

PRESS RELEASE:

## **WATER SUPPLY: THE GREEN, SUSTAINABLE, PEOPLE-FRIENDLY WAY FOR PENANG**

PENANG, 29/5/2015: PBA HOLDINGS BHD (Stock reference: PBA - 5041) will continue to implement green, sustainable and people-friendly initiatives to ensure water sufficiency in Penang beyond Year 2020.

PBA Holdings Bhd (PBAHB) Chairman YAB Lim Guan Eng said this was the logical and rational way forward for Penang, a water-stressed state with unlimited potential but very limited water resources.

“Penang’s GDP was RM63 billion in 2013, and we contributed to about 25% of Malaysia’s imports and exports. In the period 2008 – 2014, total investments in Penang increased by 93.6% to RM48.2 billion, as compared to RM24.9 billion in the period 2001 – 2007. Penang recorded an annual economic growth rate of 6% since 2006 to record a GDP of RM63 billion in 2013. Moreover, tourism recorded strong growth with an estimated 6 million tourists and the Penang International Airport increasing by 10% in passenger movements in 2014.

“At the same time, our population grew by 18% in the period 2004 – 2014, from 1.4 million people to 1.645 million people,” he said after chairing PBAHB’s 15<sup>th</sup> Annual General Meeting. PBAHB is the public-listed holdings company for Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP), the licensed water supply operator that serves Penang.

YAB Lim, who also serves as Penang Chief Minister, said Penang’s on-going growth and progress was also reflected in its water consumption. “In the period 2004 – 2014, Penang’s average daily consumption of water increased by 28%, from 637 million litres per day (MLD) to 813 MLD,” he said.

At the same time, he noted, climate change had forced other Malaysian states, including Selangor, Wilayah Persekutuan, Putrajaya, Negri Sembilan and Johor, as well as Taiping, the “wettest town’ in the country, to impose water rationing in 2014 and 2015.

### DELAY IN THE SUNGAI PERAK RAW WATER TRANSFER SCHEME (SPRWTS)

With all these critical factors and future prospects in mind, YAB Lim said, the Penang State Government and PBAPP had been requesting for the implementation of the Sungai Perak Raw Water Transfer Scheme (SPRWTS) since 2010.

“We need the SPRWTS to ensure water sufficiency until 2050. We need sufficient water for Penang to perform even better economically in the future. Penang needs water to be a ‘Green State’ and we need enough water to support better lifestyles for our children and grandchildren,” he said.

However, YAB Lim added, the Ministry of Energy, Green Technology and Water (KeTTHA) had informed Penang that the SPRWTS was “too premature” and advised Penang to reduce its per capita domestic consumption.

“Our per capita domestic consumption is the highest in the country at 293 litres/capita/day (l/c/d) in 2014 as compared to the national average of 210 l/c/d in 2013,” he said.

### SETTING THE DOMESTIC PER CAPITA TARGET OF 260 L/C/D

YAB Lim said Penang’s target was to reduce per capita domestic consumption from 293 l/c/d to 260 l/c/d. Based on 2014 statistics, this 33 l/c/d reduction will result in a 11.3% reduction in domestic consumption, or 54 MLD. This would ensure that Penang has sufficient water beyond Year 2020, accommodating the delay in the SPRWTS.

To achieve the 260 l/c/d target, PBAPP is actively promoting water conservation as a “green” initiative via:

- Consistent updates on the water supply scenario in Penang through Press reports and the Internet (primarily through [www.pba.com.my](http://www.pba.com.my));
- Daily updates on the effective capacities of the Teluk Bahang Dam and Air Itam Dam as displayed through on-site billboards;
- An on-going water awareness and education programme by PBAPP and Water Watch Penang, a non-government organisation; and
- The annual hosting of World Water Day commemorative events to highlight the importance of water.

PBAPP will also be working with the Penang State Government to encourage more people and businesses to install water saving devices that “automatically” save water by reducing water flow. These include water saving taps, showers, toilet fittings, urinal fixtures, washing machines and dishwashers.

### LEADING THE WAY IN SUSTAINABLE WATER SUPPLY MANAGEMENT

As such, YAB Lim said, Penang and PBAPP were leading the way in “sustainable water supply management” in Malaysia.

“Sustainability calls for a decent standard of living today for all without compromising the needs of future generations. We promote sustainability because of two key reasons.

“The first reason is that as a state with a small geographical footprint, we have limited raw water resources. Nevertheless, we must avoid water rationing at all costs. The SPRWTS has been delayed but Penang must still cope with the challenges of climate change because the impact of rationing on our society and economic well-being would be catastrophic.

“The second reason is that we want to sustain the most people-friendly domestic tariffs in Malaysia,” he said. “Our average tariff for 75.3% of all Penang households is RM0.32 per 1,000 litres. No matter what anyone says, this is the lowest in Malaysia. It is less than 50% of the national average of RM0.66 and 1/3 of Johor's rate of RM1.05 per 1000 litres. This is what matters the most to the majority of Penang consumers.

“However, if we have to build more multi-million ringgit water supply infrastructure soon, then the average domestic tariff for the first 35,000 litres per month can no longer be RM0.32 per 1,000 litres but may even match Johor's rate” he added.

#### WATER CONSERVATION AND A ‘GREEN STATE’

YAB Lim said PBAHB and PBAPP hoped that the people would understand and support Penang’s green, sustainable and people-friendly water supply initiatives.

“We are supporting the people of Penang’s aspirations to live long and prosper in a ‘Green State.’ Our environment can only be green if there is enough water. So, if you wish to be ‘green’, then please conserve water.

“It makes sense to use water wisely so that we can sustain good water supply for the future and avoid rationing. Saving water also means you get to enjoy the most people-friendly tariffs in Malaysia for as long as possible,” he said.

On its part, he said, PBAPP would continue to introduce and implement innovative water demand management initiatives in Penang to ensure water sufficiency.

“Penang deserves the SPRWTS and we will continue to pursue its implementation to ensure that Penang has enough water towards Year 2050. If necessary, we will also look into the viability of other alternative technologies such as rainwater harvesting, water re-cycling and desalination,” he added.

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