

JOINT STATEMENT TWENTY THIRD BRUNEI DARUSSALAM-INDONESIA-MALAYSIA-PHILIPPINES EAST ASEAN GROWTH AREA MINISTERIAL MEETING (23BIMP-EAGA MM) 24 NOVEMBER 2019 KUCHING, SARAWAK, MALAYSIA

- 1. We, the Ministers of Brunei Darussalam, Indonesia, Malaysia and the Philippines gather in Kuching, Sarawak, Malaysia on 24 November 2019 for the 23rd BIMP-EAGA Ministerial Meeting. H.E. Dr. Radzi Jidin, Deputy Minister of Economic Affairs, Malaysia chaired the meeting.
- We celebrate with great pride the significant achievements of BIMP-EAGA on our 25th anniversary. We are inspired that the vision we established 25 years ago for our subregion to fulfill its vast potential, lift people from poverty, and promote sustainable development is gradually being turned into reality. We reaffirm BIMP-EAGA's crucial role as a building block towards realizing the ASEAN Economic Community. With our solid cooperation and commitment, we are determined to carry forward our development agenda, as set forth in the BIMP-EAGA Vision 2025 (BEV2025) so we can achieve a resilient, inclusive, sustainable and economically competitive subregion.
- 3. We are encouraged by BIMP-EAGA's steadfast economic growth in a time of challenging global conditions. In 2017 BIMP-EAGA's combined real GDP grew at 5.7%, reaching US\$ 287.3 billion. BIMP-EAGA recorded improvement in its trade balance, which rose 39.2% to US\$ 54.7 billion. In terms of GDP at current prices, EAGA trade in goods is US\$ 102.7 billion. Total EAGA exports are US\$ 79 billion. Tourist arrivals increased to 88.2 million, with a growth rate of 6.7%. Realized and approved investments reached US\$ 13.92 billion in FDI, and US\$ 6.98 billion in domestic investments.
- 4. We are pleased with substantial progress in the implementation of projects, initiatives and key deliverables outlined in the BEV 2025. We acknowledge our individual and collective efforts to enhance connectivity and reduce non-physical barriers in the subregion. The Priority Infrastructure Projects (PIPs), complemented by sectoral undertakings (under the BIMP-EAGA strategic pillars), are helping create a more desirable and competitive trade, investment and tourism environment.
- 5. We greatly appreciate the significant progress we achieved to date. With a total of 72 projects valued at US\$23.27 billion, the PIPs serve as the cornerstone of our cooperation. After two years of implementing BEV 2025, we are encouraged that project completion is exceeding set targets. With 24 (33%) projects completed, 5 (7%) nearing completion and 44 (60%) in various stages of implementation, BIMP-EAGA integration is advancing at an impressive pace.

