

JOINT STATEMENT OF THE 12TH MALAYSIA – INDONESIA ANNUAL CONSULTATION
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JOINT STATEMENT OF THE 12TH ANNUAL CONSULTATION BETWEEN PRIME MINISTER DATO' SRI MOHD NAJIB TUN ABDUL RAZAK AND PRESIDENT JOKO WIDODO
KUCHING, 22 NOVEMBER 2017

1. The 12th Annual Consultation between the Prime Minister of Malaysia, the Honourable Dato' Sri Mohd Najib Tun Abdul Razak and the President of the Republic of Indonesia, His Excellency Joko Widodo, was held in Kuching, Malaysia on 22nd November 2017.
2. Both Leaders welcomed the strengthening of bilateral relations in the last 60 years and the significant growth in political, economic and strategic issues of mutual interest, based on the firm foundation of common values and traditions between the two countries. Both Leaders acknowledged the deep historical ties between Malaysia and the Republic of Indonesia as a foundation for a stronger future partnership.
3. To commemorate the 60th anniversary of diplomatic relations, both Leaders pledged to have stronger commitment towards each other's prosperity and security, underpinned by an extensive framework of cooperation spanning political, economic, security, development, education, and people-to-people ties.
4. Both Leaders noted the successful hosting of the 15th Joint Commission for Bilateral Cooperation (JCBC) in Jakarta from 10 to 11 August 2017 led by the Minister of Foreign Affairs of Malaysia, His Excellency Dato' Sri Anifah Haji Aman, and the Minister for Foreign Affairs of the Republic of Indonesia, Her Excellency Retno L.P. Marsudi. The dialogue promotes mutual understanding between the two countries by facilitating productive and interactive discussions from a broad range of fields, including land and maritime boundaries, welfare of migrant workers, recruitment of Indonesian domestic workers in Malaysia, trade and investment, tourism, and education. Both Leaders acknowledged the

role of JCBC as a platform to shape bilateral relations and the manifested recommendations through Record of Discussion as part of the solution to respond to challenges faced by the two countries. They encouraged the convening of the 16th JCBC in Malaysia in 2018.

5. Both Leaders also recalled the previous Annual Consultation held on 1 August 2016 and expressed satisfaction on the significant progress achieved during the past year and agreed that the positive momentum should be maintained. They further reaffirmed their commitment to further deepen and expand bilateral relations and cooperation, as well as to intensify efforts in addressing the challenges in the region for the mutual benefit of the people of both countries. The two Leaders expressed satisfaction on the increased interaction at all levels of both governments, between Members of Parliament and between states in Malaysia and provinces in Indonesia. They welcomed the strengthening of parliamentary exchanges through mutual visits of parliamentarians from both sides.

6. Both Leaders welcomed the continued progress of work of the Special Envoys and commended the efforts that have been made by the Special Envoys in further narrowing the gap between both sides towards finding amicable solution for the delimitation of territorial sea and other maritime zones in the Sulawesi Sea.

7. Both Leaders acknowledged that both sides shared common position on the Provisional Territorial Sea Boundary (PTSB) in the southernmost part of the Straits of Malacca, and encouraged the Technical Meeting to intensify efforts to conclude the negotiation on the delimitation of the territorial sea in the southernmost part of the Straits of Malacca.

8. Both Leaders tasked both sides to continue taking steps to maintain and enhance constructive momentum, intensify efforts, and explore all possible solutions for the delimitation of maritime boundaries between the two countries.

9. Both Leaders welcomed the positive progress made on the issue of land demarcation, particularly the signing of MoU on the Demarcation and Survey of the International Boundary No. 20 during the 41st Meeting of the Joint Malaysia-Republic of Indonesia Boundary Committee (JMI) in Selangor, Malaysia from 6 to 7 June 2017. On that note, both Leaders tasked the Joint Indonesia-Malaysia Boundary Committee to expedite the

finalization of other MoUs on the relevant segments in relation to the joint demarcation and survey, both in West Kalimantan-Sarawak and North Kalimantan-Sabah areas.

10. The two Leaders agreed on the urgency of settling the border issues and encouraged officials to maintain the constructive momentum for mutually acceptable solutions for the remaining Outstanding Boundary Problems (OBPs) particularly five (5) OBPs in Kalimantan Utara (Indonesia) and Sabah (Malaysia). The finalization of OBP will provide legal certainty for both sides to develop mutually beneficial cooperation in the border areas.

11. Both Leaders took note that the 3rd Review Meeting on the Implementation of the 2012 MoU on Common Guidelines was held in Lombok, Indonesia from 28 November to 1 December 2016. The two Leaders agreed that the commitment to implement the said MoU must not only be achieved at the highest level but also at the working level of all maritime agencies of Malaysia and Indonesia to ensure the well-being of fishermen. With a view to improving the implementation of the MoU, both Leaders tasked officials to finalize the Common Best Practices (CBP). The two Leaders took note that the 4th Review Meeting on the Implementation of the 2012 MoU on Common Guidelines is scheduled to be held from 5 to 7 December 2017 in Malaysia.

