

No plan to raise royalty on petroleum

NST 11 NOV 1982

PRIME Minister ^(P) Datuk Seri Dr Mahathir Mohamad told the Dewan Rakyat yesterday the Government does not intend to increase the existing rate of royalty on petroleum for the three oil producing States of Trengganu, Sabah and Sarawak.

The Prime Minister, in reply to Haji Seroji Haji Harun (BN-Baling) said the decision not to increase the rate was based on a policy that all States should enjoy

the benefits reaped from the country's oil and gas production.

Dr Mahathir said it was the Government's responsibility to ensure that there was a fair distribution of the country's revenue among the States.

To a supplementary question by Mr Yew Foo Weng (BN-Menglembu), Dr Mahathir said the three oil-producing States each received five per cent royalty from the country's oil revenue.

He also said that all States received benefits from the oil

revenue although the three oil producing States received more.

To another question by Opposition leader Mr Lim Kit Slang on a guarantee made by the Petronas chairman to increase the royalty on petroleum during his visit to Sabah, Dr Mahathir said no one had the right on the matter except the Government. "I am not aware that such a guarantee was made," he added.

The Prime Minister said that any decision on the matter would be made by the Cabinet.