

Mahathir's U-Turn: 20% Oil Royalty Will Come From Profits, Not Revenue

MALAYSIA TODAY

Jul 23, 2018

By MT Webmaster

(The Edge) – The 20% oil royalty recently promised by the Pakatan Harapan (PH) federal government to oil-producing states will be based on profits and not revenue, confirmed Prime Minister Tun Dr Mahathir Mohamad today.

“[The 20% oil royalty] will be based on profit made by Petronas in the [state’s] area. What we collect in Terengganu will not be paid to Sarawak or Sabah,” Dr Mahathir said at a press conference today.

This was in contrast to the Pakatan Harapan manifesto for the 14th General Election.

The manifesto had pledged that oil-producing states would receive a 20% oil royalty, which critics say is based on the revenue of oil and gas extracted from the State, rather than profits obtained after subtracting expenses.

Dr Mahathir told the Dewan Rakyat on July 19 that there would be no deviation from PH’s promise of giving 20% royalty to oil-producing states in the country.

Malaysian oil-producing states include Sabah, Sarawak, Terengganu and Kelantan. It was reported that Sabah and Sarawak currently receive 5% oil royalty from Petronas based on topline numbers.

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Royalty or profit sharing?

Dr Mahathir backtracked on his announcement on 20 per cent royalty by saying the payment will be based on profit

By Jonathan Chia
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KUCHING: Prime Minister Tun Dr Mahathir Mohamad cast doubt over his own announcement in the Dewan Rakyat that Pakatan Harapan (PH) government will honour its promise of providing 20 per cent royalty to petroleum-producing states yesterday by saying the payment would be 20 percent of the profit when not later outside the Parliament building in Kuala Lumpur.

In answering a supplementary question from Siti Zailah Mohd Yusoff (PAS-Banting Parang) in the Dewan Rakyat earlier on oil royalty, he said there would be no deviation from PH's promise of giving 20 per cent royalty to oil producing states in the country.

"But we hope that the royalty will be used for the good of these states and not misused to strengthen political parties and for other purposes," Berjasa quoted Dr Mahathir as saying.

The prime minister confirmed that Sarawak and Sabah would receive the 20 per cent royalty after Kapsil MP Datuk Alexander Nanta Linggi sought confirmation from him if the two states would be included in the royalty payment.

However, he seemed to clarify his earlier statement later by saying that the 20 per cent payment will be based on profit instead of royalty.

"Everybody will get 20 per cent of the profit from their area. If their area produces a small amount, then they will have 20 per cent of profit from that area. But it is the profit," Dr Mahathir told reporters.

Sabah and Sarawak are currently paid five per cent in



Dr Mahathir during a question and answer session at the Parliament yesterday. — Bernama photo

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Federal Government for an increase in the oil royalty from five per cent to 20 per cent. Pakatan Harapan (PH), in its 10th General Election manifesto had promised to increase royalties for all petroleum producing states to 20 per cent. The oil producing states in Malaysia are Sarawak, Sabah, Kelantan and Terengganu. Dr Mahathir's flip flop on the royalty payment raised concern that Sarawak would be short-

No more white shoes for schoolchildren

SHAH ALAM: The days of cleaning and scrubbing white school shoes will be a thing of the past soon after the Education Ministry allows all schoolchildren to wear black shoes during the school session next year.

Its minister Dr Masdar Malik said the decision was made after the ministry took into consideration the views of parents and guardians it received after he took over the helm.

"Many parents, especially mothers, voiced this out, so from next year, the ministry will allow all students to wear black shoes," he said in a talk show "Program Bicara Minda Bersama Menteri Pendidikan" (A Discussion with the Education Minister) here yesterday.

Malik said the decision to allow schoolchildren to wear black shoes was one of the interventions which will be implemented by the ministry to ensure that parents once again choose to send their children to national schools to study.

"Other interventions which we will introduce are ensuring lighter school bags for the students, improving the school curriculum so that the students of national schools are of international standard, and giving the teaching profession back to the teachers, which means that they will no longer be burdened with tasks other than teaching," he said.

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