- We are pleased that nine PIPs were completed and expanded in 2019. Five of 6. these were in Indonesia, namely expansion of Adi Soemarmo International Airport, upgrading of Phase I of the new Makassar Port and also Bitung Port, construction of the Pontianak-Entikong Transport Link, and the Entikong Freight Terminal. In Malaysia, the construction of Pan Borneo Highway Sarawak Package 1 from Teluk Melano to Sematan has been completed. Three other PIPs in the Philippines were completed, specifically the upgrading of the General Santos City International Airport, expansion of Zamboanga Port, and construction of roads in the Western Mindanao Development Corridor. We look forward to the timely completion of three additional PIPs in the remainder of 2019, namely the Temburong Bridge, the Manado-Bitung Road Enhancement, and the Balikpapan-Samarinda Toll Road in Indonesia. We task our national and local agencies to more expeditiously and successfully implement the PIPs to optimize the benefits of integration. We also urge BIMP-EAGA stakeholders to fully utilize the infrastructure established to facilitate trade, investment and tourism in the subregion.
- 7. We welcome expansion of air linkages which can spur tourist arrivals in the BIMP-EAGA tourism destinations. The new routes launched by Royal Brunei Airlines to and from Bandar Seri Begawan to Kuching (28 December 2018), Sandakan (28 October 2019), Bintulu (5 November 2019), Tawau (11 November 2019), Sibu (14 November 2019) and Balikpapan (mid December 2019), and well as the route between Manado and Davao launched by Garuda Airlines on 27 September 2019, will contribute to tourism growth via multi-country tour packages. We also look forward to the Zamboanga to Kota Kinabalu air service scheduled to operate on 31 March 2020. We stress the need to initiate more activities focused on marketing and product development and for the private sector to promote tour packages to ensure the sustainability of the air routes.
- 8. We are pleased to note initial undertakings in implementing the signed ASEAN Memorandum of Understanding on the Improvement of Safety Standards and Inspection for Non-Convention Ships within ASEAN Member States, as well as the adoption of the Guidelines for Safety Standards for Non-Convention Ships in BIMP-EAGA. We expect that this will strengthen barter trade operation and promote maritime safety within the subregion.
- 9. We continue to support BIMP-EAGA's aspirations to link with the ASEAN nautical highway, while taking note of its challenges. We urge stakeholders to immediately address pending issues in sustaining sea links especially those related to regulation and load factors given the need to attract more players in the subregion's shipping services. We welcome the soft sailing in June 2019 of the Reefer Lines Express Filipinas with its route Ho Chi Minh-Labuan-Kota Kinabalu-Bitung-Davao. The business activities being generated help improve access to markets and contribute to sustainability of the route.
- 10. We acknowledge the impressive advancement of the private-sector led BIMP-EAGA Submarine and Terrestrial (BEST) Cable System project. The BEST Cable project and ICT CEO Forum initiatives in digital innovations and entrepreneurship have been at the core of our endeavor to harness the power of

ICT to transform the digital divide into digital dividends, empower citizens and build knowledge-based economies. As we shift to knowledge-based economic activities, we recognize collective responses are needed to seize opportunities and address challenges in the Fourth Industrial Revolution (4IR). The workshop on Regional Cooperation in the 4IR: Recognize, Rethink and Respond Workshop being held this week will help us identify collaborative and integrated solutions in the 4IR.

- 11. We look forward to the findings of the Sabah–Palawan Power Interconnection study by Asian Development Bank (ADB) since the proposed interconnection is one of the 16 priority projects of the ASEAN Power Grid. We are delighted with on-going efforts to strengthen national power generation and transmission capacities which serve as important foundations for cross-border electricity exchanges. We recognize the need to ensure BIMP-EAGA's energy security by expanding cooperation to include deployment of non-renewable energy and improvement of energy efficiency.
- 12. We are firmly committed to economic corridor development as our spatial approach to achieve inclusive and sustainable development in BIMP-EAGA. We urge our officials with the support of ADB to assess the existing BIMP-EAGA economic corridors and propose areas for expansion in the corridor routes to ensure flourishing economic activities. We appreciate ADB's knowledge support on cross-border trade and investment between West Kalimantan, Indonesia and Sarawak, Malaysia, which identified investment projects to strengthen area-based cooperation. We look forward to the completion and recommendations of the Study on Collaborative Approach to Special Economic Zones (SEZs) Development and Cooperation in BIMP-EAGA which can guide us in strengthening the strategic relevance of SEZs and identifying joint actions.
- 13. We strongly support creating a conducive and competitive environment for trade and investment. In trade facilitation, we are pleased with the conduct of Time Release Studies (TRSs) for ports in Muara, Makassar, Sandakan and Tawau, and the border crossing of Sungai Tujuh and Tebedu. The TRSs helped identify bottlenecks and propose concrete actions in the movement of cargos. We commend the successful conduct of the Authorised Economic Operator Workshop in March 2019 which led to information sharing and joint actions. To strengthen cooperation in monitoring and inspection in our quarantine systems, we welcome the One Borneo Quarantine Initiative and look forward to the conclusion of the Letter of Intent by our respective agencies.
- 14. We are aware that agri-industry and fisheries development are essential to poverty reduction with many of our farmers and fisherfolks depending on agriculture and fishing for their livelihoods. We, therefore pledge to accelerate cooperation in the agriculture sector by integrating the subregional value-chain approach in priority commodities at the project level. We urge our agriculture and fisheries agencies to provide support in increasing productivity, competitiveness and sustainability of smallholder farms and fisheries.

