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Penang-Perak Water Agreement Secures Penang's Water Supply Until 2072 - Chow



GEORGE TOWN, July 15 (Bernama) --

The signing of a conditional Bulk Water Supply Agreement (BWSA) between Penang and Perak today guarantees sufficient water supply for Penang for 40 years from 2032 to 2072.

Chief Minister Chow Kon Yeow said the Perak-Penang Water Project (P-PWP) BWSA between Penang Water Supply Corporation (PBAPP) and Prasarana Air dan Irigasi Perak Sdn Bhd (PAIP Perak) is the most significant water supply agreement in the state's history since the implementation of the Sungai Muda Water Scheme in 1973.

He said the P-PWP was planned to meet the state's growing water demand in line with population growth, socioeconomic development and new investments.

"In 2025, Penang's water consumption stood at 865 million litres per day (MLD), and it is projected to increase to 1,162 MLD or more by 2032 due to various planned factory expansion projects and property developments," he said in a statement tonight.

Earlier, Gamuda Bhd, through a joint venture company, signed a bulk water supply agreement with PBAPP for treated water from Perak under the Northern Perak Water Supply Scheme (NPWSS).

The agreement was signed by PAIP Perak, a wholly owned subsidiary of Khazanah Air Perak Sdn Bhd (KAP), which was incorporated as a 50:50 joint venture between Gamuda and the Perak State Development Corporation (PKNPK) to implement the NPWSS.

Chow said under the agreement, Perak is prepared to supply between 300 and 500 MLD of treated water to PBAPP, while a new 500 MLD-capacity water treatment plant equipped with pumping stations, treated water storage reservoirs, large-scale pipelines and supporting infrastructure will be constructed in Perak to realise the project.

"The estimated capital expenditure (CAPEX) for the dedicated P-PWP infrastructure in Perak is RM8.4 billion. However, PBAPP will not need to invest a single sen in CAPEX for the development of the P-PWP water supply infrastructure in Perak.

"All infrastructure costs will be borne by PAIP Perak. PBAPP will also not be responsible for any raw water charges, land acquisition costs or any operating expenditure (OPEX) related to hiring staff, operating, maintaining or managing the P-PWP infrastructure in Perak," he said.

Under the proposed agreement, PBAPP will pay an annual capacity charge of RM210 million to support P-PWP infrastructure development investments, in addition to a treated water charge of RM1.70 per cubic metre (1,000 litres), subject to review every three years.

Chow pointed out that the project is not intended to replace Sungai Muda as Penang's main raw water source, but will serve as a second source to strengthen the security of the state's water supply, particularly for Seberang Perai Selatan (SPS) and Seberang Perai Tengah (SPT) areas.

Meanwhile, he said PBAPP is also studying the possibility of using seawater desalination technology to complement the P-PWP as part of a long-term water supply solution for Penang, despite the higher cost compared with conventional water treatment methods.