

22.6.2019

PRESS STATEMENT

by Dato' Ir. Jaseni Maidinsa,
Chief Executive Officer,
PBA Holdings Bhd (PBAHB) and
Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP)

PLEASE PAY KEDAH TO CONSERVE ULU MUDA AS A “NORTHERN REGION WATER CATCHMENT AREA”

- **Penang and PBAPP fully support Kedah's claim for Federal compensation to conserve Ulu Muda.**
- **However, compensation should be paid only after Ulu Muda is gazetted as a Northern Region Water Catchment Area (NRWCA), and permanently protected by laws.**

PENANG, Saturday, 22.6.2019: Penang and Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) fully support Kedah's claim for compensation from the Federal Government to conserve Ulu Muda.

However, Kedah's claim must be backed by a sustainable commitment to conserve Ulu Muda for good. The 3 key terms for Federal Government compensation should be:

1. Gazetting 163,103 hectares of rainforests of the Greater Ulu Muda Forest Complex as a Northern Region Water Catchment Area (NRWCA).

Laws must be enacted to permanently protect Ulu Muda.

2. Strict enforcement of the laws to ensure “zero logging” in Ulu Muda. The rainforests must be protected totally and completely, with no exceptions.



3. Zero tolerance for logging or any other large-scale economic activity that threatens the environment in Ulu Muda. Any transgression must be publicly reported and punished.

Focus on sustainable conservation, and not logging ban

On 21.6.2019, *Berita Harian* and *FMT* published news reports quoting Kedah Menteri Besar Datuk Seri Mukhriz Mahathir as stating that “Kedah is hoping that the Federal Government will compensate the losses that the State Government have had to bear after stopping logging activities in Ulu Muda since last year.”

Kedah’s announcement of a logging ban in Ulu Muda since September 2018 is beneficial to Perlis, Kedah and Penang, in terms of raw water security.

Logging activities in Ulu Muda had been threatening water supply, and hence, the socioeconomic well-being of all the 3 states.

It was estimated that about 4.2 million people were living in Perlis, Kedah and Penang in 2017. The people need continuous water supply services daily. In 2017, the combined GDP contribution of the 3 northern states was about RM139 billion (at current prices).

However, to date, no state or federal law has been proposed or enacted to conserve Ulu Muda permanently.

Kedah should seek compensation for conserving Ulu Muda in perpetuity, based on the long-term socioeconomic outlook, and not for a logging ban.

The Federal Government should compensate Kedah for taking firm actions to conserve Ulu Muda in perpetuity, so as to protect the well-being of 4.2 million Malaysians, and not for a logging ban.

The primary focus should be to conserve Ulu Muda in a permanent and sustainable manner because it is an irreplaceable natural asset. It serves as the largest and most important water catchment area in the northern region.



Protect Ulu Muda for the future

About 70% of Perlis' raw water, 96% of Kedah's raw water and more than 80% of Penang's raw water originate from Ulu Muda.

In the past 19 years, water consumption in Penang increased by 56.7%, from 536 million litres per day (MLD) in 1999 to 840 MLD in 2018. Water consumption in Perlis and Kedah would have also increased significantly in the past 19 years.

In the future, the water demand in all 3 states will continue to increase, in pace with population growth and socioeconomic developments.

As such, Ulu Muda's value as a NRWCA will only appreciate in the future.

In this context, the Federal Government should "invest" in compensating Kedah for conserving Ulu Muda properly, legally and sustainably.

This would be a wise investment to protect the interests of the people of Perlis, Kedah and Penang; and to ensure healthy GDP contributions and tax revenue from this region in the future.

Thank You.

Issued by : Puan Syarifah Nasywa bt Syed Feisal Barakbah
Corporate Communications Unit
Tel : 04-200 6607
Email : syarifah@pba.com.my