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PRESS STATEMENT

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

ABOVE ALL, PROTECT ULU MUDA FOR THE BENEFIT OF 4.2 MILLION PEOPLE

- **Ulu Muda should be gazetted as a “Northern Region Water Catchment Area” that benefits Perlis, Kedah and Penang.**
- **Penang will support Kedah to seek Federal compensation. Perlis should lend its support as well.**
- **163,103 hectares of rainforests the Greater Ulu Muda Forest Complex must be protected completely, with “zero logging”.**

PENANG, Thursday, 16.5.2019: Kedah should gazette Ulu Muda as a regional water catchment area for 3 states first, then also gazette it as a “state park” (*taman negeri*).

According to a *Berita Harian* news report dated 14.5.2019, the Kedah State Government intends to gazette Ulu Muda as a “state park”.

There are many good reasons to protect Ulu Muda:

- It is the habitat for thousands of species of flora and fauna, including endangered wildlife.
- Its ecosystem helps to moderate the microclimate in the region.
- It may serve as the best eco-friendly tourist destination in North Malaysia.

However, the true value of Ulu Muda is its value as regional water catchment area.



Ulu Muda's rainforests "catch" rainwater for Perlis, Kedah and Penang. 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.

It was estimated that about 4.2 million people* were living in Perlis, Kedah and Penang. 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).

As such, kindly calculate the value of Ulu Muda in terms of the number of human lives and all the socioeconomic activities that it supports... and not in terms of logging "forest premiums".

FEDERAL COMPENSATION

Kedah should focus on gazetting Ulu Muda as a "Northern Region Water Catchment Area" (NRWCA) to reflect its value to the Federal Government.

By doing so, Kedah may then seek fair Federal compensation for protecting and conserving Ulu Muda.

The Penang State Government and Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) are ready and willing to support Kedah in seeking Federal compensation for gazetting and protecting Ulu Muda as a NRWCA. Perlis should lend its support as well.

Please note that the Federal Government's estimated tax revenue from Perlis, Kedah and Penang was RM18.6 billion** in 2017.

"ZERO LOGGING" AND TOTAL PROTECTION

Gazetting Ulu Muda as a NRWCA means protecting all 163,103 hectares of rainforests in the Greater Ulu Muda Forest Complex.

The ban on logging must be a complete and total ban. There must be "zero logging" in Ulu Muda, with no exceptions. There should be no "forest production area" (*hutan pengeluaran*), or any licensed logging area by any other name, in Ulu Muda.



The Kedah Forestry Department must stop issuing logging permits in Ulu Muda; and all previous logging permits must be considered to be null and void.

A government department must be empowered to enforce the law or laws to protect Ulu Muda, without fear or favour. Funding for this department may be derived from the proposed Federal Government compensation.

PROTECTION IN PERPETUITY

Ulu Muda must be protected by law, as a NRWCA, in perpetuity. Its importance will become more pronounced in the future.

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

Water demand in all 3 states will continue to grow, in pace with population growth and increased socioeconomic activities.

Ulu Muda must be protected now to ensure water supply sustainability in Perlis, Kedah and Penang in the future. Its value as the most important water supply asset in North Malaysia will appreciate.

In this context, **a Federal Government investment to compensate Kedah for gazetting of Ulu Muda as a NRWCA is a sound investment.** It is an investment to protect the future 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.

* Source: Department of Statistics, Malaysia.

** Source: "Estimates of Federal Government Revenue 2018", Ministry of Finance, Malaysia.
Estimate of 10.3% of the 2017 federal tax revenue of RM180.194 billion, based on the combined GDP contributions of Perlis, Kedah and Penang in 2017.

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