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Communique

MALAYSIA TO CONTINUE WATER SUPPLY TO SINGAPORE BEYOND 2061

KUALA LUMPUR, Feb 17 (Bernama) -- Malaysia has agreed to continue supplying water to Singapore beyond 2061 following talks between Prime Minister Datuk Seri Dr Mahathir Mohamad and his Singapore counterpart Goh Chok Tong here.

This undertaking would be confirmed in an agreement within 60 days, said a joint communique issued by the Foreign Ministry today.

"The government of Malaysia agreed to continue the supply of water to Singapore beyond the expiry of the 1961 Agreement in 2011 and the 1962 Agreement in 2061, as well as the 1990 Agreement connected with it, on terms and conditions to be mutually agreed between the two Governments," said the communique.

Malaysia supplies 214 million litres of raw water daily to the island republic and buys back treated water from Singapore-owned plants in Johor.

In a clear signal that ties are back to normal after a lengthy meeting between the two prime ministers yesterday, the communique said Malaysia and Singapore officials would also resume negotiations within 60 days to finalise a special agreement to refer their overlapping claims on Pulau Batu Puteh to the International Court of Justice (ICJ).

Negotiations over the islet off Johor, otherwise called Pedra Branca by Singapore, have been going on for the past two years.

The communique said that agreements reached between the two leaders have laid a "firm foundation" for both Malaysia and Singapore to cooperate closely in the new millennium.

The two governments also agreed to intensify efforts to resolve outstanding matters related to the Points of Agreement (POA) on land owned by Malaysian railway company, Keretapi Tanah Melayu Berhad (KTM) in Tanjung Pagar in Singapore.

Dr Mahathir said in an interview with Singapore's Straits Times recently that Malaysia had a different interpretation of the POA signed in Singapore in 1990 between then Finance Minister Tun Daim Zainuddin and then Singapore Prime Minister Lee Kuan Yew to develop the KTM land.

Dr Mahathir and Goh agreed they should work towards realising the full potential in the relations between the two countries based on the principle of "prosper thy neighbour" in recognition of the unique and special relationship between the two countries.

They also recognised that the regional financial crisis had further underscored the need for both countries to cooperate closely in all possible areas.

Malaysia and Singapore would cooperate with one another and their Asean partners to restore stability to regional currencies and study the proposal of using regional currencies and other options to finance intra-Asean trade.

They will intensify efforts to cooperate in banking and finance.

The two countries also welcome investments from each other with Singapore expressing full confidence in Malaysia's economic prospects.

"In this respect, the two Prime Ministers highlighted the value of cross-holdings in infrastructure and other economic sectors to make both countries stakeholders in each other's prosperity and long-term economic future," said the communique.

They welcome the establishment of a Malaysia-Singapore Business Council by the private sector to enhance trade and investment as well as to

strengthen economic and business synergies amongst their respective business entities.

Both sides also agreed to intensify bilateral cooperation in tourism including manpower training. -- BERNAMA

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