

23.10.2018

## **PRESS STATEMENT**

by Dato' Ir. Jaseni Maidinsa,  
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Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP).

## **ULU MUDA: PROTECT A REGIONAL WATER CATCHMENT AREA IN A SUSTAINABLE MANNER**

- **Introduce a Federal law to protect Ulu Muda for the benefit of 3 states: Perlis, Kedah and Penang.**
- **Monitor and manage Ulu Muda as a “Northern Region Water Catchment Area”.**
- **Provide Federal compensation to Kedah.**

PENANG, Tuesday, (23.10.2018): The Federal Government has banned logging in Ulu Muda since September 2018. However, urgent measures must be taken to ensure that Ulu Muda is conserved properly and sustainably.

Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) proposes the following measures to ensure proper and sustainable protection:

- Introduce a Federal law that will legally protect Ulu Muda as a “Northern Region Water Catchment Area” in perpetuity;
- Establish a Federal department to monitor and manage Ulu Muda, not only as a rainforest area, but as a regional water catchment area; and
- Provide Federal compensation to Kedah to conserve Ulu Muda, not only for Kedah, but for Perlis and Penang as well.

Ulu Muda, encompassing a total of 163,103 hectares of rainforests, is a **unique Malaysian water catchment area because it “serves” 3 northern states.** Moreover, the rain water from Ulu Muda also allows Kedah to serve effectively as the “Rice Bowl of Malaysia”, thereby ensuring food security for the nation.

## SOCIOECONOMIC VALUE OF ULU MUDA

According to the 2014 Auditor-General's Report, Kedah approved logging in a total of 42,264 hectares of forestlands (including in Ulu Muda) in the period 2009 – 2014, to earn “forest premiums” amounting to RM230.34 million.

However, the “true” value of Ulu Muda, as a regional water catchment area, is significantly higher:

- The rainforests of Ulu Muda “catch” most of the raw water that is treated for water supply consumption in 3 northern states. About **70% of Perlis’ raw water, 96% of Kedah’s raw water and more than 80% of Penang’s raw water originates from Ulu Muda.**
- About **4.09 million people\*** in Perlis, Kedah and Penang were highly dependent on Ulu Muda as water catchment area.
- In 2016, Perlis, Kedah and Penang contributed about **RM115 billion\*\* to the Malaysian GDP.** In terms of percentage, our 3 states contributed to 10.4% of the national GDP.
- The Federal Government’s estimated tax income is RM180.194 billion\*\*\* for 2017. If Perlis, Kedah and Penang’s tax contributions amount to 10.4% (equivalent to 2016 GDP contribution statistics), the Federal Government would collect about **RM18.7 billion in taxes** from our 3 states for 2017.
- In 2017, the Malaysian Investment Development Authority (MIDA) approved a total of **164 new investment projects#** in Perlis (3 projects), Kedah (41 projects) and Penang (120 projects). The proposed investment value of these projects is about **RM13.9 billion.**
- In 2016, Perlis, Kedah and Penang hosted more than **10.3 million hotel guests##.**

### Sources:

- \* 2016 population estimates published by the Department of Statistics, Malaysia (DOSM).
- \*\* 2016 projected statistics published by DOSM and the Malaysian Treasury.
- \*\*\* “Estimates of Federal Government Revenue 2018”: Ministry of Finance, Malaysia.
- # 2017 statistics published by MIDA.
- ## “Malaysia Tourism: 2016 Key Performance Indicators”: Tourism Malaysia.

## AN IRREPLACEABLE NATURAL WATER CATCHMENT AREA

Water supply is an essential element for daily life and all socioeconomic activities. As such, water supply sustainability is a basic requirement for further progress in Perlis, Kedah and Penang.

In this context, Ulu Muda is much more than a green and natural rainforest area that houses thousands of species of indigenous flora and fauna. It is more than a carbon sink that helps to regulate the microclimate in North Malaysia.

Ulu Muda is an irreplaceable natural water catchment area. It is the primary link in the water supply value chain for Perlis, Kedah and Penang.

To protect the interests of 4.09 million people, the 3 states, and the nation as a whole, the Federal Government should act accordingly by providing compensation to the State of Kedah. Ulu Muda must be protected and conserved in a proper and sustainable manner.

Thank You.

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