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KUALA LUMPUR, NOV 6⁸⁷ (BERNAMA) -- ROYALTY PAYMENT BY PETRONAS TO THE VARIOUS OIL PRODUCING STATES IS ADEQUATE EVEN THOUGH PETRONAS IS CURRENTLY RECORDING ENCOURAGING PROFITS, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THE ROYALTY NEED NOT BE INCREASED BECAUSE IT WOULD BE FAIRER IF PETRONAS' SURPLUS INCOME WAS DISTRIBUTED AMONG LESS FORTUNATE STATES, THOSE WITHOUT OIL RESOURCES, HE TOLD HAJI BUJANG ULIS (IND-SIMUNJAN) IN THE DEWAN RAKYAT.

THE PRIME MINISTER SAID APART FROM PAYING ROYALTIES, PETRONAS WAS ALSO MAKING MAJOR INVESTMENTS IN THE STATES WHERE IT WAS OPERATING.

DATUK SERI DR MAHATHIR ALSO TOLD THE HOUSE THAT PETRONAS HAD BEEN RECORDING INCREASING PROFITS IN THE LAST THREE YEARS.

PETRONAS' PROFITS AFTER ROYALTY PAYMENTS, EXPORT DUTY, TAX, AND ADMINISTRATIVE AND GENERAL EXPENDITURE TOTALLED \$2,922 MILLION IN 1984, \$3,805 MILLION IN 1985 AND \$3,848 MILLION LAST YEAR, HE SAID.

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HE ALSO SAID PETRONAS' PROFITS FOR 1986 WAS NOT VERY MUCH HIGHER THAN THE PREVIOUS YEAR'S BECAUSE THE GOVERNMENT REDUCED OIL PRODUCTION IN LINE WITH OPEC PROPOSALS TO STRENGTHEN OIL PRICES.

ON INVESTMENT, THE PRIME MINISTER TOLD THE HOUSE THAT UP TO SEPT 30 THIS YEAR, PETRONAS' INVESTMENTS LOCALLY AND OVERSEAS TOTALLED \$12.769 BILLION.

THE INVESTMENTS COMPRISED SAVINGS IN DOMESTIC FINANCIAL INSTITUTIONS (\$8.974 BILLION), MALAYSIAN GOVERNMENT SECURITIES (\$3.7 BILLION) AND INVESTMENTS OVERSEAS (\$95 MILLION). -- BERNAMA
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