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Media Release

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PROPOSED KULIM AIRPORT PROJECT MUST NOT JEOPARDISE WATER SUPPLY IN PENANG

- **The proposed Kulim International Airport (KXP) in Kuala Muda, Kedah, is located adjacent to the riverbanks of Sungai Muda.**
- **An EIA report states that the construction and operational phases of the KXP and its “aerotropolis” (business, commercial and industrial park) may cause river blockages, water contamination and/or degradation of water quality.**

PENANG, Monday, 23.8.2021: An environmental impact assessment (EIA) report for the proposed Kulim International Airport (KXP) project in Kedah has revealed that the project may contaminate Sungai Muda and thereby jeopardise water supply services in Penang

The proposed KXP project location is in Mukim Sidam Kiri, Kuala Muda, Kedah. Based on the EIA, the major components of the KXP are the:

- Airport and airport city,
- “Aerotropolis” (a business, commercial and industrial park),
- SLAM hub (an aerospace, logistics and manufacturing hub), and
- “Other” developments (settlements, flood mitigation plans and roads).

All the major components are projected to occupy 3,982.51 hectares of land.

Sungai Muda and Penang water supply

Of particular concern is the fact that the KXP project will be located adjacent to 2 sections of the riverbanks of Sungai Muda, spanning a total length of about 14km. *(Kindly refer to the location map in “Appendix A.”)*

Sungai Muda has served as the primary source of raw water for South Kedah and Penang since 1974.

Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) abstracts more than 80% of the raw water that Penang needs daily from its Lahar Tiang Intake in Seberang Prai, about 6km downstream (as the river flows) from the proposed KXP project location.

The raw water that is abstracted at Lahar Tiang is treated at the Sungai Dua Water Treatment Plant (Sungai Dua WTP) in Seberang Perai. In 2020, more than 80% of the treated water in Penang was produced at the Sungai Dua WTP.

Moreover, 2020 laboratory test results showed that treated water supplied in Penang is amongst the cleanest, safest and healthiest in Malaysia (even in a global pandemic year), in terms of compliance to the National Drinking Water Quality Assurance Programme set by the Ministry of Health (MOH).

As such, a massive development project along the banks of Sungai Muda must not endanger or jeopardise 24/7 water supply services that support the well-being of 1.78 million people and thousands of businesses that operate in Penang.

Kulim Airport project water quality impact assessments

PBAPP would like to refer to the following “water quality impact assessments” as listed in page 16 of the executive summary of the EIA assessment (second schedule) prepared by AGV Environment Sdn Bhd for KXP Airport City Holdings Sdn Bhd:

Construction Phase

- Stockpiles of earth spoils, cement and sand are source of pollution if sited too near to waterways. Similarly, silt and sediments will be swept into rivers which will cause blockage of river flow causing water pollution and reduction in river depths by deposition.
- Accidental leaks and spills of construction oils during refuelling, services and storage, resulting in contamination of soil and rivers.
- Hazardous chemicals, if spilled on the ground, may enter waterways together with surface runoff and/or groundwater, resulting in

toxification of water, which will kill aquatic lifeforms and any animals that drink them.

- Improper management of waste, sewage and sullage can lead to severe impacts on nearby waterways such as degradation of water quality and eutrophication (water pollution resulting from excessive concentration of phosphorous, nitrogen and other plant nutrients).

Operational Phase

- The water quality of Sungai Muda will potentially be affected by the activities at the Airport, such as aircraft refuelling, aircraft maintenance and cleaning which will generate spillages and contaminated surface runoff.
- High biocide and anti-fouling agents will be released in the cooling water blowdown at the cooling tower of the proposed airport thereby resulting in water quality impacts to the receiving waterbodies.
- Any untreated industrial wastewater from activities at the SLAM hub discharged into Sungai Muda or its tributaries will affect the water quality of Sungai Muda adversely thus impact the quality of the water at the intake points downstream of the Project site.
- High organics and ammonia from untreated STP discharge can threaten aquatic life and therefore needs to be appropriately controlled.”

Kindly note that the abovementioned assessments were published in an EIA report prepared by the EIA consultant commissioned by KXP Airport City Holdings Sdn Bhd.

The Penang State Government and PBAPP were not consulted or asked for feedback on the potential risks and negative impacts of the KXP project, vis-a-vis water supply services in Penang.

This is odd in light of the fact that the Department of Environment (DOE) in the Ministry of Environment and Water (KASA) did consult PBAPP regarding the EIA assessment for a proposed “green technology paper plant” located along the banks of Sungai Muda.

In an official reply to that consultation, dated 19.7.2021, PBAPP stated that Penang and South Kedah would face a raw water threat with severe repercussions if Sungai Muda were to be contaminated (by the operations of the proposed green technology paper plant). If Sungai Muda is contaminated, PBAPP would have no choice but to stop abstracting water from the Lahar Tiang Intake to protect public health. The “fallout” would be that more than a million people in Penang would have no water supply.

PBAPP also highlighted that any effluent that is discharged into Sungai Muda must comply not only with the DOE but also MOH’s water quality parameters for potable water supply.

