

22.7.2019

## **PRESS STATEMENT**

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

## **SAVE ULU MUDA FOR THE NCER**

- **The 3 priority sectors in the Northern Corridor Economic Region (NCER) are manufacturing, agriculture & bio-industries and services. All 3 sectors require sufficient water to grow.**
- **5 of the NCER's "Blueprint 2.0" Growth Nodes in Perlis (Chuping Valley Industrial Area and Perlis Inland Port), Kedah (Kedah Science & Technology Park and Kedah Rubber City) and Penang (Batu Kawan Development Area) are dependent on raw water from Ulu Muda.**

PENANG, Monday, 22.7.2019: Proper conservation of Ulu Muda as a regional water catchment area is essential to safeguard socioeconomic initiatives in the Northern Corridor Economic Region (NCER).

The NCER encompasses Perlis, Kedah, Penang and Perak. The Northern Corridor Implementation Authority's (NCIA) Annual Report 2017\* states the following facts and figures regarding the NCER:

1	Population (2017)	6.65 million people
2	GDP (2016 at 2010 constant prices)	RM176 billion
3	Total Investment into the NCER (up to 2017)	RM89.04 billion
4	Total Employment (2016)	2.8 million people
5	Jobs Created (up to 2017)	115,421 jobs
6	Priority Sectors	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Agriculture &amp; Bio-Industries</li> <li>• Services</li> </ul>



The NCER vision is defined as follows: “To be a world-class economic region of choice by 2025, to invest in, to live in, to work, to acquire knowledge, to visit and to raise families in a safe, clean and sustainable environment.”

To qualify as a world-class economic region, the NCER needs to have water supply security. All aspects of the NCER vision are dependent on long-term water supply sustainability.

It should be noted that 3 of the 4 NCER states (Perlis, Kedah and Penang) are dependent on Ulu Muda as a water catchment area. As such, it may be said that Ulu Muda is an essential natural resource that is crucial for the development of the following NCER “Blueprint 2.0” Growth Nodes:

- “Chuping Valley Industrial Area (CVIA)” and “Perlis Inland Port” in Perlis;
- “Kedah Science & Technology Park” and “Kedah Rubber City” in Kedah; and
- “Batu Kawan Development Area” in Penang.

### Ulu Muda’s unique characteristics

Ulu Muda is a unique natural resource because:

- It is the largest water catchment area in the NCER, encompassing 163,103 hectares of rainforests in Kedah.
- 70% of Perlis raw water, 96% of Kedah’s raw water, and more than 80% of the raw water that Penang abstracts from Sungai Muda daily, originate from Ulu Muda.
- It is a water catchment area that supports continuous water supply services for 4.2 million people living in Perlis, Kedah and Penang. All the businesses in these 3 states, which generated a total of RM139.4 billion in GDP (at current prices) in 2017\*\*\*, are also reliant on raw water from Ulu Muda.



- Raw water from Ulu Muda ensures that Kedah is able to serve as the “Rice Bowl of Malaysia”.
- There is no “replacement” for Ulu Muda as a water catchment area in the region.

### Protect Ulu Muda with a “NCER mindset”

The NCER was established in 2007 as one of the economic corridors to provide equitable growth in the 4 states in the northern region of Peninsular Malaysia.

By leveraging on the combined strengths of 4 states, the NCER reportedly achieved a GDP growth rate of 5.8% (as compared to the national GDP growth rate of 5.4%) in the period 2010 – 2014.

Kindly note that water supply is an essential public service that supported socioeconomic development in the NCER, in the past. It will be a critical factor in the future.

As such, the “NCER regional mindset” should also be applied to the conservation and protection of Ulu Muda, the most important water catchment area in the NCER.

### A NCER water catchment issue, and not a forestry issue

In 2018, Kedah gazetted 106,418 hectares of rainforests in Ulu Muda as “Permanent Reserve Forests” under Section 7 of the National Forestry Act 1984 (NFA).

However, it should be noted that the NFA allows for “timber production under sustained yield”, and only 16% of the Ulu Muda rainforests have been classified as “Water Catchment Forests”.

In seeking to protect Ulu Muda as a precious regional resource, Penang and Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) have repeatedly highlighted the following:

1. This is a regional (NCER) water supply issue, and not a Kedah forestry issue.

2. Any form of logging in Ulu Muda will not only adversely affect water supply in Kedah, but in Perlis and Penang as well. The well-being and livelihoods of 4.2 million Malaysians are at stake.
3. Ulu Muda must be protected as a NCER water catchment in perpetuity. With so many bold NCER initiatives being planned and pursued, regional water demand will increase in the future.
4. The ban on logging in Ulu Muda must be a complete and total ban, with “zero logging tolerance” because rainforests do not grow back overnight.
5. Since this is a regional issue that affects 3 states, the Federal Government must compensate Kedah fairly to conserve Ulu Muda. This is to ensure that the conservation effort is sustainable in the long run.
6. Once Kedah is compensated, the laws to protect Ulu Muda must be enforced strictly, without fear or favour, for the benefit of the people.

Destruction of the Ulu Muda rainforests will inevitably cause water supply crises in Perlis, Kedah and Penang. If this is allowed to happen, the NCER will not become a world-class economic region.

Thank You.

\* [https://www.koridorutara.com.my/v3/wp-content/uploads/2019/06/NCIA\\_AR\\_2017.pdf](https://www.koridorutara.com.my/v3/wp-content/uploads/2019/06/NCIA_AR_2017.pdf)

\*\* [https://www.koridorutara.com.my/v3/?page\\_id=2177](https://www.koridorutara.com.my/v3/?page_id=2177)

\*\*\* Department of Statistics, Malaysia. Perlis, Kedah and Penang contributed a total of 10.3% to the national GDP of RM1,353.4 billion (at current prices) in 2017.

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