



**REPORT OF THE  
INDONESIA-MALAYSIA-THAILAND GROWTH TRIANGLE  
12<sup>TH</sup> CHIEF MINISTERS AND GOVERNORS FORUM**

**TH HOTEL AND CONVENTION ALOR SETAR  
KEDAH DARUL AMAN, MALAYSIA**

**13 NOVEMBER 2015**

**INTRODUCTION**

1. The 12<sup>th</sup> Chief Ministers and Governors' Forum (CMGF) of the Indonesia-Malaysia-Thailand Growth-Triangle (IMT-GT) was convened on 13 November 2014 at TH Hotel and Convention Alor Setar in Alor Setar, Kedah state, Malaysia. The Malaysian Delegation was led by H.E Dato' Seri Haji Mukhriz Bin Tun Mahathir, Chief Minister of Kedah State who was also Chairperson of the Meeting. The Indonesian Delegation was led by H.E Mr. Arsyadjuliandi Rachman, Governor of Riau province. The Thailand Delegation was led by H.E Mr. Pakpong Tawipattana, Governor of Phang Nga province. The Meeting was also attended by respective States and Provinces, respective IMT-GT Senior Officials, Chairperson of the IMT-GT Joint Business Council (JBC), Mr. James Nugent, Director-General of Southeast Asia Department of the Asian Development Bank (ADB), respective National Secretariats (NS), and Mr. Pairote Potivong, Director of Centre for IMT-GT Sub-regional Cooperation (CIMT).

The list of delegation appears as **ANNEX I**.

**AGENDA 1: OPENING REMARKS**

2. H.E Dato' Seri Haji Mukhriz Bin Tun Mahathir, the Chairperson of the 12<sup>th</sup> CMGF started the Meeting by delivering his Opening Remarks, and warmly welcomed all the delegates to Alor Setar, Kedah state, Malaysia.
3. The Chairperson highlighted that IMT-GT cooperation has achieved many progresses although there are still many challenges and obstacles ahead. In this regard, greater collective cooperation needs to be pursued. Provincial and State governments of the three countries have to share information, best practices, and other valuable experiences in order to deepen cooperation in the implementation of forthcoming IMT-GT projects and programs.

A copy of the Chief Minister of Kedah state's speech appears as **Annex 2**.

4. H.E. Arsyadjuliandi Rachman, Head of Indonesian Delegation expressed his appreciation for the warm welcome and hospitalities extended to Indonesian Delegation and also expressed his delight to have the opportunity to be responsible to IMT-GT cooperation once again after serving IMT-GT as Chairperson of Joint Business Council (Indonesia) in the past. He also expressed his commitment in the position of Indonesia's CMGF Chairperson in bringing IMT-GT even in deeper and more concrete cooperation in the future.

A copy of Governor of Riau province’s speech appears as **Annex 3**.

5. H.E. Mr. Pakpong Tawipattana, Head of Thailand’s Delegation also conveyed his appreciation to Malaysia as the host in arranging the Meeting in a wonderful atmosphere. He also expressed his delight for the success of CMGF since the formation of this forum 12 years ago and also stressed on the need for further cooperation in the IMT-GT as it is one of the key for economic development in ASEAN.

A copy of Governor of Phang Nga province’s speech appears as **Annex 4**.

**AGENDA 2: ADOPTION OF THE AGENDA AND APPOINTMENT OF THE DRAFTING COMMITTEE MEMBERS**

6. The agenda was agreed by all and the drafting committee members were also appointed from the respective countries of Indonesia, Malaysia and Thailand as follow:

<b>Country</b>	<b>Name</b>
Indonesia	1. Ms. Netti Nuharni 2. Ms. Amelia Tampubolon
Malaysia	1. Mr. Mohammad Izuddin Idris 2. Mr. Ruzana Abd. Razak
Thailand	1. Mr. Kittipol Chotipimai 2. Associate Professor Dr. Mitrchai Chongchiewchumnan

**AGENDA 3: STATE/PROVINCIALS’ REGIONAL COOPERATION PROJECT**

7. IMT-GT states and provinces presented on their existing and new cross-border and recommendations as follows:

**7.1 Indonesia**

- a. Indonesia presented 2 projects namely on updates on the Air and Maritime Connectivity and on IMT-GT Syariah Compliance Tourism Proposal by the province of Aceh.

A copy of the presentation appears as **Annex 5**.

- b. On new proposals, Maritime connectivity between Sabang, Aceh-Phuket-Penang was stated that the yacht link between Sabang and Phuket has commenced, while the discussion to link Sabang Port is currently ongoing.

