

Will Gaza ever get a whiff of its offshore gas?

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Gaza's gas... isn't this home-grown source of energy something the Palestinians should be in charge of?

Yes, but the way things are shaping it'll probably be stolen from them just like their lands, their homes and their precious water.

The Gaza marine gas field lies 25 to 30 kilometers off Gaza's shore. In 1999 the BG Group obtained licences to Israeli offshore concessions, and shortly afterwards was awarded the Gaza licence, for a period of 25 years. BG holds 90% equity in the licence, but this could reduce to 60% if the Consolidated Contractors Company (its current 10% partner) and the Palestine Investment Fund exercise their options.

In 2005, at the time of Israel's 'disengagement' from the Gaza Strip, the Palestinians decided to drop plans to sell gas to Israel and talked with Egypt instead. The position changed again when Tony Blair, Israel's ever-faithful dogsbody and now the Quartet's special envoy to the Middle East, personally intervened on Israel's behalf. No-one is saying how much Egypt's EGAS was offering and there is speculation that Blair was sent in to persuade the Palestinians to accept a weaker Israeli bid.

After talking with Michael Barron, BG's Policy and Corporate Affairs Manager, I understand negotiations are suspended because gas prices and commercial terms cannot be agreed. In any case, there needs to be a change in Israel's gas law to enable the Israeli government to act as a seller in its own market, and the necessary procedural steps could take some time. Overarching issues on how funds flow back to Palestine and how they are used, also have to be addressed.

In the meantime the feasibility of supplying the Egyptian market is still being explored.

The Gaza gas field is estimated to hold 1 trillion cubic feet of gas worth some \$4 billion in revenue. It would take 4 years to bring on stream. With production at economically commercial levels it is expected to last 15 years and generate \$2 billion in profit, half of this for the Palestinians. Israel would take an undisclosed percentage of the product, certainly much more than the Palestinians' requirement.

The plan is to pipe the gas from source direct to an on-shore terminal at Ashkelon in Israel. A separate pipe will run from the terminal to Gaza. BG will be the operator, with Israel providing a raft of assurances regarding uninterrupted supply to Gaza and the West Bank and uninterrupted flow of profits to the Palestinians.

Come again? BG is going to land Palestine's one and only natural resource on Israeli territory for processing and distribution...? The same Israel that's starving Gazans into submission, blitzing them in their prison-home and trashing their economy? The same Israel that continues to murder and imprison whomsoever it wishes and steal whatever it wants? The same Israel that has no regard for international law and human rights? The same Israel that has blocked the flow of Palestinian tax and customs revenues, humanitarian aid and hospital supplies? The same Israel that will not recognise Palestine or its democratic choices?

Have Palestinian negotiators taken leave of their senses or are they being subjected to coercive pressure, which would be grossly improper if it comes from an illegal occupier and its allies?

Nobody in the Middle East believes for a single moment that any assurance or guarantee by Israel is worth the paper it's written on... especially in this case, where Israel mounted a challenge to Palestine's right to own and control the gas field – and failed. So what's going on here? Is this another brilliant idea for achieving “peace in our time” by raping Palestine of its treasures and resources?

It is not difficult to see what might happen: Israel siphons off the gas in ever-increasing quantities while keeping the Palestinians in a state of bankruptcy and unable to use their share. Alternatively they'll provoke a 'security' alert and block the pipeline anytime it suits them as a collective punishment.

Should the Palestinians be selling their gas in the first place? Isn't every cubic foot needed to fuel their economic recovery? And, after 60 years of occupation and ruination, won't that take more than 15 years? The Palestinians would forgo a \$1 billion profit (assuming the money ever reached them) but they'd have gas for 50 years or more.

Gaza itself should be reaping the unadulterated benefit and supplying the West Bank direct.

Unfortunately an Interim Agreement signed in 1995 allowed the Israelis to weave a tangled web of security zoning in Gaza's coastal waters leaving Israel in charge and dictating what happens off-shore and who comes and goes. Being 'interim' these maritime restrictions were not expected to last beyond 1999 but are still in force. An early task for the international community – if it's serious about a just peace – is to untangle this sea blockade and restore to Palestine free unfettered use of its territorial waters.

Meanwhile Israel's elaborate 'matrix of control', designed to immobilise, strangle, hamstring and impoverish the Palestinians and make Israel's occupation permanent, extends far out to sea and prevents the people from exploiting their country's resources in the normal way. The situation is in flagrant breach of international law, UN resolutions, human rights and every code of conduct in the book. But that's nothing new. The international community doesn't care or is too yellow to act or its leaders have 'taken the shekel' and are batting for Israel – the brave victim surrounded by an evil Islamic and Arab-Christian menace.

As the Palestine Investment Conference opens in Bethlehem the inevitable question is: will foreign investors seduced by Blair and his friends be investing in Palestine's future or Israel's? The purpose of the Conference is to demonstrate “high-level political commitment from the Palestinian Authority to the investment-led growth of the Palestinian economy”.

But if the BG Group brings Gaza's gas ashore in Israel, what will the benefit be to Palestinians in terms of business contacts and job opportunities for Gaza?

Will they ever get a whiff of their own gas? If so, for how long before energy-hungry Israel turns it off and confiscates it?

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