

**REPORT OF THE
3RD MEETING OF INDONESIA-MALAYSIA-THAILAND GROWTH TRIANGLE (IMT-GT)
WORKING GROUP ON AGRICULTURE, AGRO-BASED INDUSTRY AND ENVIRONMENT
(WGAAE)
BUKITTINGGI, WEST SUMATERA, INDONESIA,
30th JUNE – 1st JULY 2009**

INTRODUCTION

1. The 3rd Meeting of Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Working Group on Agriculture, Agro-Based Industry and Environment (WGAAE) was convened at the Hills Hotel in Bukittinggi, West Sumatera, Indonesia on 30 June – 1 July 2009. The Indonesian Delegation was headed by Dr. Gardjita Budi, Director of Domestic Marketing, Ministry of Agriculture, Indonesia. The Malaysian Delegation was headed by Mr. Mohd Noor Rashid B. Mat Taharim, 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. Sakchai Sriboonsue, Deputy Permanent Secretary, Ministry of Agriculture and Cooperatives (MOAC), Thailand. The Meeting was also attended by representatives from the Centre for IMT-GT Sub-Regional Cooperation (CIMT) and the Asian Development Bank (ADB). The Meeting was chaired by Dr. Gardjita Budi of Indonesia as lead country of WGAAE. The Meeting was attended by 46 delegates. The list of delegates appears as **Annex I**.

2. Dr. Bambang Istijono, Head of Planning and Development Board of West Sumatera Province, on behalf of West Sumatera Governor, also attended the Meeting and delivered his opening speech. He stressed that in the middle of global financial crisis, more benefits should be derived from the cooperation programme of IMT-GT so that the sub-region could diminish the impacts of the global crisis. He added that the sub-region needed to develop further skills, science and technology, capital productivity and product differentiation in order that the primary products could be enhanced to become high quality manufactured products. His speech appears as **Annex II**.

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

3. Dr. Gardjita Budi, Head of the Indonesia Delegation, welcomed the delegations from Malaysia and Thailand to the Meeting and expressed his hope that the delegates would also enjoy the cool and fresh air of Bukittinggi. He also reminded that the recent global economic condition needed to be responded by creating more competitive trading opportunity; maximizing domestic trading and boosting export; to help local producers; and to find

cooperative areas that brought about more substantive benefits. There were a lot of similarities on the kind of agriculture commodities produced by Member Countries. To expand the market within and out of the region, the IMT-GT needed to explore strategic policies such as joint promotion and exhibition. He further stressed that better communication should be established between central and local governments, between government and the private sector, as well as among private sectors of the Member Countries.

4. Mr. Mohd Noor Rashid B. Mat Taharim, Head of the Malaysian Delegation, expressed his appreciation to the Government of Indonesia and West Sumatera for the excellent hosting of this Meeting. He expressed the importance of this Meeting as a platform to prioritize cooperation and also to deliberate effectively the various programmes and activities as mentioned in the IMT-GT Roadmap for the benefit of the Member Countries. The full text of his remarks appears as **Annex III**.

5. Mr. Sakchai Sriboonsue, Head of the Thai Delegation, thanked the Government of Indonesia and West Sumatera for hosting the Meeting and the hospitality extended to the Thai Delegation. He expressed to the Meeting that agriculture played a vital role in achieving food security as well as alternate energy. He added that Thailand was capable of producing adequate staple crops for consumption and biofuel without putting food security in jeopardy. However, Thailand highly regarded the issue of price fluctuation in food and energy as a national agenda. He also mentioned that IMT-GT Member Countries should join hands in modernizing agricultural techniques to help increase productivities ~~and focusing on trade and investment. He further added that IMT-GT should further focus on~~ trade and investment to enhance value-added and market accessibility for the benefit of the Member Countries. The full text of his remarks appears as **Annex IV**.

AGENDA 2: ADOPTION OF THE AGENDA

6. The Meeting adopted the Agenda after accommodating the concern related to the preparation of Working Group Report to the Senior Officials Meeting (SOM) into Agenda 6 (OTHER MATTERS). The Agenda appears in **Annex V**.

AGENDA 3: BUSINESS ARRANGEMENTS

7. The Meeting was convened in plenary and appointed a drafting committee as follows:

Indonesia : Ms. Jogarini Pramati
Mr. Rahmat Bagus Suharyo

Malaysia : Mr. Muhamed Salim Mohd Ali
Mr. Arthur Besther Sujang

Thailand : Ms. Ratana Thanomsakyuth
Mr. Viboon Yiengvisavakul

AGENDA 4: PROGRESS REPORT AND UPDATES OF PROPOSED ACTIVITIES AND PROGRAMME FROM 1ST and 2ND WGAAE MEETINGS.

