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PRESS RELEASE

by Dato' Ir. Jaseni Maidinsa,
Chief Executive Officer, PBA Holdings Bhd (PBAHB) and
Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP)

PENANG WILL CONTINUE TO DRAW WATER FROM SUNGAI MUDA, FREE OF CHARGE

PENANG, 19/11/2015: Penang has the 'right' to raw water from within its state boundaries and will continue to take water from Sungai Muda on a daily basis, free of charge.

PBAPP Chief Executive Officer (CEO) Dato' Ir. Jaseni Maidinsa said it was illogical for anyone in Kedah to suggest that Penang should pay for raw water drawn from a river that is partly located on its own soil.

"In 1982, Penang and Kedah signed a government-to-government MoU. This MoU facilitated the construction of the Ampang Jajar Barrage. It clearly states that the boundary of Penang and Kedah is right in the centre of Sungai Muda," he said.

The MoU was signed by TYT Tun Dato' Seri Utama Haji Abdul Rahman bin Haji Abbas (the present Yang di-Pertua Negeri Pulau Pinang) and the (then) Menteri Besar of Kedah, Dato' Kama Jaya Dato' Seri Syed Nahar Shahabudin. In 1982, Tun Dato' Seri Utama Abdul Rahman was serving as the Acting Chief Minister of Penang.

Subsequently, the Kedah and Penang (Alteration of Boundary) Act 1985 (Act 325) was passed and included as an Act in Article 2 of the Federal Constitution.

Dato' Ir. Jaseni said Penang and Kedah also gazetted State Enactments on 4th July 1985 that placed the states' boundary at the centre line of the Sungai Muda.

"So, to this day, we draw raw water from Penang's side of the river. It is therefore irrelevant to speculate on whether Penang should pay raw water charges to Kedah," he added.

Dato' Ir. Jaseni was commenting on a news report published in a Malay daily yesterday. The report quoted Kedah Opposition Leader Datuk Amiruddin Hamzah as saying that Kedah had a right to collect raw water charges from Penang for drawing water from Sungai Muda.

Kedah's Water Guarantee to Penang

Prior to the 1982 MoU, the northern boundary of Penang was defined as 'the North by the right bank of the River Muda', in accordance to an 1869 treaty signed by the British and Siamese governments.

"In other words, the 30.5km stretch of Sungai Muda that separates Penang from Kedah was originally Penang territory," Dato' Ir. Jaseni said.

He said Penang also 'surrendered' 27.7 acres (10.88 ha) of land to Kedah, in return for a 'water guarantee' from Kedah to facilitate the implementation of the 'Penang Water Supply Project'.

"This guarantee was a prerequisite for the approval of an Asian Development Bank (ADB) loan. It is noted in parliamentary records that Kedah had to guarantee water supply from the catchments in Ulu Sungai Muda for the implementation of the project. This guarantee was provided," he said.

"Looking back, Penang agreed to the re-alignment of state boundaries and the surrender of land as concessions to secure Kedah's water guarantee. That guarantee stands to this day," he added.

Federal Funding to Protect the Greater Ulu Muda Catchments

With regard to a comment that Kedah should seek Federal funds to preserve forestlands, Dato' Ir. Jaseni said Penang would definitely support Kedah's application for funding to protect the Greater Ulu Muda catchments.

"Let us be clear about this: the protection and preservation of the Greater Ulu Muda catchments will benefit a combined population of 3.8 million people in three states – Kedah, Penang and Perlis. As such, this initiative deserves Federal funding," he said.

"Kedah should gazette the Greater Ulu Muda area as a water catchment. This move will protect an important natural heritage area in the northern region, ensure the bio-diversity of pristine rainforests and protect the natural habitats of thousands of species of animals and plants," he added. "It will also allow Kedah to promote eco-tourism in the area and tap a sustainable source of revenue."

Issued by

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