

PM, Kuan Yew to sign contract

By A. Rachel

JOHOR BARU, Wed. — Prime Minister Datuk Seri Dr Mahathir Mohamad, and his Singapore counterpart Mr Lee Kuan Yew, will sign a water agreement in Kuala Lumpur on Sunday.

Menteri Besar Tan Sri Haji Muhyiddin Yassin, said today that the details of the agreement negotiated over the last two years had been finalised.

"All parties involved are happy with it," he said after attending the signing ceremony between Keck Seng Bhd and Nissho Iwai Corporation for the construction of a \$1.2 billion Tanjung Puteri Resort in Pasir Gudang.

He, however, declined to reveal details of the agreement.

Under the 1962 water agreement between Johor and the Singapore Public Utilities Board, the republic could buy up to 250 million gallons of untreated water per day.

However it is only able to draw between 120 million and 130, million gallons a day due to several reasons, including the infiltration of salt water into its catchment areas.

It is understood that Johor will have to continue supplying Singapore with untreated water under the existing Johor River Water Agreement 1962, at the agreed rate of three sen per

4,400 litres (1,000 gallons).

Johor in turn pays Singapore 25 sen per 1,000 gallons of treated water processed by the republic's PUB at its plants here.

(The agreement covers 100 years with a provision for a review every 25 years).

The new water agreement provides for the building of the Sungai Linggiu dam, near Kota Tinggi by the PUB which would have the capacity to provide 300 million gallons of treated water daily.

The new agreement will allow Singapore to draw an additional supply of water apart from the 250 million gallons a day quantum which is guaranteed under the 1962 agreement.

Under a Memorandum of Understanding signed between the Prime Ministers of both countries in 1988, it was agreed that Singapore would purchase treated water from Johor in excess of her entitlement of 250 gallons of untreated water.

Since the signing, officials from both countries have been negotiating the terms of the new agreement, including a higher price to be paid by Singapore.

The new pact will also include the quantum of compensation to be paid to the Johor Government for the loss of forest reserve land for the Sungai Linggiu dam project and the new pricing formula for the sale of the extra water to Singapore.