

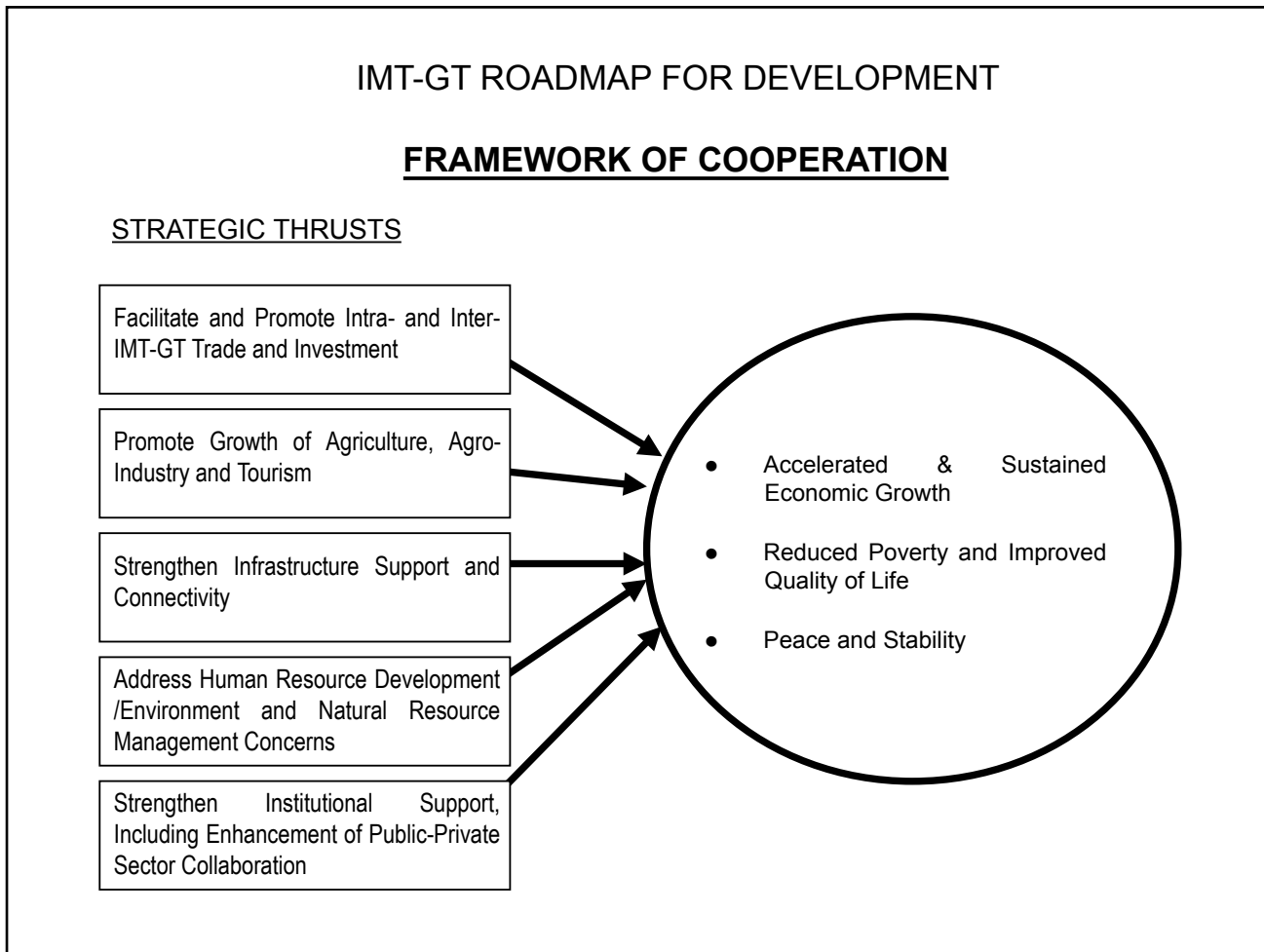
Strategic Thrusts

The IMT-GT will be a “special economic cooperation area,” within which concerted and systematic efforts will be taken in the next five years to reduce the cost of doing business, facilitate the start-up and operation of business ventures, increase the area’s competitiveness, make the most of the area’s underlying complementarities, and promote its attractiveness as a tourist and

investment destination and production base. Along these lines, the IMT-GT will pursue the following strategic thrusts (see Box):

1. Facilitate and promote intra- and inter-IMT-GT trade and investments

Trade and investment facilitation in the IMT-GT involves measures aimed at enhancing IMT-GT competitiveness for investment and exports through the reduction of the cost of doing business and



promotion of the freer flow of goods and services in the IMT-GT subregion. These measures include:

- Simplification, standardization, and harmonization of customs procedures and inspection, and immigration, and quarantine measures (CIQs);
- Establishment of one-stop centers to facilitate approval of business licenses and other required permits;
- Joint promotion of the IMT-GT subregion as an investment destination;
- Establishment of common wholesale markets and trading centers in border areas to promote and support trading activities;
- Compilation and wide dissemination of applicable policies, rules, regulations and procedures to increase their transparency and facilitate compliance; and
- Collection, compilation and dissemination of economic and business information on the IMT-GT, namely: socio-economic profile of the IMT-GT subregion and its components, data base on trade and investment and key sectors in the IMT-GT subregion, and prospectus on IMT-GT business opportunities;