4.1 IMT-GT Network for Animal Production and Biotechnology

8. The Meeting took note on the brief proposals of “Beef Cattle and Goats Production Biotechnology IMT-GT Network” and “The International Breeding Center for Cattle” that were presented by Thailand and Indonesia, respectively, during the 2nd WGAAE in Phuket, and agreed to be merged and revised as one project under the new title of “IMT-GT Network for Animal Production and Biotechnology” in the 3rd Planning Meeting in Pekanbaru. The objectives of this combined project were as follows:

- To increase production and productivity of Beef Cattle, Meat and dairy Goat crossbreds as well as increase farmers’ income;
- To share technology and experience among the IMT-GT sub-region; and
- To prepare training modules for field technicians and farmers to improve crossbred quality of beef cattle as well as meat and dairy goats.

9. The Meeting requested Indonesia and Thailand to re-formulate the merged project document and forward to Member Countries for consideration.

4.2 Freshwater Cluster Industry Development in Ex-mining Ponds

10. The Meeting was informed that the Bangka Belitung Province had a huge potential of ex-mining ponds scattered throughout the province. In order to increase the utilization of fish products, Indonesia presented the opportunities to invest and utilize the ex-tin mining areas in Bangka Belitung for fresh water fish culture. Indonesia also informed that unconnected ex-mining ponds could only be used once the mine had ceased operation after 25 years, and feasibility studies had been carried out on the ex-mining ponds.

11. With this regard, Malaysia seeks information from Indonesia on details and how this project could be implemented and the strategies to spearhead this project. Malaysia also seeks technical report from Indonesia on the current status of the use of ex-mining ponds since there was concern on water quality and chemical contaminations such as arsenic.

12. Thailand informed the Meeting that there was no interest shown by the Thai private sector in fish farming in ex-mining ponds. However, the private sector was keen in promoting tourism and water reservoirs such as the ones located in Phuket and Phang-Nga.

4.3 Integrated Seaweed Industry in IMT-GT Region

13. Indonesia presented the proposal on integrated seaweed industry development in the sub-region. The meeting acknowledged that the seaweed industry in BIMP-EAGA was running well with a good system and cooperation within the public and private sector. Therefore this cooperation could be expanded into the IMT-GT sub-region.

14. Indonesia invited the IMT-GT Member Countries to invest in the seaweed processing plant in IMT GT region. The Member Countries agreed to develop the seaweed industry and would inform their respective private sector to participate in the project. However, Thailand informed the Meeting that the previously interested private companies had diverted their interests from utilizing seaweed to artificial feed in Abalone cultivation.

15. The Meeting then proposed CIMT to communicate with relevant parties within the BIMP-EAGA to emulate their success in seaweed cultivation.

4.4 Cooperation on Marine Fisheries and Aquaculture

16. The Meeting was informed that the Marine Fisheries and Aquaculture website had already been established and completed. The Meeting requested that this website be linked to the IMT-GT website and the completion of the project would be announced during the 16th IMT-GT Senior Officials' Meeting in Melaka, Malaysia in October 2009.

4.5 Marine Culture Development in IMT-GT Region

17. The Meeting requested the details of this project proposal from Indonesia to be distributed to Member Countries within 2 months from this meeting.

4.6 IMT-GT Expo and Seminar for Fisheries

18. Thailand informed the Meeting on the outcome of the 2nd IMT-GT Fisheries Expo and Seminar 2008 held in Phuket between 20-23 November 2008.

19. The Meeting was informed that the 3rd Expo & Seminar 2009 would be held from the 3 – 6 November 2009 at Putra World Trade Centre (PWTC), Kuala Lumpur. This expo and seminar would run concurrently with the Asian-Pacific Aquaculture 2009 Conference and Malaysia International Seafood Exposition (MISE). The organizing committee would provide 5 booths each for Indonesia and Thailand free of charge at MISE but added that more booths would be made available on a rental basis. Other expenses would be borne by the Member Countries.

20. The Meeting proposed Malaysia to include a session for Business Matching or Gathering for Business Partners to promote their products or any other business venture.

21. Further information regarding Expo and Seminar could be obtained from the following contact persons:

Dr. Mazuki Hashim
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62628 Putrajaya
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E-mail: arthur@dof.gov.my

4.7 Investment on Tuna Fish in West Sumatera

22. The Meeting was informed by Indonesia on the proposal to set up a Tuna Fishing Port at Bungus, West Sumatera and would seek the approval from IMT-GT Member Countries to support this initiative, taking into consideration of the existing tuna fishing port at Phuket and Malaysian International Tuna Port (MITP), Penang. Further cooperation needed to be enhanced in terms of marketing. Each fishing port had its own potential to access major markets for their products through direct air linkages through nearby international airports.

