

EXPLORING NEW OPPORTUNITIES

KL, HANOI TO BOOST OIL, GAS COOPERATION

Petronas to sell more gas to Vietnam as it plans to develop its southwest region

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MALAYSIA and Vietnam are poised for more cooperation in the oil and gas sector.

This would be undertaken by the countries' national petroleum companies, Petronas and PetroVietnam, said Prime Minister Tun Dr Mahathir Mohamad.

In March, Petronas and PetroVietnam inked a binding heads of agreement (HoA) for the sale and purchase of additional gas from Block PM3 of the Commercial Arrangement Area (CAA) near the Gulf of Thailand to Ca Mau

province in Vietnam.

The CAA was set up between Malaysia and Vietnam in 1997 to allow exploration and development of oil and gas discoveries.

The signing of the HoA came on the heels of a plan to shore up economic development in Vietnam's southwest region.

"Malaysia's oil and gas company Petronas is active (in exploring new opportunities) in Vietnam, but there is room to increase cooperation with PetroVietnam," said Dr Mahathir.

He said this in a joint media conference with his Vietnamese counterpart, Nguyen Xuan Phuc, at the Presidential Palace here yesterday.

Dr Mahathir, accompanied by Foreign Minister Datuk Saifuddin Abdullah, was on the second day of his official visit to Vietnam following an invitation from Xuan Phuc.

At the same media conference, Dr Mahathir said any disagreement between the two nations, particularly disputes in the South China Sea, would be resolved peacefully in accordance with in-



Prime Minister Tun Dr Mahathir Mohamad and his Vietnamese counterpart, Nguyen Xuan Phuc, being welcomed by children as they arrive at the Presidential Palace in Hanoi yesterday, *bernama* pic

ternational laws and the 1982 United Nations Convention on the Law of the Sea.

"There are many areas that we agree on and there are a few areas where we disagree, or rather there are some disputes. But all these can be resolved in a friendly manner.

"Following the outcome of the meeting, the dialogue will continue and I have invited the Vietnamese prime minister to visit Malaysia for further talks on cooperation and international issues."

Both Malaysia and Vietnam had agreed to renew cooperation in trade, investments, security, maritime operations, education and agriculture while seeking to reduce the trade imbalance.

"Malaysia would like to see the trade grow in size, but with more

imports from Vietnam to reduce the imbalance."

Dr Mahathir said Malaysia and Vietnam would form similar cooperation arrangements with other Asean countries for economic prosperity.

"We are concerned about promoting good relations not only in terms of diplomacy, but also in terms of trade and development.

"There is much that we can learn from each other. The (Vietnamese) prime minister has detailed out the agreements which will lead to deeper cooperation between our two countries.

"I am looking forward to implementing the agreements we have achieved from the discussions and meetings."

Xuan Phuc said he and Dr Mahathir had agreed to promote international integration and free

trade for sustainable development.

"We will need to put in place a suitable mechanism to facilitate legal fishing by our fishermen, apart from a collective solution to ensure a stable income for Vietnamese workers (in Malaysia)."

Malaysia and Vietnam plan to achieve US\$15 billion (RM63 billion) in trade next year compared with US\$13.3 billion last year. Vietnam is Malaysia's 13th largest trading partner in the world and fourth in Asean after Singapore, Thailand and Indonesia.

Earlier, both leaders witnessed the exchange of letters for the establishment of the "Malaysia-Vietnam Parliamentary Friendship Group". They also witnessed the signing of a memorandum of understanding on maritime cooperation and search-and-rescue missions in the South China Sea.