

Deal to be signed this weekend
after 10 years of talks

Malaysia and Thailand to share Gulf oil

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(p)
By Sabry Sharif

GENTING HIGHLANDS, Thurs. — Malaysia and Thailand will share on a 50-50 basis whatever amount of oil and gas is extracted from their overlapping territories in the Gulf of Thailand, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said that regardless of which company was awarded concessions to explore the oil and gas in the area, the product-sharing formula was 50-50.

"If Petronas discovers oil and gas in our waters, the Thais will get a 50 per cent share and *vice versa* with the Petroleum Authority of Thailand."

Dr Mahathir said this was one of the terms

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and conditions of the operation of the Joint Development Authority (JDA) set up by both countries to oversee the development of resources in the disputed waters off Kelantan and Narathiwat.

He said the terms and conditions of operation had finally been agreed to by both Governments after 10 years of negotiations.

The two countries would sign the agreement on the JDA's operations over the weekend, he added.

He said this when asked by newsmen on the details of his trip to Pattaya, Thailand, this weekend where the signing of the agree-

ment is to take place. He had earlier met top Government officers at a closed-door meeting at the Awana Golf and Country Resort.

Malaysia's stand had been that the entire waters should be developed jointly but the Thai Government only proposed to share the southern part of the tract with Malaysia.

The 7,300 sq km area of disputed waters is rich in oil and gas. A memorandum of understanding was signed between the two Governments in 1979 to develop this area and it is valid for 50 years.

The JDA was formed in 1980 but could not begin operating as there were differences over how the resources of the area were to be shared.

Last year, Thai Prime Minister Tun Chatichai Choonhaven met Dr Mahathir in Kuala Lumpur to iron out the conditions governing the operations of the JDA. This was the 12th major discussion on the JDA.

Dr Mahathir said he would also be discussing with Tun Chatichai the ferry link between Rantau Panjang and Takbai whose launching had been postponed four times.

He said the ferry should have been in operation but the service had to be delayed for a number of reasons.

Malaysia has built infrastructural facilities and bought a ferry for this service. It was last scheduled to be launched on Oct 1.

On his closed-door meeting with the top civil servants, Dr Mahathir said it was an annual exercise which involves an exchange of views between Government leaders and top administrators.

He said the emphasis at the meeting was the need to improve administrative efficiency to ensure the success of the country's economic development.

He also stressed the role of administrators as agents of economic development and how they should react to changes positively to make a success of Government policies such as Malaysia Incorporated and privatisation.