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PRESS RELEASE

**SIGNING CEREMONY FOR THE TOURISM COOPERATION
AGREEMENT IN YOGYAKARTA ON 29 SEPTEMBER 1994**

Singapore's Deputy Prime Minister, BG Lee Hsien Loong, and Indonesia's Coordinating Minister of Industry and Trade, Mr Hartarto, signed the Agreement on Cooperation in the Promotion and Development of Tourism on 29 September at the Istana Negara, Yogyakarta. The signing was witnessed by the Prime Minister, Mr Goh Chok Tong, and Indonesian President Soeharto.

2. The Tourism Cooperation Agreement arose from a suggestion from the President of Indonesia that Singapore and Indonesia look into joint cooperation in tourism. The aide-memoire on "Indonesia-Singapore Tourism Cooperation" was presented by Minister Mah Bow Tan on behalf of Prime Minister Goh Chok Tong to President Soeharto on 25 June 1994. The proposal was positively received by the President.

3. The signing of the Tourism Cooperation Agreement is a major milestone in the bilateral relationship of both countries. Indonesia and Singapore have always enjoyed good relations. This will be further enhanced with the expansion of cooperation into tourism. Tourism is an important component of economic development. The joint cooperation in tourism between the two countries will result in significant contributions to the tourism industries of both countries.

4. The cooperation between the two countries in tourism development and promotion is based on the following principles:

- (a) Win-win approach - where all parties would obtain mutual benefits from the cooperation. For Singapore, the cooperation will enhance what we can offer tourists by combining Singapore's city attractions with Indonesia's natural and cultural attractions to secure even more tourist arrivals. For Indonesia, the cooperation can help it tap into the more than 6 million tourists who visit Singapore each year. For the international tourists, the cooperation will enable them to experience the best of both locations.
- (b) Private sector to lead on investment projects - Tourism development projects such as investments in hotels, resorts and supporting infrastructure will be undertaken by the private sector based on commercial considerations. This model is successfully used in the existing Indonesia-Singapore cooperation in the Riau.
- (c) Governments to facilitate and provide conducive environment - Both governments will cooperate to ensure that the operating environment for tourism investments and tourism flows between the two countries is conducive.

5. Specifically, the Tourism Cooperation provides for :

- (a) joint identification of new tourist destinations in Indonesia for development and promotion;
- (b) joint marketing and promotion of identified destinations;
- (c) joint promotion and facilitation of international investments in resort developments and related infrastructure projects in the new tourist destinations;
- (d) joint development and expansion of air links between the two countries, including direct services and charter flights between Singapore and the identified destinations;
- (e) assistance in the establishment of official tourism offices in their respective countries for the purpose of promotion of tourism; and

- (f) exchange information, advisers, experts and technicians, and review of relevant measures to facilitate the flow of investments, tourists and goods.

6. The expansion of cooperation between Indonesia and Singapore into tourism promotion and development builds on the good progress made in the joint development and promotion of the Bintan Beach International Resort (BBIR). Five Hotel Resorts have already been committed in the BBIR, including Club Med from Europe. The essential infrastructure, including an International Ferry Terminal, roads and utilities, have been completed. Initial attractions which include the Mayang Sari Beach Resort and the Mana-Mana Beach Club will be open in October 1994. The first 5-star International Resort in the BBIR - the Bintan Lagoon - will open in December 1995. By Year 2000, more than one million new tourist arrivals are expected annually in Bintan.

MINISTRY OF TRADE AND INDUSTRY

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