

Working group to hasten car parts venture with Thais

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MALAYSIA has proposed to Thailand a 50-50 production sharing basis for the development of oil and gas resources in their overlapping sea boundary area even though there are now contractors already being given concessions on the Thai side.

Prime Minister Datuk Seri Dr Mahathir Mohamad today announced, following his talks with his Thai counterpart, Gen. Tun Prem Tinsulanonda, that they had reached a decision, basically, that if it were to be fair to everyone, the contractors should continue with their contracts but there should be production sharing on the basis of joint contracts on both sides.

Replying to questions

at a Press conference here, Dr Mahathir said that in other words the Thai contractors and the Malaysian contractors (Petronas) would exploit and "then there would be production sharing and everybody will get his share".

He said that if they made a profit, the contractors would get their share according to the proportion that had been agreed upon, that is, on a 50-50 basis.

He said that under the Malaysian proposal "there should be no compensation for anyone because we are not taking anything away from them".

Dr Mahathir said he did not know whether Malaysia's proposal with regards to overlapping claims would be dis-

cussed by the Thai government.

However, he said, Malaysia hoped its proposal could be accepted by all parties.

At the meeting between the two prime ministers and their delegations yesterday, both countries reached agreement on how to approach the question of a joint authority for the development of their overlapping sea boundaries at the north-eastern coast of Peninsular Malaysia.

Dr Mahathir said the question of exploiting the overlapping claims at the north-eastern coast of Peninsular Malaysia was first discussed between his predecessor Tun Hussein Onn and the Thai Prime Minister at that time.