12. The two Leaders underscored the importance of expanding cooperation in priority areas, including maritime security, counter-terrorism, and information sharing between our defence and security forces and committed to pursue additional opportunities for joint exercises and training. Both Leaders welcomed the convening of the 40th Meeting of the General Border Committee Malaysia-Indonesia (GBC MALINDO) led by the Minister of Defence of both countries in Kuala Lumpur from 27 to 28 September 2017, which agreed to further strengthen the border security through enhancing patrol activities, intensifying intelligence exchanges, boosting cooperation in the area of counter-terrorism by undertaking a joint exercise, known as LATGABMA MALINDO DARSASA to be held in Indonesia in 2019, and increase the number of joint posts from the four (4) existing joint border posts to nine (9) joint border posts between the Malaysian Armed Forces (MAF) and Indonesian National Armed Forces (TNI). The additional five (5) joint border posts

along the borders of Sabah, Sarawak and Kalimantan will increase the presence and patrol frequencies aiming at further curbing any possible militant movement in the region.

13. The Leaders tasked the Minister of Defence of both countries to further expand the number of joint border posts by converting and expanding new and existing posts on both sides of the Malaysian and Indonesian border.

14. Both Leaders took note that officials of both sides have initiated consultations to ensure continued and effective implementation of the Treaty between the Republic of Indonesia and Malaysia relating to the Legal Regime of Archipelagic State and the Rights of Malaysia in the Territorial Sea and Archipelagic Waters as well as in the Airspace above the Territorial Sea, Archipelagic Waters and the Territory of the Republic of Indonesia Lying between East and West Malaysia, signed in Jakarta on 25 February 1982 (1982 Treaty). Both Leaders reaffirmed their commitment to the spirit of the 1982 Treaty and instructed officials to expedite their consultations.

15. Both Leaders encouraged relevant officials to further explore innovative ways to strengthen cooperation in the field of trade, investment and tourism. The two Leaders reflected on the positive development in bilateral trade and investment relations and pledged to nurture the economic ties between Malaysia and the Republic of Indonesia towards the creation of opportunities for the people in both countries, reflecting a longstanding and substantial trade relationship including by venturing into new areas for collaboration such as the digital economy and Micro, Small and Medium Enterprises (MSMEs).

16. Both Leaders commended the rigorous efforts by the Joint Trade and Investment Committee (JTIC) led by Minister of Trade of both countries, to resolve bilateral trade and investment issues and to further deepen economic relations between the two countries. The 3rd Meeting of the JTIC which was held in Kuching, Sarawak, Malaysia from 12 to 13 July 2017 has achieved positive developments in the review of Border Trade Agreement (BTA) 1970, as well as the normalisation of cross border trade between Tebedu-Entikong and Tawau-Nunukan. Both Leaders welcomed the reactivation of the Working Group (WG) on the Review of Border Trade Agreement (BTA) 1970 in which both countries have

successfully convened the 3rd, 4th, and 5th WG Meetings respectively in April, July and November 2017. Both Leaders also acknowledged the significant roles played by the Malaysia-Indonesia Business Council (MIBC) in identifying and enhancing investment in new potential sectors and encouraged MIBC to continue its effort.

17. Both Leaders welcomed the conclusion of the Indonesia-Malaysia Border Crossing Agreement (BCA) which is expected to be signed during the first quarter of 2018, and the commitment to finalize the Review of BTA 1970 in 2018 in order to improve the welfare of people living in border areas.

18. As the major global palm oil producers and founders of the Council of Palm Oil Producing Countries (CPOPC), close cooperation between Malaysia and Indonesia through CPOPC is important to address the various challenges in the palm oil industry. In this regard, both Leaders welcomed the outcome of the Inaugural Meeting of Palm Oil Producing Countries held in Bali, Indonesia on 2 November 2017 that will provide a common platform to strengthen cooperation and collaboration among oil palm cultivating countries and pave way for these countries to participate and be members of CPOPC. Moreover, both Leaders underscored the importance of CPOPC in developing, promoting and strengthening cooperation in palm oil and urged the CPOPC's Secretariat in Jakarta to intensify efforts in the planning and implementing programmes to promote the positive image of palm oil globally.

19. Both Leaders reiterated their commitment to continuously express great concerns on the European Parliament Resolution on Palm Oil and Deforestation of the Rainforests as it discriminates palm oil against other vegetable oils which have shown to contribute to the deforestation. Any discriminatory measures arising from the Resolution will not only be seen as unfair practices to trade but will also affect the livelihood of millions of palm smallholders in Indonesia and Malaysia. Any measures aimed at restricting market access for palm oil will not reflect the commitment by the global community towards meeting the Sustainable Development Goals of the United Nations as per Agenda 2030 specifically in terms of eradicating poverty and raising the income levels.

20. On the recruitment, placement, and protection of Indonesian domestic workers in Malaysia, both Leaders took note that officials have met in Bandung, Indonesia on 19 September 2017 to update on the latest developments and ways forward in both Malaysian and Indonesian labour policies. In this regard, both Leaders agreed to task officials to expedite discussion on the establishment of new agreement on recruitment, placement, and protection of Indonesian migrant workers including domestic workers in Malaysia.

