

## **Sarawak Still Awaiting Further Clarification On Oil And Gas Royalty**

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**By MT Webmaster**

(Sun Daily) – Sarawak is still awaiting further clarification on the federal government’s commitment pertaining to the granting of the 20% oil royalty to petroleum producing states as had been announced previously.

Chief Minister Datuk Patinggi Abang Johari Tun Openg said he viewed the issue of royalty as relating to property ownership and an understanding must exist between the operator and owner of the property concerned.

“What is understood all this time is the granting of five per cent royalty on oil and gas production within the state and the state government wants that percentage to be increased to 20%.

“This is because the value of the currency is different now from before and the demand on oil and gas also differs but we cannot compromise on the issue concerning ownership,” he told a media conference after officiating the Sarawak Land and Survey Department’s Innovation and Integrity Day here today.

At present, he said the state government took a “wait and see” attitude because the statement concerning the royalty from the federal government was still unclear, on whether the 20% was taken into account from the total profit or total production.

Abang Johari said that was why he made a statement recently asking for further clarification to be given on the matter and so far he had yet to obtain any feedback on it.

During the Dewan Rakyat sitting on July 19, Prime Menteri Tun Dr Mahathir Mohamad said the Pakatan Harapan (PH) government was committed to realising its pledges, including the granting of 20% royalty to petroleum producing states but subsequently various issues arose after some states questioned if the percentage was calculated in terms of production or net profit.

The chief minister said yesterday he received a visit from Terengganu Menteri Besar Dr Ahmad Samsuri Mokhtar, who wanted to hear Sarawak's stand on the matter and they had discussed it but it was not "official talks".

Abang Johari said Sarawak respected Petronas as a major player in the country's oil and gas industry and while the state government also had the right to its land, both parties must cooperate in a "win-win" setting to steer the industry ahead.

He said after the Federal Court dismissed the Petronas' application to institute legal proceedings against the Sarawak government on its right to regulate the state's upstream oil and gas activities last month, the oil company had come to discuss the matter further with him.

The discussions centred on the next step, but he said further details on the matter could not be disclosed, adding that a "win-win" solution was being pursued.

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Sources: <http://www.malaysia-today.net/2018/07/24/sarawak-still-awaiting-further-clarification-on-oil-and-gas-royalty/>