

Johor insists right to review price of water sold to Singapore
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The Johor state government has voiced its disagreement over Singapore's contention that Malaysia has lost its right to review the water price under the Water Agreement in 1987.

State public works, rural and regional development committee chairman Datuk Hasni Mohammad said that the 1962 agreement provided Johor and Putrajaya the right to review the price, Straits Times reported today.

He added that the issue should be highlighted in future bilateral talks between the two neighbouring countries.

"The attorney general has given his view that we have the right to review the price of raw water sold to Singapore. We do not agree with Singapore's view (that) we have lost the right (to revise the price of raw water)," he was quoted as saying.

Singapore Law and Foreign Minister K. Shanmugam had said that when Malaysia decided not to review water price under the Water Agreement in 1987, it lost its right to review the price.

"Singapore's position is that Malaysia has lost its right to review the water price. The Water Agreement provided for the review after 25 years. Specifically, there was a right to review the price of water jointly in 1987.

"However, Malaysia consciously chose not to review the price. It had good reasons for this," he said.

Shanmugam said that had Malaysia exercised the right to review the water price in 1987, Singapore might then have made different investment decisions to develop the Johor River, for instance the Linggiu Dam project of 1990.

He said Malaysia, however, chose not to review the water price in 1987, and on that basis, Singapore then took several actions, which also benefitted Malaysia.

He said this included building the Linggiu Dam at a cost of over S\$300 million (RM773 million), which increased the yield of the Johor River and enabled both Johor and Singapore to draw water from it during the dry season.

Singapore and Malaysia have signed several agreements to regulate the supply of water from Malaysia to Singapore. Water imported from Johor under meets about half of Singapore's water demand. – March 8, 2014.

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