

15.1.2019

PRESS STATEMENT

by YAB Tuan Chow Kon Yeow
Chief Minister of Penang

PENANG'S AVERAGE DOMESTIC WATER TARIFF IS 116% BELOW THE NATIONAL AVERAGE

- **Penang's average domestic tariff for the first 35,000 litres of domestic consumption is RM0.32 per 1,000 litres, or 116% below the national average of RM0.69 per 1,000 litres.**
- **RM163.2 million in domestic water subsidies for 2017 and 2018 not sustainable.**

PENANG, Tuesday, 15.1.2019: Penang's average domestic water tariff of RM0.32 per 1,000 litres (for the first 35,000 litres per month) is due for review because it is 116% below the national average of RM0.69.

Outside of Penang, the average tariff for this category of domestic consumption ranges from RM0.52 per 1,000 litres in Terengganu to RM1.31 per 1,000 litres in Johor.

This means that Johoreans are paying 310% more than Penangites for the first 35,000 litres of domestic water consumption per month.

Please refer to "Appendix A: Comparison of Average Domestic Tariff in Malaysian States in 2017" based on data published in the Malaysia Water Industry Guide 2018.

Penang's average domestic tariff of RM0.32 per 1,000 litres is the lowest in Malaysia because it is heavily subsidised.

In 2017, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) sustained a total domestic water subsidy amounting to RM79.6 million.

For 2018, the estimated subsidy amount is RM83.6 million.

RM163.2 Million in Subsidies for the Past 2 Years NOT Sustainable

RM163.2 million in domestic water subsidies over 2 years is NOT sustainable because PBAPP needs sufficient funding to undertake the following water supply engineering projects, in the period 2019 – 2021:

1. 1200mm Butterworth-Penang Island Twin Submarine Pipeline (3rd Submarine Pipeline);
2. Sungai Perak Raw Water Transfer Scheme (SPRWTS);
3. Upgrading of All Existing Water Treatment Plants, Reservoirs and Pumping Stations;
4. Laying New Pipelines/Replacement Pipelines; and
5. Non-Revenue Water (NRW) Management.

All these projects are aimed at ensuring water supply sustainability and security in Penang, as well as “no water rationing” towards 2050.

In Penang, PBAPP does not plan to implement water rationing. We plan to avoid water rationing for the benefit of 1.76 million people and all the businesses that operate in Penang

Reduction, Not Removal, of Domestic Water Subsidy

PBAPP has submitted a proposed water tariff review to the National Water Services Commission (SPAN).

This proposal aims to reduce domestic water subsidies and increase revenue from trade consumption to fund planned water supply engineering projects.

Kindly note that in the proposal, PBAPP will continue to subsidise domestic water consumption in Penang. However, the amount of the subsidy will be less.

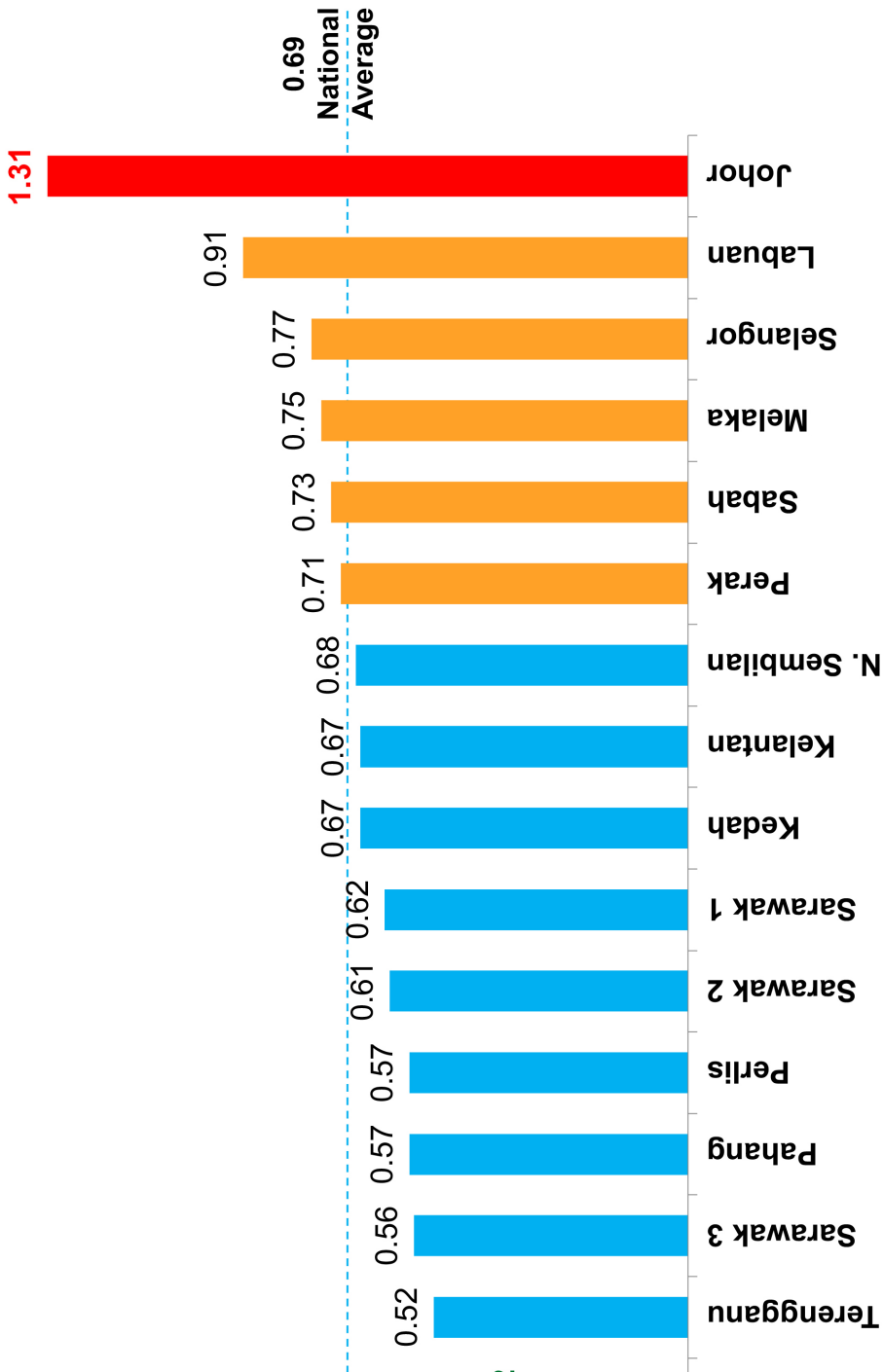
Thank You.



PBA
Perbadanan Bekalan Air
Pulau Pinang Sdn Bhd
(475961-X)

Memenuhi segala keperluan bekalan air anda
Meeting all your water supply needs

(RM PER 1,000 LITRES, 1ST 35,000 LITRES PER MONTH)



Source: Malaysia Water Industry Guide 2018