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Understanding over water supply to Singapore reached: PM

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MALAYSIA and Singapore have reached an understanding pertaining to water supply to the republic but the Water Supply Agreement will not be signed immediately, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

Dr Mahathir said the Government has to discuss the terms and conditions of the agreement with the State Government (Johor) first before signing the agreement.

"We are working on it (the terms and conditions of the agreement). The agreement will not be signed just yet," he told reporters after bidding farewell to Uganda President Yoweri Kaguta Museveni in Kuala Lumpur yesterday.

Dr Mahathir was asked whether the Water Supply Agreement between Malaysia and Singapore will be signed during his two-day visit to Johor starting today.

"No, not on Saturday. But we have reached an understanding. Since water is a state matter, we have to get the concerned State to agree (on the continuation of water supply and the conditions)," he added.

During the Asia-Europe Meeting in London early this month, Dr Mahathir, who met his Singapore counterpart Goh Chok Tong, had said that Malaysia and Singapore have almost reached an understanding on the Water Supply Agreement.

The current water agreement expires in 2061 and Singapore is seeking negotiations for a new agreement to begin immediately.

However, Malaysia feels that a new agreement should only be negotiated closer to the date of expiry of the current agreement.

In February, Malaysia made an undertaking to continue supplying water to Singapore after 2061 but made it clear that negotiations on the terms will only begin when the expiry of the current agreements draw closer.

The undertaking was given during Goh's visit to Malaysia last February.

A joint communique issued after the two-day working visit on February 16 and 17 said Malaysia had agreed to continue supplying water to Singapore beyond the expiry of the 1961 agreement in 2011, and the 1962 agreement in 2061, as well as the 1990 agreement on the same subject.

The continued supply will be on terms and conditions to be mutually agreed on between the two governments. The undertaking will be confirmed in an agreement within 60 days.

Under the present agreement, Singapore draws around 1,527 billion litres of raw water daily at a cost of three sen per 4,540 litres.

On the economy, Dr Mahathir said Malaysia will make the necessary adjustment to strengthen the country's economy which seem to be bouncing back after a prolonged downturn since July 2.

"It will depend on what strong economic medicine to prescribe but we certainly make the necessary adjustment," he said, when asked whether Malaysia needs to take strong economic "medicine" to enable its economy to bounce back.

However, Dr Mahathir said he is confident that Malaysia's economy can bounce back because Malaysians are now more united.

"Everybody says that our fundamentals are still good. If we look around, things are still moving ... maybe one or two projects which we have to give up. But, people now are very united and they think they can do it," he added.

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