

JOINT STATEMENT TWENTY FIFTH BRUNEI DARUSSALAM-INDONESIA-MALAYSIA-PHILIPPINES EAST ASEAN GROWTH AREA MINISTERIAL MEETING

25TH BIMP-EAGA MM

26 NOVEMBER 2022 Pontianak, West Kalimantan, Indonesia

- We, the Ministers of Brunei Darussalam, Indonesia, Malaysia, and the Philippines gather in Pontianak, West Kalimantan, Indonesia on the 26th November 2022 for the 25th Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) Ministerial Meeting chaired by H.E Airlangga Hartarto, Coordinating Minister for Economic Affairs, Indonesia.
- 2. We are encouraged by BIMP-EAGA's economic performance, despite challenging global and regional circumstances. The BIMP-EAGA economy is currently showing signs of recovery as it grew by 2.4% in 2021 compared to 3.3% contraction in 2020. Our combined BIMP-EAGA Gross Domestic Product current prices stood at USD359.7 billion and total trade in goods increased by USD27.5 billion. While Foreign Direct Investment expanded by almost USD1 million, we still need to exert more effort to mobilise domestic investment. Tourism remains the hardest hit sector, but we are optimistic that the industry is on the way to recovery considering that we have lessened the decrease in tourist arrivals by 36% compared to 76% in 2020 to 40.1% in 2021 with the ease of travel restrictions.
- 3. We are grateful that despite the unprecedented challenges and socioeconomic impact brought about by the coronavirus disease (COVID-19) crisis, our cooperation remains unwavering. We commend and sincerely appreciate the collective efforts of our Senior Officials, BIMP-EAGA Business Council (BEBC), National Secretariats (NS), Clusters and Working Groups (CWGs), BIMP-Facilitation Centre (BIMP-FC), Asian Development Bank (ADB), Information Communication and Technology (ICT) Chief Executive Officer (CEO) Forum, and the private sector for working tirelessly to achieve the goals set out in BIMP-EAGA Vision (BEV) 2025.
- 4. We commend the reinvigorated interest to strengthen participation of the BIMP-EAGA local governments in the subregion's programs and initiatives as highlighted in the recently held 4th BIMP-EAGA Chief Ministers, Governors, and Heads of Local Government Forum (CMGLF) on 25th November 2022. We took note the proposal to explore a parallel BIMP-EAGA parliamentary forum as venue for dialogue and cooperation among legislators in the focus areas. We encourage the states and provincial governments to mainstream BIMP-EAGA's development agenda in their policies, plans and initiatives.

- 5. We welcome the recommendations of the Accelerating Cooperation Together BEV 2025 Mid-Term Review (MTR) as we steer our path towards economic recovery while staying on course to deliver our three main outcomes of clean and green manufacturing; competitive and climate-resilient agro-industry and fisheries; and well-developed multi-country tourism destination. We reiterate our commitment towards the full and effective implementation of the BEV 2025 including strengthening BIMP-EAGA's institutional capacity for enhanced results delivery. Looking ahead, we also need to lay the groundwork for BIMP-EAGA's Post-2025 agenda. All our initiatives in the medium-and long- terms shall be pursued in a pragmatic, inclusive, and integrated manner to address the increasingly complex opportunities and challenges facing our subregion.
- 6. We firmly believe connectivity remains the cornerstone of our cooperation and quality infrastructure in the BIMP-EAGA economic corridors is crucial for inclusive growth and pandemic recovery. We take pride in the implementation progress of the Priority Infrastructure Projects (PIPs) spanning the development of roads, bridges, and railways; expansion of seaports and airports; improvements in cross-border facilities and inland transport services; ICT infrastructure; power interconnections; and urban development infrastructure and services. The pandemic has not deterred the impressive pace of BIMP-EAGA integration, with 45 (43%) out of the 104 PIPs completed, five (5%) projects completing phases, five (5%) projects nearing completion and 49 (47%) in various stages of implementation. The PIPs have significantly increased from 57 projects when BEV 2025 in 2017 was adopted to 104 amounting to USD32.8B. In 2022, nine PIPs were completed, five PIPs nearing completion, and ten new projects were added that connect farms to markets, provide energy to rural communities, catalyse trade in the border areas, and boost visitor arrivals.
- 7. We are pleased with the resumption of air, land, and sea connectivity in BIMP-EAGA and encourage key BIMP-EAGA stakeholders to work in tandem with the private sector for the full resumption of the suspended routes and expansion of new routes to service passenger traffic and movement of goods. Thus, we support measures to revive air connectivity between Tawau-Tarakan, Pontianak-Kuching, Zamboanga-Kota Kinabalu, and Davao-Manado. The new sea routes between Tanjung Silopo-Lahad Datu and Bongao-Lahad Datu are expected to increase mobility of people and trade in goods.
- 8. We appreciate pandemic response and resilience measures and innovative solutions implemented by tourism stakeholders in improving travel safety and enhancing tourism products and services. We are committed to resetting tourism towards greater sustainability, inclusion, resilience, and innovation that will benefit local communities. We look forward to the implementation of the BIMP-EAGA tourism recovery communications plan to attract travellers given our subregion is open, safe, and easy to visit.
- 9. We strongly support sustaining trade flows and supply chains and keeping borders open while ensuring adherence to safety measures. We welcome the conclusion of the One Borneo Quarantine Initiative and look forward to the signing of the Letter of Intent in 2023. The initiative will strengthen cooperation in monitoring and inspection in the subregion's quarantine system and enhance protection from pests and diseases. We also appreciate recommendations put forward by the ADB study on Special Economic Zones cooperation in BIMP-EAGA that can help us implement joint actions to develop

