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PARLIAMENT-PETRONAS

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KUALA LUMPUR, NOV 18 (BERNAMA) -- PETRONAS IS TO PRIVATISE THE INSTALLATION OF LOCALISED GAS PIPELINE6 TO HOUSEHOLDS UNDER THE KERTIH GAS UTILISATION PROJECT.

PRIME MINISTER DATUK SERIDR MAHATHIR MOHAMAD SAID TODAY PETRONAS HOWEVER DID NOT PROPOSE TO PRIVATISE THE INSTALLATION OF MAIN PIPELINES IN VIEW OF ITS PROFITABILITY.

THE MAIN PIPELINES PROJECT, COSTING \$1.3 BILLION, WOULD BE UNDERTAKEN BY PETRONAS ITSELF AS IT HAD ENOUGH FUNDS OF ITS OWN.

DATUK SERI OR MAHATHIR TOLD THE DEWAN RAKYAT DURING QUESTION TIME THAT IN THE INITIAL STAGES OF THE GAS UTILISATION PROJECT, ONLY INDUSTRIES LOCATED ALONG THE ROUTE TO BE TAKEN BY THE MAIN PIPELINE WOULD BENEFIT.

ONLY IN THE LONG TERM WOULD GAS BE CHANNELLED TO ALL THE STATES, HE ADDED. -- MORE

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HE DISAGREED WITH CLAIMS THAT THE IMPLEMENTATION OF THE PROJECT IN STAGES WOULD LEAD TO UNFAIR COMPETITION, CAUSING THE CLOSURE OF INDUSTRIES WHICH DID NOT DERIVE BENEFIT FROM THE GAS SUPPLY.

+GAS IS ONLY AN ALTERNATIVE TO THE CURRENT ENERGY SOURCES SUCH AS ELECTRICITY WHICH HAS HAD ITS TARIFFS LOWERED FOR THE ADVANTAGE OF ALL INDUSTRIES,+ HE SAID.

AS SUCH, WHATEVER COMPETITION NATURAL GAS MIGHT GIVE WOULD ONLY BE MARGINAL AND COULD NOT BE CONSIDERED AS UNFAIR COMPETITION, HE ADDED.

DATUK SERI DR MAHATHIR FELT THAT THE PERFORMANCE AND SUCCESS OF ANY INDUSTRY DEPENDED ON OTHER FACTORS, AMONG THE MORE IMPORTANT BEING EFFICIENT MANAGEMENT WHICH WOULD ENABLE IT TO COMPETE SUCCESSFULLY.

ON WHY THE PROJECT HAD TO BE CARRIED OUT IN STAGES, HE SAID IT WAS DUE TO ITS SIZE AND COST, ADDING THAT THE FIRST STAGE WOULD INVOLVE THE CONSTRUCTION OF MAIN PIPELINES TO EXISTING ELECTRICITY GENERATORS ON THE WEST COAST AND THE SOUTHERN PART OF PENINSULAR MALAYSIA.

ONLY AFT&R THAT WOULD PIPELINES BE LAID TO HOUSEHOLDS IN THE STATES, AND THESE TOO WOULD BE DONE IN STAGES. -- BERNAMA

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