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MAHATHIR-FUNDS

M'SIA WILL NOT TAKE UP SINGAPORE'S US\$4 BLN LOAN, SAYS DR MAHATHIR

By: E. Sivabalan

HANOI, Dec 17 (Bernama) -- Malaysia has decided not to accept Singapore's offer of some US\$4 billion loan (US\$1=RM3.80) to help overcome its financial problems as there is no real need now for the loan, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"Because of that, we have decided that instead of linking the water supply to the loan, we should link the water supply to the resolution of the railway problem," he told reporters at the end of his four-day trip to Vietnam where he attended the Sixth Asean Summit.

Dr Mahathir was referring to Singapore's request to extend its existing water pact with Malaysia beyond 2061 and Malaysia's arguments to support its claims of a legal right to maintain its Customs, Immigration and Quarantine (CIQ) facilities at the Keretapi Tanah Melayu Berhad's railway station at Tanjung Pagar in Singapore.

Dr Mahathir said although Malaysia had requested for the loan from Singapore, there was no real need for it now.

He was asked to comment on Singapore Prime Minister Goh Chok Tong's statement earlier today that Malaysia has decided not to raise funds from Singapore as it was now able to raise the funds on its own.

Goh told this to reporters after holding bilateral talks with Dr Mahathir here today.

Dr Mahathir was quoted as saying in Kuala Lumpur on Nov 5 this year that Malaysia would raise funds from Singapore through the selling of bonds.

Goh also said today that since Malaysia would not need to raise funds from Singapore, the water supply issue would be discussed separately.

Singapore, Goh added, had initially proposed a fund-for-water deal with Malaysia.

Asked on Goh's statement that Singapore and Malaysia have agreed to work out a package deal on some of their outstanding bilateral issues including the CIQ facilities, Dr Mahathir said he suggested the package as he felt that it was best that both countries resolved their problems together and not separately.

Asked if he and Goh discussed on Singapore giving a further extension to the Dec 15 deadline for Malaysia to submit its written legal arguments to support its claims of a legal right to maintain its CIQ facilities at Tanjung Pagar, Dr Mahathir said: "There was nothing said about giving time except that we want to resolve the problem."

Goh had said that while the package deal was being finalised, Singapore will probably extend the deadline for Malaysia to submit its written legal arguments.

Goh said apart from the CIQ facilities, the package would also include Singapore's request for water and the use of Malaysian airspace for its Royal Singapore Air Force jets; Malaysia's request for the withdrawal of the Central Provident Fund by Malaysians from the peninsula; and the move by the Malaysian government not to allow trading of shares in Singapore's Central Limit Order Book (CLOB).

Dr Mahathir said Singapore should allow Malaysia to develop the parcels of land it own in Tanjung Pagar "some through joint-venture with Singapore and some for setting up new railway facilities."

On the water supply to Singapore, Dr Mahathir said although Malaysia gave an undertaking to Singapore that it would continue to supply water

even after 2061, "the terms need to be looked into whether we should continue to supply with raw water or with treated water, what is their quid pro quo (a thing given in exchange for something else), etc."

Asked if it would be difficult to settle the problems between the two countries including water supply since they are separate issues, Dr Mahathir said the issues were all linked.

"In any case, we want to resolve these problems once and for all. If we resolve one problem and leave the other problems, then the relationship will still be affected.

"We have some idea about how to resolve them," he added. -- BERNAMA
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