

# PM: Substantial improvement in KL-Singapore ties

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**SINGAPORE, Tues.** — The recent improvement in ties between Singapore and Malaysia is not just about the atmosphere but substance as well, *Business Times* reported the Prime Minister Datuk Seri Abdullah Ahmad Badawi as saying.

In a wide-ranging dialogue session with the foreign media and think-tanks visiting under the Institute of Strategic and International Studies programme yesterday, he said relations between the two neighbours are good, and they have an understanding that they will resolve their bilateral difficulties.

"Temasek (Singapore Government's investment arm) people have been coming here and have shown interest in buying some equity in our companies," said Abdullah, noting the successes of these forays.

He added that he had not seen any public statement or indication in recent months that suggested any bilateral problems.

"The feeling is good," he said.

On major outstanding issues, Abdullah said he was optimistic that progress would be made and "it would be in the interest of both Singapore and Malaysia to resolve these issues".

Singapore and Malaysia have outstanding differences on land reclamation in Singapore, the future of the Causeway and supply of water.

Meanwhile, Malaysian Plantations

Bhd announced yesterday that an associate of Temasek Holdings Ltd had completed negotiations to buy a stake in it, the newspaper said.

Abdullah said: "What is important is we have to think of what is good for both countries. If we can find solutions that are good for both of us on a win-win basis. I think that should be all right."

Meanwhile, he dismissed suggestions that his anti-corruption drive had slowed since the general election, the newspaper reported.

He said the Anti-Corruption Agency had nabbed about 200 people and many of these cases could lead to convictions.

The authorities may not make much noise but the agency will continue to do its work, he said.

On security arrangements to counter possible terrorism in the Malacca Straits, Abdullah said he recently met the Commander of the US Pacific Fleet, Admiral Thomas Fargo, who told him that the Americans had no intention of assuming the role of defending or safeguarding the area.

Safeguarding the waterway is the responsibility of the littoral states.

Abdullah said Malaysia is conscious of that responsibility and knows that any major act of terror, such as the hijacking of a ship, would be disastrous.— Bernama