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MALAYSIA, SINGAPORE AGREE TO HOLD DISCUSSIONS FOR MUTUAL... BENEFIT

Mahathir - Singapore

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JOHOR BAHRU, April 16<sup>92</sup> (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia and Singapore have agreed to hold discussions on any matter undertaken by either country which had an effect on the other.

Describing bilateral relations as +not so bad+, Dr Mahathir said he had contacted Singapore Prime Minister Goh Chok Tong and that they had agreed to have discussions and negotiations whenever necessary.

He was speaking to reporters after opening the Titan Himont Polymers (M) Sdn Bhd factory in Pasir Gandang near here.

On the recent Singapore procedures which had an effect on Malaysians, such as restrictions on the entry of Malaysian vehicles into Singapore, Dr Mahathir said he felt that such matters should have been discussed first with Malaysia.

He said these procedures had been discussed at his meeting with the Johor Umno Liaison Committee here this afternoon. -- more

▼16/04/22-07MST

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Mahathir - Singapore 2 Johor Baharu

Dr Mahathir said the federal government, would also have discussions with Singapore on the passage of the republic's military aircraft over Johor following several crashes of such planes in the state.

He said the federal government was obtaining detailed information on the matter for a study on the effect on Malaysia of the use of Johor air space.

+The question of whether Malaysia will ask Singapore to divert its air passage (of military aircraft) will be determined later,+ he said.

Opening the factory, Dr Mahathir said production of liquefied natural gas (LNG) was expected to increase to 11.5 billion tonnes by 1995.

Last year, production of natural gas was estimated at 7.6 billion tonnes and valued at \$3.845 billion.

+By 1995, natural gas is expected to make up 39 per cent of the primary commercial fuel supply, including for generation of electricity while consumption of oil will decline to 52 per cent,+ he said.

This would mean a reduction in the flow of foreign exchange for the purchase of oil and an increase in revenue from the export of natural gas and domestic oil. -- more

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Dr Mahathir said that under the Sixth Malaysia Plan, natural gas was expected to play a more significant role in the commercial, industrial, transport and domestic sectors.

The rationale for increased consumption of natural gas was that crude oil reserves would last about 15 years while natural gas reserves would be available for another century, he added.

In this connection, Petronas was expected to invest more than \$3 billion to expand the LNG complex in Bintulu and set up petrochemical projects in joint venture with multinational companies.

The factory opened today is part of a plan by the Titan Group to set up a petrochemical complex at a cost of more than \$1.5 billion in Pasir Gudang. It was expected to be fully completed in June next year.

The partners in the project are companies from Taiwan, Australia, the United Kingdom, the United States, Italy and Malaysia. -- Bernama

▼16/04/22-10MST •