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Singapore-Clob

S'PORE TO TAKE M'SIA TO WTO IF CLOB ISSUE REMAINS UNRESOLVED

By: Tham Choy Lin

SINGAPORE, Jan 10 (Bernama) -- Singapore has reiterated that it will take the Clob issue to the WTO if no solution can be reached with Malaysia.

"We would try to put this off for as long as possible, but in the ultimate, if there's no solution, Singapore has no choice but to take the matter to World Trade Organisation," said Prime Minister Goh Chok Tong.

"And perhaps the shareholders may also take the Malaysians in the courts in Malaysia," he told Reuters Television in an interview that was aired locally tonight.

Goh also said that he was waiting for the "right time" to have a discussion with his Malaysian counterpart Datuk Seri Dr Mahathir Mohamad on a package of outstanding bilateral issues, likely after the Chinese New Year.

Officials of the two countries had been discussing the various issues up to May last year but it was not pursued because Dr Mahathir was busy with the Malaysian general election, said Goh.

Singapore had said that the Clob issue must not be left outstanding when the package, which included a new water agreement for the island state and the status of land owned by Malaysia's railway authorities here, was resolved.

An estimated RM17 billion worth of Malaysian shares, at current market price, once traded over Singapore's Central Limit Order Book (Clob) over-the-counter-market remains frozen after Singapore halted its trading following capital controls imposed by Malaysia in September 1998.

The matter was left to the stock exchanges of the two countries to resolve. The Kuala Lumpur Stock Exchange (KLSE) on Dec 31 announced a final extension of six months ending June 30 of Singapore's Central Depository's (CDP) nominee status over the shares.

Asked in the interview if Singapore would take Malaysia to the WTO or pursue legal action over the Clob issue, Goh said: "Yes, it's a possibility. It's not something which we would like to do, but Singapore must go by principles and by legal procedures and by legal agreements. Because if we don't fall back on legal agreements and rule of law then there's nothing much you can do."

Goh said Malaysia seemed to prefer a private sector solution but such offers must be officially sanctioned by the KLSE or shareholders would not be confident that "something may change again."

Meanwhile, the Singapore Exchange (SGX) said Malaysia-based Effective Capital Sdn Bhd had extended the closing date for its offer for the Clob shares to Feb 22.

A SGX statement said the amended proposal was received by CDP on Jan 7 and the CDP was reviewing the change to incorporate it for dissemination to investors.

Effective Capital's proposal, which was supposed to close on Jan 31, had included a conditional migration of the Clob shares to individual accounts and an 18-month staggered release of the shares.

It is among several private sector bids for the securities.

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