

PBAPP urges federal govt to intervene in Penang-Kedah water spat

Ongoing dispute may heavily impact Northern Corridor Economic Region's socioeconomic recovery, says CEO

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Datuk Jaseni Maidinsa says the federal government would stand to lose billions of ringgit in federal tax revenue as well as potential foreign direct investment, should there be a water crisis in the northern region. – Bernama TV Twitter pic, April 8, 2021

GEORGE TOWN – Penang Water Supply Corporation (PBAPP) has warned that the ongoing water dispute between the state and Kedah may heavily impact the Northern Corridor Economic Region's (NCER) socioeconomic recovery, especially during the Covid-19 pandemic.

Its chief executive officer Datuk Jaseni Maidinsa pointed out that the three NCER states, namely Perlis, Kedah, and Penang were currently striving to get on the road to recovery from the pandemic.

“Their businesses rely heavily on the water supply from Sg Muda,” he said.

He said a water crisis in the NCER such as the Sg Muda water dispute could quickly escalate to become a national health and economic crisis.

“If Penang’s water supply is jeopardised, the people of Penang will suffer. The operations of all businesses, including that of the multinational corporations that have operated here for decades, will be affected,” he said in a statement.

He said the federal government would also stand to lose billions of ringgit in federal tax revenue as well as potential foreign direct investment, should there be a water crisis in the northern region. Referring to the national 2020-2021 fiscal report, he said the three NCER states contributed an estimated gross domestic product (GDP) of RM147.8 billion as well as federal tax revenue of approximately RM16.4 billion in 2019.

“Penang by itself accounted for an estimated RM94.7 billion in GDP contribution and an estimated RM10.5 billion in federal tax revenue in 2019,” he said.

He hoped the federal government could intervene to resolve the ongoing water dispute between Penang and Kedah, the latter of which had insisted on a raw water supply charge to be imposed on its neighbour. – Bernama