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Deals on joint development of MTJDA promise much for the region

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THE signing of agreements in Songkhla between Malaysian and Thai companies to jointly develop the Malaysia-Thailand Joint Development Area (MTJDA) last Wednesday marked not just another milestone in bilateral ties, but also drove home the point that problems of overlapping territorial claims can be resolved with goodwill.

The historic event, which took place at the Grand Hall of General Prem Tinsulanonda Park, added a new chapter to the relationship between the Governments and peoples of the two nations. And with the dawn of a new millennium approaching, it held out a promise of a better future for the region.

The economic problems which had floored Thailand and another Asean member, Indonesia, failed to demoralise the grouping's vision of transforming itself into a dynamic region.

Asean's progress may have been slowed down by the attack on its currencies and capital markets but its spirit cannot be subdued.

Prime Minister Datuk Seri Dr Mahathir Mohamad and his counterpart Chuan Leekpai were at the hall to witness the signing, reflecting the commitment of both Governments to intensify co-operation to weather the economic slowdown.

Dr Mahathir's remarks at the ceremony were on target; the effort set a precedent on co-operation as an effective means of resolving territorial disputes.

An agreement was reached in 1979 to jointly develop the MTJDA by establishing the Malaysia-Thailand Joint Authority (MTJA) as a statutory body to assume all rights and responsibilities of the two Governments to explore and exploit the hydrocarbon resources in the 7,250 sq km area in the Gulf of Thailand.

The development of the area, which has gas reserves of about 10 trillion standard cubic feet, enough to sustain the two countries' energy requirements for at least two decades, will be a catalyst to the development of the Indonesia-Malaysia-Thailand Growth Triangle Project. It is likely to lead to the creation of more industrial areas and jobs, a boon to the people in southern Thailand and northern Peninsular Malaysia.

Some RM5.55 billion will be spent on the development of gas fields and facilities in the next three to four years while RM2.96 billion more will be used on the Trans-Thailand-Malaysia pipeline and Gas Separation Plant to channel gas to the peninsula and southern Thailand.

Already the peoples of the two nations have begun to reap the benefits.

At the request of Thailand, the companies which signed the agreements pledged to contribute to a human resource development fund.

It will be utilised to prepare youths of both countries to exploit opportunities in the area.

Petronas, Triton Oil Company of Thailand, Petroleum Authority of Thailand and PTTEP International Ltd had agreed to contribute 2.5 million baht (about RM250,000) to the fund.

Petronas' contribution will be in the form of training while the other three companies will give cash.

The fund will be administered by the MTJA.

"Eventually the fund will include Indonesia and the funding will be discussed in the framework of the Indonesia-Malaysia-Thailand Growth Triangle Project," said Thai Foreign Minister Surin Pitsuwan.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi, when briefing journalists on the outcome of the meeting between Dr Mahathir and Chuan in Haadyai, said both countries had also agreed to offer scholarships and university seats to students taking up courses in science and technology, engineering, management and computers.

Also significant is the fact that the Trans-Thailand-Malaysia pipeline project is seen as a foundation towards the realisation of the trans-Asean Gas Grid project, whose pipelines will stretch to China.

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