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MAHATHIR-GAS

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KUALA LUMPUR, OCT 18 (BERNAMA) -- MALAYSIA WILL EXPLORE THE POSSIBILITY OF EXPORTING NATURAL GAS TO THAILAND AFTER HAVING REACHED AN AGREEMENT RECENTLY TO SELL NATURAL GAS TO SINGAPORE, DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THE PRIME MINISTER SAID MALAYSIA WOULD NEGOTIATE WITH THAILAND TO SUPPLY NATURAL GAS TO POWER STATIONS THAT ITS NORTHERN NEIGHBOUR WOULD BE BUILDING IN SOUTHERN THAILAND.

THE CO-OPERATION WAS A NEW ARENA OF THE GAS TRADE THAT MALAYSIA WOULD BE ENTERING AND WAS ALSO THE BEGINNING OF GAS EXPORTS VIA PIPELINE IN THE ASIA-PACIFIC REGION, HE SAID WHEN OPENING THE 13TH INTERNATIONAL LNG/LPG CONFERENCE AND EXHIBITION -- +GASTECH 88+ -- HERE TODAY.

THE FOUR-DAY CONFERENCE, ATTENDED BY SOME 1,800 PARTICIPANTS FROM 50 COUNTRIES, IS BEING HELD FOR THE FIRST TIME OUTSIDE EUROPE SINCE THE INCEPTION OF GASTECH CONFERENCE AND EXHIBITION IN 1972.

ELABORATING ON THE EXPORT FRONT, DATUK SERI DR MAHATHIR SAID MALAYSIA HAD BECOME A MAJOR PRODUCER OF LIQUAFIED NATURAL GAS (LNG) WITH REVENUE REACHING US\$996 MILLION LAST YEAR COMPARED WITH US\$330 MILLION IN 1983. -- MORE

1344HST 18 10 88

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MAHATHIR-GAS 2 KUALA LUMPUR

+ALTHOUGH WE ARE PLEASED WITH THE SUCCESS OF OUR PLANT AND WITH OUR LNG MARKET IN JAPAN, THE DECLINING PRICES AND OUR DEPENDENCE ON TWO CONSUMERS ARE TWO MATTERS OF CONCERN TO US,+ HE SAID.

AS SUCH, HE ADDED, MALAYSIA WOULD LIKE TO SEE THE LNG PRICE STABILISING SOMEWHAT AND WAS ALSO LOOKING INTO DEVELOPING NEW MARKETS. MALAYSIA WAS ALSO LOOKING FOR ADVANCES IN NEW TECHNOLOGY WHICH WOULD HELP REDUCE THE COST OF DEVELOPMENT AND EXTRACTION APART FROM THE COST OF DISTRIBUTION AND TRANSPORTATION.

SAYING THAT THE DEVELOPMENT OF NATURAL GAS HAD BROUGHT MALAYSIA INTO A NEW ENERGY ERA, HE SAID IT WAS HOPED NATURAL GAS WOULD PROVIDE MALAYSIAN INDUSTRIES AND MANUFACTURERS WITH THE COMPETITIVE EDGE THEY NEEDED TO SUCCEED BOTH LOCALLY AND INTERNATIONALLY.

HE SAID MALAYSIA NOW RANKED 15TH AMONG COUNTRIES IN TERMS OF SIZE OF NATURAL GAS RESERVES.

+TODAY, OUR RECOVERABLE RESERVES, INCLUDING BOTH ASSOCIATED AND NON-ASSOCIATED GAS, AMOUNT TO ABOUT 52 TCF (TRILLION CUBIC FT) OR THE EQUIVALENT OF 9.8 BILLION BARRELS OF OIL, WHICH IS MORE THAN THREE TIMES OUR OIL RESERVES,+ HE SAID. -- MORE

1347HST 18 10 88

R 8862 AAE
MAHATHIR-GAS 3 KUALA LUMPUR

DATUK SERI DR MAHATHIR SAID THE SHARE OF NATURAL GAS IN THE TOTAL ENERGY CONSUMPTION IN THE COUNTRY WAS 38,000 BARRELS OF OIL EQUIVALENT, OR 18 PERCENT, LAST YEAR AND WAS EXPECTED TO INCREASE TO 27 PERCENT BY 1990 AND 40 PERCENT BY THE YEAR 2000.