21. President Joko Widodo acknowledged efforts taken by the Government of Malaysia to address the issue of undocumented Indonesian migrant workers in Malaysia through the implementation of Rehiring and Voluntary Deportation programmes. However both Leaders agreed to strengthen close coordination between related officials of both countries in comprehensively reviewing and implementing the above-mentioned programmes in order to ensure effective implementation and the protection of the rights of Indonesian migrant workers applying for the program.

22. Both Leaders tasked relevant officials to commence the discussion to identify the root causes of Indonesian undocumented migrants in Malaysia and find effective ways and means for the best solution in this issue.

23. President Joko Widodo appreciated the support of Malaysian Government on the establishment of the Community Learning Centre (CLCs) in Malaysia as the fulfilment of Malaysia's international commitment on the rights of child. However, Indonesia continued to seek the Malaysian Government's approval for the establishment of more CLCs including those outside plantation estates.

24. Both Leaders acknowledged the expanding of people-to-people relations between the two countries, particularly in the field of tourism and education. Both Leaders encouraged officials to step up efforts towards the conclusion of MoUs on Cooperation in the field of Tourism and Education, respectively, and considered these MoUs as effective tools to further explore the potential opportunities in both fields. Moreover, both Leaders discussed and agreed to promptly find a viable solution on the issue of access to education for the children of Indonesian migrant workers in Malaysia.

25. The two Leaders also recognized that there are difficulties faced by students of both countries particularly on the process of application of students' visa and residential cards. In this regard, both Leaders tasked officials to conduct joint consultation in addressing the matters and finding the best solutions to improve the existing procedures in order to assist Malaysian and Indonesian students in both countries.

26. Both Leaders also welcomed the signing of the MoU on Cooperation in the Field of Islamic Higher Education. The MoU is a testimony of the commitment from both countries on cooperation in areas of common interest whilst further strengthening people to people relations.

27. With a view to achieving greater policy coordination and deepening intellectual exchanges between the two countries, the two Leaders encouraged interactions among senior officials on wide ranging issues. They further urged officials to continue efforts toward the realization of the proposed Exchange of Visit Programme between Senior Officials of both countries.

28. The two Leaders agreed to expedite bilateral cooperation on the conservation of Sumatran Rhinoceros (*Dicerorhinus sumatrensis*) to prevent the extinction of this critically endangered species and to ensure their survival in the future. Both Leaders welcomed the Bilateral Expert Meeting held in Jakarta from 18 to 20 October 2017 to discuss the way forward in concluding the bilateral cooperation under the Memorandum of Understanding between the Government of Malaysia and the Government of the Republic of Indonesia on Conservation of Sumatran Rhinoceros.

29. The two Leaders were pleased with the progress made under the Framework of Trilateral Cooperative Arrangement between the Republic of Indonesia, Malaysia and the Philippines on Immediate Measures to Address Security Issues in the Maritime Areas of Common Concerns (TCA). Both Leaders took note that four (4) meetings of the INDOMALPHI Joint Working Group Meeting on the TCA (JWGTCA) have been convened and the 5th JWGTCA Meeting will be held in Manila on 22 and 23 November 2017.

30. Both Leaders welcomed the conclusion of the Standard Operating Procedures (SOPs) for the implementation of the TCA which enables, inter alia, the operationalisation of maritime patrol, rendering immediate assistance and intelligence sharing. They welcomed the launch of the Trilateral Maritime Patrol in Tarakan, Indonesia on 19 June 2017, the Trilateral Air Patrol in Subang, Malaysia on 12 October 2017, as well as the Trilateral Port Visit from 13 to 15 November 2017 in Tawi-Tawi, the Philippines.

31. Both countries also discussed the importance of working with regional partners to address regional security challenges, including terrorism and the threat of returning foreign terrorist fighters, cyber threats, and maritime security, and to support regional stability and prosperity. Both Leaders reaffirmed commitment to effectively address those existing, as well as emerging transnational challenges and threats that have the potential to undermine regional security and stability through the Trilateral Meeting between Malaysia-Indonesia-the Philippines on Security.

32. Both Leaders expressed that Malaysia and Indonesia have been consistent in expressing concerns regarding the Democratic People's Republic of Korea (DPRK) nuclear and ballistic missile programme. Both Leaders remain gravely concerned that such actions could lead to an escalation of tensions in the Korean Peninsula and the Northeast Asian region as a whole, endangering peace, stability and security which in turn could generate adverse impact on the Southeast Asian region. Therefore, it is incumbent upon the DPRK to fully comply with relevant United Nations Security Council resolutions and return to meaningful dialogues including within the Six-Party Talks framework, with a view to achieve the denuclearisation of the Korean Peninsula.

33. Both Leaders agreed that the 13th Annual Consultation will be held in Republic of Indonesia in 2018, at a date to be mutually agreed upon and communicated through diplomatic channels.

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