A new airport vs. water supply sustainability

The KXP EIA report recommends various general mitigation measures including as careful monitoring plans and stringent safety procedures to prevent mishaps. However, PBAPP would like to highlight the following paramount considerations:

- Sungai Muda is the primary raw water resource for Penang and South Kedah. Any mishap involving Sungai Muda would inevitably result in a water supply catastrophe in Penang and South Kedah.
- The proposed location of the Kulim Airport is not ideal. Its location, along the riverbanks of Sungai Muda, presents direct and unnecessary risks for water supply operations in Penang and South Kedah.
- Large-scale construction works, along 14km of Sungai Muda’s riverbanks, represent a short- to medium-term threat to water supply in Penang and South Kedah.
- The long-term operations of the airport and airport city, “aerotropolis”, SLAM hub and other development components of the KXP project will represent a long-term threat to the sustainability of good water supply services in Penang and South Kedah.

In summary, PBAPP does not begrudge Kedah's ambition to pursue a new international airport project that is expected to "bring in an approximated RM3.8 billion in private investment and this amount is expected to be injected into the local economy by the provision of jobs and infrastructure."

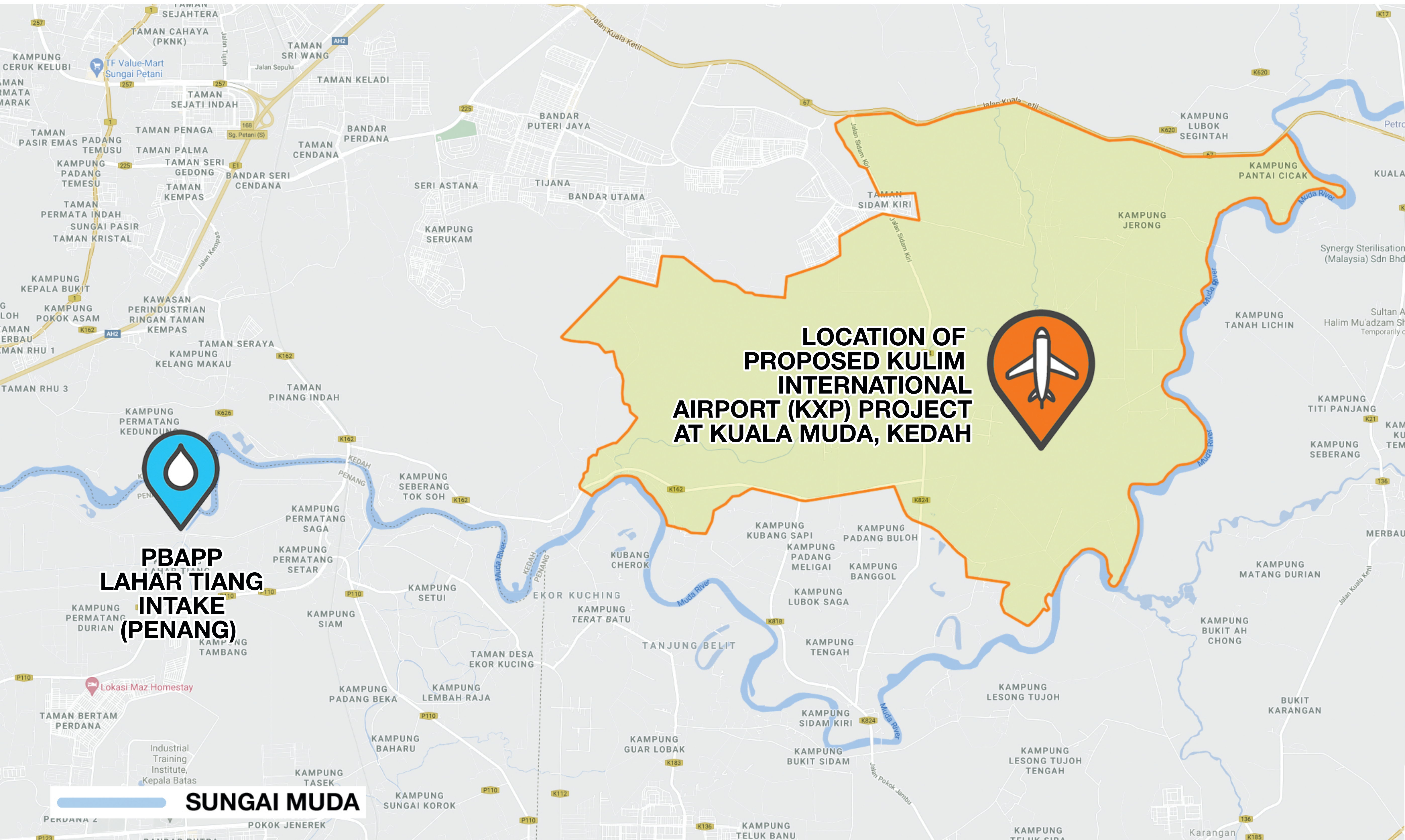
However, an airport cannot be built in a location that places water supply services in Penang and South Kedah at high risk, now and in the future.

It would be prudent to relocate this massive project to a "safer" place, away from the banks of Sungai Muda, the primary raw water resource for Penang and South Kedah.

Thank You.

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APPENDIX A



LOCATION MAP: PBAPP LAHAR TIANG INTAKE AND THE PROPOSED KULIM INTERNATIONAL AIRPORT
(derived from Executive Summary of KXP Environmental Impact Assessment (Second Schedule) and Google Maps.)