

Penang supports Kedah to seek Federal compensation for conserving Ulu Muda



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GEORGE TOWN, May 18 -- Penang and Perbadanan Bekalan Air Pulau Pinang (PBAPP) will support Kedah to seek federal compensation for legally protecting and properly conserving Ulu Muda.

In a statement today, PBAPP chief executive officer Datuk Jaseni Maidinsa said he strongly agreed that Kedah deserves compensation for protecting and conserving Ulu Muda as “NCER Water Basin”, as the Ulu Muda water catchment area in Kedah serves three states in the Northern Corridor Economic Region (NCER).

He said that the rationale for Kedah to seek federal compensation is based on three factors, where one of which is that Perlis, Kedah and Penang contributed a total of RM147.8 billion to the Malaysian gross domestic product (GDP) and RM16.4 billion in tax revenue to the federal government since 2019.

“Under the National Water Services Commission Act 2006 (Act 654) and the Water Services Industry Act 2006 (Act 655), the federal government has assumed responsibility for water supply services in Malaysia,” he said.

He also pointed out that Perlis, Kedah and Penang are three neighbouring states in Malaysia and not three different countries.

“In summary, there is no reason or legal grounds for the Kedah Menteri Besar to single out Penang in demanding payment for abstracting raw water from Sungai Muda,” he added.

Earlier, Kedah Menteri Besar Muhammad Sanusi Md Nor had reportedly demanding RM50 million a year from Penang for abstracting raw water from Sungai Muda and RM100 million per year compensation from the federal government to stop logging in the Ulu Muda forests.