A copy of the presentation appears as **Annex 6**.

- c. Potential Reverse Investments of Aceh Province (Agro Industry) achievements were also reported at the areas of Agro Bazaar Aceh and Feedmill Factory.

A copy of the presentation appears as **Annex 7**.

## **7.2 Malaysia**

a. Malaysia presented on the following updates:

- Updates on Kota Putra Rubber City Project and IMT-GT Rubber Corridor by NCIA/Kedah
- Updates on Penang-Aceh Cooperation
- Updates on Melaka - Dumai Bridge and RoRo by Melaka
- Updates on Pasir Mas Halal Park by ECERDC

### **Kota Putra Rubber City Project and IMT-GT Rubber Corridor**

b. The objective of Rubber city project is to bring downstream activities close to where upstream and midstream activities are found in abundance. This project is expected to create price stability for the raw material through creating greater resilience with a diversified portfolio of rubber products from industrialists in specialised latex and Rubber products. This evolution does not only assist in the development of local innovation and R&D capabilities but also would assist in creating employment opportunities and a large high knowledge-based workforce about the whole rubber eco-system.

A copy of the presentation appears as **Annex 8**.

### **Invest-In-Penang Berhad and Aceh Investment Coordinating Board**

- c. Invest Penang signed a MoU with Aceh Investment and Promotion Board in 2010 for three years,
- d. The three years period has ended and Invest-in-Penang Berhad renewed the MoU with Aceh Investment Coordinating Board (previously known as Aceh Investment and Promotion Board) for four years on March 18, 2014 in Penang.
- e. The areas agreed to collaborate on are as follows; Tourism Development, Trade and Investments; Human Resources Development and Halal Food Industry.
- f. Both parties agreed to share common interests and mutual benefits which will arise from investment promotion collaborations
- g. Areas of cooperation: Annual Business Investment Dialogue & Business Matching Sessions, Senior Officials Meetings and Seminars

### **Melaka - Dumai Bridge**

- a. A fixed link from Malacca to Sumatera- The building of the tunnel across the strait is expected to deliver extensive benefits in the long term such as; enhancing connectivity, spurring economic growth and developing socio-economics, game changer in enhancing connectivity, spurring economic growth, physical development, and catalyst of socio-economic development, new business opportunities and monetisation opportunities.
- b. The tunnel scheme cost approximately USD19 billion. The Build-operate-transfer (BOT) concession period for the project is proposed to be 10 years for construction and 80 years for operation.
- c. The tunnel scheme is feasible and favourable for navigation safety with the option of linking Kunming-Singapore rail connectivity at Tampin Malacca to Dumai Sumatera.

A copy of the presentation appears as **Annex 9**.

**RoRo by Melaka**

Melaka-Dumai Ro-Ro is one of the priority projects listed under the Master Plan on ASEAN Connectivity. As of to date, construction in the Dumai terminal for Ro-Ro services is 95% completed. The State Government of Melaka is committed to continue developing the Tanjung Bruas terminal which is expected to be completed by 2018.

A copy of the presentation appears as **Annex 10**.

**Pasir Mas Halal Park by ECERDC**

The Pasir Mas Halal Park was completed in 2013 and is now being actively marketed for locators and investors.

A copy of the presentation appears as **Annex 11**.

**7.3 Thailand**

a. Thailand presented 5 projects under the 3 Cluster Groupings namely Cluster of Gulf of Thailand; Cluster of Andaman Coast; and Cluster of Southernmost Provinces.

b. Updates are as follows:

- Magic Journey along the Traversed Route of Luang Phu Tuad
- Development of World Heritage site at Phraborommatad Temple and Bhra Borommathad Nakhon Si Thammarat
- Rubber City
- Upgrading of the Trang Airport as an International Airport
- Phuket Tuna Regional Hub

**c. Magic Journey along the Traversed Route of Luang Phu Tuad**

On the project “Magic Journey along the Traversed Route of Luang Pu Tuad”: The grand statue of Luang Pu Tuad at the new Luang Pu Tuad Pagoda constructing at Ban Prakob CIQ, Songkhla province with the budget of 19 million baht is in well progress and expected to be finished by April 2016. Related sites both in Thailand and Malaysia will also be rehabilitated and facilitated on accessibility.

**d. Development of World Heritage site at Phraborommatad Temple and Bhra Borommathad Nakhon Si Thammarat**

On the project “Development of World Heritage Site at Phraborommathad Nakhon Si Thammarat” landscape development is in progress with the budget of 30 million baht. While promoting of related tourism trail along the three countries will also be conducted.

