

PM: We will not bow to US and stop energy deal with Iran

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KEPALA BATAS: Malaysia will not bow to pressure from the United States to stop its US\$16bil (RM56bil) energy deal with Iran.

"We are a sovereign nation and we reserve the right to foster ties with any country to protect our interests," said Prime Minister Datuk Seri Abdullah Ahmad Badawi.

He was responding to the US threat to suspend free trade agreement (FTA) talks with Malaysia over the matter.

Abdullah said political issues should not be dragged into trade talks.

"We might have different political stands but this should not come in the way of trade relations," he said after launching the rebranding of community colleges here yesterday.

Abdullah said International Trade and Industry Minister Datuk Seri Rafidah Aziz had informed him that the talks had reached the fifth level.

Asked whether the talks would proceed following the US threat, he said Malaysia would wait and see.

"We have our stand and you (US) have yours," he added.

In Kuala Lumpur, his deputy Datuk Seri Najib Tun Razak concurred, saying that Malaysia would not allow the United States to use the ongoing FTA talks between both countries to jeopardise Malaysia's domestic interests.

He added that Malaysia would ensure that its involvement in FTAs would bring long-term benefits not just in trade opportunities and investments, but also in technology transfer.

"FTA talks should not come to a point where our interests and the principles of the country's sovereignty can be compromised," Najib said after opening the Third Malay Civilisational International Conference here.

He was asked to comment on a news report yesterday, which quoted Rafidah as

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DATUK SERI ABDULLAH AHMAD BADAWI

saying that she would ask the Cabinet to immediately call off the FTA negotiations with the United States.

Rafidah added that the United States had no right to stop Malaysia from being involved in trade deals with other countries, saying that the United States needed the trade deal much more than Malaysia did.

She gave the comments following a report which said that a US congressman had called on President George W. Bush to suspend free trade talks with Malaysia to protest against the country's US\$16bil energy deal with Iran.

Tom Lantos, head of the US House of Representatives' top foreign affairs panel, described the Malaysia-Iran deal as "abhorrent."

It was reported that Malaysian company SKS Ventures Sdn Bhd had signed a preliminary agreement with the National Iranian Oil Company to develop a gas project in Iran for 25 years.

The fifth round of the Malaysia-United States FTA talks, to be held in Kota Kinabalu from Monday to Friday, will be crucial as the March 31 deadline for Bush to notify Congress of deals made nears.