

PAS says Esso sale should only involve local companies
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KUALA LUMPUR, Aug 27 — PAS has demanded the government step in to prevent the sale of ExxonMobil's stake in oil refiner Esso Malaysia to Philippine conglomerate San Miguel, saying that the sale should only involve local companies.

PAS president Datuk Seri Abdul Hadi Awang said that the proposed sale is proof of the Barisan Nasional (BN) government's failure to protect one of the country's most critical and strategic assets, and claimed that in doing so, BN had failed to protect the interests of 98 per cent of Esso staff who are "locals."

PAS president Datuk Seri Abdul Hadi Awang said that the proposed sale is proof of the BN government's failure to protect one of the country's most critical and strategic assets. — file pic

"Should this sale go on, it will bring a negative long-term effect to the country's oil industry. We need to remember that the transaction will also include Esso's oil plant in Port Dickson which is the country's national asset.

"The government through its relevant ministry has a responsibility to not approve the sale and Esso must offer its assets to be sold to companies within the country, as which has been offered by several of them, such as the Armed Forces Fund Board (Lembaga Tabung Angkatan Tentera (LTAT)," he said in a statement today.

To illustrate his point, Hadi cited a case where the US Congress once intervened and stopped the sale of Union Oil of California to a China-based company (CNOOC) on the grounds of strategic interests.

The PAS leader stressed that the present government, together with Petronas through Petronas Dagangan Berhad, should work together to ensure the price of petroleum items remained at a "reasonable" price.

"Even though Petronas Dagangan occupies first place in the marketing of petroleum goods, its monopoly in the oil market is only around 30 per cent even though this sector is believed to contribute more than 60 per cent of Petronas Dagangan's profits. This sector also receives the highest amount of government subsidies ... 70 per cent of subsidies paid by the people flows over to foreign companies like ExxonMobil, Shell and Caltex," added Hadi.

"PAS believes it is not too late for Petronas Dagangan or LTAT to begin negotiations to takeover Esso," said the Marang MP.

Pakatan Rakyat (PR) de facto leader Datuk Seri Anwar Ibrahim recently demanded the government explain the sale of ExxonMobil's stake in oil refiner Esso Malaysia, and pointed out that it was below market price.

Shares in Esso fell as much as 18 per cent last week after San Miguel offered to buy ExxonMobil's stake in the Malaysian oil refiner at a lower price than the current market value.

The Philippines conglomerate is the biggest food and beverage conglomerate in the

Philippines and the owner of San Miguel Brewery Inc.

San Miguel Brewery controls 95 per cent of the Philippines beer market. It has since diversified into infrastructure, public utility and energy requirements in the Philippines.

Former prime minister Tun Dr Mahathir Mohamed's son, Mirzan Mahathir, was previously a board director of San Miguel Corp.

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