

March 26, 1994

**AGREED MINUTES OF THE INAUGURAL MINISTERIAL MEETING
OF THE BRUNEI DARUSSALAM INDONESIA MALAYSIA THE
PHILIPPINES-EAST ASEAN GROWTH AREA (BIMP-EAGA)**

**26 March 1994
DAVAO CITY, PHILIPPINES**

I. INTRODUCTION

1. Pursuant to the consultations among the Heads of Governments of Brunei Darussalam, Indonesia, Malaysia and the Philippines, the establishment of a growth area involving Brunei Darussalam, Indonesia, Malaysia, and the Philippines was agreed upon by their respective governments. This growth area shall be comprised of Brunei Darussalam; the provinces of East and West Kalimantan and North Sulawesi in Indonesia; Sabah, Sarawak, and Labuan in Malaysia; and Southern Philippines. As a follow-up, the Inaugural Meeting of the Ministers of the participating countries was held in Davao City, Philippines on 26 March 1994.

2. The Brunei Delegation was led by H. E. Pehin Dato' Abdul Rahman Taib, Minister of Industry and Primary Resources. The Indonesian Delegation was led by H. E. Hartarto, Coordinating Minister for Industry and Trade. The Malaysian Delegation was led by H. E. Tun Daim Zainuddin, Minister Coordinating the Growth Triangle Project for Malaysia. The Philippine Delegation was led by H. E. Rizalino S. Navarro, Secretary of Trade and Industry. The list of delegates appears as Annex A.

II. WELCOMING ADDRESS BY H.E. RIZALINO S. NAVARRO

3. In his welcoming address, H. E. Rizalino S. Navarro, Secretary of Trade and Industry of the Philippines, welcomed this historic meeting which promises to be a rebirth of the growth area to its glorious past and progressive future. In behalf of the Philippine government, he thanked Brunei Darussalam, Indonesia, and Malaysia in accelerating the process towards the speedy establishment of a growth area in this region. He noted the tremendous tasks ahead for the new cooperative endeavor. However, what would guide the Ministers and what has guided the Senior Officials who met in the past two days are the success of the two sub-regional initiatives, namely: the SIJORI Triangle and the Indonesia, Malaysia, and Thailand Growth Triangle (IMT-GT).

4. Secretary Navarro expressed appreciation for the cooperation of participating countries and the preparatory work of the Senior Officials who agreed , among others, on a framework and mechanism for cooperation in the form of a recommended sets of detailed and integrated proposals which establishes the implementing and consultative mechanism including the crucial role of private sector and non-participating countries and/or entities. They have identified four (4) sectors for immediate and advanced implementation and fourteen (14) potential sectors for cooperative efforts. Finally, Secretary Navarro stated that for the Ministers, Senior Officials and the private sector, the challenge is the more important task of implementation of the visions, programs, and projects in the Growth Area. The welcoming address appears as Annex B.

III. OPENING REMARKS

5. In his opening remarks, H.E. Hartarto expressed his sincere gratitude and appreciation to the Philippine government for a well-organized and eventful meeting as well as for its warm and gracious hospitality. He cautioned that the Growth Area comprising the designated sub-regions of the four countries may lack apparent factors that could facilitate growth, but he expressed his admiration to the striking features of the Growth Area in terms of its beauty, the richness of its soil and natural resources, and the strong ties on language, culture, religion, and trade among its population that extends back for ages. If it could be complemented by deepening its infrastructures and development of its human resources, and by harmonizing the rules, procedures and policies for an unobstructed flow of factors across national borders, the exploitation of these resources could be enhanced and accelerated. In his opinion, the biggest challenge confronting the cooperation in this sub-region, is how to make the Growth Area competitive in attracting capital investments from the outside. H.E. Hartarto identified a number of areas where immediate collaborative efforts could be undertaken, such as: tourism, agriculture, agro-industry, trade, and energy. For an in-depth study on the Growth Area Project he endorsed that an exhaustive investigative study be undertaken. He took note of the activities and initiatives taken by the private sector in the sub-region, and reiterated the important role of the private sector as the engine of growth of the Growth Area. The opening remarks appears as Annex C.

