

Advisor in BKPM in Jakarta.

The opportunities which will open up to us under the FTA are meaningless if we do not commit ourselves to acting to take advantage of them. It is a

responsibility that we share, between Canada and ASEAN, and between the public and private sectors. The ACBC is anxious to take up the challenge.

Interview with W.H. Hopper, Chairman and Chief Executive Officer, Petro-Canada

What is Petro-Canada's commitment to the Asia Pacific, in both dollar terms and in terms of physical assets?

Petro-Canada is currently operating internationally in two forms, first as a commercial explorer, and second, as an administrator of part of Canada's Official Development Assistance program through a subsidiary called Petro-Canada International Assistance Corporation (PCIAC). We maintain the two as separate or distinct operations, as I'll explain in a moment, but I think both are relevant to your question.

As a commercial explorer we are relatively new to the international scene. As you know Petro-Canada is a national oil company, established by the Canadian government in 1976 under dramatically different circumstances than we are facing today in the international petroleum market. Although we acquired some small international properties as part of an acquisition, we were directed by our government to concentrate on exploring Canada's domestic frontiers and oil sands, rather than to operate internationally.

The situation changed in the mid-eighties, with the international oil price collapse and a new direction adopted by the Canadian government. Petro-Canada was no longer seen as a "need-to-know" exploration agency acting to promote Canadian security of supply, but as an investment. After 1984 the company was directed to conduct itself as any other oil company on behalf of its shareholder, the Canadian public. In that light, with a declining conventional oil and gas resource base in Western Canada, and continuing low international prices, we felt we should start to participate more aggressively internationally than we had done previously.

That's not to say we are becoming a major international operator. Petro-Canada is still primarily and overwhelmingly involved in Canada. We are the second largest oil and natural gas liquids producer and the fifth largest gas producer in the country. We have about 20% of Canada's refining and marketing business and by far the largest individual share of potential frontier resources in Canada. We have a 25% share of the Hibernia offshore oil discovery and will be a major partner in any oil sands development in the future.

However we have begun a modest program internationally and we are pursuing selected opportunities aggressively. Our first area of focus has been Latin America and we are now hoping to move into South-East Asia as the two exploration arenas of the future.

To summarize our commercial exploration in the region to date, we have been participating with Trend in Indonesia, Home Oil in Malaysia and Sun in Pakistan and we are operating in Papua New Guinea. We're currently negotiating, along with other companies, in Vietnam, Thailand and Myanmar, and if we're successful in those negotiations we will be looking at opening offices and operating exploration programs, so our commercial presence will increase dramatically.

On the other side, I might say a few words as a member of the Board of Directors of PCIAC, which has been operating in South-East Asia for some time, since 1982-83. Cumulatively, PCIAC has spent \$73 million (Canadian) in the region to date, including programs in Thailand, the Philippines, Burma (Myanmar), Pakistan and Nepal. I should point out these are not Petro-Canada funds but rather Canadian Development Assistance funds which are operated by Petro-Canada on behalf of the Canadian government.

For a variety of reasons it is primarily oil importing countries which are eligible for PCIAC assistance. Petro-Canada brings its technology and expertise, as well as those of the entire Canadian private sector, into the region through this subsidiary. It's been an interesting program. PCIAC utilizes Petro-Canada, but the data and information acquired belongs to the client country and is kept separate from Petro-Canada. On the other hand, we have gained a great deal of experience and familiarity with the region and I believe we have made many friends on behalf of Canada in this region.

What new technology is Petro-Canada bringing to the area and how is it facilitating its transfer to the local workforce? What is Petro-Canada providing in the way of training programs?

The PCIAC program has already delivered and continues to bring a great deal of technology and training to national oil companies in the region. In some cases the majority of our activity has been largely "operational" on behalf of our client, such as the seismic acquisition and interpretation projects on behalf of Nepal or the Petroleum Authority of Thailand. Even in those cases PCIAC has worked to ensure technology transfer and training with key local people. Client professionals in both those projects came to Canada to work with Petro-Canada or other Canadian firms, or to take courses, seminars or other forms of training. More recently we have been concentrating PCIAC's efforts more on what we call "stand-alone" technical assistance projects, in which the entire funding is spent on technical assistance, training and the transfer of technology to the local workforce.

Examples are PCIAC's Thailand Technical Co-operation Project, which is halfway through an allocation of \$8.7 million (Canadian) over four years ending in March 1991, and its Philippines Project which is just beginning a \$4 million program over two years also ending in March 1991.

In Thailand PCIAC has been working with the Petroleum Authority of Thailand, both its Exploration and Production group (PTT EP) and its Natural Gas Operations (PTT NGO). For PTT EP, PCIAC delivered an entire suite of courses in Bangkok in geology, geophysics and engineering using the same instructors, content and format we use for Petro-Canada in-house training. That's now being followed up with four PTT EP explorationists gaining on-the-job experience in Canada through a six-month work