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Mahathir-Disputes

PM: JOINT DEVELOPMENT OF AREAS MAY SOLVE TERRITORIAL DISPUTES

By: Amer Hamzah Md Sap

SONGKHLA (southern Thailand), April 22 (Bernama) -- Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad today called on countries that have disputes over overlapping territories to solve them through joint development of such areas.

He said the development of the Malaysia-Thailand Joint Development Area (MTJDA), which is the first of such concept, was a unique joint cooperation between the two countries, based on a win-win concept.

"While this key development would further strengthen and enhance the bilateral relationship between our two nations, it will also stand out as a precedent that such approach is indeed workable as a means to resolve territorial disputes," he said after witnessing the signing of two agreements relating to the purchase of natural gas being developed from the MTJDA at the Gen Prem Tinsulanonda Park, here. Present was Thai Prime Minister Chuan Leekpai.

Dr Mahathir said the signing of the agreements was a significant milestone with regards to the progress and development of the MTJDA.

His sentiment was echoed by Chuan who said that this showed the world the good example of equal sharing for both countries' mutual benefit.

Dr Mahathir said it was almost 20 years since the idea to jointly develop the hydrocarbon resources in the overlapping Joint Development Area (JDA) was mooted.

Even though it took some time for the two countries to resolve and agree on an appropriate arrangement to jointly exploit the hydrocarbon resources in the JDA, steady progress had been achieved along the way, he said.

This was especially so after the production sharing contracts for the blocks in the JDA were awarded in 1994.

"I have been made to understand that substantial gas reserves, amounting to some 10 trillion cubic feet, have been discovered in the JDA, making it viable to proceed with commercial development and production," he said.

He said the unfolding of events over the last several months had also demonstrated and emphasised the inter-connection and inter-dependency of economies in the region, especially among Asean member countries.

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

Dr Mahathir said that in this regard, the joint cooperation by the two national oil companies -- Petronas of Malaysia and Petroleum Authority of Thailand (PTT) -- to undertake this integrated project was certainly timely and welcomed to provide an additional impetus to revitalise the economies of Thailand and Malaysia which had been hit by the regional economic and financial crises.

"This spirit of cooperation, which also comes under the Indonesia-Malaysia-Thailand Growth Triangle framework, stands as a testimony to the "prosper-thy-neighbour" philosophy we have been advocating," he said.

He said the signing of the pacts marked the commencement of an integral development of the JDA project where gas production would commence by mid-2001.

The natural gas from the fields will be channelled through a pipeline for processing by a Gas Separation Plant (GSP) here for use by the

end-users in the power, industrial, commercial as well as residential sectors.

The infrastructure development projects, the pipeline project to be known as Trans-Thailand-Malaysia Pipeline System (TTM) and the GSP, will be jointly developed and operated by Petronas and PTT.

Dr Mahathir said the implementation of this project would serve as a catalyst for industrial development in southern Thailand and the northern part of Malaysia.

As proven in Kertih in Malaysia, he said, the establishment of the necessary infrastructure would attract investments, both local and foreign, especially in the related downstream industries which would help to transform southern Thailand and northern Malaysia into a new industrial and commercial area.

Concurrently, this development would generate employment opportunities which would particularly benefit the peoples in southern Thailand and northern Malaysia.

Before he switched to English, the prime minister spoke in Malay, addressing some Thai Malays present at the function and calling on them to be loyal to their country just like the Thais who are Malaysian citizens are to Malaysia.

By doing so, they would also benefit from the development that would be brought to the region, he added.

The agreements were signed by PTT Governor Pala Sookavesh and Petronas president Tan Sri Mohamed Hassan Marican as the buyers and Malaysia-Thailand Joint Authority (MTJA) chief executive officer Ismail Sulaiman, Petronas Carigali (JDA) Sdn Bhd managing director Datuk Mohamad Idris Mansor and chairman and chief executive officer of Triton Oil Company Thomas G. Finck as the sellers.

The first agreement provides for the purchase of 390 million cubic feet of natural gas per day from Block A-18 in the MTJDA for 20 years. It is expected to come on stream by the first quarter of 2001.

The second provides for the purchase of 250 million cubic feet of natural gas per day from Blocks B-17 and C-19 for 16 years. It is expected to be on stream by the third quarter of 2002. -- BERNAMA

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