23. Thailand informed the Meeting that many Thai fishing vessels had stopped operating during the period of high fuel price. Since the operation has resumed, Thailand requested Indonesia to provide the list of contact persons to their private sector who were still interested in this initiative.

4.8 Promoting IMT-GT Agro Industrial Product through Exchanging Experience in Environment Management on Palm Oil Plantation;

4.9 Establishment of Oil Palm for Green Biological Energy Scheme; and

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

24. The Meeting took note on Indonesia's proposal to merge project 4.8, 4.9 and 4.10 since there were similarities in terms of their objectives. Therefore, the Ministry of Environment of Indonesia would lead the discussion to merge the proposals with Thailand

within 2 months. Thailand reiterated that the proposals needed to be studied and would communicate via e-mail within the agreed time frame.

25. Malaysia agreed with Indonesia that under Project 4.8, the discussion on strategic communication countering negative campaign had been taken up through Bilateral Cooperation on Commodities between Malaysia and Indonesia. Malaysia also agreed with Indonesia that under Project 4.9, the supply management scheme of palm oil price and productivity involved national policies and should therefore be discussed under a different forum.

26. The Meeting agreed that Indonesia and Thailand should further discuss a combined new proposal to be presented to Member Countries for comments.

4.11 Market Access and Quality Improvement for Horticulture Produce

27. The Meeting took note that the project would be suspended until 2011 due to unexpected circumstances. Indonesia, however, suggested that Thailand should make preparation plans for future implementation.

4.12 Research on Hybrid Paddy Seed

28. The Meeting was informed that this project was proposed by JBC during the 15th SOM. As no additional information was provided by JBC to date, the Meeting requested CIMT to liaise with JBC for further clarifications. The Meeting also suggested the proposal to be dropped if no information were furnished by JBC by the next Meeting.

AGENDA 5: NEW PROPOSALS, INITIATIVES AND PROJECTS

29. There were two new proposals as follows:

- Thailand – Strengthening of Fishing Industry among IMT-GT Sub-region; and
- Indonesia – Sustainable Farming and Post Harvest Handling for Carrot and Potatoes Development.

The proposals appear as **Annex VI**.

30. The Meeting agreed that these proposals be further examined with regards to their importance, taking note that the existing programmes and projects in the Roadmap should be prioritized in the current Mid-Term Review process. However, the projects could be pursued if they were in-line with the existing programmes of the IMT-GT Roadmap.

AGENDA 6: OTHER MATTERS

31. As part of improving the IMT-GT Working Groups (WGs) reporting format to the IMT-GT SOM, CIMT proposed a standardized reporting format for the WGs. The standardized templates include three types of report submissions:

- Full report of the accomplishment of the WGs' activities since the previous SOM, in Words document;
- The Powerpoint version of the same report; and
- A synthesis of the full report to be inserted in the Agreed Minutes of SOM.

32. The meeting requested CIMT to distribute the template to the Country Chairs of the WGs together with the report of this Meeting to SOM as a first example.

33. Malaysia reiterated the role of the private sector as the driver of the IMT-GT projects with the public sector reacting as facilitators to assist the smooth implementation of the private sector projects. As such, more private sector projects should be given emphasis by the WGs Meetings.

AGENDA 7: CONSIDERATION AND ADOPTION OF THE REPORT

34. The meeting considered and adopted the report of the 3rd WGAAE Meeting.

AGENDA 8: DATES AND VENUE OF THE NEXT MEETING

35. The Meeting agreed that the 4th WGAAE Meeting would be hosted by Malaysia in 2010. The date and venue would be informed later. This, however, would be subject to the decision of the 16th SOM with respect to a new proposal planned by CIMT to SOM on a new WG meetings format which would improve the meetings' efficiency and strengthen the linkage and collaboration between the stakeholders both within the government and the private sector.

AGENDA 9: CLOSING REMARKS OF THE CHAIRPERSON AND THE HEAD OF DELEGATIONS

36. Mr. Mohd Noor Rashid B. Mat Taharim, Head of the Malaysian Delegation expressed his appreciation to the Chairman for his excellent chairmanship, and steering the Meeting to a successful end. He noted that the Meeting had all proceeded with mutual friendship and trust. He expressed his hope that the decisions arrived at during the Meeting had brought about another mileage in enhancing the development of the IMT-GT sub-region.

37. Mr. Sakchai Sriboonsue, Head of the Thai Delegation congratulated the Chairman for stewarding the Meeting to a successful end. He also expressed his sincere appreciation to all parties involved for making it possible for all delegates to expeditiously carry out their tasks smoothly, and the making the Meeting successful.

38. Dr. Gardjita Budi, as Chairman of the WGAAE expressed his thanks and gratitude to West Sumatra government 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 Delegation from Malaysia and Thailand, and all other delegates who have contributed significantly to the success of the Meeting.