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JDA a model approach to economic cooperation: PM

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HATYAI, Wed: Prime Minister Datuk Seri Dr Mahathir Mohamad today held up the Malaysia-Thailand Joint Development Area (JDA) as a model approach towards resolving territorial disputes.

Describing it as a unique win-win cooperative effort between two countries, he said the agreements on gas sales signed today will further strengthen bilateral relations and also provide additional impetus to the revitalisation of the two economies.

"The events of the past several months have demonstrated and emphasised the inter-connection and inter-dependency of economies in the region, especially among Association of South-East Asian Nations members.

"Today, this inter-dependency has become even more critical as we join our efforts to overcome the challenges we are facing.

"This spirit of joint cooperation, which also comes under the Indonesia-Malaysia-Thailand Growth Triangle framework, is testimony to the prosperity-neighbour philosophy which we have been advocating," Dr Mahathir said at the signing ceremony at the General Prem Tinsulanonda Park in Songkhla.

A total of US\$2.3 billion (US\$1 = RM3.74) will be invested in the next three or four years to tap the vast hydrocarbon resources in the JDA.

Of this, US\$1.5 billion is expected to be pumped in by Petronas Carigali (JDA) Sdn Bhd, Triton Oil Company of Thailand, and PTTEP International Ltd to develop the gas fields and construct production facilities.

Another US\$800 million will be for a Trans-Thailand-Malaysia pipeline and gas separation plant project, to be jointly undertaken by Petroliam Nasional Bhd (Petronas) and the Petroleum Authority of Thailand (PTT).

It was almost 20 years ago when the idea to exploit the JDA jointly was first mooted. Production sharing contracts (PSCs) were awarded in 1994 following agreement on an appropriate arrangement to effect the joint development of resources in the JDA.

Exploration activities in the last four years, costing about US\$300 million, have confirmed gas resources of some 10 trillion cubic feet, sufficient to meet the energy needs of both countries for the next 20 years.

The signing of the agreements, Dr Mahathir said, marks the commencement of an integrated development of the JDA.

"The natural gas from the fields will be landed through a pipeline for processing at a gas separation plant (GSP) in Songkhla for use by the power, industrial, commercial as well as residential sectors," he added.

The infrastructure projects, namely the Trans-Thailand-Malaysia Pipeline System (TTM) and the GSP, will be jointly developed and operated by PTT and Petronas.

"Offshore, the TTM pipeline extend from Songkhla and be connected to the Peninsular Gas Utilisation (PGU) pipeline at Changlun in Kedah, marking another major step towards realising the trans-Asean Gas Grid."

Indeed, Malaysia's PGU project has provided the building block for the realisation of the trans-Asean Gas Grid project, with the TTM pipeline serving as the much needed and awaited linkage to bring it into reality, Dr Mahathir said.

The Prime Minister also said the implementation of the project is expected to be a catalyst for industrial development in southern Thailand and northern Peninsular Malaysia.

"As proven in Kertih (Terengganu), the establishment of the necessary

infrastructure will attract investments, both local and foreign, especially in the related downstream industries which will help transform southern Thailand and northern Malaysia into a new industrial and commercial area," he said.

In calling for close cooperation and coordination by the relevant authorities of the two countries to ensure the project's smooth implementation, Dr Mahathir also urged Thai nationals of Malay descent living in southern Thailand to give their full support to the project.

Speaking in Bahasa Malaysia at the end of his speech, the Prime Minister said: "I hope those with Malay heritage living in Thailand will continue to give their loyalty to Thailand which has become their country, and I hope they will also benefit from the development that will arise from the agreements signed today."

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