

22/09/2000

Trans Asia Gas Grid a priority at Apec meet

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INDONESIA and China are expected to table a revival of the Trans Asia Gas Grid project as a top priority item at the forthcoming Asia Pacific Economic Cooperation (Apec) Leaders Meeting in Brunei later in November.

The proposal is expected to be supported by the Apec Partnership for Equitable Growth (PEG), a non-profit organisation modelled after smart partnerships as the basis to move public-private sector initiatives within Apec forward.

The move was discussed at a roundtable discussion between PEG and energy leaders from China, Indonesia, India and the Organisation of Petroleum Exporting Countries (Opec) in Jakarta, Indonesia, yesterday.

"It is vital that the different constituencies i.e. the seller of gas, the buyer of gas and the investors of the pipeline come together to work with the PEG, mandated by Apec Leaders to follow up on this project in order to table it soon and formally for a decision when the Apec Leaders meet in Beijing in 2001," PEG CEO Dr Shafiq Sit Abdullah said in a statement released in Kuala Lumpur yesterday.

The Trans Asia Gas Grid, spanning from Natuna Alpha D to the main coastal cities of China, was first introduced by the PEG in 1998 and was welcomed by the Apec leaders at their summit meeting in Kuala Lumpur.

"Significantly, the rich resource of Natuna Alpha D remains stuck in the ground at a time when Indonesia needs revenue and funding to recover economically. It has been calculated that the sale of gas from Natuna through this pipeline alone will bring in approximately US\$30 to US\$35 billion (US\$1 = RM3.80) over the next 30 years for Indonesia," added Shafiq.

He said aside from this noble objective of spearheading Indonesia's economic recovery, the technology is available to implement the project, and the commercial considerations will yield positive returns to the investors.

"This gas grid is shorter than the Trans Siberian pipeline and will yield higher returns and greater spin-offs," he said.

Shafiq said the Trans Asia Gas Grid will also achieve the dual objectives of helping Indonesia in its recovery, and meeting China's needs for cleaner forms of energy to stave off a pollution crisis by 2005.

The round-table was organised in conjunction with the Second Indonesia International Oil & Gas Exhibition and Conference (IIOGE 2000).

According to a statement, among those present were Opec secretary general Dr Rilwanu Luqman, World Petroleum Congress senior vice president Dr Wang Tao, the Minister of Mines and Energy of Indonesia, the Minister of Resources and Energy of India, and top CEOs from numerous oil and gas companies including the China National Petroleum Company, Pertamina, BP Amoco and others.

The PEG, formed in 1998, is headquartered in Kuala Lumpur and its founding patron is Prime Minister Datuk Seri Dr Mahathir Mohamad.

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