

PM URGES CALM OVER PETRONAS-PETROS ISSUE

Anwar to meet Sarawak premier after latter returns from London

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PRIME Minister Datuk Seri Anwar Ibrahim has urged all parties to refrain from taking action or making

public statements on the Petronas-Petros issue until further discussions are held with the Sarawak government.

Anwar said he had spoken to Sarawak Premier Tan Sri Abang Johari Openg on Saturday, adding that both sides would resume discussions once the premier returns from his visit to London, the United Kingdom.

"I had the opportunity to speak with the Sarawak premier yesterday (Friday) regarding the Petronas-Petros matter, based on the principles agreed upon," he said on Facebook.

"Upon the premier's return from his official visit to London, we will immediately hold further discussions to finalise the matter.

"In the meantime, in the interest of all parties, any action or public statements should be withheld."

Anwar added that he remained optimistic that the matter could be resolved amicably.

"I remain highly confident that this issue can be resolved with wisdom and by staying firmly within the bounds of healthy and meaningful discourse."

Earlier in London, Abang Johari said he was "playing ball" with Petronas amid the ongoing dispute.

Tensions escalated on Saturday when Petronas confirmed receiving a legal notice from the Sarawak government, stating that its exploration arm, Petronas Carigali, was operating illegally in the state in breach of Section 7(e) of the Sarawak Distribution of Gas Ordinance 2016.

Petronas Carigali has been given 21 days to obtain the necessary licence or face potential financial penalties under Section 21A of the ordinance.

Last Monday, Petronas failed to secure an injunction in a Kuching High Court to halt the suit filed by Petros.

The premier said he had assured the prime minister that he was committed to pursuing a "win-win solution" that ensured a fair distribution of national oil and gas revenues.

"In this issue, we're playing the game a bit with Petronas, but we will resolve it," he was quoted as saying in a news report by the Sarawak Public Communications Unit.

"The prime minister contacted me this (yesterday) morning, and we agreed to move forward with a fair and sincere approach," he said, adding that Sarawak had fulfilled its responsibilities despite not receiving additional revenue.

Abang Johari said the resolution to the dispute must be grounded in sincerity, fairness and mutual benefit for Petronas and Sarawak.

Meanwhile, an economist said the Petronas-Petros issue needed to be resolved urgently to protect investor confidence in the country.

Universiti Teknologi Mara's Malaysian Academy of SME and Entrepreneurship Development coordinator Dr Mohamad Idham Md Razak said global investors typically steer clear of jurisdictions with political or legal uncertainty.

"This kind of legal ambiguity creates a perception of instability. Investors may delay or divert capital to countries with more predictable regulatory environments," he told the *New Straits Times*.

"To sustain Malaysia's appeal, policy consistency, regulatory transparency and a firm commitment to constructive conflict resolution are critical."

He added that the dispute highlighted the need for a more transparent and equitable fiscal framework to manage natural resources.

"A comprehensive review of existing agreements is needed to ensure a fair revenue-sharing model that upholds both state rights and federal responsibilities.

"Strengthening data-sharing mechanisms and institutionalising regular dialogue among stakeholders are essential for easing tensions and fostering long-term cooperation.

"Ultimately, investor confidence hinges on how swiftly and transparently such disputes are addressed through effective federal-state collaboration."

Idham also said any disruption to Petronas' operations in Sarawak could impact national oil and gas output — a sector that contributes about 20 per cent to Malaysia's gross domestic product.

"Such a decline could affect national exports, government revenue and investment in energy infrastructure.

"Support industries such as logistics, technical services and local employment may also be hit, while prolonged uncertainty could delay strategic long-term projects.

"Operational stability is key to maintaining Malaysia's global competitiveness in the energy sector."

To address these concerns, he proposed strengthening federal-state cooperation through clearer agreements that recognise the rights

and responsibilities of both parties.

"In addition, a permanent dialogue platform involving independent experts should be established to resolve disputes inclusively.

"Enhancing transparency in the management of natural resource revenues, including public reporting and independent audits, is also vital."

Idham added that oil royalties, corporate taxes and Petronas dividends are major sources of government income, contributing 15 to 20 per cent of the national budget.

He said disruptions in operations could reduce this revenue, affecting the government's ability to fund social programmes, subsidies and infrastructure projects.

"A decline in economic activity in Sarawak could also lower local tax collections, triggering a ripple effect on regional development and public welfare," he said.



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