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Singapore-Malaysia Ties: What Lies Ahead in the Post-KTM Era?

By Yang Razali Kassim

Synopsis

One of the most productive bilateral retreats between Singapore and Malaysia since the series began took place this week at the Istana in Singapore. How will the agreements be affected by the upcoming Malaysian general election?

Commentary

THE SINGAPORE-MALAYSIA bilateral retreat on 16 January 2018 had a special air about it this time. Significant progress was achieved, pushing ties to a new level. Hovering in the background, however, was the looming Malaysian general election which Prime Minister Najib Razak must call by August. Indeed, he is in his final leg gearing up for his most important political battle back home since taking over the Malaysian leadership in 2009.

Inevitably, at the joint press conference at the Istana in Singapore, the media had to ask the burning question: how would all the agreements be affected by the coming Malaysian polls, the country's 14th and Mr Najib's most critical? Indeed, unlike previous Malaysian elections, this coming one could be decisive: It would most likely be too close to call, whatever the prognosis may be at this point. In other words, it would be premature, if not presumptuous, for either Mr Najib's ruling Barisan Nasional (BN) or the Pakatan Harapan (PH) opposition coalition to claim with certainty that they would win.

Najib's Position

Mr Najib's reply to that question was noticeably guarded. While he did not want to be seen as electioneering in Singapore, he could not resist saying: "The other side may have other ideas. We certainly do not want to return to the era of confrontational

diplomacy or barbed rhetoric between our two countries. It was an era that we want to forget. We certainly do not want to come back to that era.”

Singapore and Malaysia, as they say, are like Siamese twins who have gone their separate ways, occasionally engaging in sibling spats, but always trying to reconcile. A significant part of post-Separation relations has been shaped since the 1980s when Mahathir Mohamad emerged as Malaysia’s fourth prime minister. Widely credited with transforming the country from an agricultural state to an industrialised economy, his can-do premiership from 1981 to 2003 coincided with a competitive, though acrimonious phase in ties.

Three core issues coloured relations: Malayan Railway (KTM) land, water and airspace. Just before Prime Minister Lee Kuan Yew stepped down in 1990, he sought to tackle the lingering bilateral contention of KTM land in Singapore as embodied in what was known as the Points of Agreement (POA). The issue however remained unresolved, over differing interpretations.

When Dr Mahathir retired in 2003, his successor Abdullah Ahmad Badawi moved in earnest to make a difference. His approach to “pluck low hanging fruits” for a turnaround in ties was promising. But Mr Abdullah did not serve long enough; he stepped down a year after the UMNO-led BN won the 2008 general election, but lost its two-thirds majority for the first time, along with five states to the opposition.

The Post-KTM Era

When Mr Najib took over from Mr Abdullah in 2009, he too tried to turn the page in Malaysia-Singapore relations. His premiership coincided with a series of bilateral retreats to thrash out lingering issues and take ties forward through new approaches.

The POA was finally resolved. In a breakthrough, KTM Berhad, the Malayan Railway company, moved out of the historic Tanjong Pagar Station opened in 1932 and relocated to Woodlands. In exchange for the six parcels of vacated KTM land, Singapore vested six land parcels in prime areas for joint development.

The two countries formed a 60:40 joint venture company, M+S Pte Limited, with the Malaysian side having the majority. It was out of this initiative that Marina One and DUO were developed. These two iconic projects – in Singapore’s new financial hub in Marina South and the gentrified Ophir/Rochor area respectively -- formed the backdrop of this week’s retreat in Singapore.

But the most prominent outcome of the latest leadership parley must surely be the progress of two key infrastructure projects: the Kuala Lumpur-Singapore High Speed Rail (HSR), which is entering its bidding phase, and the Rapid Transit Link System (RTS) linking Johor and Singapore. Their significance is this:

For the HSR, it marks the transition of Malaysia-Singapore ties from the KTM era to the high-speed rail era. For the RTS, it puts into effect the fourth link between the two sides that looks set to be realised by the end of 2024. When the RTS is fully operational in six years’ time, it will effectively end the final KTM link and close the long-running saga of KTM land in Singapore.

All in all, the retreat covered a comprehensive agenda. Prime Minister Lee Hsien Loong, at the joint press conference gave a glimpse of the issues: infrastructure, education, security and counter-terrorism, as well as diplomatic cooperation. There were other key areas mentioned in a joint statement - water, port management in the East Johor Strait, connectivity and young generation contacts.

“It’s a sign of our confidence in each other’s future and our commitment to good relations,” Mr Lee said. Mr Najib added: “We showed that when two neighbours worked together, you can produce tangible results...POA was problematic; it had to be resolved.”

The Malaysian General Election Factor

Given the impending Malaysian general election, the media question about the future was valid and had to be addressed. Prime Minister Najib responded this way: “We cannot determine what the electorate will decide. But we can offer our agenda for the people to decide.”

PM Lee was more explicit: “Like all projects which involve more than one country and span more than one term of government, it requires long-term commitment. The commitment is formalised; the agreement which we signed between the two governments today is a binding agreement.

“Whoever is the government on either side, this is an agreement which they inherit and which they are a party to. If the subsequent government has other ideas, they will have to be dealt with, and we will deal with these contingencies.”

At the end of the day, the leaders left behind an impression that they were careful not to be drawn into positions that could be interpreted as premature electoral posturing. But there is an elephant in the room: Fighting Mr Najib to the hilt is none other than Dr Mahathir, now out of UMNO and, dramatically, “reborn” as co-leader of the opposition and its candidate for interim prime minister. He has teamed up with the soon-to-be released Anwar Ibrahim to pose a formidable challenge to the UMNO-led BN.

Dr Mahathir has shown lately that even at 93, he can change and adapt. He may well surprise again by swimming along with the post-KTM era -- should the opposition win this time. Regardless of the government in power, the bilateral agreement reached this week is binding. Singapore-Malaysia ties, built on a shared future, should remain just as firm, going forward.

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