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Water issue may yet leave a bad taste in the mouth, Newater or not

Koh Lay Chin

AFTER many rounds of negotiations, Singapore has decided to let the first of its two water deals with Kuala Lumpur lapse after 2011.

Singaporean leaders hope this will help ease the tension in relations. Furthermore, they are confident that their new-found "Newater" will make the republic self-sufficient in the commodity.

It would seem that Singapore's reduction of its dependency on Malaysian water would be a plus for both countries and a boon for bilateral relations.

Singapore Prime Minister Goh Chok Tong, recently pictured swigging a bottle of Newater, said: "If necessary, we will just be completely self-sufficient."

His Malaysian counterpart Datuk Seri Dr Mahathir Mohamad, when asked about Singapore not renewing that agreement, said today: "The fact is that we are losing money selling to them. If they stop taking from us, then we won't lose any money."

Water is the thorniest of the bilateral issues between the two countries, and many wonder whether Singapore's decision will allow other points of contention to be speedily overcome. Opinion polls in newspapers and the electronic media hail Newater, with many singing praises of how it is good for the republic's people.

It would seem Singaporeans prefer the water reclaimed from waste flowing through toilet bowls and kitchen sinks to paying more for fresh water from across the Causeway.

Dr Mahathir has said the revenue from selling water at three sen per thousand gallons (a price fixed in 1927) is a negligible amount for the Malaysian economy.

Johor has begun construction of its RM649 million Semanggar treatment plant and distribution system, which will allow Malaysia to cease buying treated water from the Public Utilities Board of Singapore by the end of next year.

Although the lapse of the agreement seems to mean Singapore and Malaysia will be self-reliant on a treated water supply in the long run, the end of one contentious issue still poses questions for both countries.

Firstly, although Singapore wants to depend on its limited domestic resources, desalinated seawater and Newater for its daily consumption, one wonders if this takes into account a rising population and infrastructural development.

Would recycled water be enough for Singapore when its natural water resources are limited and desalination is twice as costly?

Although Singapore also plans to source as much as 4.5 billion gallons of water daily from Indonesia's Riau province, many believe that buying water from Malaysia will remain a necessary option.

While Malaysia has the right to demand a more reasonable price, having stuck with three sen per 1,000 gallons for three-quarters of a century, the decision by Singapore not to renew the contract would mean more water for Johor and other States.

However, the need for more water treatment plants for the local populace cannot be overstated.

Syarikat Air Johor Holdings (SAJH), which is constructing the Semanggar plant says that this is "not a problem".

SAJH corporate communications manager Azmi Mahmood said SAJH was more

than ready to supply enough treated water for the State.

"In addition to Johor's current plants, the Semanggar plant will be able to treat around 37.5 million gallons daily," he said.

There is still the issue of the water price for the remaining years until 2011, which will be discussed when talks resume next month.

Currently Malaysia gets RM10,500 per day for the raw water it supplies to Singapore, but has to pay Singapore RM18,500 daily for the treated water it receives.

Malaysia and Singapore signed two water pacts in 1961 and 1962, with the former agreeing to supply 350 million gallons of raw water daily to Singapore at three sen per 1,000 gallons. Malaysia would also buy back 37 million gallons at 50 sen per 1,000 gallons.

The two agreements end in 2011 and 2061 respectively, and the island republic has offered to pay 45 sen per 1,000 gallons from now until 2011 and 60 sen after that until 2061.

Malaysia's counter-proposal would set prices at 60 sen until 2007 and a fixed RM3 from 2007 to 2011, which is cheap compared with the RM8 per 1,000 gallons Hong Kong pays to China, for example.

Singapore's recycled waste water, Newater, apparently tastes all right to its citizens, but whether allowing one of the agreements to lapse will help improve relations between the two countries or leave a bad taste in the mouth on both sides is yet to be known.