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PRESS STATEMENT

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ULU MUDA: WHO IS MORE IMPORTANT - 4.2 MILLION MALAYSIANS OR 40 LOGGING COMPANIES?

- **The new Kedah State Government is thinking about re-opening logging concessions in Kedah to avoid alleged claims for compensation from 40 logging companies.**
- **However, logging in Ulu Muda will adversely affect water supply for 4.2 million people living in Perlis, Kedah and Penang.**

PENANG, Wednesday, 3.6.2020: When it comes to Ulu Muda, the new Kedah State Government should look at the facts and figures and set the right priorities.

According to news reports, the new state government wants to re-open logging concessions because there are (alleged) claims of compensation from 40 logging companies.

However, logging in Ulu Muda will compromise its role as the only “Northern Region Water Catchment Area” (NRWCA) that serves 4.2 million people in Perlis, Kedah and Penang.

About 70% of Perlis’ raw water and 96% of Kedah’s raw water originate from Ulu Muda. Meanwhile, in Penang, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) abstracts more than 80% of the raw water that Penang needs daily from Sungai Muda; and the water catchment area for Sungai Muda is Ulu Muda.

It makes no sense for the new Kedah State Government to prioritise the interests of 40 logging companies above the well-being of 4.2 million Malaysians (and thousands of businesses) in 3 states.

It should be noted that 2.2 million of the 4.2 million people who will be adversely affected are living in Kedah.

In 2018, the previous Kedah State Government and Federal Government made the right decision to “ban logging” in Ulu Muda. They prioritised the people above the logging companies. This is called good governance.

Now, the new Kedah State Government and Federal Government should uphold the Ulu Muda logging ban for this fundamental reason.

Ulu Muda is more than just a rainforest. As the largest water catchment area in North Malaysia, its “true socioeconomic value” is significantly higher than logging premiums.

Perlis, Kedah and Penang are highly dependent on rain water that is “collected” in Ulu Muda for daily water supply operations. At this point in time, there is no other water catchment area that can replace Ulu Muda for all 3 states.

In this regard, Ulu Muda is an irreplaceable and indispensable socioeconomic resource.

The raw water from Ulu Muda helps to drive the economies of Perlis, Kedah and Penang. The estimated combined GDP contribution of the 3 states amounted to RM150.5 billion (at current prices) in 2018*.

This is the reason why the former Ministry of Water, Land and Natural Resources (KATS) worked quickly with the previous Kedah State Government to ban logging in Ulu Muda in 2018.

For this same reason, the new Ministry of Environment and Water (KASA) must work with the new Kedah State Government to promptly protect Ulu Muda, and not destroy it.

The justification is simple: The repercussions of logging in Ulu Muda extend beyond environmental destruction. Without sufficient raw water from Ulu Muda, taps will run dry in Perlis, Kedah and Penang. The socioeconomic consequences will be catastrophic, especially at a time when we are fighting against Covid-19 and striving to recover from its economic impact.

Moreover, the following key Northern Corridor Economic Region (NCER) projects** are also highly dependent on water from Ulu Muda:

- PERLIS: Chuping Valley Industrial Area, Superfruits Nucleus Farm and Perlis Inland Port.
- KEDAH: Kedah Rubber City, Kedah Science and Technology Park, Sidam Logistics Aerospace and Manufacturing, Petrochemical Industrial Park, Kulim Hi Tech Park, Agri-businesses, Special Border Economic Zone at Bukit Kayu Hitam, Pulau Bunting Development and Kulim International Airport.
- PENANG: Manufacturing Test Engineering Hub, Agri-businesses, Penang Port expansion and Penang Airport expansion.

The livelihood and lives of 4.2 million Malaysians are dependent on the raw water supply from the Ulu Muda water catchment forests.

Thank You.

* Department of Statistics, Malaysia (www.dosm.gov.my)

** Northern Corridor Implementation Authority (www.ncer.com.my)

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