

10/05/2002

Dr M: Joint gas pipeline can be built on Malaysian soil

Kamarul Yunus

THE proposed US\$1.5 billion (US\$1 = RM3.80) Thai-Malaysian Gas Pipeline can be built on Malaysian territory if the original route is scrapped, says Prime Minister Datuk Seri Dr Mahathir Mohamad.

Thailand is facing problems getting the project off the ground in the face of resistance from villagers in the affected areas.

"Thailand has not indicated any alternative routes... we have an agreement with them (Thailand). If they change their stand, of course some clauses will be affected... we need to find solutions," the Prime Minister told newsmen after opening the Petronas Petroleum Industry Complex in Kertih yesterday.

He was asked what would happen if Thailand decided not to go ahead with the project.

The gas pipeline, a joint venture between Petronas (Petroleum Nasional Bhd) and PTT Plc (formerly Petroleum Authority of Thailand), is a key infrastructure for the Joint Development Area (JDA). It has been delayed because of strong opposition from local Thai residents.

Thai Prime Minister Thaksin Shinawatra had last month suggested that the pipeline's location be changed to appease villagers who fear its environmental impact.

Wire reports had quoted Thaksin as saying that the pipeline and an accompanying gas separation plant could be relocated to a sparsely populated area partly owned by the Government.

The 352km pipeline had been slated to pass through five villages on the Thai coast 950km south of Bangkok.

A gas separation plant and an adjacent 20,000ha industrial zone would also be developed.

But environmental activists and villagers claim water and mercury released by the gas separation plant can harm the ecology of the Songkhla Gulf.

The new location proposed by Thaksin is about 20km north of the original site. He had ordered an environmental impact study to be submitted by last month, according to an official statement quoted by Associated Press.

The pipeline was to have been built to connect offshore gas fields with the separation plant in Songkhla province, and from there down all the way to Kedah.

Petronas president and chief executive officer Tan Sri Mohd Hassan Marican has stressed that the national oil corporation remains committed to the project which has been delayed for over a year.

"We have several options... there are several alternatives to take delivery of gas from the Gulf of Thailand," he had said.

For example, offshore pipelines from Petronas' Lawit and Jernih gas fields in the JDA could be used.

Under a deal signed with Malaysia-Thai Joint Development Authority in November 1999, Petronas would take delivery of gas from the JDA beginning the second half of this year.

(END)