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Gas-Kelantan

KELANTAN LOST OPPORTUNITY TO DRAW GAS DUE TO POLITICS

KOTA BAHARU, May 29 (Bernama) -- Kelantan lost the opportunity to draw offshore gas in the past due to endless political squabbles in the state, said chairman and CEO of KUB Malaysia Berhad Datuk Hassan Harun.

Because of it, the gas from the Malaysia-Thailand Joint Development Authority (JDA) was channelled to Thailand which had continued to deprive Kelantan the benefit of gas-based economic development, he said at a seminar here tonight.

Hassan said almost all states in Peninsula were channelled with gas, except Kelantan.

Gas is the cheapest and cleanest form of fuel for industrial use which could enhance the competitiveness of the state's industry, he said.

On the petrochemical project, a KUB joint venture with Keloil, a subsidiary of the Kelantan Economic Development Corporation, Hassan said the project was also dragged into politics.

The agreement on the 50/50 joint venture was signed here on April 4 and witnessed by Prime Minister Datuk Seri Dr Mahathir Mohamad and Kelantan Menteri Besar Datuk Nik Abdul Aziz Nik Mat.

Hassan said KUB-Keloil joint venture at Pantai Senok would develop the state's petrochemical industry by drawing offshore gas, serving as the catalyst to the growth of the state economy which was the lowest in Malaysia in terms of Gross Domestic Product (GDP) per capita.

He also hoped that the issue of land would not be politicised since to successfully draw the offshore gas, KUB needed almost 2,000 hectares to build the basic infrastructure.

"With the 50/50 ratio, no parties PAS or Umno can politicise the project with land issue. If Keloil which represents the Kelantan government has 51 per cent interest, PAS then can say the success is due to them. On the other hand, if Keloil's interest is only 49 per cent, PAS will say that they are forced to agree to acquisition of land by KUB," he added.

But the 50/50 formula would ensure that the success of the project would be due to consensus in all matters.

Some 500 people attended the seminar on private sector's role in the economic development of Kelantan, organised by the Kelantan Institute of Strategic Studies.

Hassan said value-added could be provided using natural gas as raw material to several downstream products through the joint venture project.

During the initial stage, a gas processing plant using 250 million cubic feet of gas could produce various products worth RM1,230 million, a value added to the original value of RM500 million.

As such, the project was expected to be a major contributor to Kelantan's GDP at the start of the 21st century.

He said the benefit of the project to the country including guarantee of stable supply of gas for power generation and industrial use by completing the gas pipeline loop for the whole of peninsula.

At present, any disaster to the Peninsular Gas Utilisation system will put the country in darkness for several days because there is no alternative route for channelling the gas, unless the present loop is complemented by that from the complex in Kelantan.

"Also in future, the gas landing infrastructure in Kelantan could serve as the basis to the trans-Asean system linking the whole of Asean with productive oil and gas fields," he said.

Hassan also said that apart from political squabbles, land acquisition must not be politicised.

Land owners should also think of the future of the state and the people if their land was acquired for industrial development.

"If Kelantan misses this opportunity, it will never be able to develop its gas industry because everything will be channelled to Kertih or Songkhla," he said. -- BERNAMA

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