THE GROWTH WAS EXPECTED TO ACCELERATE AFTER 1991 WITH THE COMPLETION OF STAGE II OF THE PENINSULAR GAS UTILISATION (PGU) PROJECT WHICH WOULD BRING GAS FROM OFFSHORE TERENGGANU TO THE MORE DENSELY POPULATED INDUSTRIALISED AREAS ON THE WEST COAST.

THE PRIME MINISTER SAID BY THE YEAR 2000, GAS WOULD DOMINATE THE POWER SECTOR AND SOME INDUSTRIES WHILE LIQUEFIED PETROLEUM GAS (LPG) AND COMPRESSED NATURAL GAS (CNG) WERE EXPECTED TO MAKE SOME INROADS INTO THE TRANSPORT SECTOR.

+PIPED GAS OR PIPED LPG WILL BE A FAMILIAR FEATURE IN URBAN HOUSEHOLDS. THIS IS THE LIKELY ENERGY SCENARIO IN THE FUTURE,+ HE SAID.

HE ADDED THAT THE NATIONAL ELECTRICITY BOARD HAD ENVISAGED THAT BY 1991, ELECTRICITY GENERATED FROM GAS WOULD INCREASE TO 64 PERCENT, REDUCING OIL'S SHARE TO A MEagre ONE PERCENT, WITH COAL CONTRIBUTING 20 PERCENT AND HYDRO-ELECTRIC POWER 15 PERCENT. AT PRESENT, ABOUT 38 PERCENT OF ELECTRICITY IN THE COUNTRY WAS GENERATED FROM OIL WITH ONLY 13 PERCENT FROM GAS. -- MORE

1356HST 18 10 88

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R 8867 AAE
MAHATHIR-GAS 4 KUALA LUMPUR

DATUK SERI DR MAHATHIR SAID NATURAL GAS PROVIDED AN EXCELLENT RESOURCE BASE FOR A DOMESTIC PETROCHEMICAL INDUSTRY.

+WITH THE COMPLETION OF THE PGU II PROJECT, FEEDSTOCK FOR PETROCHEMICALS IN THE FORM OF ETHANE, PROPANE AND BUTANE WILL BE AVAILABLE IN SUFFICIENT QUANTITIES,+ HE ADDED.

THE NATIONAL PETROLEUM CORPORATION -- PETROMAS -- WILL BE PRODUCING HDPE AND POLYPROPYLENE FROM PROPANE AND BUTANE, HE SAID.

THE PRIME MINISTER HINTED THAT THE COUNTRY'S OTHER PETROCHEMICALS VENTURE WOULD PROBABLY BE A WORLD-SCALE ETHANE CRACKER TO PRODUCE ETHYLENE AND POLYETHYLENE FOR USE BY DOWNSTREAM DOMESTIC PLASTICS INDUSTRY AND FOR EXPORT.

+WE HOPE THAT WHEN LOCALLY-PRODUCED POLYETHYLENE BECOMES AVAILABLE, DOMESTIC PLASTICS MANUFACTURING WILL DEVELOP INTO A VIGOROUS AND DYNAMIC INDUSTRY,+ HE SAID. -- MORE

1437HST 18 10 88

R 8870 AAE
MAHATHIR-GAS 5 KUALA LUMPUR

ON THE CONFERENCE, HE SAID IT HAD COME ABOUT AT A MOST OPPORTUNE TIME AS MALAYSIA WAS POISED TO BECOME A FULL-FLEDGED GAS PLAYER -- AN EXPORTER AND DOMESTIC CONSUMER.

HE SAID THE INTERNATIONAL GAS COMMUNITY WOULD BE ABLE TO SEE THE DEVELOPMENT TAKING PLACE IN THE COUNTRY WHILE AT THE SAME TIME CONTRIBUTE TO INCREASING +THE RESERVOIR OF KNOWLEDGE AND EXPERTISE IN THE INDUSTRY+.

+TO HARNESS, DEVELOP AND UTILISE THIS RESOURCE FOR DOMESTIC BENEFIT AND FOR EXPORT, IS A MAJOR CHALLENGE FOR US. AS SUCH, WE HAVE CERTAIN EXPECTATIONS FROM THIS CONFERENCE AND EXHIBITION,+ HE ADDED. -- BERNAMA

1438HST 18 10 88