thailand; 2) upstream iron and steel industry cluster in Prachuap Khiri Khan and Chumphon provinces; 3) agro-Industry and bio-fuels cluster in Krabi province along the Gulf of Thailand and provinces bordering Malaysia namely Pattani, Yala, Narathiwat and Satun; and 4) petrochemicals and power plant cluster in Nakhon Sri Thammarat, Songkhla and Pattani provinces. The presentation further highlighted that the

Andaman Coast and the Gulf of Thailand would be connected by multimodal transport system (Road-Rail-Pipeline-Seaport). Thailand's presentation appears as **Annex VIII**.

10. The Meeting was of the opinion that the presentation from Thailand was an excellent idea for the other two member countries to understand the medium and long-term strategies of Thailand, so that Malaysia and Indonesia could also make similar presentations in the future. However, the Meeting was also of the opinion that the presentation should also highlight on particular strategies relevant to the Working Group.

AGENDA 6: REVIEW OF PROPOSED ACTIVITIES AND PROGRAMMES FROM THE 1ST MEETING OF WGAAE (TO BE IMPLEMENTED IN 2007)

6.1) Framework of Malaysia and Indonesia Collaboration to Deal with Land and Forest Fires

11. Indonesia reported that a draft Memorandum of Understanding (MoU) between Indonesia and Malaysia had been prepared under bilateral cooperation. Therefore the Meeting agreed to remove this initiative from the Agenda.

6.2 and 6.3) Establishment of the IMT-GT Fisheries Website

12. Indonesia reported that the project was now fully operational and was in the process of giving a domain name and establishing linkages with relevant Ministry's and Departments' websites. The Meeting agreed that this project be managed and maintained by the designated webmaster, i.e. Indonesia. The Meeting urged member countries to review, update and enhance their data inputs regularly, using passwords to be provided, in order to keep the database accurate, secure and timely. The Meeting requested each country to appoint their focal points for this purpose so that they could discuss and establish network. The Meeting also advised CIMT to link its website with this IMT-GT Fisheries Website.

6.4) IMT-GT Expo and Seminar for Fisheries

13. The Meeting was informed that this project was decided in the 1st Meeting of the WGAAE in Port Dickson, Negri Sembilan, Malaysia in 2007 as an annual event. The first IMT-GT Expo and

Seminar for Fisheries was organized in Batam, Indonesia, from 1st – 4th November 2007. Thailand agreed to host the second event in 2008 while Malaysia will host the third event in 2009. Thailand presented details of the 2nd IMT-GT Fisheries Expo and Seminar 2008 that will be organized under the theme, “Sustainable Aquaculture and Fisheries for Prosperity in IMT-GT”, during 20th – 23rd November 2008 in Phuket. The tentative programme of the seminar was also presented which further highlighted that the Director General’s Forum will be held on the first day of the event. Ten booths each will be allocated to Indonesia and Malaysia, with the first five booths provided free-of-charge. The 1st Announcement of the 2nd IMT-GT Fisheries Expo and Seminar 2008 appears as **Annex IX**.

6.5) Compile and Disseminate Information on Policies, Rules and Regulations Covering Investment in Agriculture

14. The Meeting agreed to drop this project for the time being to focus on the development of IMT-GT Fisheries Website.

AGENDA 7: REVIEW OF AGREED PROJECTS FROM THE 1ST MEETING OF WGAAE AND 2ND IMT-GT PLANNING MEETING (TO BE IMPLEMENTED IN 2008)

7.1) Establishment of Beef Cattle Breeding Centre in IMT-GT Regions

15. The Meeting noted that this project, previously proposed by Indonesia had been completed in 2007.

7.2) Joint Venture on Banana Estate in Nanggroe Aceh Darussalam (NAD)

16. The Meeting noted that this joint project between the Directorate-General of Horticulture, Indonesia in collaboration with NAD Provincial Agricultural Service, Federal Agricultural Marketing Authority (FAMA), Malaysia, and the Joint Business Council of Malaysia had been completed in 2007.

