

Time Not Right For Oil Royalty Talks as Country's Revenue Affected By Drop in Oil Price – Najib Bernama

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By Noor Soraya Mohd Jamal

KUCHING, May 4 (Bernama) -- Sarawak's request for an increase in oil royalty will not be considered for the time being as the country's oil revenue had dropped drastically due to a significant drop in global oil prices said Prime Minister Datuk Seri Najib Tun Razak.

The Prime Minister said the Cabinet and the Sarawak state government agreed that the time was not right because the country had lost RM40 billion due to a drop in crude oil prices in the global market.

Najib however, assured that the Federal government would continue to provide funds for development in Sarawak.

"We have increased allocations outside the 2016 Budget that was approved for Sarawak through various allocations and projects approved in Sarawak recently," he told reporters after a Cabinet meeting at Wisma Bapa Malaysia here, the first time a Federal Cabinet meeting has been held outside Putrajaya since 2011.

Sarawak Chief Minister Tan Sri Adenan Satem also attended the Cabinet meeting with Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi and other ministers.

Najib said the Pan Borneo Highway project was a good example of the Federal government's commitment towards the development of Sarawak because the construction will be continued despite the high cost involved.

"I and the Deputy Prime Minister have approved RM3.5 billion for projects to be carried out in Sarawak over the past week and in the next two days before polling, many more millions of Ringgit will be approved for development in Sarawak," he said.

The Sarawak state government had requested for higher oil royalty from the current five percent.

The Prime Minister said the process of talks involving the empowerment rights of Sarawak had started with the first phase involving 13 provisions of administrative empowerment already announced by Adenan.

Najib said the Federal and state governments had agreed to look into more complex issues based on legality and Sarawak Agreement (Malaysia Act 1963).

"The first phase has been completed and we have entered the second phase which needs Law experts to study all details in the agreement," said Najib.

Sarawakians go to the polls on May 7.

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