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UK oil sector reps to seek clarification from PM on licence freeze

REPRESENTATIVES of the British oil and gas sector hope to meet Prime Minister Datuk Seri Dr Mahathir Mohamad today to seek clarification on the Government's decision to freeze the issuing of new licences to foreign petroleum product companies.

"We are keeping abreast with things.

"We need to know the new regulations and how they will be implemented... as to whether they will bring any good to both parties," said Sir Jeremy Hanley, a member of a British trade and investment mission which arrived in Kuala Lumpur yesterday.

Domestic Trade and Consumer Affairs Minister Tan Sri Muhyiddin Yassin had announced the Government's decision last Wednesday. It took immediate effect and includes restricting the foreign companies from expanding their retail operations in the country.

"We need to know everything. We will discuss it with the Malaysian leaders during a meeting tomorrow (today), especially with Prime Minister Datuk Seri Dr Mahathir Mohamad," he told a press conference.

British Petroleum, Esso, Mobil, Caltex and Shell are all in the midst of negotiating new contracts with their dealers, the terms being proposed have been vigorously opposed by Petroleum Distributors Association of Malaysia and the Malay Petrol Kiosk Operators Association of Malaysia.

Most of the contracts had expired at the end of last month, but the oil companies are bound by law to continue to supply their products to the distributors.

The associations had expressed the hope that the issue would be resolved soon, saying if the negotiations collapse and members have to cease operations, "there would be chaos" for motorists.

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