

Oil drilling to go on within our borders despite dispute, says Anwar

VLADIVOSTOK: Malaysia will continue oil explorations within its territory despite China's demand for an immediate cease of the activities off Sarawak waters, says Datuk Seri Anwar Ibrahim.

The Prime Minister is certain that the oil explorations carried out by Malaysia are within the country's waters but will explain its position to China.

"China is our friend but we have to operate in our waters to

secure our advantage, including drilling in our territory.

"(Even though) Beijing sent a protest note as it feels it is its area, we have to continue drilling activities as it is for the economic survival of our country," the Prime Minister told Malaysian reporters yesterday.

The Prime Minister was in Russia's far east city of Vladivostok to attend the 9th Eastern Economic Forum.

He pointed out that Malaysia

and China have always been able to resolve their disputes through negotiations.

"If they continue to dispute, we can listen and they have to listen. But it cannot mar the relationship between the two countries," he said, Bernama reported.

Recent news reports stated that Beijing, through a diplomatic note, had demanded that Malaysia immediately halt all oil and gas activities in the oil-rich area off Sarawak waters, despite

the areas being located within the country's territorial and exclusive economic zone waters.

On another issue, Anwar said the government has never discussed the return of Goods and Services Tax (GST) as an alternative to subsidy cuts.

The Prime Minister said discussions focused on budget strategies and ways to increase the government's revenue as it is determined to alleviate the issue of rising cost.

"Nothing specific (on GST) has been discussed. A country cannot be governed based on rumours," he quipped when responding to questions on a report by a foreign news agency recently.

Bloomberg recently reported that Malaysia is weighing the return of a broad-based consumption tax instead of implementing subsidy cuts as the government seeks to bolster its finances, quoting "people familiar with the matter".