

04 FEB 1998

Mahathir-Petronas

MALAYSIA AGREES IF SANCTIONS APPLIED TO ALL

KUALA LUMPUR, Feb 4 (Bernama) -- Prime Minister Dr Mahathir Mohamad today said Malaysia will have no objection to the U.S. sanctions against Petronas for its dealings in Iran provided the sanctions applied to all parties involved in the deal.

"If the sanctions applied equally to all, we have no objections," he told a media conference.

He said this in response to media report of US decision to impose sanctions against Petronas for its gas deal in Iran.

A report from Washington yesterday said the US Government will rule that apart from Petronas, two other foreign petroleum companies - Total SA of France and Russia's Gazprom -- which concluded a US\$2 billion joint venture to develop gas fields in Iran are subject to sanctions under the Iran-Libya Sanctions Act.

The report, however, said there will be a delay in imposing the sanction as the three companies would be given 90 days to amend or cancel the contracts.

A second 90-day postponement may be granted, giving the countries 180 days to take specific and effective actions to comply with the US laws.

After 180 days, President Bill Clinton could still refrain from applying sanctions against France, Russia and Malaysia if that option is deemed to be in the best interests of the US or if the three countries agree to take steps to prevent terrorism in Iran.

Under the Iran-Libya Sanctions Act pushed by Senator Alfonse d'Amato of New York and passed by US Congress in 1996, the US Government can imposed sanctions on on any foreign company investing more than US\$20 million a year in the energy industries in Iran or more than US\$40 million in the Libyan. The aim of the legislation is to prevent Iran and Libya from getting the foreign currency that could be used to acquire weapons of mass destruction.

Last Nov 20, the US Government has despatched deputy assistant secretary of state for Energy Sanctions and Commodities William Ramsey to Malaysia to investigate the Petronas gas deal.

Ramsey, however, claimed his mission was only to explain the background of the Iran-Libyan Sanctions Act and what the Act was intended to do.

--BERNAMA

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