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PRESS STATEMENT

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GAZETTE ULU MUDA AND SOLVE THE PROBLEM

- **Kedah should gazette the Ulu Muda Forest Reserve as the most important water catchment for the NCER.**
- **Logging in Ulu Muda is a regional threat that affects water supply and irrigation in Perlis, Kedah and Penang.**

PENANG, Tuesday, 14/3/2017: All 'logging issues' in the Ulu Muda Forest Reserve will be automatically resolved if Kedah gazettes and conserves the reserve as a water catchment area.

After the gazette, Kedah may seek Federal compensation in lieu of 'forest premiums' to protect and conserve the most important water catchment in the Northern Corridor Economic Region (NCER). After all, Ulu Muda already serves as the 'unofficial water catchment' for rivers and dams that provide raw water for Perlis, Kedah and Penang.

Penang has repeatedly stated that it will support Kedah's action to gazette Ulu Muda and seek Federal compensation. Since this initiative will also benefit Perlis, Kedah may expect support from Perlis as well.

On Sunday 12th March 2017, Berita Harian Online published a news story quoting Kedah Menteri Besar Datuk Seri Ahmad Bashah Md Hanipah as alleging that the 'Penang State Government was quick to criticise but did not give any concrete solution related to alleged illegal logging in Ulu Muda'.

As the licensed water operator that serves Penang, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) would like to reiterate its stand: All logging activities should be banned in Ulu Muda.

To reiterate, our proposed solution is:

1. Ban all logging in Ulu Muda.
2. Gazette the forest reserve as a water catchment area.
3. Seek Federal compensation in lieu of the 'forest premiums' that Kedah has been receiving from logging companies.
4. Allocate a portion of the Federal funds to monitor and conserve Ulu Muda.

As it stands, logging may have already compromised the performance of the Ulu Muda Forest Reserve to catch rainwater for Sungai Muda, the primary raw water resource for South Kedah and Penang.

Kindly note that despite cloud seeding in Kedah since December 2016, the level of the Muda Dam dropped from 60.3% on 1/1/2017 to 24.2% on 13/3/2017. This 160 billion litre dam was built by Kedah to store water for release during dry seasons.

Today, due to the Muda Dam's low level, the Beris Dam (at 74.8% capacity) has to be deployed to release water into Sungai Muda. In comparison, the effective capacities of the Air Itam Dam and the Teluk Bahang Dam were both 96.9% on 13/3/2017.

TREES MORE IMPORTANT THAN LOGS

On 5/3/2017, Harian Metro reported online that Kedah forestry authorities had seized 2,500 logs and stopped the operations of a logging company. The company had allegedly been targeting specific types of high-priced logs in 'buffer zones'.

The main issue in this case is the loss of another 2,500 trees that helped to catch rainwater to fill the Muda Dam and Sungai Muda ...and not the legal status of the company or the 'high price' of the 2,500 confiscated logs.

Kedah should focus on the 'big picture' when it comes to logging in Ulu Muda Forest Reserve. Logging in Ulu Muda is threatening the following:

- Water supply for an estimated 2.12 million people in Kedah. Ulu Muda is the biggest water catchment in Kedah. In South Kedah, there are 14 water treatment plant (WTP) intakes that abstract raw water from Sungai Muda.

- Padi irrigation in South Kedah because there are 6 irrigation intakes in Kedah that abstract water from Sungai Muda for this purpose.
- Thousands of businesses in South Kedah, from small to big, including Kedah's multinational 'industrial tenants' in the Kulim High Tech Park that have reportedly invested more than RM34 billion*. These businesses contribute billions to Malaysia's GDP annually and are employing thousands of Malaysians, most of whom are Kedahans.

PENANG'S DOWNSTREAM ABSTRACTION & 'CONTRIBUTIONS'

PBAPP would also like to reiterate that Penang is abstracting raw water from Sungai Muda downstream of 14 Nos. SADA WTPs and 3 Nos. JPS irrigation intakes in Kedah. Our Lahar Tiang Intake is located within Penang's state boundaries because the 'border line' in the middle of Sungai Muda defines the boundary between Penang and Kedah.

In other words, PBAPP may be said to be abstracting excess river water flowing freely from Kedah to the sea. Our abstraction is at our own cost and does not compromise Kedah's upstream abstractions in any way.

During rainy seasons, Penang's water abstraction and the Sungai Muda Water Scheme Barrage (SMWSB) at Rantau Panjang prevents floods from occurring in low-lying areas in Kedah.

Moreover, Penang's SMWSB also serves to:

- Prevent salinity intrusion of sea water from the Straits of Malacca into water abstraction areas along Sungai Muda (thereby protecting Kedah's intake operations); and
- Provide a compensation flow in the form of a 5% to 10% overflow which is required by the Waters Act 1920 (revised 1989) so that Sungai Muda stays 'alive' all the way to the Straits of Malacca.

In Penang, PBAPP sustains continuous good water supply to about 1.72 million people and thousands of businesses, including our multinational companies operating in the Bayan Lepas, Prai, Mak Mandin, Bukit Tengah, Bukit Minyak and Batu Kawan industrial parks.

Economic activities in Perlis, Kedah and Penang contribute billions of ringgit to the Malaysian GDP annually. Businesses operating in all 3 states also pay billions in tax to the Federal Government every year.

As such, Kedah should act now to gazette the Ulu Muda Forest Reserve as a regional raw water resource in the NCER, and seek Federal compensation for the conservation this precious resource for the good of the NCER.

Thank You.

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