- 15. We are pleased with convergence efforts being pursued to promote trade, tourism and investment such as the SME Business Matching (11 April 2019, Makassar), Palawan-BIMP-EAGA Trade and Tourism Forum and Expo (15-17 August 2019, El Nido), BIMP-EAGA Trade and Investment Exchange Forum (28 August 2019, General Santos City) and Business Meeting/Matching (30 August 2019, Davao City). We are pleased to note the business alliances established among our private sector in agriculture and transport through these events. We look forward to Brunei Darussalam hosting of the 5th BIMP-EAGA and IMT-GT Trade Fair in 2020 as this will provide opportunities for SMEs to showcase their products and have access to wider markets.
- 16. We are committed to promoting tourism which is a key job creator bringing benefits to local communities and an area where BIMP-EAGA has a competitive advantage. We urge tourism stakeholders to deepen cooperation by prioritizing joint product development and marketing, improving coordination, and strengthening inclusive and sustainable tourism. We welcome efforts to use digital media in marketing BIMP-EAGA's diverse and unique tourism destinations. We commend convergence efforts between the tourism and socio-cultural and education clusters in promoting signature cultural events which have led to increased tourist arrivals and greater understanding of the distinct heritage and culture of our subregion. We also urge the private sector to market multi-country tourism packages and take advantage of connectivity infrastructure and air linkages.
- We congratulate stakeholders in the successful launch of the Kota Kinabalu Green City Action Plan (GCAP) on 10 October 2019. The GCAP identified green projects and we look forward to the plan's implementation. We are pleased that General Santos City is at early stages of GCAP development and we look forward to the sharing of their experience as the Philippines pilot city in the BIMP-EAGA Green Cities Initiative (GCI). We direct our relevant agencies at the national and local levels to provide support in the implementation of the GCI. We likewise note the publication on Case Studies on Sustainable Ecotourism, Agriculture and Fisheries in BIMP-EAGA which serves as a useful guide in promoting environmental protection and replicating best practices. We also recognize initiatives to promote environmental awareness such as the Development of the Environmental Education Module and Boardgames on Marine Environment for Communities. We recognize millions of people across BIMP-EAGA rely on the marine environment for their livelihoods, through employment in the fisheries and tourism sectors, and for food security. We are committed to working together in protecting our oceans and rich marine ecosystems. We will explore collaborative initiatives to protect our oceans and promote sustainable blue economies.
- 18. We are determined to enhance human capacities and better equip our education and training institutions to manage complex challenges and improve competitiveness. To give us a competitive edge in world markets, we welcome deepened cooperation in education and training through institutional networking. The timely initiation of the Technical Vocational Education and Training (TVET) and Higher Education Institutions (HEI) Strategic Plan of Action will lay the groundwork to develop globally competitive and highly skilled human resources in the subregion. Technical and educational exchanges and visits programs by

TVETs in BIMP-EAGA such as between the Cotabato Aviation Technical School and Institute Brunei Technical Education (IBTE) and between the Sarawak Vocational College and Technical High School to IBTE are contributing to wider efforts in people-to-people connectivity. To celebrate the richness of our culture and reinforce our solidarity, we are inspired by the success of the recently concluded 2nd Budayaw Festival held from 19-23 November 2019 in Kuching, Sarawak and attended by 375 artists. We also look forward to the hosting of Brunei Darussalam of the 3rd Budayaw Festival in 2021.

