

CHINA PRESS HIGHLIGHTS HEADLINES
18 FEBRUARY 1998

1. KUALA LUMPUR: Malaysia has agreed to continue to supply water to Singapore after the expiry of the agreement in 2061. The agreement was reached during talks between Prime Minister Datuk Seri Dr. Mahathir Mohd. and his Singapore counterpart Goh Chok Tong. A new agreement to the effect will be signed within 60 days. Page 3

2. KUALA LUMPUR: Malaysia and Singapore agree to co-operate with other Asean countries to stabilise the region's economies. A joint communique says officials from both countries will also study the proposal to use regional currencies for trade. Page 3

3. KUALA LUMPUR: Deputy Prime Minister Datuk Seri Anwar Ibrahim has directed heads of departments to ensure basic services and facilities are not affected by the budget cuts. He says medical services, education and programmes to eradicate poverty should not be affected. Page 7

4. KUALA LUMPUR: Bank Negara governor Tan Sri Ahmad Don reiterates the local financial system is stable. The banks can weather the current economic crisis and save their capital. Page 12

5. KUALA LUMPUR: The ringgit has firmed against the US dollar at RM3.83 against yesterday's close of RM3.89. An analyst says IMF's warning to Indonesia not to set up a currency board has helped rupiah firm against the US dollar. Page 16

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