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Dr M: No such talks with Tokyo

Ashraf Abdullah; Sharif Haron; Hizreen Kamal in Singapore
MALAYSIA has denied that it is negotiating a bilateral Free Trade Agreement with Japan.

Prime Minister Datuk Seri Dr Mahathir Mohamad when asked to comment on a report by Kyodo News Agency which said Malaysia might enter into an FTA with Japan, said: "I'm not aware of it."

Dr Mahathir was speaking to reporters at the end of the fourth Asean Informal Summit, yesterday.

Singapore Prime Minister Goh Chok Tong, quoting Kyodo, told a Press conference at the end of the summit that Malaysia was talking to Japan about a possible FTA.

However, International Trade and Industry Minister Datuk Seri Rafidah Aziz denied Goh's statement.

"There is no such thing. We have not had any such discussion," she said.

She added Japan mentioned the possibility of an FTA with Malaysia, "but it does not mean that we agree".

On the FTAs that Singapore was negotiating with several countries, Dr Mahathir said the effects of such agreements were being examined.

"If it means that goods coming into Singapore (from outside Asean) can then go into Asean countries free of tariffs, then of course it is a no-go thing.

"But if it does not affect us, we are willing to go along."

Singapore has signed an FTA with New Zealand and is negotiating similar agreements with other countries including Japan, Australia and the United States.

On the proposed Trans-Asian Railway link from Singapore to Kunming in China, Dr Mahathir said the two missing links - between Thailand and Cambodia as well as Vietnam and Cambodia - would be given priority.

"These are very short lines. Once we complete the line between Cambodia and Thailand, or half way through, we can continue with the line from Cambodia to Vietnam.

"We also plan to have a spur line from the central part of Vietnam to Laos, and another one from Thailand to Myanmar."

Malaysia mooted the idea for a trans-Asia rail link several years ago, and carried out a feasibility study of the link.

The recommendations by the consultants on the best route option had been endorsed by the leaders at this summit.

On whether the rail link was commercially viable, Dr Mahathir said: "At the moment, of course it is not viable. Let's be frank about it. But this is an infrastructure project. It is a public utility. In the past we never even thought of returns on such an investment.

"But there is a possibility of making it viable, provided we separate ownership of the line from operations on the line. We will study that."

On financing the rail link, Dr Mahathir said countries like Cambodia were eligible for concessionary loans and aid. "If that happens, the cost can be brought down and the rail link can be made feasible, if not viable."

On the possibility of selling Malaysia Airlines to foreign companies, Dr Mahathir said the matter was still being studied.

"We may even carry out joint operations with other airlines. That is the trend now.

"We are open (to proposals). There are lots of possible suitors. At the

moment Malaysia Airlines is not satisfied with the suitors."
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