

22 January 2019

PRESS STATEMENT

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

PENANG CANNOT PROGRESS WITHOUT SUFFICIENT WATER SUPPLY FOR THE FUTURE

- **Proceeds from PBAPP's proposed tariff review will be used to help fund RM501 million worth of water supply projects in the period 2019 - 2021.**

PENANG, Tuesday, 22/01/2019: The proceeds from the proposed Penang water tariff review will be used solely to fund important water supply projects for the future.

The Penang State Government is implementing various socioeconomic projects now, in order to achieve the "Penang 2030" vision of becoming a "Family-focused Green and Smart State that Inspires the Nation".

The aspirations of "Penang 2030" cannot be achieved if Penang does not have enough water supply. Moreover, the people of Penang expect to enjoy continuous good water supply with "no water rationing" towards 2030 and beyond.

As such, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) is planning to invest RM501 million in water supply projects in the period 2019 – 2021, for the following 8 key reasons:

1	Penang's average daily water demand has increased by 11.02%, from 744 million litres per day (MLD) in 2008 to 826 MLD in 2017.
2	Penang's water demand is projected to reach 1,884 MLD by 2050, according to the independent "Masterplan Study for Potable Water in Penang towards 2050".

3	Penang's population has increased by 13.55%, from 1.55 million people in 2008 to 1.76 million people in 2017. PBAPP's customer base has increased by 26.96%, from 476,179 consumers in 2008 to 604,547 consumers in 2017.
4	The number of trade water consumers (including multinational manufacturing companies, international hotels and all kinds of businesses) in Penang has increased by 47.42%, from 58,707 trade consumers in 2008 to 86,546 trade consumers in 2017.
5	Penang needs to have sufficient water to support projects for the future, such as the "Gurney Wharf", "Batu Kawan Masterplan" and "Penang South Reclamation - Three Islands Project".
6	According to a <i>Malaysiakini</i> report (published on 13.10.2017), Penang's per capita GDP in 2016 was RM47,332.00, the second highest in Malaysia after Kuala Lumpur. PBAPP must consistently stay ahead of Penang's water demand to ensure that the people continue to benefit from future socioeconomic progress.
7	Due to planning, development and funding considerations, major water supply projects cannot be realised in a year or two. For example, the projected development period for the Sungai Perak Raw Water Transfer Scheme (SPRWTS) is 7 years.
8	<p>The State Government has implemented a "No Water Rationing" policy in Penang for the benefit of the people.</p> <p>We must always remember that Penang is a water-stressed state. PBAPP's primary objective is to implement water supply projects to avoid water rationing in Penang at all costs... not only for today, but for the future.</p>

Think About the Future

In a letter to Penang Chief Minister YAB Tuan Chow Kon Yeow (dated 10.1.2019), the Penang MCA appealed for the cancellation of a proposed water tariff review for the "good of the people".



PBA

Perbadanan Bekalan Air
Pulau Pinang Sdn Bhd
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Memenuhi segala keperluan bekalan air anda

Meeting all your water supply needs

I would like to take this opportunity to urge the MCA to “think about the good of Penang and its people in the future”.

Things have changed in Penang, significantly, since 2008.

Due primarily to increased domestic water consumption, PBAPP’s water subsidies for 2017 and 2018 amounted to RM163.2 million. In 2017, PBA Holdings Bhd reported operational profits after tax (PAT) of RM37.28 million.

How may we continue to justify RM80 million a year (or more) subsidies when PBAPP needs to raise sufficient funds for projects to ensure water supply sustainability and water security for Penang in the future?

The proposed water tariff review is NOT aimed at putting more money into PBAPP’s pockets. It is to protect the future of Penang and its people.

Thank You.

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