

Dr M gets pledge gas project will go ahead

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By CHARLES CHAN

BANGKOK: Datuk Seri Dr Mahathir Mohamad left the Thai capital after a two-day official visit, satisfied that the troubled Malaysia-Thai gas pipeline project will proceed, although with some inevitable delay that will push costs beyond the original estimate of US\$800mil (RM3.04bil).

The Prime Minister said the Thai government had agreed to allow the installation of the pipeline 5km from the original site in Songkhla province.

Referring to the fierce opposition to the project whipped up by some groups, particularly environmental NGOs, Dr Mahathir said he was "saddened" because this was a project that could bring development that would economically benefit the poor in southern Thailand.

"We have seen how this has helped to improve the standard of living of the people in Terengganu, for example."

The project - a 50-50 joint venture between the Petroleum Authority of Thailand and Petronas - has been opposed by the local populace

fearing adverse environmental impact right from the very beginning when the two countries set up the Malaysia-Thailand Joint Development Authority in 1997 to jointly exploit gas resources in the Gulf of Thailand that is claimed by both countries.

Pipelines from the offshore fields would bring gas to Songkhla on Thailand's east coast and then flow to Malaysia through a pipeline connecting it to Kedah.

The natural gas would be processed in Songkhla and transported through the proposed 360km-long Trans-Thailand-Malaysia Gas Pipeline System.

In bilateral talks on Saturday night, Dr Mahathir said Thailand had given an assurance that there would be no security problems while the pipeline was being laid.

"Definitely, it is going to be a little bit more costly because the gas itself is more costly than gas from other sites. The delay itself is going to increase the cost but this is unavoidable."

Disputing environmental fears raised by NGOs opposed

to the project, Dr Mahathir said there were gas pipelines all over the world including in Europe which has the most pipelines; in the United States; and Latin America, but nobody was protesting against them.

"We have gas pipelines in Malaysia that go right round the peninsula and onwards to Singapore. We have had no problems and I don't see anybody suffering from anything. As a matter of fact, installation of pipelines generate a lot of wealth for the locals.

"We are told these gas pipelines are going to cause problems to the environment. They are buried in the ground, so I don't know how they are going to cause problems."

During their bilateral talks, Dr Mahathir explained to Premier Thaksin Shinawatra the difficulties faced by Malaysia's automotive industry if the Asean car market were to be opened under the Afta scheme.

Among these were the strong likelihood of foreign giant automotive companies setting up assembly plants in Asean countries, achieving

40% local content to be considered as national products eligible for Ascan-wide market access.

Malaysian cars, with 92% local content, would not be able to compete against these giants, hence the request for a two-year grace period. But he emphasised Malaysia was committed to Afta.

Dr Mahathir also withdrew reservations he had about the Asian Co-operation Dialogue, Thaksin's foreign policy initiative, after the Thai premier explained that it was not a formal grouping but a forum for Asian ministers to exchange ideas on co-operation.

At Saturday's business luncheon, Dr Mahathir said he did not believe bringing all Asian countries together to promote co-operation would achieve the desired result.

He observed that many of the Asian countries were at different stages of development and have different philosophies and ideologies.

"They all have different ideas about how to do things. And we may not be able to co-operate meaningfully."