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Mahathir-Sanctions

US TRADE SANCTIONS ON OIL COMPANY IN SUDAN IS A UNILATERAL ACTION

KUALA LUMPUR, Feb 17 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said here today that the move by the US to impose trade sanctions on the operations of an oil company in Sudan is a unilateral action and does not restrain Malaysia from investing in the petroleum sector overseas.

Malaysian companies are entitled to operate anywhere, the prime minister said when asked to comment on whether or not the action could affect the position of Petronas, which has equities in similar oil exploration projects in that country.

It had been reported that the US was considering trade sanctions on China National Petroleum Corp (CNPC), which operates an oil exploration project via a consortium, Greater Nile Operating Co. Petronas is part of the consortium.

Petronas holds 30 per cent interest in the consortium, while CNPC has 40 per cent equity, State Petroleum Corporation (a subsidiary company of Arakis Energy from Canada) 25 percent and the balance of five per cent is held by Sudapet Ltd from Sudan.

The consortium is involved in the Muglad Basin oil development project in Sudan.

Dr Mahathir did not dismiss the likelihood of the action affecting Petronas' operations.

"What can we do. They have the power. We do not have the power at all," he told reporters after chairing the Umno Supreme Council meeting here.

Dr Mahathir said any actions taken by the US would affect the oil industry.

He said the world currently needed a large amount of oil and sanctions would only increase THE price and decrease supply.

The sanctions were an extension of the 1997 trade sanctions applied on any US companies cooperating with Sudan as a protest against the civil war in that country.

On the "kickback" allegation involving Japan's Mitsui & Co Ltd and Telekom Malaysia over a contract by the utility company, he said the Anti-Corruption Agency (ACA) would investigate the matter.

"We would also like to know who received the 300 million yen," Dr Mahathir said.

A Japanese newspaper recently alleged that Telekom had received about 300 million yen (RM10.64 million) in kickback money from Mitsui in respect of the award of a switchboard contract to the latter.

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