

JOINT STATEMENT

FIRST BRUNEI DARUSSALAM – INDONESIA - MALAYSIA - THE PHILIPPINES – EAST ASEAN GROWTH AREA TRANSPORT MINISTERS MEETING

(1st BIMP-EAGA TMM)

BANDAR SERI BEGAWAN, BRUNEI DARUSSALAM, 5 JUNE, 2006

1. We, Transport Ministers of Brunei Darussalam, Indonesia, Malaysia and The Philippines met for the First BIMP-EAGA Transport Ministers Meeting in Bandar Seri Begawan, Brunei Darussalam on 5 June 2006. H.E. Pehin Dato Abu Bakar Apong, Minister of Communications, Brunei Darussalam chaired the meeting. We underlined the importance of improving and integrating EAGA transportation systems to promote efficient cross-border flow of goods and people that will increase trade, tourism and investment in the sub-region.
2. We affirmed our commitment to realize the transport measures stipulated in the BIMP-EAGA Roadmap to Development 2006 – 2010, which were adopted by our Leaders at the Second BIMP-EAGA Summit held in Kuala Lumpur, Malaysia on 11 December, 2005. In realizing them, we resolved to: (a) develop the necessary transport infrastructure facilities and logistical services for facilitation of cross-border flow of goods and people to, from and within EAGA; (b) facilitate and support public, private and public-private sector partnership initiatives to establish air, sea and land transport facilities and services linking priority routes across the focus areas in the sub-region; (c) provide the policy environment and support initiatives to establish liberalized transport arrangements in EAGA, including 3rd, 4th and 5th freedom traffic rights between EAGA destinations based on ASEAN plus; and (d) promote and facilitate public and private sector joint cooperation initiatives in providing more cost-effective basic infrastructure facilities.

3. We welcome the achievements made so far in the development of integrated transport infrastructure facilities and logistical services in the sub-region. In particular, the improvement of land, air and sea connectivity between major urban cities and ports in the sub-region. We are also pleased to highlight the upgrading of seaports and airports infrastructure throughout EAGA to accommodate the expected increase in passenger and cargo traffic in the sub-region. In particular, we are gratified to note the following accomplishments/developments: (a) air routes of Tawau/Tarakan; Pontianak/Kuching; Davao/Manado; and Kota Kinabalu/Bandar Seri Begawan; (b) sea routes of Zamboanga/Sandakan; Nunukan/Tawau; Tarakan/Tawau, General Santos/Bitung, Sandakan/Tawi-Tawi, Labuan/Muara and Muara/Menumbok; (c) development/ upgrading of airport and seaport infrastructure facilities such as the Brunei International Airport in Brunei Darussalam; Davao International Airport in the Philippines; the Kuching International Airport in Malaysia; Bitung Ports in Indonesia; Zamboanga Port in the Philippines; and Cruise Ship Centre in Brunei Darussalam.

4. In the context of realizing the transport goal(s) of the BIMP-EAGA Roadmap to Development 2006 – 2010, we exchanged views on the current state of transport infrastructure facilities and logistical services development in EAGA and have resolved to address the various issues and concerns facing EAGA's transport cooperation and integration.

5. Recognizing the need to develop an efficient and integrated sea transport in order to sustain the growth of trade in the sub-region, we are working towards establishing more sustainable priority routes across the focus areas in the

sub-region, as well as improving the infrastructure facilities to provide efficient logistical services. Towards this end, we agreed to conduct a study on the feasibility of designating two or more ports in each of the BIMP-EAGA member country which will allow BIMP-EAGA shipping operators to carry cargoes and passengers between these designated ports on a reciprocal basis. To promote EAGA seaborne trade and tourism, we committed to intensify cooperation to realize the following priority projects: (a) Muara (Brunei Darussalam) – Menumbok (Malaysia) Ro-Ro/ Passenger Ferry; (b) Labuan (Malaysia) – Muara (Brunei Darussalam) Ro-Ro/ Passenger Ferry; (c) Pontianak (Indonesia) – Kuching (Malaysia) (d) Pare-Pare (Indonesia) – Tarakan (Indonesia) – Nunukan (Indonesia) – Tawau (Malaysia) – Sandakan (Malaysia) (e) Makassar (Indonesia) – Bitung (Indonesia) – General Santos (Philippines); (f) Port of Glan (Philippines) – Tahuna (Indonesia) - Bitung (Indonesia) and (g) Brooke’s Point (Philippines) – Kudat (Malaysia) Sea Linkages.

