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Malaysia-Petronas

MALAYSIA PREPARED TO RECEIVE US OFFICIAL ON PETRONAS ISSUE

KUALA LUMPUR, Nov 12 (Bernama) -- The Foreign Ministry said today it is prepared to receive United States Deputy Secretary of State for Energy, Sanctions and Commodities William Ramsay, who is scheduled here next week, to explain the US' Iran-Libya Sanction Act.

The ministry said in a statement today that it was prepared to "allow Ramsay a hearing" in the light of a US embassy clarification that the objective of his visit was to explain the rationale for the Act.

"In the light of the clarification by the Embassy of the United States of America in Kuala Lumpur that the objective of the visit of Ambassador William Ramsay is to explain the rationale for the Iran-Libya Sanction Act, Wisma Putra is prepared to receive Ambassador William Ramsay and to allow him a hearing," the statement said.

The ministry was officially informed today that Ramsay "would like to visit Malaysia to meet with officials of Wisma Putra to explain the position of the US government on the act."

In the one-page statement Wisma Putra reiterated the government's position that the American act "does not apply to Malaysia as it is a US legislation binding only on nationals of the United States and American companies."

Malaysia and, for that matter, virtually the entire international community is vigorously opposed to the extra-territorial provisions of the Iran-Libya Sanctions Act that prescribes unilateral sanctions, it said.

"Under international law, valid sanctions applicable on all sovereign states are only enforceable when they have been duly adopted by the United Nations Security Council," it said.

The Iran-Libya Sanctions Act, among others, requires the US government to take action against any company that invests more than US\$20 million a year in Iran's oil and gas sector.

US Under-secretary of State for Trade Stuart Eizenstat was quoted as saying that Petronas, the national oil corporation, ran the risk of sanctions if its business dealings with Iran contravened the act.

A tripartite consortium comprising Petronas, France's Total SA and Russia's Gazprom is involved in a deal with Iran to develop a gas field there.

Separately Canada's Bow Valley and Indonesia's Bakrie Group are also engaged in another oil deal with Iran.

The Wisma Putra statement came hours after today's weekly Cabinet meeting which was reportedly scheduled to also discuss the Petronas issue.

The statement said: "Petronas' investment in the South Pars gas field in Iran is in full compliance with Malaysian and international law."

As such, Petronas could not be subjected to any form of investigation by the US or other foreign authorities, it said.

Yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad said US officials probing the Petronas oil deal would be allowed to come to Malaysia but they must first reveal what was it that they wish to ask.

Dr Mahathir also said that "if they (the US) want to stop us, they must stop the French and Russians too."

Deputy Prime Minister Datuk Seri Anwar Ibrahim told the Dewan Rakyat yesterday that the government would decide on any action against the US' probe on the Petronas oil deal at today's Cabinet meeting. -- BERNAMA

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