

# PM: Delay causing us losses

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KUALA LUMPUR: Malaysia wants negotiations on the water deal with Singapore to be concluded soon so that the country will not continue to incur losses by supplying raw water to the republic at only three sen per 4,540 litres.

Prime Minister Datuk Seri Dr Mahathir Mohamad said what Malaysia had asked for was reasonable, yet Singapore still refused to accept the terms.

"We want to do it (resolve the issue), Singapore knows that very well but it still refuses," he told reporters after opening the Finance Ministry Quality Day yesterday.

Dr Mahathir said Malaysia was aware that many other countries were paying much steeper prices for their raw water supply, unlike what Singapore was paying Malaysia.

"We know that Hong Kong buys raw water from mainland China at RM8 per 4,540 litres. So obviously, we are underpaid.

"The longer the negotiations drag, the more money we will lose. When Singapore delays and refuses to accept our request, which is not as high as RM8 but a reasonable figure, that means we will continue to lose money," he added.

Asked if the issue could sour ties between the two countries, Dr Mahathir said he did not think so.

The relations between Kuala Lumpur and Singapore,

he noted, could continue on the current healthy footing, but "this thing must be settled."

He also said that Singapore could continue to dispute Malaysia's contention that the existing water deals were inequitable but the fact remained that the republic was buying raw water at three sen per 4,540 litres and selling treated water back at 50 sen for the same volume.

"I think that is making money," he said.

He also refused to divulge the asking price fixed by Malaysia, saying that it could cause problems if the quantum was released through the press.

On Sunday, a Singapore Foreign Ministry spokesman was quoted as saying that reports that the current water agreements were inequitable were "without basis."

He had said that the two agreements, signed in 1961 and 1962, were agreed upon when Malaysia, then Malaya, was already independent while Singapore had been governing itself and their con-

tents were not reviewed after 25 years in 1986 and 1987 respectively.

Singapore Senior Minister Lee Kuan Yew told the press after meeting Dr Mahathir last September that the republic would pay 45 sen per 4,540 litres of raw water up to year 2061, 15 times more than the current price, and 60 sen per 4,540 litres after that, subject to revision every five years.

He had said that Singapore would get 1,575 million litres of water per day from Malaysia until 2061 and after that, 450 million litres per day and another 1,125 million litres per day to be processed on a joint-venture basis.

Malaysia currently sells 910 million litres of raw water to Singapore for RM2.2mil and buys back 130 million litres of treated water daily at RM5.3 mil.

Singapore yesterday rejected accusations that it was profiting by selling treated water back to Malaysia for more than it originally paid for the raw water, according to an AFP report.

"There have been some views expressed, claiming that Singapore was profiteering by buying water at a cheap price and selling it at a much higher price.

"This is a misrepresentation of facts," a foreign ministry spokesman said in a statement.

The ministry said it cost Singapore RM2.40 (US\$0.63) to treat 4,540 litres of water, but Johor paid only 50 sen for the same amount of treated water it bought back from Singapore.

"Singapore is therefore absorbing the cost of treated water sold to Johor to the amount of RM1.90 per thousand gallons (4,540 litres).

"Johor in turn sells the treated water it has purchased from Singapore to its consumers at RM3.95 per thousand gallons," the spokesman said.

The spokesman also said Malaysia had yet to reply to a letter from Singapore, written on Dec 10, seeking a clarification on the water issue as well as other bilateral issues.