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PM: No more cheap water (HL)

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KUALA LUMPUR, Fri. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia would recover losses from its two water agreements with Singapore by having the new price backdated.

Once the new price is fixed, Singapore will be asked to pay the difference, which would be backdated to 1986 and 1987, the years when a revision of the water price was due.

The republic is now paying three sen for 1,000 gallons under the two agreements, which will lapse on Aug 31, 2011 and Sept 28, 2061 respectively.

Dr Mahathir said Singapore had been getting cheap water from Malaysia while delaying negotiations to fix the new water price.

"We cannot accept the delay. Once we fix the price, it must be backdated. We have to get back the money that we lost," he said at a Press conference after launching World Sight Day 2002 at the Kuala Lumpur City Centre.

Dr Mahathir was asked on the contradictory statements by Kuala Lumpur and Singapore on the water issue following his talks with Singapore Prime Minister Goh Chok Tong in Putrajaya on Tuesday.

Briefing reporters on the outcome of the meeting, Foreign Minister Syed Hamid Albar had said Goh accepted that Malaysia had the right to review the price of water under the two agreements, but Singapore denied this a day later.

Goh's Press secretary Ong Keng Yong said there was no change in Singapore's stand that Malaysia did not have a legal basis for reviewing the price of water after a delay of 15-16 years.

Ong also stated that Goh informed his Malaysian counterpart that the republic was prepared to discuss such a price revision as part of a bilateral package.

On this, Dr Mahathir said: "I don't know about that but when he came and saw me, in front of Syed Hamid he said he agreed but now he doesn't. It is difficult to negotiate like this."

Pressed on whether the matter was made clear during the meeting, he replied in the affirmative.

"It is very clear. Only that (Goh) was not in favour of detaching the water issue from the package. But we find that the water agreement is the main problem, and until this is resolved, other issues will not be resolved."

Dr Mahathir said Malaysia did not push for a review of the agreements 15 years ago as it was believed Singapore would respond by reviewing the price of treated water sold to Malaysia.

"But now even if they revise the price of treated water, we do not mind. They can revise and we can revise our water price... there must be a formula."

On whether next week's meeting between officials from both sides would be able to thrash out the differences, he said Malaysia was ready to put an end to the impasse and would present its case on why the price needed to be reviewed.

"We have already given our reasons but, unfortunately, Singapore continues to drag its feet and in the meantime, we are losing money. We don't depend on selling water to maintain the country but the principle is that when you buy water, you should pay a fair amount for it."

Dr Mahathir said Malaysia was not trying to be difficult, adding that the new price it suggested was reasonable.

He said if Singapore did not agree to a price revision, it must state the reasons and if it had another price in mind, the basis must be made known.

On Singapore's stand on the backdated payments, Dr Mahathir said the city State opposed it.

"They do not want it. They keep delaying the agreement and they get cheap water. They buy our raw water at three sen, treat it and sell it to ships at S\$20 per 1,000 gallons."

On the possibility of Malaysia unilaterally terminating the agreements, Dr Mahathir said this would not be done.

In the first round of talks in Kuala Lumpur in July, Malaysia proposed that Singapore pay 60 sen for 1,000 gallons of water from now until 2007.

From 2007 to 2011, the price was to be fixed at RM3.

After 2011, Malaysia wanted a price structure using a new formula, which was rejected by Singapore.

Singapore, however, proposed paying 45 sen per 1,000 gallons from now until 2011, after which the price was to be fixed at 60 sen until 2061.

Once the 2011 agreement lapses, the amount would be reduced to 250 million gallons per day until the second agreement runs out in 2061.

Dr Mahathir was also asked to comment on Goh's opposition to setting up the Asean+3 secretariat in Kuala Lumpur.

He said this was not strange as Singapore rejected everything that originated from Malaysia.

"We had a problem with the EAEC (East Asian Economic Caucus) because Singapore rejected it, and then they ask us why we are not friendly.

"We try to be friendly as much as possible but it is impossible."

On the Malaysian Human Rights Commission's proposal for a 24-hour court system for weekends and public holidays be set up to prevent abuse of the remand process, Dr Mahathir said the Government would study it.

On the commission's contention that police abuse the remand process when suspects detained on Saturdays and the eve of public holidays are only produced before a magistrate after more than 24 hours, he said it was wrong to say that the police went to great lengths to detain suspects only on such days.