

EIR: Algeria, a very important country in gas production, is undergoing dramatic political conflict. Italy hosted the conference of the Algerian opposition, under the auspices of the Community of Sant'Egidio. . . .

Ferrari: Yes, that is a very important initiative. . . .

EIR: How will a possible change in government there affect the industry?

Ferrari: I think hydrocarbons are very important for the Algerian economy. They represent a very high percentage—about 90%—of export revenues in hard currency, which the country needs both for investments to satisfy the needs of the population, and for foreign debt payments, so gas plays a central role, as does oil, and it will increase as the lines to Spain and Italy increase the supply to other European countries, which will bring in hard currency. And I think *any* government will need hard currency. We are in fact dependent on Algerian gas, but we believe that the mutual benefits are such that relations can continue, even if the political situation were to change.

EIR: Here in the region, Israel, Jordan, and Egypt will benefit from your project. What about Palestine?

Ferrari: We believe that through transparent relations which are mutually beneficial, projects like this one, requiring big investments [\$1-1.5 billion], can be done. With a 3% population growth rate here, there will be an increasing demand for energy, electricity, and the technologies which have been developed over recent years with highly efficient energy utilization, make it possible to export gas energy, which also has a positive environmental impact, it makes possible local electricity production, with limited dimensions. So one need not build huge plants, to have an economy of scale. Medium-sized plants can be built, which produce highly efficient gas energy and are therefore very competitive. This will bring the population energy for electricity, refrigerators, heating, and so on.

EIR: How will this \$1-1.5 billion project be financed?

Ferrari: Great projects have shown that they are acceptable to the banking system, if the people on both sides, as well as the projects, have credibility. We have always financed great projects in part with our own capital and with recourse to loans, with the concept of project financing: a project which can bring in a return beyond the initial outlay, at a margin which allows repaying the loan.

EIR: Do you think such a huge project can be handled by private means?

Ferrari: We propose a very advanced scenario: At each stage, we will have one portion of the project which will be feasible. The project goes to 2010-20, but if we begin with one segment of the pipeline, this means that with the demand for financing to transport this volume and put it on the market, this project that is launched is viable. We cannot think of

financing a project for billions of dollars, but we can think of developing gas industries in the region, in each country.

EIR: Has the discussion process here at the MENA conference advanced the project?

Ferrari: This is an idea of a project, which has to go further. We have to talk to government representatives of the various states, to gas industries, to the energy sector in each state. All this requires time.

But this conference is very important, in having brought together so many qualified people and political sponsors at the highest level. Believe me, it was personally very moving for me yesterday to see, seated around a round table, the Jordanian king, the Israeli prime minister, Chairman Arafat, the U.S. secretary of state . . . it was very important. I think it shows an extremely ambitious political commitment, which is gradually developing. It is a marvelous sign.

Interview: Domenico Siniscalco

We are not just going to buy oil and leave

Mr. Siniscalco is the executive director of the Enrico Mattei Foundation in Italy. Enrico Mattei was the founder of Italy's national hydrocarbons company ENI. He was killed in 1962, when the plane in which he was traveling exploded—an "accident" which many believe was really a political assassination. Muriel Mirak-Weissbach conducted this interview in Amman on Nov. 1.

EIR: Do you think the project presented by ENI reflects the tradition of Enrico Mattei, whose relations with the Arabs world have left their imprint on Italian culture?

Siniscalco: Yes, I see many reflections, even though, because of my age, I never personally met Mattei. I see much of his spirit here, because: 1) we are going to these countries; and 2) we are cementing peace and development in these countries; it's not a matter of going there to buy oil and leave. It's a question of building infrastructure, especially to benefit the local population, with contracts favorable to them. Finally, there is the idea of a great political project, which was always the foundation of Mattei's innovation. Clearly, building a pipeline that goes from Egypt—the country Mattei went to first—up through Jordan, Israel, Lebanon, to Turkey, and then goes to central Asia and to the Gulf. If we succeed in realizing this project (and there are many conditions), it would certainly be in the Mattei spirit.

EIR: How is this project viewed in Italy? Is there enough

political support?

