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MEDIA RELEASE

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SUNGAI MUDA: KEDAH MUST COMPLY WITH EXISTING LAWS

- **Any project undertaken by Kedah involving Sungai Muda, upstream of the Lahar Tiang Intake in Penang, must comply with laws and regulations.**
- **Penang will submit an objection to the Federal Government and/or initiate legal action if the Kedah Menteri Besar implements a project that threatens water supply in Penang.**

PENANG, Thursday, 25.3.2021: Penang will continue to follow the law in abstracting raw water from Sungai Muda without payment to Kedah. On its part, Kedah must also comply with state and national laws in implementing projects involving Sungai Muda.

Since 1973, Penang has been legally abstracting raw water from Sungai Muda without paying Kedah. No payment is applicable because there is no legal or valid reason for Penang to pay Kedah. Penang has never signed any agreement, memorandum of understanding (MoU) or contract to pay Kedah.

If this Kedah Menteri Besar (MB) thinks that he may arbitrarily implement a project in Kedah that directly threatens water supply in Penang, he is mistaken. If his project affects Penang in an adverse manner, we will act promptly to stop it immediately.

Our options to stop an adverse project include:

- Submitting an official objection to the Federal Government;
- Raising objections for debate in Parliament; and/or
- Initiating legal action to obtain a court injunction to stop that project.

If his project causes suffering for the people of Penang and losses for the businesses that operate in Penang, we may sue him for costs and damages.

In Malaysia, there are state and federal laws. Any “new” Sungai Muda project in Kedah, upstream of Penang’s Lahar Tiang Intake must comply with all relevant laws. Such a project must not adversely affect or compromise water supply services for 1.776 million people in Penang.

All of the Kedah Menteri Besar’s schemes are also subject to approval by the Federal Government. It is likely that Kedah will also need Federal funding, in the form of loans or grants, to undertake its water-related projects.

As such, the Kedah Menteri Besar may propose, but the Federal Government and/or the laws of our land may dispose.

In short, Kedah may not implement any project involving Sungai Muda that is illegal by law or unapproved by the Federal Government.

Backed by laws, the Penang State Government will continue to protect the interests of Penang, with regard to water supply security. Therefore, as far as Sungai Muda is concerned, we will continue to assert Penang’s riparian rights to abstract raw water, without charges, from a river that flows through our state territory.

We are confident that Kedah has no legal standing to demand for any payment. This is why we are ready to see them in court.

Contingency Plans

In terms of contingency plans, the Penang State Government will be reviewing the “Penang Water Supply Initiative 2050” (PWSI 2050) projects proposed by Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) soon.

Originally, the PWSI 2050 projects were conceptualised to ensure water supply security for Penang over the next 30 years, with the continuing availability of a certain volume of raw water from Sungai Muda and the potential of the Sungai Perak Raw Water Transfer Project (SPRWTS).

We will now look into implementing more strategic projects under the PWSI 2050 to mitigate the risks of potential “mishaps” involving Sungai Muda that may affect water supply services in Penang in the future.

These measures may involve alternative water technologies and incur higher water supply costs and tariffs in the future. However, the smart thing for us to do now is to formulate contingency plans to guarantee water security for the next generations of Penangites at all costs, regardless of developments in Kedah.

Thank You.