7.3) Market Access and Quality Improvement for Horticulture Products

17. The Meeting noted that this cooperation project between Kota Dumai Cooperative of Riau Province with Tjajah Malacca Berhad Development Cooperative of Malacca in pineapple trade had been completed.

7.4) Freshwater Cluster Industry Development in Ex-Mining Ponds

18. The Meeting noted that this was a Joint Business Council (Indonesia) project coordinated by Bangka Belitung Province Marine and Fisheries Agency of Indonesia. Indonesia presented this proposal for possible investment on ex-tin mining areas such as recreation, fishery and integrated aquaculture. Indonesia's presentation appears as **Annex X**.

7.5) Integrated Seaweed Industry in IMT-GT Region.

19. The Meeting requested Indonesia to prepare a business profile for this project to be offered to potential investors in both Malaysia and Thailand. Thailand informed the Meeting that there was high demand for seaweed in Thailand – but nevertheless, Thailand's initiative on this project was not quite successful due to high salinity of its water.

7.6) Marine Culture Development in IMT-GT region.

20. Indonesia informed the Meeting that more than a billion hectares of area have high potentials for marine culture development. Indonesia has been requested to provide more information about the project to be distributed to the members of the Working Group.

7.7) Develop Policies and Framework for Strengthening Cooperation in the Management and Protection of Natural Resources in IMT-GT Sub-region; and

7.8) Promote and Support the Use of Environmentally – Friendly Technologies and Approaches in Agriculture, Agro-Industry and Tourism in the IMT-GT.

21. The Meeting agreed item 7.7 and 7.8 to be covered under agenda 8.5, which would be presented by CIMT.

7.9) Cooperate in the Control and Improve Surveillance Public Awareness and Response to Pandemics due to Possible Trans–Boundary Animal Diseases and Natural Disasters

22. The Meeting agreed to drop this project due to lack of details.

AGENDA 8: NEW PROPOSALS, INITIATIVES AND PROJECTS

8.1) Food Safety Project

23. The Meeting agreed to drop this project due to lack of details.

8.2) New Palm Oil Plantation (Felda-Like)

24. The Meeting agreed to drop this project due to lack of details.

8.3) Establishment of Agro-Industrial Zone within IMT-GT

25. The Meeting agreed to transfer this project under the IMT-GT Working Group on Trade and Investment.

8.4) Policy Support for Cross-Border Contract Farming

26. The Meeting agreed to drop this project due to lack of details.

8.5) Energy, Environment and Natural Resources Programme

27. CIMT presented a Concept Paper on Energy and Environment to be introduced to IMT-GT cooperation as directed in the Joint Statement of the 3rd IMT-GT Summit on 19 November 2007, "... committed and resolved to strengthen and accelerate cooperation in Energy, Environment...". CIMT also clarified that the Concept Paper is also addressing Programmes 4.1.1 and 4.1.2. as stipulated in the IMT-GT Roadmap 2007 – 2011 for WGAAE to implement. CIMT mentioned that as Energy and Environment are crosscutting sectors, it may be more effective if the Energy and Environment Programme is integrated in all six IMT-WGs, rather than establishing two new WGs. CIMT proposed for two Task Forces to be established, for Energy, and for Environment; with members comprising representatives of the existing WGs and representatives from the Ministry on Environment from the IMT-GT Member Countries. The Task Force on Environment is to be led by the WGAAE. CIMT's presentation appears as **Annex XI**.

28. The Meeting took note of CIMT's presentation and viewed that as the programme involved all IMT-GT Working Groups, more direction from the Senior Officials Meeting would be required.

8.6) Beef Cattle and Goats Production Biotechnologies IMT-GT Network

29. Thailand made a presentation on the project which focused on increasing the productivity and income of farmers in the IMT-GT area by raising crossbred beef cattle as well as meat and dairy goats by utilizing reproductive biotechnologies, and the establishment of cooperation and network of beef cattle, goats production by using reproductive biotechnologies in the IMT-GT. The proposal is attached as **Annex XII**.

