

**M'sia agrees to give up railway land in S'pore**  
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Malaysia and Singapore on Monday announced a plan to jointly redevelop prime chunks of real estate in the city-state as part of efforts to settle issues dating back to their separation.

In a statement, Prime Minister Najib Razak and his Singapore counterpart Lee Hsien Loong said Malaysia had agreed to relocate a railway station from downtown Singapore to the border with Malaysia by 2011.

The station could finally be relocated within Malaysian territory by 2018 after the establishment of a rapid transit system, according to the statement.

Singapore was ejected from the Malaysian federation in 1965, but Malaysia still occupies railway land all the way up to Malaysian territory, including the station on the fringes of the Singapore banking district.

Under the plan, Malaysia's state railway - KTM - will move its Singapore terminal to Woodlands, an industrial zone located just across a narrow strait from Malaysia's Johore state, by July 1, 2011.

A company known as M-S Pte Ltd will then be established to take ownership of the vacated area and other parcels of land, with 60 per cent equity held by Malaysia's investment agency Khazanah Nasional Berhad and 40 per cent by Singapore's Temasek Holdings.

Both sides will conduct valuations of the land and Prime Minister Lee will visit Kuala Lumpur within a month with a proposal for a land swap, the statement said.

The railway land could be swapped for real estate in two of Singapore's most expensive districts, including the site of the multibillion-dollar Marina Bay Sands casino complex which opened in April.

Song Seng Wun, a regional economist with CIMB-GK Research in Singapore, told AFP the railway land's worth "could be in the billions".

The issue was just one of the disputes that have periodically strained relations since Singapore and Malaysia separated -- an episode that still rankles on both sides.

Rows have also erupted over the price of the raw water that Malaysia supplies to resource-scarce Singapore, and Singapore's military access to Malaysian airspace.

- AFP