**e. Rubber City**

On “Rubber City Project” Industrial Estate Authority of Thailand is constructing Thailand’s Rubber City inside the Southern Industrial Estate in Chalung, Songkhla province in the areas of 112 hectare with the budget of 1,600 million baht. The foundation stone laying ceremony is expected to be arranged in January 2016 to be presided over by H.E. Thailand’s Prime Minister.

Thailand also welcomes investors from Malaysia and Indonesia to visit and invest as well as create cross border value chains of rubber products with Rubber City of Malaysia and Indonesia.

**f. Upgrading Trang Airport as an International Airport**

On the project “Upgrading Trang Airport as an International Airport” detailed design of new runway and terminal is ongoing with the budget of 24.5 million baht. The new facility will serve Trang province as destination for tourist and investors from IMT-GT.

**g. Phuket Tuna Regional Hub**

On the project “Phuket Tuna Regional Hub” dredging of Phuket port’s water way is ongoing to be 4 meter depth while the port will be also expanded to cover the area of 20 acres, while tuna fleet and port state measure will be uplifted to attract more investors from IMT-GT.

**h. Thungsong CDC**

Thungsong Container Distribution Centre will be further expanded to serve as IMT-GT logistics Centre with the budget of 832.15 million baht covering new database and information management system, new goods yard in the area of 15,000 square meter and new warehouse. This CDC will be connected with IMT-GT through Naklua seaport and Kantang seaport in Trang province as well as highway and future double track railway system linking to Sadao and Padang Besar.

**i. Maritime Hub: Cruise & Yacht Destination**

Development of Yacht and Cruise Hub in Phuket, Krabi and Surat Thani (Samui) is a new project under support and highlighted by Thailand’s government which aims to accommodate at the amount of 15,000 yachts per year within 5 years. While Supper Yacht Show event will be convened in February 2016. While cruise line, connecting with both Malaysia and Indonesia, is also planned.

A copy of the presentation appears as **Annex 12**.

**AGENDA 4: IMT-GT GREEN CITIES INITIATIVES (GCI) PROJECT UPDATES**

8 In this agenda, the respective countries of Indonesia, Malaysia and Thailand presented on their initiatives for Green related activities and achievements. Representatives from Medan and Batam in Indonesia, Melaka in Malaysia and Songkhla and Hatyai in Thailand enthusiastically presented on their pursuing activities and achievements deriving from the IMT-GT Green Cities Initiatives.

9 The Asian Development Bank provided a brief background on the Green Cities Initiative, which is being implemented with technical assistance and support from ADB. In its presentation, ADB noted that the GCI follows the 3Es framework of its Urban Operational Plan 2012-2020. The 3Es stand for Economically competitive, Environment and Equity, which provide the concepts, approaches and processes for transforming Asian cities into sustainable and livable cities. ADB reported that the Green Cities Action Plans (GCAP) have been completed for Melaka (Malaysia) and Songkhla/Hat Yai (Thailand) while the GCAPs for Medan and Batam (Indonesia) are currently ongoing. In their respective presentations, the GCI participating cities acknowledged the

important role that ADB has been playing in the preparation and implementation of the GCAPS as well as the sharing of knowledge and best practices on the transformation to livable cities.

### **9.1 Indonesia**

Medan & Batam

Batam Green Cities Prioritized Programs are as the following:

Spatial planning and control, land use management, enhancement of environmental degradation and pollution control, enhancement of environmental protection and management of infrastructure development, maintenance and enhancement of settlement and housing infrastructure, enhancement of green open space quality and quantity are significant activities of the programs.

Medan Green Cities Prioritized Programs are as the following:

Core activities of this programs are covering Flood Control, Sustainable Urban Transportation Development – Double Track Railway, Final Disposal Site, Citywide Sanitation, Water Supply Development, Traffic Control Development – Intelligent Transportation System, Roads and Fly Over Development, as well as Green Open Space.

A copy of the presentation appears as **Annex 13**.

### **9.2 Malaysia**

Melaka Green City Action Plan

With the collaboration of Centre for IMT-GT Sub-regional Cooperation and Asian Development Bank, the Green City Action Plan (GCAP) was established. The GCAP provides a set of recommendations that are aiming at maintaining Melaka's competitiveness as a popular tourist and investment destination, keeping environmental challenges to a minimum and establishing the state as a role model for liveability in the region.

A copy of the presentation appears as **Annex 14**.

