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## **PRESS STATEMENT**

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Chief Minister of Penang

### **RM501 MILLION FOR WATER SUPPLY PROJECTS IN PENANG OVER 3 YEARS**

- **Butterworth-Penang Island Twin Submarine Pipeline**
- **Sungai Perak Raw Water Transfer Scheme (SPRWTS)**
- **Upgrading All Existing Water Treatment Facilities**
- **New Pipelines and Pipeline Replacement Projects**
- **NRW Management**

PENANG, Monday, 14.1.2019: Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) is planning to invest RM501 million in water supply projects for Penang in the period 2019 – 2021.

This RM501 million investment is needed to fund the following key water supply projects that are due for implementation:

Key Projects		Benefits
1	1200mm Butterworth-Penang Island Twin Submarine Pipeline (3 <sup>rd</sup> Submarine Pipeline)	<ul style="list-style-type: none"> <li>• No water rationing on Penang Island.</li> <li>• More efficient delivery of treated water from the Sungai Dua Water Treatment Plant in Seberang Prai.</li> <li>• Back-up the first submarine pipeline that was commissioned in 1973.</li> <li>• To meet future water demand on Penang Island.</li> </ul>
2	Sungai Perak Raw Water Transfer Scheme (SPRWTS)	<ul style="list-style-type: none"> <li>• New and second raw water resource for the State of Penang.</li> <li>• Mitigate risks of over-dependency on Sungai Muda, a shared resource with Kedah.</li> <li>• Raw water sufficiency and security towards 2050.</li> <li>• No water rationing in the future.</li> </ul>

Key Projects		Benefits
3	Upgrading of All Existing Water Treatment Plants, Reservoirs and Pumping Stations	<ul style="list-style-type: none"> <li>• No water rationing.</li> <li>• Sustain continuous good water supply services in Penang towards 2030.</li> <li>• Optimise lifespan of existing infrastructure.</li> <li>• Minimise need for new expensive infrastructure.</li> </ul>
4	New Pipelines/ Replacement Pipelines	<ul style="list-style-type: none"> <li>• Supply more water to new growth areas.</li> <li>• Enhance water distribution to existing areas.</li> <li>• Reduce incidences of burst pipes.</li> <li>• Minimise non-revenue water (NRW) percentage.</li> </ul>
5	Non-Revenue Water (NRW) Management	<ul style="list-style-type: none"> <li>• Reduce treated water losses.</li> <li>• Improve efficiency of water distribution throughout the State of Penang, especially during dry seasons.</li> </ul>

### Staying Ahead of Water Demand

In Penang, PBAPP is always working to stay ahead of Penang's water demand. We do not plan to implement water rationing. We plan to avoid water rationing.

In the period 2014 - 2017 (when the BN Federal Government was in power), water shortages were reported in Kuala Lumpur, Putrajaya, Selangor, Johor, Kedah, Negri Sembilan and Perak.

In Penang, there has been no incidence of water rationing since PBAPP's corporatisation in 1999. Nevertheless, we must think about the future.

### New Tariffs Needed to Fund Projects for the Future

In 2017, Penang's average water demand was 826 million litres per day (MLD).

By 2050, Penang's water demand is projected to be 128% higher, at 1,884 MLD. This is according to an independent "Masterplan Study for Potable Water in Penang towards 2050" that was commissioned in 2009.

Accordingly, PBAPP is planning to invest RM501 million in water supply projects for the benefit of Penang in the period 2019 - 2021.

PBA Holdings Bhd (the public-listed holdings company that owns PBAPP) reported profits after tax (PAT) totaling only RM137 million for the three-year period 2015 - 2017.

PBAPP needs to raise sufficient funding to realise Penang's water supply engineering projects for the future. Without these projects, Penang faces a higher risk of a water crisis during a prolonged dry season with each passing year.

Please let me be clear:

PBAPP is applying for a water tariff review in Penang solely to fund important water supply engineering projects for the future.

If the tariff review is approved by the Federal Government, all the additional revenue from the water tariff review will be reinvested into projects right here in Penang... for the benefit of the people.

Thank You.