

New windows open as neighbours get cosy

S'pore and M'sia look to work on projects together, get industries to join hands

By **CHUANG PECK MING**
in Putrajaya

DECADES after they went their separate ways, Singapore and Malaysia are poised to get closer to each other than ever before.

Not only will crossing the border become a breeze, but the two countries plan to develop properties together, complement Singapore's manufacturing skills with Johor's abundant labour and pave the way for electricity sales.

"There are many more areas for potential cooperation," Malaysian Prime Minister Najib Razak told reporters after what he described as "productive and fruitful" talks with his Singapore counterpart yesterday.

And his guest, Prime Minister Lee Hsien Loong, agreed: "There should be more new initiatives that should be taken between both countries," he said at a joint press conference after an hour-long meeting that saw the biggest-ever Singapore delegation turn up at the regular Malaysia-Singapore Leaders' Retreat.

Two-thirds of Singapore's Cabinet ministers were present at yesterday's pow wow.

The Singapore leader said he had proposed that Malaysia, especially Johor which is keen to build up its Iskandar development region, work with Singapore in industrial and manufacturing projects.

Singapore, skilled in manufacturing, and Johor, which is abundant in land and labour, should complement each other in industries, according to him. And the gains will spread to other industries like logistics and create more jobs.

A new work group on industrial cooperation will be set up to promote economic cooperation between Iskandar Malaysia and Singapore.

The Joint Ministerial Committee will also see if ferry and water taxi services can provide another means of linkage between Singapore and Malaysia.

Mr Najib is keen to sell electricity to Singapore, which is building a framework for importing electricity

from neighbouring countries. Mr Lee welcomes the initiative.

"Singapore is very open to importing a certain proportion of our electricity," he said. "If the terms are right, if it provides us with an attractive offer, which we can't refuse. Of course, we will be happy to buy subject to proper clearance and safeguards."

On the likely impact on the environment, Mr Lee said: "That's something we will be taking seriously in mind. It will affect the immediate neighbours of the power station, which causes cross borders implications as well. (It's) something we have to pay attention (to)."

Other likely areas of cooperation which the two leaders explored are:

◆ **Digital broadcasts:** Aligning the radio frequency spectrum plans for digital broadcast and broadband service in Malaysia and Singapore will allow them to meet growing demand for digital TV and mobile broadband, improve regional mobile roaming and provide competitive mobile broadband services.

◆ **Aviation and airport services:** A tie-up between Senai International Airport in Johor and Changi International Airport may provide "synergy between the two airports and spill-over to business enterprises from Malaysia and Singapore".

◆ **Education:** The countries may cooperate in higher education, technical and vocational education and teaching and learning of English. Singapore private educational institutions may also set up campuses across the Causeway.

The leaders agreed that with the thorny Malayan Railway Land issue out of the way, Malaysia and Singapore have been able to explore new areas of cooperation, especially in Iskandar Malaysia. And they were happy with the progress of the joint ventures of their respective investment companies, Khazanah Nasional and Temasek Holdings.

These include the Marina South and Ophir-Rochor developments in Singapore and the "Urban Wellness" and "Resort Wellness" projects in Iskandar Malaysia.

Other joint projects in connectivity, immigration, tourism and the environment have also gone well, according to the joint statement. The Rapid Transit System (RTS) linking Singapore and Johor Bahru is on schedule to be completed by 2018.

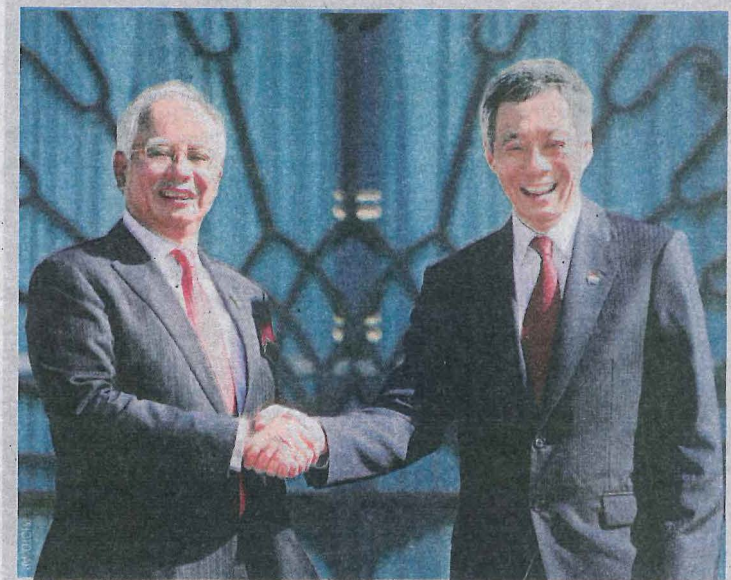
"A tender was jointly called on Nov 18, 2011 to appoint a consultant to undertake a joint engineering study to develop possible alignments and proposals for the RTS link," the joint statement said.

Mr Najib said once the study's done, Malaysia will go along with the option that's most viable.

Both leaders don't see the projects slowing down, even with slower growth in the world economy. "Investments are actually proceeding according to schedule," Mr Najib said.

Mr Lee said the projects are for the long haul, not based on "quarter-to-quarter fluctuations".

◆ **S'pore-M'sia land swap plots to begin development next year, Page 2**



Closer links

TRANSPORT



- Build mass railway link between Singapore and Johor by 2018
- May construct a road tunnel
- Considering water taxis
- May work together in areas such as aviation, with Singapore's Changi airport potentially cooperating with Malaysia's nearby Senai

PROPERTY



- Khazanah and Temasek plan to jointly construct RM3 billion of projects in Iskandar, including homes, retail space and "wellness-related offerings"
- US\$9.8 billion of property projects in southern Malaysia and downtown Singapore

ELECTRICITY



- Malaysian companies prepared to sell electricity to Singapore

TELECOMS



- May align radio frequency spectrum for digital broadcast and mobile broadband