### **9.3 Thailand**

Songkhla & Hatyai

Green City Action Plans for Hat Yai Municipality and Mueang Songkhla Municipality have been finalized in early 2015 with the implementation of initial projects which covers Solid Waste Sorting (Recycle & Gasifier); Construction of Electric Power Plant using Reuse Derived Fuel; Wastewater Treatment System Construction; and Green Community Learning Centre. The project listed in the fiscal year 2016 includes exhibition on King's multifarious duties; Green Activities Communities' Learning Centre; Low Carbon Schools (for students); and Green classroom (for students).

A copy of the presentation appears as **Annex 15**.

## **AGENDA 5: SUSTAINABLE URBAN DEVELOPMENT FRAMEWORK FOR IMT-GT CITIES**

10 Local Government for Sustainability (ICLEI) presented the draft working paper on Sustainable Urban Development Framework for IMT-GT Cities.

- 11 ICLEI also suggested that the IMT-GT Sub-region cities have started Green City Action Plan implementation and now need to move to next stage. Thus, the Sustainable Development Regional Frame work will be perceived as an appropriate and practical ways forward.
- 12 Supporting Urban Sustainability (SUS) Framework is the first comprehensive regional frame work in IMT-GT Sub-region that directly addresses on the regional objectives after the GCAP and it assists to acquire more private funding and also assists in negotiating with international funders. SUS is currently perceived to be helpful to all cities and also in provision of the global green agenda.

A copy of the presentation appears as **Annex 16**.

#### **AGENDA 6: 2<sup>ND</sup> RESILIENT CITY ASIA PACIFIC CONGRESS**

- 13 ICLEI presented on the details of 2<sup>nd</sup> Resilient City Asia Pacific Congress. As agreed during the Congress, Melaka came forward to host the next RCAP in March 2016. Resilient Cities ASIA pacific (RCAP) 2016 will be in conjunction with the 16<sup>th</sup> International Convention on Melaka Twin Cities.
- 14 RCAP 2016 will be organized in partnership with various UN organizations, financial institutions, private sector and also technical institutions. ICLEI are expecting more than 500 participants including 200 city representatives from outside Malaysia.
- 15 The outcomes from RCAP Melaka will be included into Preparatory Committee Meeting for Habitat III in Surabaya and also in Habitat III in Quito and is expecting more than 500 representatives including 200 odd city and sub-national participants from various parts of the world. They are targeting to Enhancing Private Sector for this forum.

A copy of the presentation appears as **Annex 17**.

#### **AGENDA 7: REPORT AND UPDATE OF THE IMT-GT JOINT BUSINESS COUNCIL (JBC)**

- 16 The JBC Chairperson delivered the report and updates of the JBC activities as well as the JBC requirements of the regulation and policy supports from the provincial/state governments with regard to the on-going projects and proposed projects of the JBC respectively.
- 17 JBC looks forward to strengthen IMT-GT initiatives at state and provincial level. They also proposed to set up a One Stop Agency at states and provinces and house the CMGF/JBC workstation under one roof. In this line, JBC seeks for CMGF to include JBC as a working committee member of the agency.
- 18 The implementation mechanism of projects/initiatives should encourage the private sector participation through privatisation/private finance initiatives (PFI) AND Public Private Partnership (PPP) model.
- 19 JBC also have updated some of the key projects as follows:

- Coastal Trade Networks between Asaniaga Barter Trade Jetty, Port Klang With Tanjung Balai Asahan Jetty, North Sumatera
- The IMT-GT Rubber Corridor
- Green Cities Planning Initiatives
- Heritage Cities Redevelopment Initiatives
- Medical Tourism

A copy of the presentation appears as **Annex 18**.

#### **AGENDA 8: OTHER MATTERS**

- 20 The Meeting decided to update on the events of The 13<sup>th</sup> IMT-GT CMGF, CMGF Retreat and 1st IMT-GT Green Council Meeting in due course.

#### **AGENDA 9: CLOSING REMARKS**

- 21 The Indonesia and Thailand's Head of Delegation for the 12<sup>th</sup> CMGF addressed their Closing Remarks of which they conveyed their sincere appreciation to the CMGF Chairperson and the host of the Meeting for the leadership during the Meeting as well as for the warmest welcome and hospitality extended to all delegates through the stays in Alor Setar. They all agreed on the significant roles of CMGF as the linkages between the IMT-GT Governments, the IMT-GT business people or the JBC and the IMT-GT people that would bring IMT-GT to achieve sustainable development in the end.
- 22 The CMGF Chairperson then delivered his Closing Remarks, In his Concluding Remarks, the Chairman requested to strengthen cooperation at the governmental level, cooperation between government and business, as well as cooperation between business and business. Furthermore, he hopes all delegates to have a pleasant and memorable stay in Alor Setar.