Arafat says natural gas field great hope for Palestinian economy

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ABOARD THE JANDELAY (AP) -- From the bridge of a fishing vessel, Palestinian leader Yasser Arafat observed the bustle of activity Wednesday on a huge British Gas drilling platform, then bellowed into a walkie-talkie.

"President Arafat is calling. Start! And good luck for all of us," Arafat said.

Moments later, a huge flame shot into the sky -- proof of the presence of a natural gas field below the Mediterranean, about 22 miles off the Gaza Strip.

British Gas has been searching for natural gas near Gaza for the past six months, and last month discovered a vast field Palestinian officials say could provide electricity to Palestinians for generations, and could perhaps even be exported.

Arafat's visit to the site Wednesday gave the official seal of approval. The discovery of the natural resource will be a boost to the struggling Palestinian economy and the quest for statehood, he said.

"It's a gift from God to us, to our people, to our children," said Arafat, smiling broadly aboard the Jandelay fishing vessel as it circled the Gaza Marine platform. "This will provide a solid foundation for our economy, for establishing an independent state with holy Jerusalem as its capital."

Arafat, 71, at one point moved away from the entourage of about 70 Palestinian business people and journalists to say Muslim prayers in a quiet area of the vessel. He was among only a few on board not to get seasick, and commented wryly that he has been at sea lots of time, "in public and in secret," an apparent reference to his many clandestine trips as a guerrilla leader.

British Gas has also been among those exploring off Israel, where 1.5 trillion cubic feet of gas reserves have been discovered since July 1999, enough to provide Israel with electricity for the next 15 years.

Yehezkel Druckman, Israel's petroleum commissioner, said he expected that the Palestinian Authority would export some of its natural gas to Israel because the Palestinian market might be too small.

Palestinian Housing Minister Abdel Rahman Hamad, who is in charge of the gas exploration in the Palestinian Authority, said he was reluctant to estimate the size of the field discovered. "The only thing we can say is that we have positive signs that we can export gas after covering all the needs of the local market," he said.

The gas exploration could lead to possible Israeli-Palestinian cooperation, especially if fields are discovered that straddle the border line.

However, there is also potential for conflict. The Israeli company Yam Tethis, which is searching for gas off Israel, has appealed to Israel's Supreme Court, asking that British Gas be prohibited from drilling off Gaza.

The Palestinian Authority overstepped its jurisdiction in awarding the drilling rights since it is not the government of a sovereign state and thus does not have water rights, said the suit, filed last month, according to the Haaretz daily.

British Gas officials did not return repeated telephone calls Wednesday.