

29 JUN 2000

Mahathir-Mistake

GIVING OIL ROYALTY TO TERENGGNU WAS A MISTAKE, SAYS MAHATHIR

KUALA LUMPUR, June 29 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today that giving Terengganu the five per cent oil royalty was a mistake.

He said the royalty was given because at that time the federal government believed that Terengganu was a poor state.

"I think this was a mistake because Terengganu was previously ruled by Umno and we did not consider carefully the rights of the states in the peninsula to get royalties.

"As such, we believed that Terengganu was a poor state and we believed at that time that our petroleum reserve was small and that Terengganu would only get RM50 million at the most," he told reporters after opening Universiti Tenaga Nasional, here.

He said this when asked about his statement on Monday that the government would study Terengganu's entitlement to the oil royalty.

Earlier he had said that the government also needed to look into whether it was true that the oil royalty was part of an agreement with the state.

Dr Mahathir said that if the petroleum price rose, Petronas was expected to make a profit of RM32 billion next year and this made it the most profitable company in the world.

Asked about Perlis Menteri Besar Datuk Seri Shahidan Kassim's threat to take Petronas to court to obtain the oil royalty, Dr Mahathir said it could be embarrassing.

"If Petronas is found to have distributed money not accordingly, we may face lots of trouble," he said.

Dr Mahathir said Shahidan should take heed of Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi's advice to think it over carefully before taking Petronas to court.

-- BERNAMA

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