

15 OCT 2002

S'pore-Water

S'PORE WILL CONTEST M'SIA'S "RIGHT" FOR PRICE REVIEW

By: Salbiah Said

SINGAPORE, Oct 15 (Bernama) --The Singapore government maintains that Malaysia has no legal right to review the water price, adding that if Malaysia insists, it will contest Malaysia's right.

"It is incumbent on Malaysia to prove that they still have a legal right to a price review. If they insist, we will contest their right," a Ministry of Foreign Affairs (MFA) spokesman said in a statement.

The spokesman said this in response to media queries on Malaysian Foreign Minister Datuk Seri Syed Hamid Albar's statement that Malaysia was "giving Singapore one more chance" to resolve the water issue at the two-day senior officials' meeting to be held in Johor beginning tomorrow.

"The 1961 and 1962 Water Agreements do contain clauses providing for a price review after 25 years. But Malaysia did not invoke these clauses when they became due, and we have been advised that Malaysia has lost the legal right to do so."

The Singapore side, it said, had already told this to the Malaysians. We will tell this to them again at the upcoming Oct 16-17 talks."

The spokesman said Singapore was prepared to listen to Malaysia's proposal to focus only on water at the senior officials' meeting.

"If the Malaysians want to discuss only water, we will listen to what they have to say. But this does not change our position that Malaysia has no legal right to a review," the spokesman said.

Singapore said that both aspects of the water issue must be discussed during the Oct 16-17 talks. "Otherwise, there is no basis to proceed," the spokesman said.

The spokesman outlined two aspects of the water issue that it proposed for discussion.

Firstly, the price of future water after 2061 upon the expiry of the 1962 Water Agreement. Singapore said it had already told the Malaysian side that with NEWater, it was prepared to let the 1961 Agreement lapse.

Secondly, The price of current raw and treated water under existing agreements.

MFA said that Singapore had shown flexibility in wanting to resolve the revision of price of existing water, and that it was prepared to discuss the issue although the Malaysian side had been informed on many occasions that it had lost its right of review.

"Malaysia has made all manner of public statements. And Malaysia has repeatedly kept changing its position on the water issue and other issues in the package," said the statement.

On the meeting between the two Prime Ministers, Goh Chok Tong and Datuk Seri Dr Mahathir Mohamad in Putrajaya on Oct 8, the spokesman reiterated that Dr Mahathir had said that both sides should try to resolve the water issue.

Dr Mahathir, the spokesman said, wanted to decouple water from the other issues in the package. However, the Singapore premier reiterated that all issues were tied up.

The MFA also confirmed that Singapore had received Dr Mahathir's letter dated Oct 7 stating that Malaysia had decided to discontinue the package approach.

The MFA said Dr Mahathir did not mention his letter during the Oct 8 meeting. "Hopefully, the upcoming Oct 16-17 talks will throw some light on the Malaysian position. We will go there to listen to the Malaysians

explain themselves."

On Oct 14, the MFA said, Goh replied that both Prime Ministers had all along agreed to proceed to trade off, in a package, the benefits to each other from the various items that is water, airspace, Points of Agreement (POA), Central Provident Fund (CPF), and the bridge to replace the Causeway.

"Now that Prime Minister Mahathir insists on treating water separately and discontinue the package, these trade-offs are no longer possible. Singapore will deal with water and the other issues individually and separately, on their stand-alone merits, no longer as a package," the spokesman added.

The MFA was also asked whether this meant that the offers and concessions that Singapore had made on the other issues in the package such as the POA, early withdrawal of CPF monies by West Malaysians and Singapore's agreement to share the cost of replacing the Causeway with a bridge, were off the table.

To this, the spokesman said: "Now that Malaysia has discarded the package approach, this has to be the case as there is no longer any basis for trade-offs."

On Malaysia's claim that the price review of water supplied under the current agreements should be retroactive, the MFA spokesman said: "How can it be retroactive when the existing Agreements do not provide for it?"

-- BERNAMA

SS AO