investment havens and production networks in the subregion. We look forward to the conduct of the BIMP-EAGA economic corridors study which will assess viability of existing corridors and consider expansions based on trade, tourism and investment flows, and identify infrastructure investments required.

- 10. We recognise the vital role of agro-industry and fisheries development in poverty reduction and in addressing climate change and the looming food crisis. We pledge to accelerate agriculture cooperation in line with our goal to be ASEAN's food basket. We will work towards integrating subregional value-chain approaches in priority commodities at the project level. We urge our agriculture and fisheries agencies to increase engagement with the private sector and continue providing support in improving the productivity, competitiveness, and sustainability of smallholder farms and fisheries by leveraging Industrial Revolution 4.0 (IR 4.0) and climate-smart technology and practices and promoting high-value food industries.
- 11. We firmly believe green recovery is crucial to BIMP-EAGA's development agenda. We acknowledge the completion of the General Santos Green City Action Plan (GCAP) which has identified a pipeline of green investments. We welcome ADB's support to Indonesia in formulating the Pontianak GCAP and its assistance to the Government of Malaysia in developing 14 Green Cities, including the cities of Kuching in Sarawak and Federal Territory of Labuan. We direct our relevant agencies at the national and local levels to provide support in the implementation of the BIMP-EAGA Green Cities Initiative. We are encouraged by the initiatives undertaken by the local communities to adopt and replicate best practices on sustainable ecotourism, agriculture, and fisheries to foster environmental protection across borders.
- 12. We support expanding access to sustainable energy resources as a top priority and critical enabler of BIMP-EAGA's clean energy transition. We acknowledge the study on the Renewable Energy Certificate Potential in the Area of BIMP-EAGA funded through the BIMP-EAGA Republic of Korea (ROK) Cooperation Fund. We look forward to the recommendations of the study, which will review the Renewable Energy market for potential investments. We also commend the completion of the major enclave interconnections in Tanjung Redeb-Tanjung Selor and the Mindanao-Visayas Interconnection Project. We took note of the proposal to initiate the cross-border power grid interconnectivity in BIMP-EAGA to help address the growing energy demands and provide sustainable and reliable energy access to communities.
- 13. We are committed to intensify BIMP-EAGA's digital transformation and lay the groundwork for the IR 4.0. We will work towards improving ICT infrastructure and upskilling and reskilling our human resources to meet the demands of the 21st century aligned with ASEAN initiatives such as the Bandar Seri Begawan Roadmap. We will also continue supporting startup ecosystems through the ICT CEO Forum Startuphub@BIMP-EAGA. We take note of the successful conduct of the Innovation Summit: Smart Sourcing in the Global Marketplace hosted by the Philippines ICT CEO Forum that highlighted ways for technopreneurs and startups to access digital technology and use innovations for efficient business operations.

