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PARLIAMENT-MAHATHIR

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KUALA LUMPUR, OCT 25 (BERNAMA) -- THE GOVERNMENT WILL INTENSIFY THE USE OF GAS AS A SOURCE OF ENERGY TO REDUCE DEPENDENCE ON OIL, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

IT HAD BEEN THE GOVERNMENT'S POLICY TO STEP UP USE OF GAS, AND MEASURES WERE BEING TAKEN TO MEET ITS OBJECTIVE FOR GREATER USE OF NATURAL GAS AS A FUEL, HE SAID IN THE DENAH RAKYAT.

REPLYING TO ENCIK LEE LAM THYE (DAP-BUKIT BINTANG), HE SAID THE MEASURES INCLUDED ENCOURAGING THE SETTING UP OF PETRO-CHEMICAL INDUSTRIES BASED ON NATURAL GAS.

THE GAS PIPELINE TO BE LAID UNDER PHASE TWO OF THE PENINSULA GAS UTILISATION (PGU) PROJECT WAS PLANNED TO PASS THROUGH AREAS NEAR TOWNS AND INDUSTRIAL SITES, HE SAID.

THIS WILL FACILITATE THE SUPPLY OF GAS TO INDUSTRIES, BUSINESSES AND RESIDENTIAL HOUSES. -- MORE

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THE PRIME MINISTER SAID OTHER MEASURES INCLUDED INTRODUCING COMPRESSED NATURAL GAS (CNG) AS A VEHICLE FUEL, AND ENHANCING KNOWLEDGE, EXPERIENCE AND CAPABILITY OF LOCAL WORKERS IN THE GAS INDUSTRY.

HE SAID NATURAL GAS CONSUMPTION AT PRESENT ACCOUNTED FOR 18 PERCENT OF TOTAL ENERGY USED, AND THIS WAS EXPECTED TO INCREASE TO 29 PERCENT BY 1991 AND 40 PERCENT BY THE YEAR 2000.

DATUK SERI DR MAHATHIR SAID IMPLEMENTATION OF PHASE TWO OF THE PGU PROJECT WAS GOING ACCORDING TO SCHEDULE AND SO FAR ABOUT 23 PERCENT OF RELATED WORKS HAD BEEN COMPLETED.

THE PROJECT INVOLVES THE INSTALLATION OF A GAS PIPELINE FROM TERENGGANU TO POWER STATIONS IN THE SOUTH AND WEST COAST OF PENINSULAR MALAYSIA, AND EXPANSION OF THE GAS PROCESSING PLANT AND EXPORT TERMINAL IN TERENGGANU.

HE SAID ALTHOUGH MALAYSIA HAD JUST ENTERED THE GAS ERA, IT HAD STARTED USING GAS IN ITS ECONOMIC ACTIVITIES THROUGH HARNESSING NATURAL GAS FOR POWER GENERATION AND INDUSTRIAL AND HOME USE. -- MORE

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HE SAID FOR POWER GENERATION, NATURAL GAS HAD BEEN SUPPLIED TO POWER STATIONS AT PAKA IN TERENGGANU, BINTULU AND MIRI IN SARAWAK, AND LABUAN, WHILE FOR INDUSTRIES, THE NATURAL GAS EXTRACTED IN SARAWAK WAS PIPED TO THE MALAYSIA LNG SON BHD (MNLG) AND ASEAN BINTULU FERTILIZER SON BHD (ABFF) PLANTS.

REPLYING TO A SUPPLEMENTARY QUESTION FROM DR SOH CHENG TEIK (BN-NIBONG TEBAL), HE SAID THE GOVERNMENT HAD A POLICY OF SUPPLYING NATURAL GAS CHEAPLY TO LOCAL INDUSTRIES AS AN INCENTIVE FOR THEM TO COMPETE WITH THOSE USING OTHER TYPES OF FUEL.

HOWEVER, THE PRODUCTION COSTS OF NATURAL GAS WERE TAKEN INTO CONSIDERATION IN THE MATTER, HE ADDED.

TO A SUPPLEMENTARY QUESTION BY ENCIK MUTANG TAGAL (BN-BUKIT MAS), HE SAID THE RECENT GASTECH 88 CONFERENCE HERE HAD ENABLED THE GOVERNMENT TO COMPARE THE TECHNOLOGIES USED BY MALAYSIA WITH THOSE ADOPTED BY THE PARTICIPATING COUNTRIES.

MANY FOREIGN COMPANIES THAT TOOK PART IN THE CONFERENCE HAD EXPRESSED INTEREST IN INVESTING IN THE GAS INDUSTRY, INCLUDING COMPANIES INVOLVED IN THE PRODUCTION OF INDUSTRIAL GAS PRODUCTS.

THE CONFERENCE HAD ALSO ATTRACTED TOURISTS TO THE COUNTRY, HE SAID. -- BERNAMA

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