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Urgent bilateral matters override nagging differences

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FEW people expected Singapore Prime Minister Mr Goh Chok Tong's lightning meeting with his Malaysian counterpart Datuk Seri Dr Mahathir Mohamad last week.

Goh's unexpected arrival caught many by surprise, especially since bilateral relations between both countries were not enjoying its easiest periods even up to as recent as a fortnight ago.

The sudden about turn in relations is a strong indicator of the importance of the meeting. There has to be something that benefits both countries that provided the urgency.

Considering the sometimes harsh exchanges in recent months, one can marvel at the smoothness of the meeting. It took the two leaders merely two hours to turn what seemed an irreparable damage into something with a bright prospect again.

So smooth that one may be prompted to think that what was agreed to by both leaders at the Kuala Lumpur International Airport (KLIA) last week has had a foundation laid back some time ago.

They had a four-eyed meeting in Kuala Lumpur in February this year, described by observers as one which could have presented both countries with a golden opportunity to cooperate in strengthening their respective positions.

Unfortunately, certain matters did not go as desired by both and benefits from that meeting never saw the light of day, worsened later by a fresh round of disagreements between the two countries.

The short time it took for both leaders to put aside the months of tense relations perhaps indicate that the meeting last week, had its roots to the one held last February.

And in all these meetings, while one would tend to think that discussions were only on broad political issues, the presence of top economic policymakers of both countries in almost all of them, suggests that economic issues were the prime subject.

For Malaysia, it was eventually disclosed that Kuala Lumpur is seeking Singapore's cooperation to raise funds in the republic. That the latter agreed without much fuss, meanwhile, is also an indicator that there is something in it for Singapore as well.

In what forms the cooperation would be is still vague although among the first that could come to mind would include issues related to the sovereign bonds the Malaysian Government is planning to raise to tap funds for its economic recovery efforts.

Would Singapore itself come out empty handed from the meeting? The answer is most likely no, since perhaps the republic sees more opportunity in maintaining good relations with Malaysia.

What would it take for Singapore to be willing to consider raising funds for a country that within the past months have been involved in a two-way tongue-lashing with it? Or to consider assisting others when its economy itself is not expected to register growth this year?

Somewhere in those list of reasons would surely lie long-term economic factors since for one, an economically strong Malaysia is a guarantee of a continued bright future for Singapore itself.

Amid the picture of Singapore being a presently strong economy relative to others in the region, is a shortcoming. It is almost reaching full capacity in almost all aspects of development and the threat of

stagnation, albeit being fully developed is constantly looming.

Singapore is not blind to all these and even well into its history, it has always been looking for an economic hinterland, to support the island's role as a frontline financial centre.

Like some other countries within the region, Singapore has made attempts to expand its economy into other regions. In a nutshell, it has not been as successful as the country had desired, partly because it has not been familiar with the investment environment in some of these countries.

Perhaps Singapore felt more comfortable having its external investments closer to home, in a country with an almost similar legal framework. What more when both nations have the same structure in people and language.

These reasons are perhaps generalised attributes to last week's lightning meeting between the two leaders. Other detailed discussions would follow at both governments' official levels.

To gauge on which platform better future bilateral relations between the two would be forged, one can perhaps monitor which group of officials would lead the follow-up discussions.

If Foreign Ministry officials should lead, then we can conclude that political issues would form the basis. On the other hand, should the follow-up discussions be led by people in the economic sector, including those from Malaysia's Bank Negara or Singapore's Government Investment Corp, economic issues would be the basis.

Either way, both countries stand to benefit from forging closer relations. The only challenge would lie in maintaining future relations at whatever level was agreed upon during the meeting of the two prime ministers. For a start, perhaps politics should not occupy the front seat.

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