2. Promote the growth of agriculture and agro-industry and tourism

Cooperative efforts will be taken to increase trade, investment, value added and employment in agriculture, agro-industry and tourism in the IMT-GT through:



Agriculture and Agro-Industry

- Promotion of investment in the production and processing of agricultural products in the IMT-GT subregion and enhancement of measures for the marketing of the same;
- Compilation and dissemination of business opportunities in agriculture and agro-industry in the IMT-GT subregion;
- Promotion of cooperation in agricultural research and development activities related to agriculture (e.g., palm oil, rubber, marine fisheries and aquaculture) and halal food production to help upgrade technology and increase productivity; and
- Promotion of environmental management and sustainable practices in fishery, forestry and plantation agriculture.

Tourism

- Preparation of Tourism Master Plan for IMT-GT;



- Conduct of joint tourism promotion and marketing programs focused on IMT-GT tourist destinations;
- Improvement and development of tourism product/s and facilities, as well as new IMT-GT tourist destinations in each of the IMT subregions; and
- Promotion of regional and international sea and air linkages with IMT-GT.
- Conduct of training programs for skills needed by the tourism industry in the IMT-GT subregion.

3. Strengthen infrastructure linkages and support to the integration of the IMT-GT subregion.

Cooperation in the field of infrastructure is aimed at physically integrating the three subregions on a complementary basis and supporting the spatial and economic growth trends and patterns in the IMT-GT subregion.

Measures to be taken in this regard include:

- Improvement of cross-border infrastructure and transport service connections between Malaysia and Thailand;
- Facilitation of road transport in the IMT-GT subregion through mutual recognition of road vehicle registration, transport operating license, and vehicle inspection certificates;
- Development of shipping services and facilities between Sumatera and northern Malaysia and southern Thailand to support cross-border trade and investment activities;
- Improvement and development of transport infrastructure in the north-south corridor in Sumatera to enhance economic linkages with the Malaysia and Thailand of the IMT-GT subregion;
- Improvement and development of IMT-GT air services and facilities; and
- Development of strategy and program for IMT-GT cooperation in energy.

4. Address cross-sectoral concerns, specifically to develop human resources and skills competencies, enhance the mobility of labor, and strengthen environment and natural resource management in the IMT-GT subregion

Cooperation in human resources development and mobility involves measures to upgrade the quality of the labor force, enhance their competitiveness and improve the

efficiency of labor markets in the IMT-GT subregion, including:

- training in skills competencies required in priority sectors in the IMT-GT subregion;
- adoption of mutual recognition arrangement and accreditation programs in line with agreements under the ASEAN framework of cooperation;
- facilitation of the entry of foreign workers and professionals among the IMT-GT subregions, including easing of travel requirements such as visa and permit requirements; and
- promotion of cooperative HRD programs among educational and training institutions in the IMT-GT subregion.

Cooperation in environment and natural resource management will complement those being undertaken through ASEAN, and will be location-specific for the IMT-GT subregion. The measures in this area include:

- development of a framework for strengthening cooperation in the management and protection of natural resources in the IMT-GT subregion;
- promotion and use of environmentally-friendly technologies and approaches in the IMT-GT subregion such as bio-fuel; and
- cooperation in the control and improvement of surveillance, public awareness and response to pandemics due to transboundary animal diseases and natural disasters to

complement and reinforce measures being taken by ASEAN.

5. Strengthen the institutional arrangements and mechanisms for cooperation in the IMT-GT subregion, including public-private sector collaboration, participation of stakeholders at the local level, and the mobilization of support from other development partners.

Although the private sector in the IMT-GT has been active in exploring and pursuing joint programs and projects in the subregion, their progress has been constrained by lack of physical infrastructure and the need for further improvements in the enabling environment for private sector participation in the development of the subregion. A closer collaboration between the public and private sector is,

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therefore, necessary so that the factors holding back the energy and initiatives of the private sector can be addressed effectively and on a timely basis. Among the measures that will be taken are those envisioned to:

- foster a closer and continuing dialogue between the public and private sectors;
- strengthen the mechanisms for interaction, exchange of information and coordination between the public and private sectors;
- assist in expanding the access of the private sector to various sources of capital and investment funds; and
- promote the participation of the private sector in infrastructure projects through various forms of public-private partnerships.

To ensure the implementation of priority IMT-GT programs and projects, measures will be taken so

that there is sustained focus on key issues, adequate resources are applied, and there is broad-based support from the provincial and state levels of the IMT-GT. These measures include those intended to:

- strengthen coordination mechanisms and processes among IMT-GT institutions;
- enhance the capacity of IMT-GT institutions in the programming, monitoring and coordination of regional cooperation activities;
- strengthen mechanisms to improve IMT-GT's linkages with external organizations, including ASEAN, bilateral and multilateral development agencies, and domestic and foreign business organizations;
- mobilize technical and financial support from IMT-GT's development partners; and
- broaden the participation of provincial and state governments in IMT-GT activities.

