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Gas pact a boon to KL-Bangkok ties

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THE signing of an agreement between Petronas and the Petroleum Authority of Thailand on October 30 this year marked yet another evidence of cohesive collaboration between the two members of the Association of South-East Asian Nations (Asean).

The landmark agreement to buy natural gas from the developers of Block A-18 in the Malaysian-Thai joint development area (JDA) of the Gulf of Thailand symbolised a strong determination by both Governments and the private sector to engage in more common-beneficial cooperations.

The agreement, seen as a "win-win" way to resolve territorial disputes between neighbours, was signed before Prime Ministers Datuk Seri Dr Mahathir Mohamad and his Thai counterpart Chuan Leekpai.

Block A-18 is being developed by the Malaysia-Thailand Joint Authority (MTJA) with Petronas Carigali (JDA) Sdn Bhd, Triton Oil Company of Thailand (JDA) Ltd and Triton Oil Company of Thailand Ltd as its production sharing contractors.

Both premiers said the agreement was not only practical and beneficial for both countries but also good for future relations. Under the agreement, the two national oil corporations will jointly buy, on an equal basis, natural gas from MTJA and the production sharing contractors at an initial rate of 390 million standard cubic feet (MMSCF) per day for 20 years from mid-2002.

Petronas and PTT also signed an agreement to undertake the infrastructure and development project from the Trans Thailand Malaysia gas pipeline system and two gas separation plants at Chana near Songkhla.

It was called a landmark agreement because for the first time, two neighbouring countries with overlapping claims over an area of sea have agreed to cooperate jointly and share resources.

The JDA is an overlapping offshore area between Malaysia and Thailand covering about 7,250 sq km, and off the shores of north eastern Peninsular Malaysia and south eastern Thailand.

All costs incurred and benefits derived from the JDA activities will be equally borne and shared by the two Governments.

Malaysia and Thailand agreed in 1979 to establish the Malaysia-Thailand Joint Authority, providing a foundation and framework for the exploitation of hydrocarbon resources in the area.

The trans-Asean pipeline and power grid represents one such important strategic activity as it will link and expand the region's existing pipelines and power infrastructures to meet Asean's energy requirements in the next millennium.

Economists said it will also help achieve a quantum leap in the economic development and industrialisation of the Asean region as a whole through the efficient utilisation of indigenous gas resources.

The foundation for the trans-Asean gas pipeline and power grid had already been laid with the connection of Malaysia's peninsular gas utilisation system with Singapore.

In the not too distant future, further linkages of national gas grids will be realised and it is believed that Asean's visions of a trans-Asean gas and power grid will ultimately be achieved.

The construction of the trans-Thai-Malaysia pipeline and the gas separation plant would require the approval and consent of various governmental authorities in both countries, especially in the

environmental impact assessment (EIA) requirements.

The project itself would be vital in the quest for clean and efficient fuel to support the industrial and economic development of both southern Thailand and Peninsular Malaysia.

Another area which brings the two nations together is the joint-effort to develop southern Thailand and Malaysia's northern states of Penang, Kedah and Perlis.

For instance, the setting up of secretariats in both regions to promote business activities in the area will enhance trade between southern Thailand and Penang.

A secretariat was set up recently at the Prince of Songkhla University campus in Pattani, South Thailand.

In support of such efforts, the Thai Government had in September drafted a plan to give its southern provinces wide-ranging discretionary powers to further develop bilateral relations with Malaysia.

Thailand southern province of Satun governor Datuk Sorrasak Soysonth told journalists the discretionary powers would enable both countries to increase the level of development on both sides of the common border area.

The Thai Government has always valued the close cooperation with Malaysia and is confident that the plan to allow its southern provinces to work more closely with the authorities in Malaysia will bring added benefit to the people of both countries, especially those living in the border area.

The good relationship between the authorities in Satun and Perlis was another example of how close cooperation between the two sides could improve the economic well-being of the people.

Both sides are expected to complete a connecting road between Bukit Kayu Putih at the border and the Kuala Perlis-Changloon Highway by the middle of next year. At the same time, the Thai authorities are in the process of getting funds to extend the project to Satun.

Efforts are also being made to secure financiers for the project from Europe and Japan.

Foreign Minister Datuk Seri Syed Hamid Albar, during his visit to Bangkok in September had said economic development of the Malaysia-Thailand border region will be given a boost as most of the border issues have been resolved.

Work to demarcate the 552km common border - once a hotbed of guerilla activity - is on track as the agencies involved had achieved a lot of progress.

And on November 13, Malaysia-Thailand relations got a boost with the formation of the Malaysia-Thailand Association, enabling both countries to work together to enhance co-operation in various areas, including the economy.

The MTA will complement its counterpart, the Thailand Malaysia Association, which was established on September 17 in Thailand.

Malaysia and Thailand are close and good neighbours.

Apart from sharing a common border, both share numerous cultural, social and religious affinities that have bound the people together.

Given the sustained political will at the highest level, both countries would be able to resolve other issues, besides working together for a better future.

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