

02 FEB 2002

Singapore-Malaysia

SINGAPORE DENIES DELAYING OR REFUSING TO PAY REASONABLE PRICE FOR WATER

SINGAPORE, Feb 2 (Bernama) -- Singapore has denied delaying negotiations or refusing to pay a reasonable price for water supply from Malaysia.

A Foreign Ministry spokesman said today the island-state had been waiting for Malaysia to clarify certain key points to set the framework for officials from both sides to resume talks to settle the details.

The spokesman also described as "misleading" comparisons between the price which Hong Kong is paying for water from China and what Singapore is paying Malaysia's southern Johor state for the existing supply.

Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad said recently that talks on a package of outstanding bilateral issues with Singapore had stalled because both sides had yet to reach a new price for the water which Malaysia had been supplying since the 60s.

Dr Mahathir said Malaysia was asking for a very reasonable price and wanted a quick settlement as the longer the delay, the more money Malaysia would lose.

Singapore currently imports 350 million gallons of raw water daily from across the Causeway at three sen per 1,000 gallons under two agreements expiring in 2011 and 2061.

In comments for the second time within a week, the foreign ministry spokesman said Malaysia had on Feb 21 last year offered 60 sen per 1,000 gallons subject to review every five years.

"Singapore agreed to 60 sen, adjusted for inflation every five years, as the price for raw water beyond the existing agreements. As part of an overall package, we even offered, although we are not legally obliged to do so, to pay 45 sen per thousand gallons for water we receive under the current agreements," the spokesman added.

The spokesman said the new prices should not be seen in isolation but in the context of the overall outstanding package which also included payments that Malaysia would receive for its railway land in Singapore.

"The total amount of money that Malaysia will receive when other items in the package are factored in will be over RM1.5 billion," he said without giving details.

The package of issues agreed to by Dr Mahathir and his Singapore counterpart Goh Chok Tong in late 1998 comprises a new water agreement for the republic, the relocation of the Malaysian customs checkpoint at the railway station here, the development of Malaysian-owned railway land here, the release of pension savings of West Malaysians working in Singapore and the use of Malaysian airspace by the Singapore air force.

On the comparison made by Dr Mahathir that Hong Kong paid RM8 per 1,000 gallons for raw water from China, the spokesman said that unlike China, Malaysia did not bear the infrastructural, operational and maintenance cost in supplying the water.

"All these years, Singapore has absorbed all costs of building the infrastructure in Johor for water supply such as dams, pipelines, plants and equipment. We also bear the operational costs," said the spokesman.

Dr Mahathir had said that Malaysia was not asking for RM8 but a reasonable price because it was being underpaid.

(S\$1=RM2.10)

-- BERNAMA

TCL JK

