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Malaysia-Thailand gas pipeline to go ahead

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MALAYSIA and Thailand have agreed to proceed with and speed up the implementation of the delayed US\$1.5 billion (RM5.7 billion) Thailand-Malaysia Gas Pipeline project.

Prime Minister Datuk Seri Dr Mahathir Mohamad said that Thailand had given its assurance there would be no security problem while the pipeline was being laid.

"We are happy with the assurance given.

"We have been losing for two years. We have to build the pipeline as soon as possible.

"We have already put in place the necessary equipment for the production of gas and its platforms.

"What we have to do now is to lay the pipe, both in the sea and on land."

Dr Mahathir was speaking to Malaysian journalists at the end of his three-day visit to Thailand yesterday.

The Prime Minister said Thailand had agreed to go ahead with the project but wanted to install the pipeline five kilometres away from the original route.

He said even if the re-routing of the pipeline would cost more, it would still be beneficial.

"The delay in the project will increase the cost. It is unbearable," he said.

On protests by affected villagers over the project, Dr Mahathir said the locals were not very much involved.

"It is others not from the area, especially the non-governmental organisations (NGOs).

"I am saddened with the situation as this project will benefit the poor people in southern Thailand. This project will bring benefit to the economy of the people in the area," he said, citing that similar gas pipeline projects had improved the living standards of people in Terengganu and elsewhere.

Dr Mahathir said while the NGOs claimed that the project could affect the environment, there were such projects in Europe.

"But there is no protest, no environmental impact (in Europe). And the people there also know of the importance of using gas because it is considered as environment-friendly.

"If the gas pipeline project creates environmental problems, then there will be no gas pipeline in the world. But still we can see it across Europe, America and Latin America. Yet we are told it is going to cause problems."

In fact, he said, Malaysia had installed the gas pipeline across Peninsular Malaysia to Singapore.

"It is underground and there is no suffering. The installation of the gas pipeline generates wealth for the locals."

The Trans-Thailand Malaysia gas pipeline and a separation project was instituted in February 2000 to transport and process natural gas from the gas reserves in Malaysia's Joint Development Area (JDA), which is 255km east of Songkhla province in the Gulf of Thailand.

It covers 7,250sq km. The project consists of the gas pipeline project and the Songkhla Gas Separation Plant (GSP) project which processes liquefied petroleum gas.

Construction of the pipeline and a GSP was due to begin in early 2001 but was put on hold because of uncertainties over the global economy as well as fierce opposition from environmentalists and villagers in Songkhla.

It was also delayed several times as it had not received the Environmental Assessment Impact (EIA) approval. The project only received the approval in December last year.

However, the Thai Government deferred its decision on whether to approve or scrap the project to three months from December last year to end May following Thaksin Shinawatra's visit to the affected villagers on Dec 24 last year.

The Thai Government announced the approval of the project in May this year, with a slight change in the pipeline route.