

12/11/1997

PM: We will not stop investigation

Ashraf Abdullah; Alex Choong

KUALA LUMPUR, Tues. - Malaysia will not stop the United States from investigating Petronas' investment in an oil exploration project in Iran, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"But if they are going to stop us, then we will not accept that because in order to stop us, they have to stop the Russian and the French (companies) too," he said when asked whether he would instruct Petronas not to entertain US investigations into its investment in Iran.

Speaking after launching the Malaysian-made truck manufactured by the Malaysian Truck and Bus Sdn Bhd, a member of the DRB-Hicom Group, Dr Mahathir said the US should not impose double standards by trying to stop Malaysia from investing in Iran but allowing Russia and France to do so.

"That is not justice. And I believe the US believes in justice for all," he said.

Yesterday, Bernama quoted a US Embassy spokesman as saying that an official would be arriving on Nov 18 to investigate Petronas' business dealing in Iran.

James Warren of the US Information Service did not identify the official.

US Undersecretary for Trade Stuart Eizenstat was quoted as saying in Rome on Friday that Petronas and four other companies ran the risk of drawing US sanctions if investigations showed that their business dealings had contravened the Iran Libya Act 1996.

Petronas, Gazprom of Russia and Total of France have signed a US\$2 billion (RM6.6 billion) joint-venture deal with Iran to develop part of the giant South Pars gas field.

Two others - Canada's Bow Valley and Indonesia's Bakrie Group - are also believed to have signed agreements with Iran.

Under the controversial law, the US Government may take action against any company that invests more than US\$20 million a year in the oil and gas sector in Iran and Libya.

Asked whether the US official would be allowed entry, Dr Mahathir said: "If he asks reasonable questions, we will answer."

Dr Mahathir said he did not receive any official notification from the US Government on the investigations into Petronas' investment.

Meanwhile, Deputy Prime Minister Datuk Seri Anwar Ibrahim said the US did not have the right to question Petronas or other Malaysian companies on their business dealings with other countries.

Anwar, also Finance Minister, said this when replying to a supplementary question from Yunof Meringking (PBS-Tuaran) at the Dewan Rakyat.

Yusof had asked whether the Government would table a resolution in the Dewan Rakyat with regard to the US investigation.

Anwar said the Government at the moment had no such plans but "if the matter persists, the Government may consider tabling a special motion in the Dewan Rakyat".

He said the Government was monitoring the issue and would like to see it settled amicably.

To another supplementary question from Lim Guan Eng (DAP-Kota Melaka), Anwar said a decision would be made at the Cabinet meeting tomorrow with regard to the US investigation.

He said Petronas had the right to invest and protect the interests of its partners in any country.

"Therefore, it is not in the US' interest or right to make a unilateral decision to investigate Petronas' investment," he added.

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