- 14. We aim to catalyse innovation and foster equitable growth in BIMP-EAGA by developing human capital and vibrant creative industries. To build a future-ready workforce, we will encourage scaling up reskilling and upskilling programs and help modernise technical, vocational education and training (TVET) and higher education institutions. We look forward to the establishment of the TVET and higher education institutions network. We commend Brunei Darussalam for the virtual conduct of the 3rd Budayaw Festival, which celebrated the richness of our culture, and the BIMP-EAGA Entrepreneurship Camp in December 2021, which encouraged entrepreneurs in the subregion to share innovative ideas. We support revitalising cultural and creative industries as well as conserving our cultural heritage, which is the foundation of our regional identity.
- 15. We acknowledge the BIMP-EAGA Business Council for the successful conduct of the BIMP-EAGA Business Forum, and the private sector on their efforts to promote strategic business partnerships in trade and industry, finance, investment, tourism and health. We also express appreciation to the private sector through the BEBC for their concerted efforts in assisting the subregion's economic recovery and promoting cross-border economic activities. We support BEBC's efforts to expand its membership to include key industry players, chambers of commerce and micro-enterprises to help actualize joint private sector ventures and cross-border trade. We also urge BEBC to ramp up measures to support micro, small and medium enterprises (MSMEs) as BIMP-EAGA's critical engines of growth.
- 16. We recognise the need for more effective and efficient coordination, implementation, and monitoring of existing and new BIMP-EAGA initiatives through a fully functional central secretariat. We remain committed to strengthening the institutional capacity of the BIMP-EAGA Facilitation Centre and emphasise the need to expedite its legalisation. Improving our respective in-country coordination is crucial as we strive to bolster the institutional structures and mechanisms at the subregional level.
- 17. We express our sincere appreciation to the ADB, our longstanding Regional Development Advisor, for its steadfast commitment to BIMP-EAGA for almost two decades. ADB provides support to BIMP-EAGA in a wide range of areas including transport and energy projects in BIMP-EAGA economic corridors; analytical work on SEZs development and cooperation; a new tourism recovery communications plan aligned with ASEAN initiatives; GCAPs; capacity building activities for BIMP-EAGA government officials; and the facilitation of cooperation with ASEAN and other subregions. We thank ADB for the substantial role it played in the Accelerating Cooperation Together BEV 2025 midterm review, whose proposed recommendations will help the subregion accelerate BEV 2025 implementation, manage the impacts of COVID-19, and collectively build back better.
- 18. We encourage greater cooperation with ASEAN, given BIMP-EAGA's strategic role as a building block to ASEAN integration and community building, by fostering synergy and improved coordination between the ASEAN Secretariat and BIMP-EAGA institutional bodies. We are pleased to note the collaboration among the subregional groupings on the promotion of tourism campaigns and activities/projects. We look forward to implementation of key actions to enhance strategic, sector, and institutional linkages between and among ASEAN, BIMP-EAGA, and other subregions.

- 19. We value the contributions of our Development Partners and commit to further enhance and strengthen our partnerships and cooperation through the existing frameworks. We look forward to the conclusion of the feasibility study on opportunities for BIMP-EAGA to capitalise on the circular economy focusing on SMEs in Malaysia as a pilot project by the ASEAN Japan Centre. We appreciate the support from the Republic of Korea with the establishment of the BIMP-EAGA ROK Cooperation Fund (BKCF), under which ten projects have been approved. Inspired by this recent development, we will pursue collective efforts in optimising our engagement with development partners especially at the project-level.
- 20. We express our gratitude to the Government of the Republic of Indonesia and the Provincial Government of West Kalimantan for the excellent meeting arrangements.

List of Signing Ministers

- 1. H.E Dato Seri Paduka Haji Khairuddin bin Haji Abdul Hamid, Deputy Minister of Finance and Economy (Economy) of Brunei Darussalam
- 2. H.E Airlangga Hartarto, Coordinating Minister for Economic Affairs, Indonesia
- 3. H. E Secretary Maria Belen S. Acosta, Chairperson, Mindanao Development Authority, Philippines
- 4. Hon. Dato' Nor Azmie Diron, Director General, Economic Planning Unit, Prime Minister Department of Malaysia