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KL, S'pore pledge joint efforts to stabilise currencies

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MALAYSIA and Singapore have pledged to work together as well as with other members of the Association of South-East Asian Nations (Asean) to restore stability in the currency market.

"Officials of both countries will study the proposal of using regional currencies and other options to finance intra-Asean trade," said a four-page communique issued by Wisma Putra at the end of a two-day working visit by Singapore Prime Minister Goh Chok Tong to Malaysia yesterday.

Goh had met Prime Minister Datuk Seri Dr Mahathir Mohamad to discuss bilateral and regional issues on Monday.

The two leaders, according to the communique, recognise that the regional financial crisis has further underscored the need for Malaysia and Singapore to work closely in all possible areas. This includes intensifying cooperative efforts in the banking and finance, tourism and other economic sectors.

Dr Mahathir and Goh also agreed to work towards realising the full potential of the bilateral relations, in accordance with the "prosper thy neighbour" principle.

The Singapore Government, in expressing its full confidence in Malaysia's economic prospects, pledged to encourage its private sector to invest in the country.

The two prime ministers also stressed the benefits of cross-holdings in infrastructure and other economic sectors, not least becoming stakeholders in each other's prosperity and long-term economic future.

On the territorial dispute over Pulau Batu Putih/Pedra Branca, the communique said both governments have directed their officials to resume negotiations, within 60 days, with a view to finalising the special agreement to refer the issue to the International Court of Justice.

The question of sovereignty over Pulau Batu Putih, an island situated 15km off the coast of Johor, surfaced in 1989 when Singapore stopped Malaysian fishermen from approaching the island.

The decision by the Port of Singapore Authority to build a helipad on the island, on which the British built the Horsburg lighthouse in 1928, further highlighted the problem.

In addition, the two governments agreed to intensify efforts to resolve outstanding matters pertaining to the "Points of Agreement on Malayan Railway Land in Singapore".

The communique also noted that Malaysia has agreed to continue to supply water to Singapore beyond the expiry of the 1961 and 1962 agreements in 2011 and 2061, respectively, as well as the one entered into in 1990, on terms and conditions to be mutually agreed upon by the two governments.

This undertaking will be confirmed in an agreement within 60 days.

Meanwhile, the establishment of the Malaysia-Singapore Business Council is welcomed by both governments as it is expected to enhance bilateral trade and investment as well as strengthen economic and business synergies between the two private sectors.

The communique concludes that the various agreements between the two governments have laid a firm foundation for close cooperation in the new millennium.

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