

27.4.2019

PRESS STATEMENT

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CHIEF MINISTER OF PENANG

PENANG NEEDS RAW WATER TRANSFER SCHEME TO BE FAST-TRACKED

- **Phase 1 of the Sungai Perak Raw Water Transfer Scheme (SPRWTS) must be commissioned by 2025.**

PENANG, Saturday, (27.4.2019): Penang is seeking a fast-track solution for the proposed Sungai Perak Raw Water Transfer Scheme (SPRWTS).

The Penang State Government and Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) have told the Ministry of Water, Land and Natural Resources (KATS) that Phase 1 of the SPRWTS must be commissioned by 2025.

At present, Penang's one and only major raw water resource is Sungai Muda, and it is a resource that is shared with Kedah.

Projections indicate Sungai Muda may reliably meet Kedah and Penang's combined raw water needs only until 2025.

So, it is critical for the SPRWTS to take off as soon as possible. We are running short of time.

Penang and PBAPP have been asking for the SPRWTS since 2011. However, in the period 2012 – 2018, the previous Federal Government failed to implement the project.

Now that *Pakatan Harapan* is heading the Federal Government, Penang is seeking a fast-track approval and implementation of the SPRWTS.



Raw Water, Treated Water or a Hybrid Solution

On 1.3.2019, representatives of the Penang State Government and the Perak State Government met with officials from the Ministry of Water, Land and Natural Resources (KATS) in Putrajaya.

Both Penang and Perak are keen on tapping Sungai Perak as a future raw water resource. However, while Penang is seeking raw water from Sungai Perak, Perak is keen to sell treated water from Sungai Perak to Penang.

As a result, KATS has agreed to undertake technical studies to determine the best option for mutual benefit: Penang's raw water proposal, Perak's treated water proposal or a third "hybrid" proposal... incorporating transfers of both raw water and treated water to Penang and Perak's water supply infrastructure.

Penang is aware of the importance of due diligence in regard to KATS' technical studies. However, the studies should be completed promptly so that the Federal Government, Penang and Perak may reach an agreement quickly.

As such, the State Government, Penang MPs and PBAPP will focus on reminding KATS and the Federal Government about the importance and urgency of the SPRWTS.

Rationale for the SPRWTS

Penang urgently needs a second, or alternative, raw water resource soon to address increasing water demand. The state's water consumption was 840 million litres per day (MLD) in 2018; and is projected to reach 1,884 MLD by 2050.

The SPRWTS is the best solution because:

1. It is a project that will serve two states - Penang and Perak.
2. It can guarantee water security in Penang and North Perak until 2050. In other words, it is a long-lasting solution.

3. Its development cost is lower than development costs for water re-cycling, rainwater harvesting and desalination projects of a similar scale.
4. In terms of operating costs, the SPRWTS is more cost-efficient than water re-cycling, rainwater harvesting and desalination.
5. Since it is an inter-state raw water transfer project, the SPRWTS will be partly funded by the Federal Government.

Please note that water supply project development costs and PBAPP's operating costs will have a direct impact on water tariffs; and Penang must ensure that its water tariffs are reasonable.

Although there is sufficient water to support the people's daily needs and socioeconomic activities today, we must think about the future.

The SPRWTS is a priority because for the first time in Penang's history, we will have a major back-up raw water resource to guarantee water security until 2050.

Thank You.

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