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MAHATHIR-GAS

KUANTAN, JUNE 30 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD TODAY SAID THAT THE GOVERNMENT WILL STRIVE TO ENSURE THAT THE COMPETITION BETWEEN NATURAL GAS AND ELECTRICITY WILL NOT ADVERSELY AFFECT THE INTEREST OF THE COUNTRY.

ACKNOWLEDGING THAT THE GOVERNMENT WAS AWARE OF THE HEATED DEBATE ON THE COMPETITION BETWEEN THE TWO SOURCES OF ENERGY, HE SAID THAT SUCH COMPETITION EXISTED IN ALL THE COUNTRIES USING THEM.

+AND THIS IS A POSITIVE DEVELOPMENT WHICH WILL BENEFIT THE CONSUMERS,+ HE SAID WHEN LAUNCHING THE PENINSULAR GAS UTILISATION PHASE 11 PROJECT (PGU-11) HERE.

+THE GOVERNMENT'S DECISION WILL PROTECT THE INTEREST OF THE NATIONAL ELECTRICITY BOARD (NEB) AND PETRONAS, BESIDES ENSURING REASONABLE RETURNS TO OTHER PARTIES WHO HAVE INVESTED IN THE GAS PROJECT,+ HE ADDED.

LATER, REPLYING TO REPORTERS ON THE +THREAT+ POSED BY NATURAL GAS ENERGY TO THE NEB, DATUK SERI DRI MAHATHIR SAID THAT THE +THREAT+ WAS NOT VERY SERIOUS. -- MORE
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HE THEN REITERATED HIS ASSURANCE THAT THE GOVERNMENT WOULD INITIATE MEASURES TO PREVENT ANY PARTIES FROM BEING ADVERSELY AFFECTED BY THE COMPETITION BETWEEN THE TWO SOURCES OF ENERGY.

IN HIS SPEECH, THE PRIME MINISTER ALSO SAID THAT NATURAL GAS SHOULD BE REGARDED AS ANOTHER SOURCE OF ENERGY WHICH COMPLEMENTED ELECTRICAL ENERGY.

IN FACT, HE SAID THAT IN SOME COUNTRIES THE GOVERNMENT ENCOURAGED THE USE OF NATURAL GAS TO MEET PART OF THE DOMESTIC AND COMMERCIAL DEMAND TO REDUCE PRESSURE POSED ON THE ELECTRICAL SYSTEM, BESIDES DIVERSIFYING THE SOURCES OF ENERGY.

THE PRIME MINISTER SAID THAT ABOUT 1.48 TRILLION CU M OF NATURAL GAS RESERVES WERE NOW AVAILABLE IN THE COUNTRY COMPARED TO ABOUT 3,100 MILLION BARRELS OF THE COUNTRY'S OIL RESERVES.

+THEREFORE, IT IS NOT ONLY LOGICAL BUT MOST PRUDENT FROM THE ECONOMIC ASPECTS FOR MALAYSIA TO DEVELOP ITS NATURAL GAS RESOURCES TO MEET DOMESTIC DEMAND,+ HE SAID. -- MORE
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HE THEN ADVOCATED THE ADVANTAGES OF USING GAS AS A SOURCE OF ENERGY, CITING THE ENVIRONMENT WHICH WOULD BE FREE OF AIR POLLUTION AND CARBON DIOXIDE FORMATION RESULTING FROM ITS USE.

+ALTHOUGH ENVIRONMENTAL PROBLEMS IN MALAYSIA HAVE NOT REACHED THE STAGE EXPERIENCED BY INDUSTRIALISED NATIONS, WE ALSO VIEW THE GREENHOUSE EFFECT AND ACID RAIN VERY SERIOUSLY.

+WITH OUR HUGE VOLUME OF NATURAL GAS RESOURCES, THIS FORM OF ENERGY IS A SUITABLE CHOICE FROM THE CLEANLINESS AND THE ENVIRONMENTAL ASPECTS,+ HE ADDED.

DATUK SERI DR MAHATHIR ALSO SPOKE ON THE RELATION BETWEEN ECONOMIC GROWTH AND UTILISATION OF ENERGY, SAYING THAT THE ECONOMIC GROWTH RATE LAST YEAR WAS 8.7 PERCENT WHEREAS THIS YEAR'S RATE AND THAT OF THE FOLLOWING YEAR WAS ESTIMATED AT 7 PERCENT.

AS A CONSEQUENCE OF SUCH DEVELOPMENTS, HE SAID, THE COUNTRY'S DEMAND FOR ENERGY WAS EXPECTED TO REACH A RATE OF FOUR TO FIVE PERCENT PER YEAR AND ALSO BASED ON THAT PROJECTION, GAS UTILISATION IN THE COUNTRY WAS EXPECTED TO BE EQUIVALENT TO ABOUT 600,000 BARRELS OF OIL PER DAY BY THE YEAR 2005.

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ALSO PRESENT AT THE FUNCTION WERE PAHANG MENTERI BESAR TAN SRI KHALIL YAAKUB, MINISTER OF YOUTH AND SPORTS DATUK SERI NAJIB TUN RAZAK, PETRONAS CHAIRMAN TAN SRI HAJI BASIR ISMAIL AND PETRONAS GAS SDN BHD CHAIRMAN TAN SRI AZIZAN ZAINUL ABIDIN.

THE PRIME MINISTER LATER PERFORMED THE WELDING OF THE PIPES FOR THE CHANELLING OF THE NATURAL GAS, AT THE PROJECT SITE.

THE PGU 11 PROJECT INVOLVES THE EXPANSION OF THE GAS PROCESSING PLANT IN KERTIH, TERENGGANU, AND THE EXPORT TERMINAL IN TANJUNG SULONG, HERE, BESIDES THE INSTALLATION OF DISTRIBUTION PIPELINES TO POWER STATIONS IN THE WEST COAST AND SOUTH OF THE PENINSULA.

THE PROJECT UNDERTAKEN BY PETRONAS IS EXPECTED TO BE FULLY COMPLETED IN 1991. -- BERNAMA

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