

**DAP: Stop treating Petronas as gov't piggy bank**  
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The DAP today called upon the government to stop dipping into Petronas' rapidly diminishing cash reserves to satisfy "its whims and fancies", as this not only may spell disaster for the national oil company but also cast a shadow over Malaysia's economy in the long term.

NONE "The government should not use Petronas like a piggy bank, (because) it can be broken at any point," cautioned the party's national publicity secretary, Tony Pua (right).

He issued this dire warning during a press conference at the Parliament lobby, claiming that the government's plunder of Petronas will mean that the company will have less money to reinvest in new ventures and generate new income.

"The lack of funds for reinvestment will only in turn severely impede Petronas' ability to secure future revenue, reducing its long term productivity, profitability as well as efficiency."

He pointed to the recent statement by newly-minted Petronas CEO Shamsul Azhar Abbas as proof that the petroleum giant may be wobbling because of the RM30 billion or so 'dividends' that it has had to consistently fork out to the federal government regardless of market conditions and depleting cash reserves.

NONE In his statement, Shamsul (left) pointed out that the petroleum giant experienced a drop of more than 50 percent in revenue compared to last year, adding in a warning that "the dividend payouts could constrain the group's growth plans as significant reinvestment is necessary to generate future revenues".

The ominous theme of the CEO's warning, according to Pua, was repeated in Petronas' media release for its 2010 full year financials which reads: "The group faces significant and growing challenges in an increasingly difficult industry environment. Existing domestic acreages are maturing, with reserves and production set to decline unless more investments are ploughed into increasing recoverability from existing oil and gas fields.

"The dividends payable by Petronas, as per any other company, must be dictated by the needs of the company and not the wants of the shareholders, in this case, the Malaysian government," added Pua, taking a swipe at the government practice he described as "milking" the oil company dry.

Pua called upon premier Najib Abdul Razak to enact measures to protect the oil company from exploitation.

He urged the government to enact laws to ensure that Petronas retains 50 percent of its profits for reinvestments. The MP also wants the government to ensure that any windfall from the oil giant is spent only on economically productive and necessary sectors, not white elephant projects.

He further proposed that at least 20 percent of Petronas' profits should be saved for a rainy day and used during hard times, echoing previous calls for a national oil 'heritage' fund.

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