

MINUTES OF THE SECOND SUB-IMPLEMENTING TECHNICAL GROUP (ITG) ON MARITIME TRANSPORT MEETING

INDONESIA – MALAYSIA –THAILAND GROWTH TRIANGLE (IMT-GT)

28 - 29 SEPTEMBER 2005, TRANG PROVINCE, THAILAND

INTRODUCTION

1. The Second Sub-Implementing Technical Group (ITG) On Maritime Transport meeting was held on 28 - 29 September 2005 in Trang Province, Thailand.
2. The meeting was attended by delegates from Indonesia, Malaysia and Thailand. The list of delegates appears as ANNEX A.

AGENDA ITEM 1: WELCOMING ADDRESS/OPENING REMARKS

3. H.E. Narait Jitsujaritwong, Governor of Trang Province, the guest of honour welcomed all delegates to Trang Province as well as to the Second Sub-ITG on Maritime Transport meeting.
4. In his Welcoming Remarks, H.E. mentioned that the IMT-GT meeting hosted in Trang Province will go into Trang's history as a gathering of delegates from Indonesia, Malaysia and Thailand to deliberate on enhancing the growth of the triangle sub-region for the mutual benefit of all. He also hoped that the three countries would be able to develop an efficient logistic network within the region especially in the sea transport from which other benefits could be derived.
5. He also stated that as member of IMT-GT are the major world exporters of rubber, it is very appropriate for the countries to collaborate with one another and develop a joint venture concerning the product for optimum benefit of member countries. Besides these two sectors, tourism is another sector where members of the IMT-GT can jointly promote the region as a destination for both local and international tourists.

The full text of his Welcoming Remarks appears as ANNEX B.

AGENDA ITEM 2: OPENING REMARKS BY HEAD OF DELEGATION

6. Hon. Dato' Capt. Haji Abdul Rahim Abdul Aziz, Head of Malaysian Delegation welcomed all delegates to the meeting and thanked the host for the splendid arrangement and hospitality. He also appreciates the close and warm relationship that existed amongst the members and hope that such cooperation will continue to exist.
7. Hon. Dato' also put on record the demise of the late H.E. T. Rizal Nurdin, Governor of North Sumatra in the recent air crash in Medan. The departure of the late H.E. T. Rizal Nurdin is a great lost to the IMT-GT fraternity.

AGENDA ITEM 3: ELECTION OF CHAIRMAN

8. The proposal by the Head of Thai Delegation that the Head of Malaysian Delegation be elected as the Chairman of the meeting was agreed unanimously by the meeting.

AGENDA ITEM 4: ADOPTION OF THE AGENDA

9. The meeting considered and adopted the Agenda, which appears as ANNEX C

AGENDA ITEM 5: ELECTION OF DRAFTING COMMITTEE

10. The meeting agreed unanimously that the minutes of the meeting to be prepared by the Secretariat after the meeting and circulated to member countries for approval.

AGENDA ITEM 6: BUSINESS ARRANGEMENT

11. The meeting was held in plenary.

AGENDA ITEM 7: DISCUSSION ON ISSUES RELATED TO:

(a) DEVELOPMENT OF RO-RO FERRY SERVICES IN THE IMT-GT REGION

The meeting was informed that PT ASDP Indonesia Ferry with strong backing by the North Sumatra Government had taken the initiative to operate the ro-ro ferry service from Belawan, Indonesia to Penang. The ro-ro vessel KMP Jatra III made its maiden call to Penang Port on 19 June 2005. The ferry can accommodate 600 passengers and 76 vehicles. The fare for two way travel is RM100 per passenger and RM800 per vehicle. The sailing time from Belawan to Penang is about 10 -12 hours depending on the weather. The ferry is well equipped with the necessary facilities for the usage of passengers whilst vehicles are located at the lower deck.

Registered vehicles from Indonesia are allowed to enter Penang for 90 days while Malaysia registered cars are permitted by the Indonesian Authorities to enter Indonesia for 60 days. Currently, KMP Jatra III calls Penang Port weekly as the operator of the ferry is in the midst of setting up its operation centre and increasing its marketing. Upon completion of its operation centre, the ferry will call Penang Port twice weekly.

The meeting also took note of the operational and technical constraints faced by ASDP with regards to the ferry service namely:

- KMP Jatra III can only load or unload the vehicle during high water with the height of tide more than 2.0 m due to the height of ramps which are lower than the wharf deck.
- Floating pontoon need to be constructed costing of RM1.5 million.
- Loading and unloading of vehicles are carried out at North Butterworth Container Terminal while embarking and disembarking of passengers at Swettenham Pier. This is because the Immigration clearance can only be done at Swettenham Pier.

The meeting was also informed that ASDP, Penang Port Commission and Penang Port Sdn. Bhd. are currently seeking solutions to solve the problems.

