

Dr M, Lee agree to resolve key issues

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MALAYSIA and Singapore have agreed in principle to resolve all outstanding bilateral issues following a discussion jointly chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad and Singapore's Senior Minister Lee Kuan Yew.

Speaking at a surprise joint news conference in Putrajaya yesterday, Dr Mahathir said the two countries agreed that officials from both sides would work out the details of a final agreement to be signed later by the prime ministers of both countries.

"It's been a tough deal, because Dr Mahathir is not somebody you can take for granted, and he has driven me back as far as I can go," Lee told the press.

"I also have been driven back as far as I can go," Dr Mahathir replied.

"But you have a lot more space," Lee joked.

The issues involved are the sale of water to Singapore; the points of agreement for the development of railway land owned by KTM Bhd; the status of the Malaysian Customs, Immigration and Quarantine facility at the KTM station in Tanjung Pagar; the use of Malaysian air

space by the Singapore air force; and withdrawals from Singapore's Central Provident Fund (CPF) by workers from Peninsular Malaysia.

Singapore also agreed to a Malaysian proposal to construct a new bridge as well as an undersea tunnel for trains and demolish the Johor Causeway upon their completion in 2007.

No timeframe was given for the signing of the final agreement, but Dr Mahathir said he would like to see it done as soon as possible.

Lee said the agreement arose out of Singapore Prime Minister Goh Chok Tong's proposal to treat the outstanding issues as a package.

"We have reached a point now where the details can be worked out, put into words by officials from both sides so that the two prime ministers, once they had agreed upon the draft, can finalise it and then sign," he said.

"I'm hoping this ends the engagement of problems on such a high level, encroaching on Dr Mahathir's time," he added.

Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi had earlier said that Malaysia and Singapore shared "an inextricable relationship", especially since both countries, which rank among South-East Asia's wealthiest, often compete with each other for foreign investment.

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"While we can be good friends, we can be very serious competitors," Abdullah told a business luncheon. "But who can avoid competition? Surely we can't... so we will remain good friends with Singapore."

Malaysia and Singapore both face downturns due to the US economic slowdown. While Singapore slipped into recession in July, Malaysia has so far avoided the same

fate, announcing last month that its economy managed 1 per cent growth in the second quarter of 2001.

Singapore obtains half of its daily water needs from Johor. Its two water agreements with Malaysia expire in 2011 and 2061.

"Malaysia's policy is we will not cut off supply of water. There will be no cutting off of water supply to Singapore," Dr Mahathir said in reply to a question at the news conference.

Lee, who also discussed the issues with Dr Mahathir during a trip to Malaysia last year, had held a series of meetings with Malaysian ministers yesterday and on Monday.

Lee said Singapore would get 350 million gallons of water per day from Malaysia beyond 2061. After that, Malaysia would sell the republic 100 million gallons of raw water and 250 million gallons of filtered water per day which would be processed on

a joint venture basis.

Singapore, he said, is offering 45 sen per 1,000 gallons of raw water till 2061, 15 times more than the current price of 3 sen.

After 2061, it would pay 60 sen per 1,000 gallons, and the rate would be revised every five years.

On the CPF withdrawal issue, Lee said it would be paid in the usual manner over a period of two years. — Agencies