

**2<sup>nd</sup> June 2015**

**PRESS STATEMENT**

by Ir. Jaseni Maidinsa,  
Chief Executive Officer, PBA Holdings Bhd (PBAHB) and  
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**DESALINATION IS NOT AN ECONOMICALLY FEASIBLE OR REASONABLE ALTERNATIVE AND PENANG'S FOCUS IS ON WATER CONSERVATION & THE SUNGAI PERAK RAW WATER TRANSFER SCHEME (SPRWTS)**

Tuesday, 2/6/2015: Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) is focusing on water conservation in Penang to sustain continuous good water supply and people-friendly tariffs.

We are aiming to reduce the per capita domestic consumption, from 293 litres/capita/day (l/c/d) in 2014 to 260 l/c/d as soon as possible.

After the PBA Holdings Bhd (PBAHB) Annual General Meeting (AGM) on 28<sup>th</sup> May 2015, PBAHB and PBAPP Chairman YAB Tuan Lim Guan Eng stated in a press conference that Penang should have sufficient water until 2025, if the people and businesses used water wisely.

PBAPP has helped Penang to avoid water rationing in 2014 and 2015. However, to ensure long-term water sufficiency until Year 2050, Penang needs the Sungai Perak Raw Water Transfer Scheme (SPRWTS).

YAB Lim has also stated in the press conference that the Penang State Government and PBAPP would continue to pursue the implementation of the SPRWTS with the Federal Government, through the Ministry of Energy, Green Technology and Water (KeTTHA).

Penang needs and deserves the SPRWTS. Our state contributes significantly to Malaysia's GDP annually, and the Federal Government is obligated to finance raw water projects for Penang in line with agreements signed when we migrated to the National Water Services Restructuring Initiative in 2011. In fact Penang is the third highest tax-paying state in Malaysia with RM6.3billion in 2014.

However, the SPRWTS has been delayed due to the Perak State Government's insistence to sell us treated water. The Penang State Government fails to understand why the Federal Government can get Pahang to sell raw water to Selangor but not Perak to Penang. If Perak sells raw water to Penang, the low water tariffs of RM0.32 per 1,000 litres for domestic users engaged by Penangites can be sustained. Otherwise Penang may have to pay much higher than the RM0.73 per 1,000 litres charged by Perak for domestic users. As we understand it, Perak is preparing a study on this scheme for discussion with KeTTHA. In the meantime, we

have to conserve water to ensure that we have sufficient water until the SPRWTS is realised.

### Rainwater Harvesting, Recycling and Desalination

Other alternative raw water source projects that PBAHB and PBAPP will explore for the future include rainwater harvesting and recycling. The main reason these are still considered to be “alternatives” is the higher cost factor. Desalination is not an economically feasible nor a realistic alternative.

At the present, it is not possible for us to implement these technologies on large scales for Penang and still sustain the lowest and most people-friendly domestic water tariffs in Malaysia.

Please note that water conservation is the most “green”, sensible and rational way forward for Penang, a state with limited raw water resources. It will help ensure there is enough water for all households and businesses during extended dry seasons in this age of climate change. It will also prolong the operational lifespan of our existing infrastructure so that we can delay infrastructure projects that will impact water tariffs.

As for the SPRWTS, it is a “surface water” project that represents a more cost-effective solution as compared to rainwater harvesting, recycling and desalination at this point in time.

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