6. H. E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources of Brunei, in his opening statement, stated that members need to put their full commitment and adopt a practical and pragmatic approach that will send clear signals and directions to the private sector in order that it can be confident in taking bolder steps to achieve worthwhile results. He suggested that concrete steps be taken to facilitate and support stronger and continuing interactions and cooperation between the private sector. The Minister stated that the development of infrastructure in the field of transportation and communications is the prerequisite foundation for growth in the area. In this regard, Brunei Darussalam full endorses the immediate consideration for the promotion and the development of air, sea, and telecommunication linkages. Brunei Darussalam believes that such development would help to facilitate and enhance the movement of people, goods and services within the sub-region and will generate earlier momentum in the process towards developing the growth area. He further added that Brunei Darussalam's strategic location in South East Asia, in particular within the growth area and with her modern telecommunication, airport and seaport facilities, would conveniently serve as a gateway to international linkages for this growth area. The opening remarks appears as Annex D.

7. Recognizing the increasing globalization of the world economy and the strong current moving the developed world towards greater regionalism, especially the developments in EU and NAFTA, H.E. Tun Daim Zainuddin of Malaysia advised ASEAN nations to be very conscious of the danger of these new waves of regionalism transforming themselves into trade blocs. Therefore, H.E. Tun Daim said that Malaysia has always pushed for increased collaboration among ASEAN countries under ASEAN and EAEC. Realizing that AFTA is a long-term goal to be attained, the experience of SIJORI and IMT-GT seemed to indicate that collaboration on a sub-national basis appeared easier to establish and likely to be successful. H.E. Tun Daim commended President Fidel Ramos for his vision of the BIMP-EAGA which has much to offer and has development potential which would benefit the Philippines as

well as the other two partners. H.E. Tun Daim also noted that the future economic outlook for BIMP-EAGA seems very bright. He informed the meeting that in responding positively to the BIMP-EAGA idea, Malaysia is fully alive to the political differences that Malaysia has with her prospective partners, in particular with the Philippines. But, political differences should not mar the cooperative efforts in developing further avenues for collaboration, so long as such intensified cooperation and collaboration will enable the countries to leap-frog together into higher tempo of sustained development. Recent developments showed that the relationship among the four countries improved tremendously. H.E. Tun Daim felt that the success of BIMP-EAGA greatly depends on the clear and workable framework, a proper plan as well as effective and adjustable strategy and programs. BIMP-EAGA needs a strong and dynamic private sector. It is the private sector's response to market forces that will cement trade and investment links in the neighbouring sub-regions. The Government's role as the facilitator is also important to establish a secured economic region and improved investment environment so that private ventures can actively participate. The opening remarks appears as Annex E.

IV. ELECTION OF CHAIRMAN

8. The Meeting elected H.E. Rizalino S. Navarro, Secretary of Trade and Industry of the Philippines, as Chairman of the Meeting.

V. ADOPTION OF THE AGENDA

9. The Meeting adopted the agenda which appears as Annex F.

VI. BUSINESS ARRANGEMENTS

10. The Meeting was held both in Plenary and in Closed Session.

VII. CONSIDERATION OF THE AGREED MINUTES OF THE SENIOR OFFICIALS MEETING

11. The Ministers considered the Agreed Minutes of the Senior Officials Meeting (SOM) and endorsed the recommendations therein, as follows:

(A) Name of the Growth Area

12. The Ministers took note of the discussion in the Senior Officials Meeting and agreed that the growth area shall officially be referred to as the Brunei Darussalam Indonesia Malaysia The Philippines-East ASEAN Growth Area (BIMP-EAGA).

(B) Terms of Reference for an Investigative Study for the Development of the Growth Area

13. The Ministers approved the Terms of Reference (TOR) for the Investigative Study for the Development of the Growth Area.

14. The Ministers agreed that Indonesia, Malaysia, and the Philippines would submit the request to the Asian Development Bank (ADB) within two weeks of this Inaugural Ministerial Meeting. Brunei Darussalam will participate in this study in a manner mutually acceptable to it and the Bank.

15. The Ministers also agreed that joint efforts be made to ensure that the ADB Study be completed at the earliest possible time. Towards this end, all concerned