30. The Meeting agreed that Thailand and Indonesia would establish their own centres and to be networked. It was also agreed that further cooperation would be developed. Malaysia took note of the proposal and would inform Thailand of its comments after consultation with the Ministry and related agencies in the country.

8.7) The International Breeding Centre for Cattle

31. Indonesia presented the proposal on international breeding centre for cattle. Various types of cooperation are proposed in this framework, among others: research, exchange of experts, improving market access through promotion including trade expo, farmer exchange programme, and establishment breeding centre facilities conforming international standards. The presentation is as per **Annex XIII**.

32. The Meeting agreed on this proposal and suggested for the proposal to be merged with the above proposal (8.6) from Thailand.

8.8) Promoting IMT-GT Agro-Industrial Products through Exchanging Experience in Environmental Management on Palm Oil Plantation

33. Indonesia has proposed to hold workshop-covering GAPs of each country and environment standard, the introduction of PROPER (Performance of Environmental Rating for Industries) and other programmes from each country as well as the discussion on strategic communication countering negative campaign. Outputs expected from the workshop would be, among others: campaign material and publication; campaign programmes and activities published through website; codification of standard and procedure; dissemination of information resulting from meetings among member countries within the Crude Palm Oil Association. The proposal is as per **Annex XIV**. Malaysia took note of the proposal and would discuss it further among the relevant agencies before giving any comments.

8.9) Establishment of Oil Palm for Green Biological Energy Scheme

34. Thailand presented the project which proposed two activities; 1) related to the supply management scheme of oil palm on price and productivity, and 2) the green energy management for environmental scheme. The activities proposed includes the establishment of the International Tripartite on Oil Palm Council, and setting-up of Krabi Oil Palm Research Center to serve as International Research Center for Green Biological Energy for Oil Palm, and the development and management of B100 crude palm oil for green energy and environment. The text appears as **Annex XV**.

35. During deliberation on the project proposal, Indonesia informed the Meeting that there has been difficulty in encouraging the participation of the private sector due to the high demand for oil palm and suggested that there is a need to also consider market demands. Malaysia would consult with relevant authorities before giving further comments.

8.10) Promotion of Environmentally-Friendly Technologies and Approaches in Agriculture, Agro-Industry and Agro-Tourism in the IMT-GT

36. The Meeting took note of Thailand's project proposal on the promotion of environmentally-friendly technologies and approaches in agriculture, agro-industry and agro-tourism in the IMT-GT. The proposal has two main components namely the transfer and promotion on the use of environmentally-friendly technologies and approaches in agriculture and agro-industry through the organization of study visits comprising of farmers, experts, and private sector. The report appears as **Annex XVI**. The Meeting would further discuss and provide comments in the next meeting of WGAAE.

8.11) Market Access and Quality Improvement for Horticultural Produce

37. The Meeting took note of Thailand's project proposal on the market access and quality for horticulture products. The proposal has five components, namely: 1) study on the distribution system for tropical fruits and vegetables in IMT-GT countries, 2) develop trading promotion strategies for horticultural produce and organization of IMT-GT horticulture exposition, 3) transfer of technology on the improvement of quality and post-harvest handling for horticulture produce through exchange of study visits of farmers, experts, and the private sector, 4) establish of supply-chain mechanism for the IMT-GT sub-region, and 5) establish an IMT-GT central market for horticulture produce. The details appear as **Annex XVII**. The Meeting would further discuss and provide comments in the next meeting of WGAAE.

8.12 Investment on Tuna Fish in West Sumatera

38. The Meeting was informed that West Sumatera is blessed with rich nature on marine fisheries shown by wide marine zone and long coastline. This region has been established as a Tuna centre in western part of Indonesia. The huge potential of the region for marine fisheries is supported by the existence of Bungus ocean fisheries port located in Padang-Painan street which is supported by various facilities. Indonesia is invited to present this proposal at the IMT-GT

Fisheries Expo and Seminar 2008. The Meeting would further discuss and provide comments on the next WGAAE Meeting. The presentation is as per **Annex XVIII**.

