

Joint Statement 10th Indonesia-Malaysia-Thailand Growth Triangle Summit



29 APRIL 2017

MANILA, PHILIPPINES

1. We, the leaders of the Republic of Indonesia, Malaysia, and the Kingdom of Thailand, meet today in Manila, the Republic of the Philippines on the occasion of the 10th Indonesia- Malaysia-Thailand Growth-Triangle (IMT-GT) Summit Meeting under Malaysia's Chairmanship.
2. We commend the significant role played by IMT-GT in the ASEAN Economic Community building process. The IMT-GT economy remains resilient despite a challenging global economic environment in recent years. We are pleased to note that the IMT-GT recorded a commendable average annual growth rate of 6.9 percent for the period 2010- 2015. At the same time, our Gross Domestic Product (GDP) per capita has increased to US\$13,844 in 2015, higher than the US\$11,009 recorded for ASEAN. Our total, trade and foreign direct investment inflow also expanded by an annual average of 1.4 percent and 4.5 percent respectively from 2010 to 2015.
3. We note with satisfaction the successful conclusion of the IMT-GT Implementation Blueprint 2012-2016. We welcome the significant progress made in enhancing the physical connectivity along the priority economic corridors. This includes the Inland Container Depot in Thungsong; Hat Yai-Sadao Intercity Motorway; Bukit Kayu Hitam-Sadao CIQS complex; Southern Thailand Ports Development Project; the project connecting the 14 toll road sections in Sumatra; and port infrastructure for the planned Dumai-Melaka RO-RO services.
4. We welcome the initiative to create Special Economic Zones (SEZ) including the Sei Mangkei SEZ in North Sumatera, Songkhla Rubber City, Songkhla SEZ in Songkhla and the development of Chipping Valley in Perlis, which have all supported trade growth. The convening of the three rounds of BIMP-EAGA and IMT-GT Trade Fair in 2012, 2014 and 2016 have resulted in trade deals worth US\$132.8 million. We are also pleased to note the steady growth in tourism, partly contributed by the introduction of 10 new air routes in the sub-region and effective joint promotion and marketing activities.
5. We are pleased to adopt the IMT-GT Vision 2036 (Vision2036) and IMT-GT Implementation Blueprint 2017-2021 (IB2017-2021). The Vision2036 and the IB2017-2021 outline bold strategies and game

changing initiatives that will transform IMT-GT into a highly integrated, innovative, inclusive and sustainable sub-region by 2036. The implementation of the Vision2036 and IB2017-2021 is expected to contribute to the achievement of the overall targets. By 2036 we hope to see that our GDP per capita increases to US\$32,120, (from US\$13,844 in 2015); intra-IMT-GT trade rises to 28 percent of total IMT trade (from 9.2 percent in 2015); FDI inflows increase to US\$24 billion (from US\$ 8 billion in 2015); average annual international visitor arrivals increase to 109 million persons (from 39 million in 2015); and an extensive network of green cities is created across the sub-region.

6. We are committed to adopt three mutually reinforcing approaches to ensure these goals are achieved. First, identify and implement catalytic projects that are scalable, replicable and sustainable with the view of propelling IMT-GT to the next level of economic cooperation and integration. Second, institute project-specific and location specific rule and regulatory changes to accelerate project implementation. Third, implement a spatial approach to maximize the economic externalities of the existing five priority economic corridors through improving physical connectivity, strengthening institutional mechanisms, infusion of innovation and the creation of cross-border value chains and industrial clusters. Given that our member countries share the same sea and many of our coastlines, forests and watershed areas are physically linked, a spatial approach will be applied to better manage our national resources and to conserve the natural environment.
7. We commit to implement a total of US\$47 billion worth of physical connectivity projects to enhance physical connectivity across IMT-GT under IB2017-2021 and subsequent IBs. The projects encompass construction and upgrading of roads, bridges, seaports, airports, CIQ facilities and ICT infrastructure. Implementation of the connectivity projects is expected to bring about greater intra sub-regional trade, proliferation of production networks across the sub-region, and freer movement of people.
8. We welcome the headway made in promoting green growth in the sub-region. To date, five cities in IMT-GT have developed Green City Action Plans (GCAP), namely Melaka, Songkhla, Hat Yai, Medan and Batam with significant private sector investment. We task our Ministers to upscale the Green City Initiative by implementing the existing GCAP, expand initiatives to other cities and develop a network of green cities. We note the commencement of the Energy Efficiency for Buildings Project in Melaka involving 9 buildings with an Investment of US\$10 million.
9. We take note of the IMT-GT University Network (UNINET) Charter and Strategic Action Plan 2017-2021, which will further enhance UNINET's cooperation and accelerate the infusion of innovation and creativity into our society and economic activities, through research and development, quality education and knowledge sharing. UNINET will also play a crucial role in promoting people-to-people connectivity in the sub-region that will work towards building a knowledge-based community with lifelong learning opportunities and cultural exchange.
10. We are pleased to note the progress made in the preparation of a sub-regional tourism strategic framework to unleash the full potential of our tourism industry. Leveraging on the sub-regional strengths and diversity, the new framework outlines bold strategies to promote cross-border tourism with the goal of making IMT-GT a single tourism destination that is sustainable, inclusive and competitive. We direct our Ministers to adopt a framework that draws strategic measures to achieve the above aspiration, resulting in far reaching positive impacts on the IMT-GT economy by capitalizing on industry linkages and creating new income opportunities for rural communities and stimulating the growth and expansion of Micro, Small and Medium Enterprises.
11. We task our Ministers to strengthen the coordination with all relevant stakeholders and to mobilize adequate resources for the implementation of IB2017-2021 to achieve Vision2036. We reiterate the importance for the private sector to be proactively involved in investing and implementing IMT-GT projects, including through public-private partnership arrangements.
12. We express our appreciation to the Asian Development Bank (ADB), our Regional Development Partner, for the strategic advice and technical assistance extended to IMT-GT, particularly in the establishment of the sub-regional database, preparation of the Tourism Strategic Framework, training for IMT-GT officials to enhance connectivity in the sub-region, as well as support to the IMT-GT Green Cities Initiative. We request ADB to continue providing support in the implementation of IB2017-2021, including the areas of special border economic zones, green cities development, capacity building for IMT-GT stakeholders, and promoting links with ASEAN.

13. We task our Ministers to strengthen CIMT to fulfil its sub-regional secretariat and facilitative roles and enhance its monitoring and evaluation function through the establishment of an effective project management system. We agree that CIMT needs to intensify its collaboration with the ASEAN Secretariat at the organizational and operational level to ensure a synergistic relationship between IMT-GT and ASEAN programs and projects. We also request the ASEAN Secretariat to support CIMT in its effort to establish strategic partnerships with ASEAN Dialogue Partners and other related regional institutions.
14. We express our gratitude to the Government of the Republic of the Philippines as our host and for their warm hospitality and to the Government of Malaysia for the excellent arrangements for the 10th IMT-GT Summit.

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