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Mustapa-Royalty

TERENGGANU OIL ROYALTY REVIEW IS NOT A POLITICAL ACT, SAYS MUSTAPA

MELAKA, June 29 (Bernama) -- Finance Ministry Advisor Datuk Mustapa Mohamed said the move by the federal government to review the oil royalty for Terengganu is not a political act.

He said the review on the royalty had been brought up for quite some, however, it became an issue recently when it appeared as a major newspaper headline.

Mustapa, who is also Umno information chief, disclosed this to reporters after meeting with the Melaka Umno Liaison Body at Chief Minister Datuk Wira Mohd Ali Rustam's residence, here last night.

He was asked to comment on the recent press reports that Terengganu which is under PAS rule is expected to receive oil royalty of RM810 million this year.

On Monday, Prime Minister Datuk Seri Dr Mahathir Mohamad, when asked to comment on the report had said that the government needed to look into whether it was true that the oil royalty was part of an agreement with Terengganu.

Mustapa said many parties felt that the royalty payment made only to certain states was not fair to the other states.

"There are several Menteri Besar who felt strongly about the royalty payment...like Melaka, for instance, also wants the royalty," he said.

Mustapa said royalty distribution to Sabah and Sarawak was stipulated in an agreement but in the case of Terengganu, it was only an understanding.

"Previously, the rationale was that Terengganu was the poorest state but that was in the year 1978. Now in the year 2000, it has been 22 years. Look (at the state) now, it's fantastic," he said.

He said the RM800 million was a very large amount compared to the timber and land revenue collected by Kelantan which was less than RM70 million a year.

"The oil royalty should be distributed to all states in Malaysia," he said.

He said the review might result in the oil royalty being distributed to all the states.

In KUALA TERENGGANU, the Council of Former Terengganu State Assemblymen (MUBARAK) plans to send a memorandum to the federal government on the review on oil royalty for Terengganu, next month.

Its acting president Datuk Ahmad Kassim Endut said if the federal government intended to give the royalty, it should be made through a separate channel such as in the form of projects or through the federal departments.

"We don't want the money from royalty payment to be channelled elsewhere instead of for the people's development because since the PAS rule, they (state government) are more interested in politics instead of the development of the Terengganu people," he said when met today.

He said discussions on the memorandum would be included in the agenda of the council meeting on July 15.

Ahmad Kassim said when Terengganu was under the Barisan Nasional (BN) rule, all the money received from the royalty from 1978 had been utilised for the development of infrastructure and education.

Meanwhile, Umno vice-president Tan Sri Muhyiddin Mohd Yassin said PAS was exploiting the issue on royalty payment merely for the purpose of inciting the people to hate the federal government.

"The statement by PAS leaders are merely sentiments and are confusing the people to incite them against the federal government...it's a ploy by PAS," he told reporters after a meeting with Terengganu Umno members at the

Umno Building in Kuala Terengganu.

He said the cooperation between the federal government and the people of Terengganu had never been eroded and, in fact, it had assisted the people in the state significantly through the federal government departments.

"As for the royalty issue, it's between the federal government and the state. We (Barisan Nasional) uphold the principle of struggling for the people and fear that the royalty might be utilised only by certain people if it is given to the state government," he said.

He said this when asked to comment on the statement by PAS vice-president Mustafa Ali in the Harakah which said that if Dr Mahathir reviewed the oil royalty paid by Petronas to Terengganu it was as though he was declaring war against the people of the state.

-- BERNAMA

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