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PRESS STATEMENT

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PROTECT ULU MUDA BEFORE IT IS TOO LATE

- **Kedah must immediately ban all logging in the Ulu Muda Forest Reserve and gazette it as a water catchment area.**
- **Federal Government should compensate Kedah after gazette.**
- **More than 4 million people in Perlis, Kedah and Penang are dependent on water collected in Ulu Muda daily.**

PENANG, Wednesday, 8/3/2017: The Federal Government must step in and convince Kedah to completely ban logging in the Ulu Muda Forest Reserve immediately. Continued logging in the area threatens water supply for more than 4 million people in Perlis, Kedah and Penang.

The threat is real and the symptoms are showing:

- On 5/3/2017, Harian Metro reported online that Kedah forestry authorities had seized 2,500 logs and stopped the operations of a logging company. The company had allegedly been targeting specific types of high-priced logs in 'buffer zones'. This shows that logging in the Ulu Muda Forest Reserve may be out of control.
- On 1/1/2017, the storage capacity the Muda Dam in Kedah was only 60.3%. It has since dropped to 27.3% on 7/3/2017. The Muda Dam was built to store water for strategic releases into Sungai Muda during extended dry seasons. The Ulu Muda Forest Reserve is the catchment for Muda Dam. It is possible that logging in Ulu Muda is one of the main factors that is adversely affecting the storage capacity of the Muda Dam. In comparison, the effective capacities of the Air Itam Dam and Teluk Bahang Dam were at 96.2% and 97.5% respectively on 7/3/2017.

- On 27/12/2016, New Straits Times reported that MADA was urging padi farmers in Kedah to prepare for dry direct seeding padi cultivation due to the status of 3 dams in Kedah - the Muda Dam, Pedu Dam and Ahning Dams. All these dams are dependent on water from Ulu Muda.
- On 16/5/2016, The Star published an exclusive story stating that 'the (Ulu Muda) reserve is now facing a big threat. Rampant logging is taking place in the forest reserve'.

The news story also included a WWF-Malaysia graphic explaining how deforestation is threatening the Ulu Muda forest:

- Quality and volume of water output are affected;
- Ulu Muda's rivers become murky, making raw water more expensive to treat; and
- Disrupts the forest's ability to absorb and retain rainwater, leading to more floods.

As Penang's licensed water supply operator, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) agrees with the threat assessment. However, logging in Ulu Muda also threatens the people and socio-economic status of Perlis, Kedah and Penang directly.

Environmental threat that will cause a socio-economic catastrophe

The Ulu Muda Forest Reserve serves as the water catchment for Sungai Muda, the river that provides raw water for abstraction in South Kedah and Penang daily. Ulu Muda is also the water catchment for the Ahning Dam that supplies raw water to Perlis.

More than 80% of the raw water used for water supply in Penang daily originates from Ulu Muda. For Kedah and Perlis, the estimated percentages are 96% and almost 50% respectively.

According to 2016 population estimates published by the Department of Statistics, about 12.8% of 31.7 million Malaysians live in Penang, Kedah and Perlis. This means that about 4.05 million people are dependent on water collected by the Ulu Muda Forest Reserve.

The economies of 3 states are also directly dependent on raw water collected in Ulu Muda.

Businesses require a continuous good supply of water to operate daily. These businesses range from neighbourhood *teh tarik* stalls and *kopitiam*s to international hotels in Pulau Langkawi and Batu Ferringhi, as well as high-tech manufacturing plants in the Bayan Lepas Free Trade Zone, the Prai Industrial Parks and the Kulim High-Tech Park.

Kedah, being the ‘Ricebowl of Malaysia’, also requires sufficient raw water for padi planting and other agricultural activities.

According to the Department of Statistics, the 3 northern states of Perlis, Kedah and Penang contributed to about 10.4% of the national GDP in 2014, which was valued at RM1.013 trillion by the Ministry of Finance. 10.4% of RM1.013 trillion works out to be more than RM105 billion.

In contrast, Kedah reportedly received a ‘forest premium’ of only RM30.1 million from logging activities in 2014.

Logging in the Ulu Muda Forest Reserve is an environmental disaster waiting to happen. It will inevitably affect Ulu Muda’s performance as the most important water catchment area in the Northern Region.

When something goes wrong in Ulu Muda, it will directly jeopardise the well-being of all the people, all the businesses and all the agricultural activities in Perlis, Kedah and Penang. When Ulu Muda runs dry, everything in these 3 states will also run dry.

Actions must be taken to effectively address this threat before it is too late.

4 actions to protect and conserve Ulu Muda

The following actions should be taken to protect Ulu Muda Forest Reserve:

1. Kedah must ban all logging activities in the forest reserve.
2. Kedah should gazette the Ulu Muda Forest Reserve as a water catchment area to provide legislative and legal protection.
3. The Federal Government should compensate Kedah in lieu of ‘forest premiums’.

4. The Federal Government and Kedah must then conserve and monitor the gazetted Ulu Muda water catchments based on Gazetting Laws, so as to safeguard the interests of Perlis, Kedah and Penang.

Penang has already stated that it will support any move by Kedah to protect the Ulu Muda Forest Reserve with federal compensation.

On its part, the Federal Government should provide fair compensation to Kedah after Ulu Muda is protected, in consideration of the well-being of 4.05 million Malaysians, multinational economic interests and future GDP contributions from 3 northern region states.

Thank You.

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