

India, Pakistan hope IPI pipeline will begin next year

Ahead of Iranian President Mahmoud Ahmadinejad's visit here next week, India and Pakistan Friday gave a much-needed push to the stalled tri-nation pipeline project by reaching consensus on basic issues and hoped that work on the \$7 billion project could begin next year.

'Consensus was arrived at on the principles on which the bilateral agreement will be concluded,' said a joint statement after talks between Indian Petroleum Minister Murli Deora and his Pakistani counterpart Khwaja Asif in Islamabad.

'The two ministers agreed to consult with their respective governments for an early conclusion of the agreement on the above issues,' the statement said.

'We definitely made significant progress. Both parties will consult their respective governments and reach an early conclusion of the (bilateral) agreement (for the pipeline),' Asif told a joint press conference he addressed with Deora.

Deora struck an upbeat note on the future of the pipeline and described the discussions on outstanding bilateral issues related to the pipeline as 'very fruitful.'

'We have reached agreement on the principles on which we hope the project can go ahead. India believes that close economic cooperation with its neighbours is not only a necessity, it also builds the stakes and trust that strengthen the overall relationship,' Deora said.

The two sides acknowledged 'immense economic and strategic value' of the pipeline spanning a distance of 2600 km across three countries and hoped that it will 'add a new dimension to their bilateral relationship and go a long way in improving the quality of life of their peoples of the two countries.'

The two sides discussed three bilateral issues, including the structure of the pipeline company which will execute and manage the project, transportation tariff and transit fee.

The two ministers, however, dismissed reports about the US opposition to the project as it involves Iran, a country Washington is seeking to isolate internationally over its suspected nuclear weapon programme. They stressed the US had not officially communicated any reservations on the pipeline to their governments.

Admitting that there were 'differences' over the transit fees with Pakistan, Deora said he was hopeful that these issues would be resolved and the project would be implemented according to the established international practices.

Ahmadinejad will stop for a couple of hours in Islamabad after a visit to Sri Lanka April 28 before he comes to India the next day for a few hours.

The talks on the pipeline project just days ahead of the Iranian president's visit indicates that the project is not just a pipedream, but is moving ahead after repeated vacillations by India and Pakistan to resolve issues of tariff and transportation charges.

When Ahmadinejad comes hold talks with Prime Minister Manmohan Singh April 29, the pipeline project, which could have a significant bearing on the country's energy security, will figure prominently in discussions between the two leaders, official sources said in New Delhi.

With the future of the India-US nuclear deal looking uncertain, India is looking at natural gas as a serious alternative to meet energy demands of its burgeoning economy. Oil ministers of India, Pakistan, Afghanistan and Turkmenistan Thursday agreed to start the construction of a four-nation gas pipeline project in 2010.

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