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`Yes' to water price review (HL)

M.K. Megan

KUALA LUMPUR, Tues. - Singapore has agreed to a review of the three-sen-per-1,000-gallon price for water bought from Malaysia, Foreign Minister Datuk Seri Syed Hamid Albar said.

He said Singapore Prime Minister Goh Chok Tong had indicated this to Datuk Seri Dr Mahathir Mohamad in talks here today.

Syed Hamid, however, did not elaborate on the proposed price. "We do not want to negotiate the price in public," he said at the Parliament lobby after his speech on Budget 2003.

Syed Hamid said Goh and Dr Mahathir had agreed that resolving the water issue would improve bilateral ties so that the relationship between the countries could move forward "bilaterally or Asean-wise".

Malaysia had proposed in talks in July that Singapore pay 60 sen per 1,000 gallons from now until 2007 and RM3 per 1,000 gallons between 2007 and 2011.

It also wants a price structure using a new formula after the first agreement with Singapore expires in 2011. The second agreement ends in 2061.

Singapore has offered to pay 45 sen per 1,000 gallons from now until 2011 and 60 sen per 1,000 gallons until 2061.

Syed Hamid said Malaysia would from now on use these proposed prices as the basis for negotiations.

He said the proposed price was fixed after Singapore's requests on issues to be factored into the calculation, such as "NEWater" and desalinated water, had been taken into consideration. The republic's requests in the matter were within the ambit of the agreements on the sale of water signed in 1961 and 1962, he added.

"We have gone back to that, recalculated, and re-submitted it to Singapore. Now it is up to them to respond. It will not be fair for me to go into the details of what we have submitted until we have received a response from Singapore.

"They also do not want as much water as they initially asked for," he said, adding that Singapore's requirement had fallen from 750 million gallons per day to 250 million gallons per day.

"The quantum is not the issue. We can supply how much they want but at the right price."

He said water was a commodity Malaysia was willing to sell. "If Singapore does not buy, then we shall sell to another country."

Syed Hamid said Malaysia had submitted its proposals based on facts presented by the republic.

"We will discuss each and every fact during the meeting between the two parties later this month.

"We can look at the bigger picture for co-operation in all dimensions.

"At present, it is inundated with such issues as water and filthy air. We do not want all that."

Asked if the issue could be resolved at the meeting later this month, Syed Hamid said he could not say at this juncture.

"We definitely cannot agree to three sen per 1,000 gallons.

"Now Singapore has agreed that we have the right to a review and it is for us to determine a price that Singapore will accept."

Malaysia currently supplies 350 million gallons of raw water a day to Singapore, or half its present daily water consumption.

On terrorism, he said Dr Mahathir and Goh had also discussed developments in the region, especially those affecting both countries, and how the problem could be jointly tackled.