

**Emergency motion on oil royalty rejected**  
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**S Pathmawathy**

The Dewan Rakyat speaker has rejected an emergency motion to debate Kelantan's claim to royalty payments from offshore petroleum and liquefied gas development.

It was filed by Kubang Kerian PAS MP Salahuddin Ayub on March 10 under Standing Order 18(1), but speaker Pandikar Amin Mulia decided in chambers that the motion was not urgent enough.

NONE Salahuddin told reporters at the Parliament lobby that MPs from Kelantan have made several "new discoveries" on the matter and want to share their findings with the House.

Last year, Prime Minister Najib Abdul Razak announced that the federal government would make a 'goodwill payment' from next year to the PAS-ruled state.

Opposition MPs, especially those from Kelantan, had rejected the offer saying that the federal government should pay the state royalty - to which it is entitled - rather than a 'goodwill payment' which was likened to charity.

However, the government argued that the state is not entitled to royalty payments as no petroleum is not produced along the coast of the state, but is being extracted offshore.

"We don't agree with the prime minister on this (especially) on the issue of the 3 nautical miles," said Salahuddin.

Petronas letter in hand

Salahuddin said he has a letter dated Sept 16, 1978 from Petronas addressed to the Terengganu government, stating its entitlement to royalty payments.

"If the matter of the 3 nautical miles is disputed, then the oil wells (in Terengganu) are well beyond 3 nautical miles offshore," he said.

"However, in this letter, the Petronas officer has written to the officer in charge of finance in Terengganu stating that the estimated payment of oil royalty for 1979 was RM3.2 million. This was stated in the letter as being royalty payment."

azlan An agreement signed between Kelantan and federal government on May 19, 1975 does not raise the question of offshore production, he said.

"It doesn't at all mention the matter of 3 nautical miles, or offshore or onshore production. It states that Petronas has to pay royalty - nothing is said whether this is for offshore or onshore production."

In spite of the speaker's refusal to debate the issue, Salahuddin vowed that the Pakatan Rakyat MPs would not give up on the matter.

Kelantan's claim to oil royalty payments has long been a thorn in the flesh of the federal government, which has refused to acknowledge the validity of the state government's arguments.

tengku razaleigh 02Last month, Petronas founding chairperson and former finance minister Tengku Razaleigh made the strongest ever case for the state's right to receive oil royalty payments.

This was on the heels of the federal government's full-page advertisement in Malay-language dailies, explaining its side of the issue.

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