

Kelantan BN: Don't politicise oil royalty issue
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By Clara Chooi

KUALA LUMPUR, Aug 5 — Kelantan Barisan Nasional (BN) has urged all parties not to politicise Putrajaya's decision to study oil royalty payments to Kelantan, reminding the PAS-led government today that its representative was also invited to participate in the review.

Kelantan BN chairman Datuk Seri Mustapa Mohamed said Putrajaya's inclusion of a state representative as part of its special oil royalty committee meant that Kelantan's views would also be taken into account before any decision is made.

"We hope that no one is emotional and politicises the matter," Mustapa (picture) was quoted as saying by national news agency Bernama today.

Datuk Seri Najib Razak had announced yesterday the formation of a special committee to look into a "fair" distribution of cash payments from petroleum revenue to the states of Pahang, Kelantan and Terengganu, in an apparent move to resolve the long drawn-out dispute that will likely be used as a key campaign issue in the coming polls.

The prime minister was quoted in Bernama as saying that the committee will study the cash disbursements within the next six months before making its recommendations to the federal government.

Mustapa, who is also the International Trade and Industry Minister, said it was appropriate for the matter to be handled by the committee, which will comprise experts from within and outside the country, as well as representatives from the three state governments consented to by the states' respective Rulers.

"We leave it to the special committee because they are the legal experts based on the terms of reference suggested by the Prime Minister in his statement yesterday, they do not favour any sides," Bernama quoted the minister as saying.

But Mustapa's remarks today come even as Najib's scheduled visit to the state at about 4.30pm later today is expected to coincide with a 1,000-man convoy demanding that the federal government accede to Kelantan's demands for oil royalty.

The convoy, the third such event organised by a coalition of non-governmental organisations called "Royalti", seeks to pressure the federal government into conceding to the Kelantan government's demands for the estimated RM800 million in annual royalty payments due to it since 2005.

It is scheduled to traverse the stretch from Kota Bharu to Pasir Puteh through the Bachok and Ketereh parliamentary constituencies, where Najib is expected to visit this evening.

The Kelantan government had yesterday expressed suspicion over the timing of Putrajaya's oil royalty panel so close to the polls and the lengthy six-month period given for it to conclude its findings.

Senior state executive committee chairman Datuk Husam Musa asked if the panel was merely a political ploy to bring temporary relief to Kelantan folk ahead of the impending general election.

"It is now August. If elections are held before the panel concludes its probe, and we have to wait for Cabinet's consideration of its recommendations, the result could be a thousand different maybes.

"Even so, it could just end as a purely academic exercise," he said in a statement last night.

"Is BN using this panel as its bridge to survive the polls safely, especially in the context of Kelantan? Why six months? Why not three months or the like? Why so close to elections? Why not before this?" the PAS vice-president asked.

Husam is not alone in his views.

In August 2010, Kelantan launched a suit against Petronas for failing to pay royalty for oil and gas extracted within its territory including the overlapping areas with Terengganu, Thailand and Vietnam, which has seen joint development deals with the federal government.

It says it has been owed RM800 million annually since 2005 but Putrajaya has disputed the state's claim over the territorial waters where the joint development projects are located.

On April 26 this year, the Kelantan government was denied by the Court of Appeal details of Petronas' oil royalty payments to Terengganu and other states to back its arguments to recover its annual RM800 million annually from the federal government.

The court dismissed Kelantan's bid to obtain details about the national oil company's dealings with different states which was described by the PAS government's lawyer Tommy Thomas as crucial to compare payment methods.

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