

07/09/2002

PM: Set time frame for water dispute HL)

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CYBERJAYA, Fri. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today there should be a time frame in resolving the dispute over the price of water supplied to Singapore as the impasse should not be allowed to drag on.

However, he did not specify the time frame within which Malaysia wanted the issue to be resolved.

"I think there should be some time frame but I don't know what it should be."

Dr Mahathir said it seemed Singapore did not want to accept the reality that the price of three sen per 1,000 gallons of water it was paying to Malaysia now was too low.

Speaking to reporters after a one-on-one meeting with members of the International Advisory Panel of the Multimedia Super Corridor at Cyberview Lodge, the Prime Minister, who is IAP chairman, said even if the republic chose to use recycled (sewage) water, the treatment cost would still be high compared to the new pricing proposed by Malaysia.

"The cost is almost seven to eight dollars. If they source raw water from us, even if the price is raised and they add the cost of treatment, it will still be cheaper. But it is their choice."

The Prime Minister made the remarks when asked about the second round of talks on Tuesday between the foreign ministers of both countries that ended without much progress.

Dr Mahathir reiterated that Malaysia would be happy if Singapore decided to stop buying water from Malaysia as it was losing money from the transaction. "If they feel they can source water from elsewhere, we are quite happy about it. We are not making money and our finances are not dependent on the sale of water to Singapore."

Asked if future meetings to resolve the pricing problem were necessary as earlier ones had failed to produce the desired result, Dr Mahathir replied: "Worse comes to worse, we may have to go for arbitration. But Singapore must realise they can't impose on us like this simply because the terms of agreement say both sides must agree."

On Malaysia's next course of action, the Prime Minister said the Government would look into "whatever means available". To a suggestion that the problem rested with Malaysia's stand in wanting to separate the water pricing from the package of issues, Dr Mahathir said if Singapore wanted it to be linked, Malaysia would not have much objection.

"To us, it doesn't matter if it is linked or not. We can deal with it separately if they want, but I think not linking it with water will perhaps enable us to solve some of the problems because Singapore has not been very reasonable in terms of water pricing."

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 to pay 45 sen per 1,000 gallons from now until 2011, after which the price was to be fixed at 60 sen until 2061 and would go on for another 100 years.

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

issues in the original package are:

- * the shifting of the Keretapi Tanah Melayu station from Tanjung Pagar to Woodlands and the status of the KTM land in Singapore;
- * the relocation of the Malaysian Customs, Immigration and Quarantine complex in Tanjung Pagar;
- * Central Provident Fund withdrawals by Peninsular Malaysia workers no longer working in Singapore; and,
- * the use of Malaysian airspace by low-flying Singapore air force jets.