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Go ahead for gas pipeline (HL)

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PUTRAJAYA, Tues. - Thailand has accepted Malaysia's request to expedite the RM3 billion Trans-Thai-Malaysian gas pipeline project with a commitment to resolve problems related to it by July.

Foreign Minister Datuk Seri Syed Hamid Albar said it was important that the project be speeded up as the delay was proving expensive for Petronas which was funding most of the project.

"To us it is important. The cost is accumulating on a daily basis and the biggest part of the cost is borne by Petronas," he told reporters on the meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and Thai Prime Minister Thaksin Shinawatra.

Syed Hamid said Malaysia had requested that the project be expedited as landing the gas in south Thailand would, among others, provide the area with more job and business opportunities.

Thaksin, at a Press conference later, said the Thai Government was waiting for the EIA reports.

He said this when asked when the project would begin.

He said the Thai Government was also waiting for the understanding of people residing there.

Thaksin said the delay in the project also lay in making the people understand that the project was not harmful.

Thaksin, who assumed the post on Feb 9, arrived here this morning on his first official visit abroad as Prime Minister. He will leave for home tomorrow. He was accompanied by a high-powered delegation which, among others, included Thai Deputy Prime Minister Pitak Intrawityanunt and the Foreign Affairs, Interior, Finance and Commerce Ministers and Deputy Defence Minister General Yuthasak Sasiprapha.

Dr Mahathir earlier welcomed the delegation at Dataran Perdana.

Also present were several Malaysian Ministers, High Commissioners and Ambassadors.

The 350km pipeline, which will move gas from the offshore Malaysian-Thai Joint Development Area, is a joint venture between Petronas and the Petroleum Authority of Thailand. The project, which includes two gas separation plants in southern Songkhla province, was to have started on March 1. It was delayed as a result of yet-to-be-approved EIAs (environmental impact assessments) by Thai authorities.

Syed Hamid said Malaysia, on Thailand's request, had agreed to lift the ban on Thai imported beef. The ban was imposed on Feb 15 to prevent the spread of the mad cow disease here.

"There was also a request from their side to open our borders for longer hours. This will now be looked into by the Home Ministry," he said.

Bangkok had proposed that the Bukit Kayu Hitam-Sadao checkpoint be opened around the clock.

The Thais have also asked that checkpoints which operated from 5am to 9pm be opened 24 hours while those operating for three hours per day be extended to between six and seven hours.

Syed Hamid said Thailand had also requested Malaysia to increase rice imports from the country.

Malaysia, which at one time imported 300,000 tonnes of rice from Thailand annually, today only imports about 30,000 tonnes.

"Although the reduction is quite hefty, we will have to look at this because we also buy rice from Myanmar and Vietnam," he said.

Malaysia, said Syed Hamid, had also agreed to grant easier passage for Thai registered trucks transporting perishable items to Singapore. "Likewise, they have also agreed to grant a similar privilege to Malaysian registered trucks transporting goods to Indo-China," he said.

Syed Hamid said Thailand had also pledged to review the quota and import tariffs imposed on Malaysian palm oil which Malaysia felt was discriminatory.

"We asked them to review this because there is clear discrimination on import tariffs for soya oil and palm oil. The tariff on palm oil is very prohibitive," he said.

Syed Hamid refused to divulge details when asked how much palm oil was imported by Thailand and the import tariff imposed.

Both sides, he said, also agreed to continue discussions on the yet-to-be-resolved border demarcation issue. "The only stretch left is near Jeli. The Foreign Ministry will look into this," he said.

During the meeting, both sides discussed the possibility of re-establishing the joint Agricultural Committee which was active until 1996. The committee was formed, among others, to allow both parties to discuss issues relating to agriculture and fisheries.

Syed Hamid said Dr Mahathir also briefed Thaksin on developments in the East Asia Study Group, the restructuring of the world financial architecture, the Asian Monetary Fund, the need for Malaysia and Thailand to regularly exchange views on matters of mutual interest and developments in Myanmar.

"As members of Asean, both countries discussed ways to help Myanmar to develop further and adjust to the everchanging surroundings," he said, adding that a prosperous Myanmar would also benefit Asean.

Syed Hamid said both parties also agreed to co-operate in deep sea fishing activities for mutual benefit.

"Businessmen from Thailand are interested in deep sea fishing. We agreed to have a joint venture as the Thais have the capital and expertise.

"The activities would be done within the Exclusive Economic Zone near Sarawak. By landing the fish at Malaysian ports, we will be able to have more value-added products," he said.