Siniscalco: I believe that the political support required for this is much greater than what a single nation could give. It's not Italy that can push. It is a political agreement that derives from the peace process which is emerging in this region, and I believe that it is in the spirit of these multilateral conferences that we have to think. Any single country, even the United States of America, is too small to deal with something this big. Italy can follow, and support, but it's the general political conditions of the region which count more.

Interview: Luigi Meanti and Giacomo Luciani

ENI's program for a gas pipeline project

Luigi Meanti is the chairman of the Italian firm ENI SPA, and Giacomo Luciani is deputy director for International New Ventures and Cooperation of the same company. They were interviewed by Muriel Mirak-Weissbach at the Amman summit.

EIR: I must say, I am enthusiastic about your project, which is one of the most beautiful things presented at this conference. What is the feasibility of the project? How has this conference helped the project progress?

Meanti: This project has just been presented now, and these are plans that produce reactions after some time, after people have had the chance to see them, because we presented it only yesterday. The project is absolutely feasible. Its advantage is that it starts from actual availability, from real conditions, and it has great potential for the future. We are dealing with a very straightforward situation today: There is the availability of gas in Egypt and the desire on the part of Egypt to export gas toward the east; there is a large country, which is Turkey, which is a big gas importer. At the moment, the only supplier of Turkey is Russia. They are also starting to import from Algeria (it hasn't started yet), liquefied natural gas (LNG). Since it is a large country with a rather advanced degree of industrialization, it could constitute the basis for using large quantities of gas. Then there are the countries along the route, countries that have no gas, like Lebanon, Israel, the [Palestinian autonomous] territories, Jordan (which has gas, but very little). There's a country, Syria, which has a certain amount of gas which it consumes, but which has not developed gas consumption very much. Therefore, there exists the possibility of building a common infrastructure. It is not gigantic; it is a matter of 550 kilometers of pipeline. If there are sufficient quantities of gas, putting together the gas coming from differ-

ent countries, then it is certainly a feasible project.

If you consider that Holland imported gas from Italy, there is a greater distance between those two countries than between the Suez Canal, where the reserves are, and the Turkish border. So it is a feasible project which does not require anything extraordinary. I think it will be a [successful] project, if the quantities of gas are found, and if we have the financial commitment, of the sort we have used to finance importing gas to Italy.

Luciani: We are convinced that there are sufficient quantities of gas in Egypt. Furthermore we are sure that it is possible to transport additional quantities of gas from the Gulf, that is, from Saudi Arabia and Qatar, when it becomes necessary. So the problem is political: It is necessary to sign a peace treaty with all the countries of the region. If this is done, this project is certainly very attractive on the economic plane.

EIR: How can this project realize the vision of Enrico Mattei? Not only to develop infrastructure, in the partner countries of the Middle East, but also to develop the productive capacity of labor in these countries? How will the pipeline do this, for example?

Meanti: Gas is the most suitable fuel for today's needs. It can improve the quality of manufactured goods; it can reduce the investment costs of new activities. Therefore, it is a catalyst. We saw this in Italy in the 1950s. Italy was in a state of destruction after the war, in a state of poverty. We were fortunate enough to have significant quantities of gas available, we had the opportunity to produce networks to make it available to industry. Industry gained tremendous advantages from this. There were industrial localities which were born because there was gas available. Gas is a great catalyst, to create industries. And this is what is important. It is especially appropriate for small and medium-size industries, because a single fuel can be used for all applications. It is very important for generating new electrical energy. If there is a big increase here in the region in the need for electrical energy, as there will be, the simplest route, the one that involves lower investments, and gives higher yields, is to use gas in the plants. They can be small plants, they don't have to be gigantic, they can be built along the route of the gas pipelines, so it's a huge opportunity for industry.

EIR: As you know, *EIR* has campaigned for years, for the introduction of nuclear energy in this region, not only for electrical energy but also to provide power for desalination plants. How do you view the perspectives for nuclear energy?

Meanti: Apart from questions that people are very sensitive to, like risk and contamination, for me there are two basic questions about nuclear: One is that it has not yet been demonstrated, also because it is a remote problem, and industry tries to concentrate on immediate problems, and doesn't consider real problems, like the problem of disposal of waste. If the nuclear industry had invested more money, to demonstrate how one can take care of waste, fine; this is an area in