6. Recognizing that accelerating the air travel sector integration will have a far greater impact on economic integration in the sub-region, we are working towards innovative and dynamic ways to further liberalize passenger and air cargo services in the sub-region. Pursuant to the air transport measures of the BIMP-EAGA Roadmap to Development 2006 – 2010, we agreed to allow multiple designation of airlines as well as respectively designate selected two EAGA entry points by end of 2006 and subsequently all EAGA entry points by 2008 with fifth freedom traffic rights for scheduled passenger services. We also encouraged the cooperation among BIMP-EAGA airlines by implementing co-terminalization with own stop-over right and code sharing arrangement. Initially, we will work on establishing scheduled passenger services between Davao City (Philippines)– Kota Kinabalu (Malaysia)- Bandar

Seri Begawan (Brunei Darussalam) and between Pontianak (Indonesia) – Kuching (Malaysia) – Bandar Seri Begawan (Brunei Darussalam).

7. We also recognize the importance of improving land transportation in promoting cross-border movement of goods and people in the sub-region. In this regard, we agreed to establish an effective, efficient, integrated and harmonized transit transport system in EAGA. Towards this end, we welcomed the initiative by the private sector to establish a consortium company of Brunei Darussalam – Indonesia – Malaysia in the field of land transportation in order to facilitate the cross-border movement of people and goods. In this regard, we tasked our senior officials through the BIMP-EAGA Transport, Infrastructure and ICT Development (TIICTD) Cluster to further deliberate on the necessary support mechanism and to facilitate the establishment of the consortium.

8. We tasked our senior officials to work on the specific measures to address the transport issues. We directed our respective Transport Agencies to interface and work closely with their respective Trade, Tourism and Natural Resources Agencies on the development of sustainable transport services in BIMP-EAGA.

9. We acknowledged the need to further enhance inter-connectivity and inter-operability of the EAGA transportation systems with the view to reduce cost of doing business in the sub-region. Towards this end, we agreed that BIMP-EAGA should latch on to the ASEAN transport agreements in order to further advance its sub-regional transport integration measures. We endorsed the use of pilot-testing as an instrument to fast-track the implementation of ASEAN transport agreements in the BIMP-EAGA sub-region. In this regard,

we directed our senior officials through the BIMP-EAGA Transport, Infrastructure and ICT Development (TIICTD) Cluster to identify the specific ASEAN transport agreements to be pilot-tested in BIMP-EAGA as well as to develop the required implementation modalities starting 2006.

10. We emphasised the important role of the private sector in realizing the transport goals of the BIMP-EAGA Roadmap to Development 2006 – 2010. Recognizing the importance of public-private partnership, we will continue to create a conducive business environment for the private sector to invest in EAGA's transport infrastructure and services. We urged the private sector to play a pro-active and innovative role in the development of transport facilities and services as well as in the creation of trade and tourism activities to support and sustain the establishment of transport linkages in the sub-region.

11. We requested the ASEAN Secretariat to provide the necessary assistance and work closely with BIMP-EAGA institutions in implementing the pilot-testing of ASEAN transport agreements. We also requested the Asian Development Bank (ADB) as the Regional Cooperation Advisor for BIMP-EAGA to provide technical and financial assistance packages to support BIMP-EAGA's endeavour in transport infrastructure modernization and construction including the pilot-testing.

12. We encouraged our BIMP-EAGA Development Partners namely China and Northern Territory of Australia to actively participate in the development of transport infrastructure and services in BIMP-EAGA. We invite other ASEAN Dialogue Partners to also join in this endeavour. We also encouraged the German Technical Cooperation (GTZ) and other international organizations to

contribute technical know-how and financial assistance in the transport development of the sub-region.

13. We appreciated the active participation of the BIMP-EAGA Business Council (BEBC) in the Meeting. We also look forward to their contribution in the transport development of BIMP-EAGA.

14. We expressed our appreciation to the Government of Brunei Darussalam for the excellent arrangements made.

15. We agreed that our next meeting will be held in Davao City, the Philippines upon the recommendation of the BIMP-EAGA Transport, Infrastructure and ICT Development (TIICTD) Cluster.

List of Ministers

- a. H.E Pehin Dato Abu Bakar Apong, Minister of Communications for Brunei Darussalam
- b. H.E Dr. Wendy Aritenang, Secretary General, Ministry of Transportation for Indonesia
- c. H.E Tengku Dato' Seri Azlan Ibni Sultan Abu Bakar, Deputy Minister of Transport for Malaysia
- d. H.E Atty. Edward Harun V. Pagunsan, Undersecretary for the Department of Transportation and Communications of the Philippines