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PRESS STATEMENT

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PROTECT AND MANAGE “3 NCER RAW WATER ASSETS”

- **The entire Northern Corridor Economic Region (NCER) is highly dependent on 1 water catchment area and 2 rivers.**
- **The NCER needs to achieve raw water security to become a “world-class economic region by 2025”.**

PENANG, Wednesday, 27.11.2019: The future and prospects of the Northern Corridor Economic Region (NCER) are reliant on “3 NCER Raw Water Assets” that must be protected and managed sustainably.

These assets are:

1. Sungai Muda: This 203km river is the primary raw water resource for Kedah and Penang. A total of 15 water treatment plants and 8 irrigation intakes have been constructed to abstract raw water from Sungai Muda, including PBAPP's Lahar Tiang Intake in Seberang Prai Utara.
2. Ulu Muda: Ulu Muda is the water catchment area for Sungai Muda. It encompasses 163,103 hectares of rainforests in Kedah. These rainforests “catch” 70% of Perlis' raw water, 96% of Kedah's raw water and more than 80% of Penang's raw water.
3. Sungai Perak: About 45% of Perak's raw water is abstracted from Sungai Perak. However, this 400km river is still under-utilised as a raw water resource. The Sungai Perak Raw Water Transfer Scheme (SPRWTS) is a proposal to optimise it as a raw water resource for Perak and Penang, from 2025.



These natural assets are transboundary raw water assets that serve, and will serve, the 4 states which form the NCER: Perlis, Kedah, Penang and Perak.

As at 2019, there are 6.73 million people living in the NCER. The estimated GDP contribution of the NCER in 2018 totalled RM228.61 billion in 2018.

The future well-being of the entire population of the NCER, and the socioeconomic prospects of the region, are highly dependent on Sungai Muda, Ulu Muda and Sungai Perak.

Critical raw water solutions for the future

As stated in the NCER website (www.koridorutara.com.my), “Blueprint 2.0” seeks to “leverage on the strengths of all 4 states to create synergy and proposes measures to address development needs in the region as a whole”.

Accordingly, Sungai Muda, Ulu Muda and Sungai Perak must be leveraged as “3 NCER Water Assets”, in the best interests of the NCER as a whole.

- **Sungai Muda**

In 2019, millions of Malaysians experienced the negative impact of river pollution and contamination in Selangor, Johor and Melaka, in the form of water rationing and supply interruptions.

In July 2019, there were also news reports about the illegal dumping of electronic waste on a land lot in Kedah, located along the Sungai Muda riverbank. Thankfully, it did not affect the river water.

The 2019 river incidents should serve as a “wake-up calls” for the authorities to tighten up the processes of monitoring rivers and enforcing the laws that protect rivers from pollution, contamination and illegal dumping.

Just as importantly, Ulu Muda, the water catchment area for Sungai Muda, must be legally protected and sustainably conserved for the future.

- **Ulu Muda**

Ulu Muda encompasses 163,103 hectares of rainforests in Kedah. On 4.11.2019, the Ministry of Water, Land and Natural Resources (KATS), stated in Parliament that the Kedah State Government had gazetted 106,418 hectares (ha) of the Ulu Muda forests as “permanent reserve forests”, or PRFs.

KATS also stated that on 10.5.2018, the Kedah State Forestry Department classified 16,299 ha of the PRFs (15.3% of 106,418 ha) as “water catchment forests” and 11,118 hectares (10.4% of 106,418 ha) as “state forest parks” under the National Forestry Act 1984 (NFA 1984).

The classification of the remaining 79,001 ha (74.3% of 106,418 ha) of Ulu Muda is not known or not specified. It should be noted that Section 10(1)(a) of the NFA 1984 allows for the classification of a “permanent reserve forest” as a “timber production forest under sustained yield”.

On 4.9.2019, KATS publicly thanked Kedah for banning logging in Ulu Muda. However, ONLY 9.99% of Ulu Muda Forests has been gazetted as Water Catchment Forests (16,299 of 163,103 ha).

Ulu Muda’s vulnerability to logging reflects the raw water vulnerabilities for Perlis, Kedah and Penang. If there is a catastrophe in Ulu Muda, its impact will be felt immediately, in these 3 NCER states.

Since this is a regional issue, the Federal Government must convince Kedah to properly, legally and totally protect Ulu Muda for the sake of the NCER. Moreover, the Federal Government must compensate Kedah as the custodian of Ulu Muda to ensure that its conservation is sustainable.

- **Sungai Perak**

The Sungai Perak Raw Water Transfer Scheme (SPRWTS) has been proposed to optimise this river as a future raw water resource for Perak and Penang.

Penang needs the SPRWTS for a very important reason. It has been projected that Sungai Muda may reliably meet Kedah and Penang’s raw water needs only until 2025. As such, Penang needs the SPRWTS to be commissioned by 2025 to mitigate the risk of a water crisis. Similarly, Perak needs more water from Sungai Perak for its own use in the future.



The delay in the implementation of the SPRWTS seems to be focused on one issue: Penang wants to buy raw water, but Perak wants to sell treated water to Penang.

The Federal Government must mediate and resolve this matter, based on the NCER principle of “leveraging on regional synergy”. Moreover, it should be noted that the existing Pahang-Selangor and Johor-Melaka water transfer projects are raw water transfer projects, and not treated water sales schemes.

NCER and raw water security

In 2017, the total water consumption in the NCER amounted to 2,541 million litres per day (MLD), or 23.6% of national water consumption. This volume of water is sufficient to fill 1,016 Olympic-sized swimming pools or 1.69 billion big (1,500ml) drinking water bottles, every day.

Water demand in the NCER will increase in the future, in line with population and economic growth, as the region pursues more growth based on 3 key economic clusters: agriculture & bio-industry, manufacturing and services.

In Penang alone, water demand is projected to increase from 840 MLD in 2018 to 1,483 MLD in 2030, 1,696 MLD in 2040 and 1,884 MLD in 2050. Water demand in the other 3 NCER states will undoubtedly increase in the future as well.

The Federal Government is promoting the NCER concept to cultivate regional growth. Regional growth requires regional raw water security. As such, the Federal Government should prioritise NCER raw water security to enable NCER growth.

Perlis, Kedah, Penang and Perak must have enough water to achieve the NCER vision of becoming a “world-class economic region by 2025”. As such, the “3 NCER Raw Water Assets” must be protected and managed sustainably.

This press statement is based on a PBAPP presentation by Dato’ Ir. Jaseni on 26.11.2019, at the “MyWAC 32nd Annual Conference 2019 and



Malaysia-Netherlands Symposium” organised by the Malaysian Water Engineers Action Committee (MyWAC) in Penang.

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26.11.2019 | "MyWAC 32nd Annual Conference 2019 and Malaysia-Netherlands Symposium"
PBAPP & PBAHB CEO Dato' Ir. Jaseni Maidinsa during his presentation
"Protect and Manage 3 NCER Raw Water Assets".



26.11.2019 | *"MyWAC 32nd Annual Conference 2019 and Malaysia-Netherlands Symposium"*
PBAPP & PBAHB CEO Dato' Ir. Jaseni Maidinsa and Netherlands Deputy Ambassador in
Malaysia Mr. Christoph Prommersberger at the press conference.