

PETRONAS

BM

EMBARGO.: FOR RELEASE AFTER 10.30 P.M. TODAY, AUG. 25

KUALA LUMPUR, AUG. 25 (BERNAMA)--PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD TONIGHT DIRECTED PETRONAS TO ENSURE THAT ITS ACQUISITION COST IN THE PETROLEUM INDUSTRY IS NOT TOO HIGH AND THAT MORE EMPHASIS BE GIVEN TO REVENUE EARNING.

IF REVENUE COULD BE FURTHER INCREASED THROUGH EFFECTIVE JOINT-VENTURES, THEN THIS SHOULD BE CAREFULLY CONSIDERED WITHOUT BEING INFLUENCED BY JINGOISM, HE ADDED.

SPEAKING AT THE 10TH ANNIVERSARY DINNER OF PETRONAS HERE, HE SAID THAT IN THIS RESPECT IT WAS BETTER FOR PETRONAS TO LIMIT ITS INVOLVEMENT TO FIELDS IN WHICH IT HAD CAPABILITY, NOT ONLY IN TERMS OF CAPITAL BUT ALSO EXPERTISE AND MANAGEMENT.

PETRONAS MUST DETERMINE HOW FAR IT PROPOSED TO GO IN ANY PARTICULAR FIELD IN THE INDUSTRY, HE ADDED.

DATUK SERI DR MAHATHIR SAID OPPORTUNITIES MUST BE GIVEN TO OTHER BODIES OR FIRMS TO UNDERTAKE ACTIVITIES FOR WHICH THEY WERE MORE SUITED.--MORE

2147MST 25 08 84

D472

R E665 DEE

PETRONAS 2 KUALA LUMPUR (EMBARGO)

THEY COULD INCLUDE SMALL BUSINESSMEN AND OTHERS WISHING TO BENEFIT FROM THE OIL FOUND IN THEIR OWN COUNTRY, HE SAID.

THE PRIME MINISTER ALSO STRESSED THAT OIL AND GAS WERE NOT THE MONOPOLY OF ANY PARTICULAR STATE BUT WAS THE PROPERTY OF THE NATION.

THE QUESTION OF LOGISTICS MIGHT FORCE THE GOVERNMENT TO SITE PETROLEUM-RELATED INDUSTRIES IN STATES WHICH WERE NEAR THE OIL WELLS, HE SAID.

HOWEVER, AS A NATIONAL ENTERPRISE AND WHERE THE QUESTION OF LOGISTICS WAS NOT AN OBSTRUCTING FACTOR, SUCH INDUSTRIES COULD BE LOCATED IN STATES WHICH WERE LESS FORTUNATE, HE ADDED.--MORE

THE PRIME MINISTER SAID THIS WAS IN LINE WITH THE NATIONAL INDUSTRIALIZATION POLICY WHICH CALLED FOR THE LOCATION OF INDUSTRIES IN ALL PARTS OF THE COUNTRY. NEVERTHELESS SERIOUS ATTENTION SHOULD BE GIVEN TO THE PENALTY COST.

IF THE PENALTY COST EXCEEDS THE SOCIO-ECONOMIC BENEFITS, THEN THIS SHOULD NOT BE CARRIED OUT, HE STRESSED.

DATUK SERI DR MAHATHIR URGED MALAY ENTREPRENEURS NOT TO WAIT FOR OPPORTUNITIES TO KNOCK ON THEIR DOOR BUT BE PREPARED WITH THE NECESSARY CAPITAL AND EXPERTISE TO GRAB ANY OPPORTUNITY THAT WAS AVAILABLE.

HE SAID THE PARTICIPATION OF LOCAL COMPANIES WOULD ENABLE THE NATION TO CONSERVE ITS CAPITAL AND ALSO WOULD BENEFIT THEM IN TERMS OF INPUT TECHNOLOGY AND ACQUIRING OF EXPERIENCE.

THE PRIME MINISTER ALSO SPOKE OF THE ROLE OF LOCAL CONTRACTORS IN THE SUPPLIES AND CONSTRUCTION FIELD.

THE GOVERNMENT AND PETRONAS DID NOT INTEND TO GIVE SUCH CONTRACTS TO FOREIGNERS BUT GAVE PRIORITY TO LOCAL CONTRACTORS.--

UNFORTUNATELY, LOCAL FIRMS OFTEN DO NOT HAVE THE NECESSARY EXPERTISE BUT THEY ALSO MAKE NO EFFORTS TO ACQUIRE IT, HE SAID.

HE ADDED THAT LOCAL INDIVIDUALS INVOLVED IN JOINT-VENTURES WITH FOREIGNERS WERE SO BUSY WITH OTHER ASPECTS OF THEIR BUSINESS THAT THEY ALLOWED THE FOREIGN PARTNER TO RUN THE WHOLE SHOW.

THE PRIME MINISTER SAID THE TIME HAD COME FOR LOCAL ENTREPRENEURS AND CONTRACTORS TO SPECIALIZE IN CERTAIN FIELDS AND NOT TRY TO ENTER EVERY FIELD WITH THE HOPE THAT A LITTLE PROFIT FROM EACH WOULD ADD UP TO A BIG SUM.

HE ALSO SAID THAT PETRONAS SHOULD CONSIDER GIVING CONTRACTS TO SMALL FIRMS AND NOT JUST TO THOSE WITH BIG NAMES.

HE WAS CONFIDENT THAT BY THIS THE NATION WOULD BE ABLE TO BUILD UP ITS EXPERTISE IN SELECTED FIELDS MORE RAPIDLY AND EFFECTIVELY.--BERNAMA