

## **Sabah is capable of growing fast - Dr Mahathir**

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KOTA KINABALU, Sept 17 (Bernama) – Sabah has the capability for rapid development having gone through much progress over the years, said Prime Minister Tun Dr Mahathir Mohamad today.

He said he was impressed with Sabah's landscape after arriving in the state capital yesterday for the Malaysia Day celebration here last night and believed the state had strong potentials to be a developed state.

"I have not been to Sabah for a long, long time...the town is now quite clean.

"What I think should be done (to develop Sabah further) is to identify assets of Sabah, which can be exploited. You have land, mountain, seas, beaches and low temperatures, which may be good for vegetable-growing," he told reporters after having breakfast with Sabah Chief Minister Datuk Seri Mohd Shafie Apdal and Federal and state cabinet ministers here.

Dr Mahathir also expressed concern for the high cost of living that the people in Sabah had to bear due to corruption in the previous administration, but did not deny that there were also other factors contributing to the high costs such as the implementation of the cabotage policy.

He also suggested Sabah could establish an automotive industry where car makers could assemble their products in the state.

"Industries can come here because in the future, Sabah is going to be a petrochemical producer as deepwater production will begin any time soon," he said.

Asked by reporters on how quick will the Federal government take in deciding to increase

Sabah's oil and gas royalty from 5 percent to 20 percent, Dr Mahathir said there was a need to maintain Petroliam Nasional Bhd's (Petronas) strength first before deciding to pay Sabah a 20 percent royalty.

"We don't want to kill Petronas. Petronas is a unique company in the world because it is the only national company that goes into exploration, development, production and petrochemical, and people all over the world are asking Petronas to do work in their country.

"So, (if) we reduce Petronas to just collecting royalty, then, we will lose a lot of things (opportunities)," he said.

However, Dr Mahathir said the Federal government also felt that there was a need to relook at the current royalty rate of 5 percent given to Sabah.

Regarding the government's assurance on returning equal partner status to Sabah and Sarawak, the Prime Minister said a discussion on the matter would be done as soon as possible, however, an approval might take some time.

At the Malaysia Day celebration here last night, Dr Mahathir assured that the Pakatan Harapan government of the New Malaysia would return equal partner status to Sabah and Sarawak as enshrined in the Malaysia Agreement 1963 (MA63) when Malaysia was formed 55 years ago.

He said that the status of Sabah and Sarawak, which changed from equal partners (with Malaya) to states within the federation (of Malaysia) , would be reverted to the original position once a study on MA63 was completed.

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