- 19. We are pleased to note the BIMP-EAGA Business Council's (BEBC's) active role in coordinating private sector initiatives in the areas of transport, ICT, agriculture, and cross-border trade and investment. Active engagement of the private sector has generated strategic partnerships and cross-border projects. We also encourage the private sector to provide concrete recommendations and to guide the clusters and working groups on private sector priorities and cross-border initiatives that can help achieve targets set forth in the BEV 2025.
- 20. We are pleased with the growing interest between and among local governments at the state and provincial levels in forging strategic partnerships that help enhance cooperation and nurture a stronger sense of community within BIMP-EAGA.
- 21. We recognize and highly appreciate the unique and dynamic role that ADB has played in supporting BIMP-EAGA. ADB provides for a wide range of technical assistance, projects, and knowledge initiatives in transport, power, tourism, environment, trade facilitation, economic corridors, border area development, and green cities. We also thank ADB for assistance in implementing BEV 2025, enhancing the capacities of BIMP-EAGA government officials, and for deepening linkages with ASEAN. We request ADB to continue and expand its support for BIMP-EAGA cooperation.
- 22. We encourage greater cooperation with ASEAN given BIMP-EAGA's strategic role as a building block to ASEAN integration and community building. We encourage greater synergy and improved coordination between the ASEAN Secretariat and BIMP-EAGA institutional bodies. We look forward to implementation of key actions to enhance strategic, sector and institutional linkages between and among ASEAN, BIMP-EAGA and other subregions.
- 23. We are pleased with the outcomes of the 2nd BIMP-EAGA and China Ministerial Meeting, which solidified our partnership arrangements. We adopt the BIMP-EAGA and China Cooperation Plan of Action 2020 2025 and look forward to the implementation of the early harvest projects in the areas of connectivity; agriculture, fishery processing and food industry; tourism and socio-cultural exchanges; trade and investment; digital economy; poverty alleviation and inclusive development; human resource development; environment; and power and energy.
- 24. We are gratified with the outcome of the 7th BIMP-EAGA and Northern Territory (NT) of Australia Senior Officials Meeting and the implementation progress of activities in the Plan of Action of the BIMP-EAGA and NT Cooperation 2016 2020. We are encouraged with the participation of BIMP-EAGA at the Arafura

Games in Darwin, Northern Territory in April 2019. We are pleased with the participation of NT in the 2nd Budayaw Festival. We look forward to more collaborative activities between BIMP-EAGA and NT in cruise tourism; sharing of best practices on sustainable eco-tourism in UNESCO world heritage sites, internship program, scholarship for TVET and cattle development.

25. We express our gratitude to the Government of Malaysia and the State Government of Sarawak for the warm hospitality and the excellent meeting arrangements.

<u>List of Signing Ministers</u>

- 1. H.E Hajah Dr. May Fa'ezah Haji Ahmad Ariffin, Permanent Secretary, Ministry of Finance and Economy, Brunei Darussalam
- 2. H.E Bobby Hamzar Rafinus, Senior Advisor to Coordinating Minister for Regional Development, Coordinating Ministry for Economic Affairs, Indonesia
- 3. H.E. Dr. Radzi Jidin, Deputy Minister of Economic Affairs. Malaysia
- 4. H.E Emmanuel Fantin Pinol, Secretary, Mindanao Development Authority, Philippines

<u>List of State Ministers / Provincial Governors</u>

- 1. Hon. Datuk Seri Panglima Wilfred Madius Tangau, Deputy Chief Minister/Minister of Trade and Industry, Sabah, Malaysia
- 2. Hon. Datuk Hajah Sharifah Hasidah Sayeed Aman Ghazali, Assistant Minister of Law, State-Federal Relations and Project Monitoring, Sarawak, Malaysia
- 3. Hon. Rogelio Pacquiao, Jr, Congressman and Chairman of Special Committee on EAGA Affairs in the House of Representatives, Philippines