

14 APR 1998

U.S. HAS NO RIGHT TO IMPOSE SANCTIONS, SAYS FRANCE

KUALA LUMPUR, April 14 (Bernama) -- France concurs with Malaysia that the United States has no right to impose sanctions on either country for their investment in Iran's oil and gas industry, a top French official said today.

In reinforcing his government's stand, French minister of state in-charge of foreign trade, Jacques Dondoux, said he opposed the extra-territorial laws which limited another country from having commercial dealings with a third country.

Washington has threatened to invoke the d'Amato Law, which allows the US President to impose sanctions on any foreign company investing more than US\$20 million in the energy industries of Iran and Libya -- countries alleged to have supported international terrorism -- against Paris and Kuala Lumpur. This was based on investments undertaken in Iran by Total S.A. of France together with its consortium partners, Gazprom of Russia and Petronas of Malaysia.

Dondoux said such laws were contrary to sovereign nations wanting to open up new frontiers.

"We have totally identical views on this matter with Malaysia," he told reporters after meeting Prime Minister Datuk Seri Dr Mahathir Mohamad at the latter's office here today before flying off to Indonesia this evening.

Dondoux also said he had invited Dr Mahathir to visit France at the end of the year to reaffirm the excellent bilateral relations built up by both countries.

Also known as the US Iran-Libya Sanctions Act, it was pushed for by Senator Alfonse d'Amato of New York and passed by Congress in late 1996.

"We are against the d'Amato law and I told Dr Mahathir that this should be a pre-requisite for discussions with the US," he said.

Total and consortium partners Petronas and Gazprom had earlier announced plans to invest US\$2 billion to develop part of the giant South Pars gas field near Iran's maritime border with Qatar.

Dondoux also said his visit to Malaysia since last Sunday was to send a message of solidarity and confidence to Malaysia. He expressed confidence for Dr Mahathir's leadership in overcoming the current economic crisis and managing Malaysia's recovery path.

"The situation here (in Malaysia) is different from other Southeast Asian countries. Tonight I'm going to Indonesia. Well, I have discussed the (crisis) situation with Dr Mahathir because it is a very pre-occupying subject," he said.

Dondoux admitted, however, that the commercial relationship between France and Malaysia is still "insufficient".

Thus, he said his discussions here centred on the proposed establishment of a coordination structure for both countries to enhance economic exchanges.

"The amelioration of economic exchanges would clearly show that there is no political difference between France and Malaysia. Malaysia, just like France, wants to see an equilibrium and there should be no dominant nation on the economic front," he said.

"I have found in Dr Mahathir, someone who wants to develop new technologies in communications and audiovisual facilities," he said, adding that he had encouraged French firms to set up their operations in the Multimedia Super Corridor (MSC).--BERNAMA

SHO MR SHY