The meeting noted that the future prospect of this ferry service is very promising. ASDP is planning to utilise two ro-ro vessels to transport cement from Penang to Lhokseumawe. ASDP is also looking into bringing another ro-ro ferry to carry containers weekly from Kantang to Penang. Plans are also being studied for the ferry to ply from Penang – Belawan and possibly Satun – Penang – Belawan.

The full report on the project proposal appears as ANNEX D

AGENDA ITEM 7: (b) HARMONIZATION OF THE CUSTOMS, IMMIGRATION AND QUARANTINE PROCEDURES/SINGLE STOP INSPECTION

The meeting was informed that the single inspection procedure on export cargo between Thailand and Malaysia has been implemented since the last two months. Under this arrangement, certain export cargo from both Thailand and Malaysia will only be inspected at their respective country. So far the new procedure is working well.

With regards to the proposal for single declaration, the meeting took note that the proposal from Malaysia has been forwarded to the Thai Government for their comments. Besides these two proposals, the Customs are currently studying the proposal to introduce a single ASEAN form to be used amongst the ASEAN countries.

AGENDA ITEM 7: (c) STUDY TO IDENTIFY BARTER TRADE OPPORTUNITIES IN THE IMT-GT DEVELOPMENT COOPERATION

The meeting was informed that the study on barter trade has been completed. The study is in the good office of the Economic Planning Unit, Prime Minister's Department.

The meeting also noted that in Thailand, trade of this nature is handled by the government. However the proposal by Malaysia will be given due consideration after a study and better understanding of the concept on this type of trading is done by Thailand.

AGENDA ITEM 7: (d) SISTER PORT RELATIONSHIP BETWEEN PENANG PORT – BELAWAN PORT AND PENANG PORT – A PORT IN SOUTHERN THAILAND

The meeting took note of the proposal by Penang Port to have a sister port relationship between Penang Port and Belawan Port has yet to materialise. However, the management of Belawan Port had indicated its continued interest on this matter.

The meeting was also informed that Thailand is supportive of this proposal. However as all the ports in Southern Thailand are currently being developed, the proposal will be considered once the ports have achieved an acceptable level of development.

AGENDA ITEM 7: (e) ESTABLISHMENT OF SEA LINKAGE BETWEEN PENANG PORT AND LHOKSEUMAWE PORT

The meeting took note that the aftermath caused by tsunami had put on hold most of the proposals to establish sea linkage between Penang Port and Lhokseumawe Port.

AGENDA ITEM 7: (g) FUTURE DEVELOPMENT OF TRANG PROVINCE, THAILAND IN BUSINESS, MARITIME AND TOURISM SECTORS

The meeting took note of the potential opportunities available in Trang Province, Thailand in especially business, maritime and tourism sectors as presented by Thailand.

The project proposal appears as ANNEXES E, F and G respectively.

AGENDA ITEM 8: PORT DEVELOPMENT PROJECT IN THAILAND

12. Thailand presented their project proposals as follows:-

- i) Tammalang Port
- ii) Kantang Port
- iii) Songkhla Port
- iv) Pak Bara Port

The project proposals for projects i, ii, iii and iv appear as ANNEX H.

13. The meeting took note of the projects presented by Thailand. The meeting also agreed that the projects be further deliberated to synergise these proposals with the overall development program for the region.

AGENDA ITEM 9: PORT DEVELOPMENT PROJECT IN INDONESIA

14. The meeting proposed that Indonesia be requested to present its port development projects in the next ITG On Infrastructure Development Meeting.

AGENDA ITEM 10: PENANG PORT MARINA

15. The meeting was informed of the construction of a marina at Penang Port. Penang Port marina which is expected to be completed by October 2005 will open its doors to international yachts in November 2005 to coincide with the Raja Muda International Regatta to be held in Penang in November 2005. The marina touted to be the country's first inner city marina is located at adjacent to the ferry terminal on Penang Island. It has a floating breakwater and pontoons for the berthing of 102 yachts measuring between 10-40 metres long. The marina costing RM44 million will be managed by Penang Port Sdn. Bhd., the port operator. The marina is expected to rejuvenate the inner city of Georgetown and at the same time promote Penang as a prime tourist destination.

The project proposal appears as ANNEX I.

AGENDA ITEM 11: OTHER MATTERS

16. No new matter was brought up during the meeting.

AGENDA ITEM 12: DATE AND VENUE OF THE NEXT MEETING

17. On date and venue, the next Sub-ITG on Maritime Transport will be hosted by Indonesia and the date will be fixed back to back with the ITG on Infrastructure Development meeting.

AGENDA ITEM 13: CONSIDERATION AND ADOPTION OF THE REPORT

18. The meeting considered and adopted the Report of the First Sub ITG On Maritime Transport held in Penang, Malaysia on 28 August 2003.

The meeting ended at 12.00 pm.

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