

Pakatan urges Putrajaya to waste no time in paying oil royalties
Malaysian Insider
August 09, 2012
By Lisa J. Ariffin

PETALING JAYA, Aug 9 — Pakatan Rakyat (PR) today dismissed the need for an oil royalty panel and instead urged Putrajaya to give direct cash payments to states as outlined under the Petroleum Act 1974.

It also repeated its stand that a PR federal government would increase the quantum from five per cent to 20 per cent and would make immediate payments without the need for any panel.

Opposition Leader Datuk Seri Anwar Ibrahim said today that it was clear the federal government could not deny the oil royalty rights of the people in Kelantan, Terengganu, Pahang, Sabah and Sarawak and urged Prime Minister Datuk Seri Najib Razak to accelerate payment.

"The federal government also has no right to interfere. The PM's move to interfere is not right," he said.

"PR's stand is clear as stated in Buku Jingga. We will allocate 20 per cent of oil royalties to the mentioned states," he added.

PAS vice-president Datuk Husam Musa said Najib's move to form a panel was not sincere.

"It is not sincere. They have given six months for research and 80 days to make a decision," he explained.

"If PR takes over Putrajaya, the payment period will be made much quicker," he added.

The Kelantan executive councillor Husam Musa also questioned the need for a committee to study oil royalty for east coast states, as Najib had previously said Kelantan has no oil resources.

"Since May 2009, it (Putrajaya) rejected fully the existence of petroleum in Kelantan and said the state does not deserve royalties," he said.

"However, years later, the PM has bowed down to the power of the Kelantanese people," he added, referring to Najib's announcement in 2009 that the federal government would pay a compassionate fund to Kelantan, instead of oil royalties.

Najib had announced on August 4 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.

The Kelantan government then 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.

In August 2010, Kelantan launched a suit against Petronas for failing to pay royalties 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.

Hakcipta © 2012 The Malaysian Insider

Source:

<http://www.themalaysianinsider.com/malaysia/article/pakatan-urges-putrajaya-to-waste-no-time-in-paying-oil-royalties/>