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ATTENTION EDITORS: REPETITION REPLACING GARBLED COPY

MAHATHIR-IRAQ R'R'R'

BM

KUALA LUMPUR, AUG 8 (BERNAMA) -- MALAYSIA IS NOT AGAINST THE UNITED STATES DEPLOYING ITS TROOPS AND ARMAMENTS IN SAUDI ARABIA TO DEFUSE TENSION IN THE GULF AREA, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMMAD SAID TONIGHT.

HOWEVER, MALAYSIA PREFERRED THAT ACTION BY ANY COUNTRY BE BASED ON A UNITED NATIONS (UN) DECISION, HE TOLD A PRESS CONFERENCE AT THE INTERNATIONAL AIRPORT IN SUBANG ON HIS RETURN FROM A FIVE-DAY VISIT TO VENEZUELA.

HE SAID MALAYSIA, AS A MEMBER OF THE UN SECURITY COUNCIL, WOULD ABIDE BY ALL ITS DECISIONS, INCLUDING THE QUESTION OF FREEZING IRAQI AND KUWAITI ASSETS IN MALAYSIA.

+WE ARE AWAITING THE SECURITY COUNCIL'S DECISION ON THE COURSE OF ACTION AS WE WANT TO SEE CLOSE COOPERATION AMONG UN MEMBERS ON MATTERS PERTAINING TO THE PRINCIPLES OF RELATIONS BETWEEN NATIONS,+ HE ADDED.

MALAYSIA TOTALLY DISAGREED WITH THE ACTION OF A BIG NATION INVADING ITS SMALLER NEIGHBOUR WITH THE AIM OF SETTING UP A PUPPET REGIME, HE SAID WHEN COMMENTING ON THE IRAQI INVASION OF KUWAIT LAST THURSDAY. -- MORE  
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MAHATHIR-IRAQ 2 KUALA LUMPUR R'R'R'

US PRESIDENT GEORGE BUSH TODAY DECIDED TO DEPLOY GROUND FORCES AND WAR PLANES TO SAUDI ARABIA TO PROTECT IT FROM IRAQI ATTACK.

THE PRIME MINISTER SAID MALAYSIA WAS ALSO AWAITING A SECURITY COUNCIL DECISION TO IMPOSE ECONOMIC SANCTIONS INCLUDING ON TRADE WITH IRAQ IN LINE WITH A UN RESOLUTION ADOPTED TWO DAYS AGO IN RESPONSE TO THE IRAQI OCCUPATION OF KUWAIT.

MALAYSIA EXPORTED GOODS VALUED AT ABOUT \$324 MILLION ANNUALLY TO IRAQ, MOSTLY PALM OIL.

ASKED WHETHER MALAYSIA WOULD SEVER DIPLOMATIC RELATIONS WITH IRAQ FOR INVADING KUWAIT, DATUK SERI DR MAHATHIR SAID IT WAS TOO EARLY TO TAKE SUCH ACTION.

ON ECONOMIC IMPLICATIONS THAT THE LATEST TURMOIL IN WEST ASIA WOULD HAVE ON MALAYSIA, HE SAID THIS COUNTRY'S PROSPERITY DEPENDED ON THE WELL-BEING OF OTHER COUNTRIES BECAUSE THEY IMPORTED MALAYSIAN PRODUCTS.-- MORE  
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MAHATHIR-IRAQ 3 KUALA LUMPUR R'R'R'

HE SAID MALAYSIA HAD LIMITED CAPABILITY TO INCREASE OIL PRODUCTION AT A TIME OF RISING OIL PRICES NOW.

HOWEVER, WHAT WAS MORE IMPORTANT IS THAT MALAYSIA DID NOT WANT TO SEE SPIRALLING OIL PRICE AS THIS WOULD AFFECT WORLD ECONOMY, HE SAID.

THE PRIME MINISTER SAID OIL PRICE SHOULD REMAIN AT A REASONABLE LEVEL.

+ OIL PRICE SHOULD NOT BE TOO HIGH OR TOO LOW. A PRICE RANGE BETWEEN US\$20 AND US\$21 IS REASONABLE,+ HE SAID.

THE PRICE OF OIL WHICH HAS RISEN TO ITS HIGHEST LEVEL IN MANY YEARS FOLLOWING THE INVASION, HOWEVER FELL US\$1.90 TO US\$25.50 A BARREL FOR BRENT BLEND, THE MOST WIDELY TRADED INTERNATIONAL CRUDE OIL, IN THE LONDON MARKET TODAY.

HE SAID PRICES OF MANUFACTURED PRODUCTS HAVE RISEN AND THEREFORE OIL PRICE TOO SHOULD INCREASE.

ASKED WHETHER PRICES OF PETROLEUM PRODUCTS WOULD INCREASE IN THE LOCAL MARKET FOLLOWING THE CRISIS, HE SAID THE GOVERNMENT WAS ALWAYS REVIEWING THE MARKET SITUATION FROM TIME TO TIME.-- BERNAMA

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