AGENDA 9: OTHER MATTERS

39. The Meeting requested CIMT to ensure a more effective communication process between the various stakeholders of the IMT-GT. The Meeting also requested CIMT to regroup the IMT-GT WGAAE projects into two categories; Business Investment Opportunities and Technical Cooperation.

40. The Meeting agreed that all future project proposals should be furnished with sufficient information according to the project proposal format, which appears in Annex D of IMT-GT Roadmap for Development 2007-2011. The project proposal format appears as **Annex XIX**. CIMT is urged to ensure that this requirement is practiced by all stakeholders in IMT-GT. The Meeting also reaffirmed that any future project proposals should abide the Terms of Reference of the WGAAE.

41. The Meeting requested CIMT to ensure that IMT-GT programmes and projects are continuously and closely monitored and coordinated with respect to their proposals, implementation status, and issues that may impede their implementations. Such exercises would help ensure future Working Groups meetings proceed more smoothly. The Meeting also requested CIMT to assess the programmes and activities listed in the IMT-GT Roadmap 2007 – 2011, and advise the WGAAE accordingly.

42. The Meeting took note on CIMT's announcement that the dates for the 15th Senior Officials Meeting (SOM) and Ministerial Meeting (MM) to be held in Palembang, Indonesia have been postponed from end August 2008 to 19th – 24th October 2008. CIMT further informed that the

date for the 4th IMT-GT Summit in Bangkok, Thailand has been decided to be in the afternoon of 15th December 2008.

43. Anticipating the approach of the 15th SOM and MM, The Meeting took note on CIMT's request for cooperation of all working groups to submit their report to SOM in written form together with relevant attachments such as agreed minutes of the working groups latest one week before the SOM.

44. The Meeting agreed that the project on Regional Halal Corridor, as appeared in the 2nd IMT-GT Planning Meeting Working Group Consolidated Action Plans for 2008 to be transferred to the Working Group on Halal Products and Services (HAPAS).

45. On the role of the IMT-GT planning meeting to prioritize annual implementation of the projects stipulated in the roadmap 2007-2011, the Meeting stressed that the WGAAE would be the final body in endorsing the various outcomes of the planning meeting.

AGENDA 10: DATES AND VENUE OF THE NEXT MEETING

46. The Meeting agreed that the Third Meeting of WGAAE would be hosted by Indonesia in Bukit Tinggi, West Sumatera in June 2009. The host country would inform member countries on the agenda of the meeting and other information at least one month ahead.

AGENDA 11: ADOPTION OF THE AGREED MINUTES

47. The Meeting considered and adopted the Agreed Minutes of the Second Meeting of IMT-GT WGAAE.

AGENDA 12: CLOSING REMARKS OF CHAIRPERSON AND THE HEAD OF DELEGATIONS

48. Madam Rosita binti Rahim, on behalf of the Malaysian Delegation congratulated the Chairperson for his excellent chairmanship of the Meeting, and commended that the meeting was

very fruitful and successful. She also expressed her appreciation to Thailand, particularly the office of the Governor of Phuket and the Ministry of Agriculture and Cooperatives (MOAC) for the excellent organizing and hosting of the Meeting.

49. Mr. Pinit Korsieporn, on behalf of the Delegation of Thailand expressed his appreciation to the Chairperson that the Meeting was conducted with full spirit of mutual friendship and trust. He believed that the WGAAE has indeed tried to achieve the aspiration of the IMT-GT cooperation particularly to promote cooperation, business and investment in the agricultural sector that will directly help to improve the livelihood of the IMT-GT community. Mr Pinit Korsieporn requested all delegates to spend the remaining hours or days in Phuket to enjoy and get the best of their stay, and hope that they will come again to Phuket in future.

50. Dr. Gardjita Budi, on behalf of the Indonesian Delegation, and as Chairman of the WGAAE expressed his thanks and gratitude to Thailand for the excellent arrangement in hosting the Meeting and for the hospitality extended to all delegates of the Meeting. He also thanked the Heads of the Delegation from Malaysia and Thailand, and all other delegates who have contributed significantly to the success of the Meeting.