

Petronas insists has been transparent about overseas operations
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KUALA LUMPUR, June 5 — Petronas insisted today that it has kept to international standards in disclosing its overseas operations, amid calls for an audit by opposition leaders last week.

Malaysia's ranking in a revenue management transparency survey dropped to 34th spot this year from 22nd in 2010, which the minister in charge of integrity and corruption, Datuk Paul Low, had attributed to Petronas' overseas agreements disclosures.

"I think we have disclosed a lot of information on all of our overseas projects," executive vice president of finance Datuk George Ratilal told reporters here, disagreeing with Low.

"Talking of transparency and all that, this is one national oil company that I think have been very transparent in what they do."

According to Ratilal, Petronas has always disclosed its overseas projects such as in Canada, Australia, Iran, and Turkmenistan, and stressed that they would have never been awarded the projects if they had not been transparent.

Petronas president and group CEO Tan Sri Datuk Shamsul Azhar Abbas also mentioned that Petronas' disclosure is in the same standards of other oil and gas company such as Exxon-Mobil and Shell.

"That's basically the standards that we've aspired to," said Shamsul Azhar, before ticking off the media for not doing its research before questioning Petronas' transparency.

"We have contributed something like RM700 billion of revenue to the government. That has been reported. What the government does with the money, you have to ask the government," Ratilal added.

Petronas also reaffirmed today that it will be paying RM27 billion as dividend to the government this year, compared to RM28 billion last year.

Opposition leaders have often lamented about how the off-budget national oil company, which is entrusted with managing the nation's oil and gas resources for all Malaysians, has been used in the past to help build the "extravagant" RM25 billion administrative capital Putrajaya and provide billions in subsidised natural gas to profit-oriented industries.

Taxes and dividends paid by national oil company Petronas constitute over 40 per cent of the Malaysian government's revenue.

The 2013 Revenue Watch Institute and Transparency International Report on government disclosure in oil, gas and minerals management in 58 resource rich countries released in April saw Malaysia scoring three per cent lower than in 2010, performing poorly in all three criteria touching on matter of accountability like reporting practices and safeguards and quality control.

The result had prompted PAS' chief economic researcher Dr Dzulkefly Ahmad to call for an audit on the financial performance and transparency of Petronas' management last week.

Minister Low had then explained that Malaysia's weak result was because the disclosures of overseas agreements made up a "big item" in the index, pointing out that Petronas must respect the host government's requests for non-disclosure while carrying out its operation abroad.

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