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Mahathir-Water

WATER PRICE ISSUE WITH SINGAPORE: M'SIA NOT RULING OUT ARBITRATION

KUALA LUMPUR, Oct 15 (Bernama) -- Malaysia is not ruling out taking the water price issue with Singapore to arbitration as one way to resolve it.

Prime Minister Datuk Seri Dr Mahathir Mohamad said, however, that the process would take time.

"If you go to court, it will take years. We are still having arbitration over Pulau Batu Putih (with Singapore), until now there is no progress," he told a media conference after opening the International Nuclear Conference 2002 here today.

He was asked whether Malaysia would take the water price issue to arbitration if there was a deadlock on the discussions.

"Are you ruling out legal action?" he was asked.

"I am not ruling out, I am saying that it is going to take time," he replied.

Dr Mahathir said he had not received any reply from his Singapore counterpart, Goh Chok Tong, to his suggestion that the water price issue be separated from the package of outstanding bilateral issues.

The suggestion was made in a letter to Goh.

Malaysia and Singapore are now negotiating the new water price but Singapore is disputing Malaysia's move to revise the water pricing as it did not do so when the revision was due sometime back.

Malaysia and Singapore signed two water agreements in 1961 and 1962. Under the 1961 agreement, Singapore can draw 88 million gallons daily (MGD) from the Pulai catchment area and Tebrau and Skudai rivers in Johor up to Aug 31, 2011.

The 1962 agreement allows Singapore to draw another 50 MGD from Sungai Johor until Sept 28, 2061. The two agreements provide for a revision of the water pricing after 25 years, which were due in 1986 and 1987 respectively.

Malaysia now sells Singapore its raw water at three sen per 1,000 gallons and buys back treated water from the republic at 50 sen per 1,000 gallons.

-- BERNAMA

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