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Afghanistan plans gas pipeline



AP

The pipeline is Afghanistan's biggest foreign investment project

Afghanistan hopes to strike a deal later this month to build a \$2bn pipeline through the country to take gas from energy-rich Turkmenistan to Pakistan and India.

Afghan interim ruler Hamid Karzai is to hold talks with his Pakistani and Turkmenistan counterparts later this month on Afghanistan's biggest foreign investment project, said Mohammad Alim Razim, minister for Mines and Industries told Reuters.

"The work on the project will start after an agreement is expected to be struck at the coming summit," Mr Razim said.

The construction of the 850-kilometre pipeline had been previously discussed between Afghanistan's former Taliban regime, US oil company Unocal and Bridas of Argentina.

The project was abandoned after the US launched missile attacks on Afghanistan in 1999.

US company preferred

Mr Razim said US energy company Unocal was the "lead company" among those that would build the pipeline, which would bring 30bn



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cubic meters of Turkmen gas to market annually.

Unocal - which led a consortium of companies from Saudi Arabia, Pakistan, Turkmenistan, Japan and South Korea - has maintained the project is both economically and technically feasible once Afghan stability was secured.

"Unocal is not involved in any projects (including pipelines) in Afghanistan, nor do we have any plans to become involved, nor are we discussing any such projects," a spokesman told BBC News Online.

The US company formally withdrew from the consortium in 1998.

"The Afghan side assures all sides about the security of the pipeline and will take all responsibilities for it," Mr Razim said.

Reconstructing

Afghanistan plans to build a road linking Turkmenistan with Pakistan parallel to the pipeline, to supply nearby villages with gas, and also to pump Afghan gas for export, Mr Razim said.

The government would also earn transit fees from the export of gas and oil and hoped to take over ownership of the pipeline after 30 years, he said.

The Asian Development Bank (ADB) has been surveying routes for transferring local gas from northern Afghan areas to Kabul, and to iron ore mines at the Haji Gak pass further west.

"ADB will announce its conclusion soon," Mr Razim said.

The pipeline is expected to be built with funds from donor countries for the reconstruction of Afghanistan as well as ADB loans, he said.

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