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Oil royalty issue under study

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GOPENG, Sun. - The Government expects to finalise a study soon on whether all States in the peninsula are entitled to get annual oil royalty from Petronas, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said today.

He said the Government could only make a decision on the matter once the study had been completed.

Currently Petronas only pays royalty to the Terengganu Government, apart from Sabah and Sarawak.

"If it concerns money, everyone wants a share. But this a policy matter ... allow us to have discussions before we make a decision."

"At the moment we have not made a decision but will do so once it is (the study) is finalised," he told reporters after attending a wedding reception of the youngest son of Abdul Wahid Saidon, an old friend of Abdullah, at Taman Gopeng near here.

Abdullah was asked to comment on a statement by Kelantan Menteri Besar Datuk Nik Aziz Nik Mat last Friday that the State Government hoped to get a share of the royalty if other States were entitled to it.

Nik Aziz said if other States claimed they had a stake, then Kelantan should not be left out.

Perlis and Pahang State Governments said they were entitled to such royalty from Petronas and it should not be limited to Terengganu.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the Federal Government would study Terengganu's right to get a five per cent royalty based on an agreement it made with the State in 1975.

The issue arose when the Federal Government agreed to pay RM810 million in payment to the State this year.

Last year, Petronas paid Terengganu Government RM426 million but the figure went up due to the increase in crude oil price in the international market.

Abdullah said the Federal Government had to channel allocations as it was its responsibility to do so.

"It is our responsibility and we must fulfil it.

"Apart from that, the Federal Government also makes other allocations to the States. But we have not made a decision on oil royalty," he added.

On the recent driving licence scam, Abdullah said the Government would study proposals to overhaul procedures on testing drivers and issuance of licences once the Anti-Corruption Agency had completed its investigations.

He said the Government would not rush into the matter based on mere assumptions.

He said this in reaction to suggestions that a special driving test package be drawn up for young motorists and those in the rural areas.

"We can only decide what is important for the people after the ACA has completed its investigation," he said.

ACA investigations director Abdul Razak Idris has said a syndicate had been active for the last five years and had issued about 100,000 licences involving a payment of RM40 million.

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