

Water rates dispute to be mediated

Malaysia and Singapore agree to settle water issue amicably

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PUTRAJAYA: Malaysia and Singapore, which have differing views on the review of water rates, may resolve this long-standing dispute through arbitration.

While acknowledging each other's differing opinions, what both neighbours can agree upon is for this issue to be resolved amicably.

As expected, the issue on the review of water rates was one of the highlights of the discussions between Prime Minister Tun Dr Mahathir Mohamad and his Singapore counterpart Lee Hsien Loong at their Leaders Retreat.

"For Malaysia, resolving the long-

standing issue of water price review is a priority.

"We have engaged in active negotiations in the late 1990s and early 2000. Prime Minister Lee and I agree to find an amicable solution on this issue, including the possibility of dispute resolution through arbitration on a mutually agreed basis," Dr Mahathir told a joint press conference with Lee after the retreat yesterday.

Under the 1962 Johor River Water Agreement, Malaysia is to sell water at three sen for every 1,000 gallons.

In return, Singapore sells treated water back to Johor at 50 sen per 1,000 gallons - an arrangement which Dr Mahathir sees as no longer feasible.

The agreement provides for a re-

view after 25 years, which Malaysia chose not to do in 1987.

Dr Mahathir raised it again in 1998 and both countries agreed to a renegotiation. However, years of talks did not yield any result.

Lee said Singapore's position is that Malaysia has lost the right to review the water price, but nonetheless both countries agreed for their attorneys-general to meet and discuss legal positions.

Lee said while he understands Dr Mahathir's perspective, he also called on Malaysia to see Singapore's point of view on why "this is a sacrosanct item".

"The agreement reached between the two countries in 1962 is a fundamental founding document and we have to go according to this docu-

ment. It is a basic term which two countries decide to manage our relationship.

"The first prime minister didn't change it, the second prime minister negotiated a package deal with Malaysia. But in the end, there was no final agreement, so there is no change," he said.

Beyond the issue of the rate review, Lee also voiced his concern over the safety and sustainability of raw water from Sungai Johor.

Apart from Singapore's Public Utilities Board (PUB) water works, Johor has two water plants upstream along the same river.

Lee said PUB had to shut down the water works last week because of high level of ammonia in the water.

"If the Johor river suffers an inci-

dent similar to Sungai Kim Kim, it will be disastrous for both countries," he said.

Singapore's other concern is the long-term sustainable yield of river with both the republic's PUB and Johor's treatments plants drawing water from the same river.

"So we need to study how to meet both Johor and Singapore's water requirements for the remainder of the water agreement," he said.

The Johor River Water Agreement, which allows Singapore to draw up to 250 million gallons a day, expires in 2061.

Watch the video
thestartv.com

