

Pakistan, Russia sign 1100 km gas pipeline agreement

17/10/2015 11:24 by admin

Islamabad: Pakistan and Russia yesterday signed a major agreement to build a 1,100-kilometre gas pipeline from Lahore to Karachi, that will take cooperation between the two Cold War-era adversaries "to a new level".

The agreement was jointly signed by Pakistan Petroleum Minister Shahid Khaqan Abbasi and Russian Energy Minister Alexander Novak in a ceremony attended by Prime Minister Nawaz Sharif.

The 1,100 kilometre pipeline with a capacity of 12.4 billion cubic metre per annum will connect Karachi's liquefied natural gas (LNG) terminals with those in Lahore, the Radio Pakistan reported.

Russia will invest USD 2 billion in the project, the first phase of which is expected to conclude by December 2017.

The North-South gas pipeline project would be built by Russian company RT Global Resources, a part of Russian state corporation Rostec.

The project will be implemented in compliance with BOOT model (Build Own Operate Transfer). The pipeline will be owned and operated by the manufacturer for 25 years. After that the pipeline will be handed over to the Pakistan government.

The project will take cooperation between Russia and Pakistan "to a new level", Novak said in a statement.

Pakistan and Russia are deepening cooperation in various sectors as ties have been on an upward trajectory for the past few years.

Sharif and Russian President Vladimir Putin during a meeting on the sidelines of the Shanghai Cooperation Organisation summit in Ufa earlier this year discussed progress on the North-South gas pipeline agreement and had decided to expedite progress on the project.

Sharif had said that Pakistan wished to develop a multi-dimensional relationship with Russia in the fields of trade, defence, energy, infrastructure, culture and other spheres.

In August, Pakistan and Russia signed a landmark defence deal for the sale of four Mi-35 'Hind E' attack helicopters to Pakistan and are currently in talks for the delivery of Sukhoi Su-35 fighter jets.

- PTI