

18/12/1998

Republic's RM15.2b loan for water not needed

Ashraf Abdullah in Hanoi

MALAYSIA has told Singapore that it does not need the US\$4 billion (RM15.2 billion) offered by the republic as funds-for-water arrangement, but gave an undertaking that it will continue supplying water even after the Water Supply Agreement expires in 2061.

Prime Minister Datuk Seri Dr Mahathir Mohamad said this to his Singaporean counterpart Goh Chok Tong when the two leaders met for bilateral discussions yesterday.

Malaysia had requested to raise funds in Singapore in exchange for continued water supply after the 2061 agreement expires.

"Initially the water problem was linked to the loan of US\$4 billion that Singapore offered. Of course, we have requested for funds too. But since then, we found that we don't need the loan.

"So we decided that instead of linking the water supply arrangement to the loan, it should be linked to the others problems that we are having," he added.

Dr Mahathir said he also discussed with Goh about Malaysia's Customs, Immigration and Quarantine in Tanjong Pagar which Singapore wanted moved to Woodlands as well as the rights of the Republic of Singapore aircraft to enter Malaysian air space.

Dr Mahathir and Goh were in the Vietnamese capital of Hanoi to attend the Sixth Asean Summit which ended on Wednesday.

Dr Mahathir told a Press conference just an hour before returning to Kuala Lumpur that Malaysia had proposed all outstanding issues which had put a strain on bilateral relations be discussed as a package.

He said senior officials had been entrusted by the two leaders to discuss and solve the problems which had been affecting relations.

Other issues include the future of Malaysia's railway land in Singapore, the over-the-counter Central Limit Order Book where Malaysian shares can no longer be traded and the Central Provident Fund's refusal to allow Malaysians from the peninsula who are no longer working in Singapore to withdraw their savings.

Dr Mahathir said Malaysia gave an undertaking that it would continue supplying water after 2061 but the terms had to be reviewed.

When suggested that it would be far more difficult to resolve the problems as a package instead of separate issues, Dr Mahathir said: "No, they are not separate issues. They are linked. In any case, Singapore linked the water issue to the loans, etc.

"In any case, we want to resolve all the problems once and for all. If you resolve one problem and other problems are still outstanding, the relationship will still be affected. So it is better to resolve all the problems at once."

He added that both sides had some idea as to how to solve the problems.

Earlier, Goh said he was optimistic that the outstanding issues between Malaysia and Singapore could be solved if the officials took a balanced approach.

"If officials take a balanced approach it will be easier. Both sides can give something and take something."

He said Malaysia did not need funds from Singapore because it had its own funds.

"They don't need our help. It is something that we welcome. It shows that Malaysia is able to get funds on its own. It is a good sign for

Singapore," he said.

(END)