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## PRESS STATEMENT

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## **STOP THE LOGGING IN ULU MUDA NOW**

**Destruction of the forest reserve threatens water supply for more than 2 million people and thousands of businesses, as well as padi irrigation.**

The Federal Government must act immediately to stop logging in the Ulu Muda Forest Reserve now.

This forest reserve serves as the primary water catchment area for Sungai Muda – the main source of raw water for South Kedah and Penang.

If the forest reserve is further damaged or destroyed, there will be serious consequences in terms of the availability of sufficient raw water from the river.

If the quality of raw water from Sungai Muda is compromised, it will also threaten the quality of treated water supplied in South Kedah and Penang.

Logging in the Ulu Muda Forest Reserve threatens:

1) **Water supply for more than 2 million people in South Kedah and Penang**

Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) abstracts 80% of Penang's raw water, more than 1 billion litres, from Sungai Muda daily. There are also 14 Kedah water treatment plants that abstract water from Sungai Muda.

In total, Penang and Kedah abstract about 1.56 billion litres from Sungai Muda daily. Without this raw water, there will be a massive water supply crisis in Penang and South Kedah.

2) **Water supply for thousands of businesses, including high-technology manufacturing companies operating in the Kulim High-Tech Park and Penang's industrial parks.**

In 2014, Penang contributed 6.5% while Kedah contributed 3.4% to the Malaysia's GDP of USD338 billion (RM1365.4 billion).<sup>\*</sup> This means that the combined GDP contribution of both states is 9.9% or about USD33.5 billion (RM135.3 billion) in 2014.

All businesses are dependent on continuous good water supply. If there is a water supply crisis, the losses will be counted in billions of ringgit.

Moreover, Penang, Kedah and Malaysia's reputation as an international hub for manufacturing, services, tourism and property development will be severely damaged for years to come.

3) **Irrigation for padi farmers in South Kedah and Penang**

All the padi farmers in South Kedah and Penang are dependent on raw water abstracted by the Department of Irrigation and Drainage (DID) from Sungai Muda for irrigation.

There are 6 Kedah irrigation intakes and two Penang irrigation intakes in the Sungai Muda system. The average daily abstraction of water from the river during a normal padi planting season amounts to about 2.59 billion litres, which is 1.5 times more than water supply abstraction.

If there is not enough water to draw from Sungai Muda in the future, the livelihoods of thousands of padi farmers will be affected.

**ULU MUDA SHOULD BE PROTECTED BY LAW NOW**

Due to its great value as a water catchment, a natural heritage area and a potential adventure tourism destination in the Northern Region, the Ulu Muda Forest Reserve must be protected by law immediately.

In the 10<sup>th</sup> Malaysia Plan (2011 – 2015), the Federal Government had stated that it will “undertake initiatives to encourage states to gazette forests, especially the water catchment areas, as protected areas.”

Based on the front page report of The Star today, the Federal Government should act immediately to gazette Ulu Muda as a water catchment area. Logging in the area should be stopped immediately, and totally banned in the future.

If Kedah needs financial assistance to protect Ulu Muda, Kedah should seek Federal funds to implement this initiative.

Penang will support any initiative by Kedah to seek Federal funding to protect this precious resource, as should all environment-friendly NGOs, including the Consumers Association of Penang, Sahabat Alam Malaysia, the Malaysian Nature Society and WWF-Malaysia.

After all, the reported RM30.1 million that Kedah received in “forest premium” in 2014 is only 0.02% of the RM135.3 billion GDP contribution from Penang and Kedah in 2014.

As such, the interests of more than 2 million people, thousands of businesses and padi farmers in Penang and Kedah must be prioritised and protected, along with the forests in Ulu Muda.

Today, we are living in the age of climate change and increasing environmental awareness. Logging at Ulu Muda is NOT environment-friendly. It is threatening the quality of life and livelihoods of more than 2 million people in South Kedah and Penang.

We must say “NO” to logging in Ulu Muda now.

Thank You.

\* Sources: Department of Statistics, Malaysia and The World Bank

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