The Joint Development Agreement 1990

Introduction

The recently signed agreement between Malaysia and Thailand of 30 May 1990 represents the latest example in a long line of similar co-operative arrangements between states interested in circumventing potentially disruptive overlapping claims in offshore oil- and gas-rich areas of their respective continental shelves and/or exclusive economic zones. This agreement lays down in a substantive way the organs of authority and framework of operation for a designated Joint Development Area. It represents the culmination of a long-drawn-out process of negotiation which was set in motion with the signing of the Memorandum of Understanding between the two countries in February 1979.

This Memorandum of Understanding delineated an area of overlapping claims made by the two countries over their respective continental shelves in the Gulf of Thailand. The defined area was designated a Joint Development Area to be exploited mutually by way of establishing the Malaysia–Thailand Joint Authority. This Joint Authority would assume all rights and responsibilities on behalf of both parties for the exploration and exploitation of the non-living resources of the sea-bed and subsoil in the designated Area for a period of 50 years. More importantly, perhaps, is the fact that under Article 3(2) the Joint Authority also assumes the same for the development, control and administration of the Area.


2 For text of the Memorandum see Appendix 1 at pp. 61–63 below. For text of the 1990 Agreement see Appendix 2 at pp. 64–72 below.

3 Article 1 of the Memorandum of Understanding.

4 Ibid. Article 3(1).

5 Ibid. Article 3(2).
The Area under the Memorandum of Understanding between Thailand and Malaysia