

8.5.2024

Media Release

IR. PATHMANATHAN K.
CEO, PBAHB and PBAPP.

PM'S "GREEN LIGHT" FOR PERAK WATER SUPPLY: ONE OF THE BEST WATER NEWS FOR PENANG IN 51 YEARS

- **In February 2024, Penang's water consumption was 927 MLD. Water demand is projected to reach 1,532 MLD by 2030 and 1,844 MLD by 2040.**
- **Buying water from Perak is expected to be less expensive than large-scale desalination or wastewater recycling in Penang.**

PENANG, Wednesday, 8.5.2024: The Prime Minister's announcement that Perak will supply treated water to Penang is one of the "best water news for Penang" in the past 5 decades.

On 5.5.2024, Prime Minister Datuk Seri Anwar Ibrahim stated that the Sultan of Perak and the Menteri Besar of Perak had agreed to provide water supply to Penang, through the Kerian Integrated Green Industrial Park.

Penang needs to urgently tap a second major water resource to meet its water needs and drive further socioeconomic progress by 2030.

The last major water supply project that was implemented by the Federal Government for Penang was the Muda River (Sungai Muda) Water Scheme. It was opened by the second Prime Minister of Malaysia, the late Tun Abdul Razak bin Hussein, in 1973.

Over the last 51 years, Penang has become highly dependent on Sungai Muda as its one and only raw water resource.

The Perak-Penang Water Project is expected to benefit Penang in the following ways:

1. **Water supply sufficiency beyond 2030:** In February 2024, Penang's water consumption was 927 million litres per day (MLD). Water demand is projected to reach 1,532 MLD by 2030 and 1,844 MLD by 2040. PBAPP is implementing its Water Contingency Plan 2030 (WCP 2030) to ensure water supply sufficiency until 2030. Beyond 2030, Penang needs the Perak-Penang Water Project and/or strategic desalination and wastewater recycling projects.

2. **Increased water supply capacity to support further socioeconomic progress:** Penang's phenomenal GDP growth since the 1970s proves that it is a state with unlimited socioeconomic potential. However, due to its limited land area, Penang's water resources are limited. Accordingly, to progress further over the next 20 years, Penang needs to tap a second major water resource like the Perak-Penang Water Project.
3. **Direct supply to water consumers in SPS:** The water from Perak will be pumped into the southern area of the mainland. As such, the Perak-Penang Water Project will improve and stabilise water supply for about 79,956 consumers in Seberang Perai Selatan (SPS). In 2023, water consumption in SPS was estimated to be 182 MLD. Water demand in this district is projected to reach 285 MLD by 2030.
4. **More water for other water consumers in SPU, SPT and Penang Island:** When the Perak-Penang Water Project comes online, it will supply water directly to SPS. It is likely that PBAPP need not pump water from the Sungai Dua Water Treatment Plant (WTP) in Seberang Perai Utara (SPU) to SPS. Accordingly, a higher volume of treated water from the Sungai Dua WTP may then be re-directed to about 491,153 water consumers in SPU, SPT, Daerah Barat Daya (DBD) and Daerah Timur Laut (DTL) on Penang Island. Hence, water consumers in districts other than SPS will also enjoy indirect benefits.
5. **Reduction of climate change risks:** In recent years, climate change has altered the rainfall patterns in Penang's water catchment areas (WCAs). On 6.5.2024, the Air Itam Dam's effective capacity was 37.3% while the Teluk Bahang Dam's effective capacity was 54.7%. With access to water from Perak in SPS, PBAPP may safely pump more water from the Sungai Dua WTP to Penang Island in the future to better defend the reserves of the two dams that may only be replenished by rainfall.
6. **Minimising threats and impacts of Sungai Muda incidents:** In 2022 and 2023, there were 3 "Sungai Muda Incidents" (originating in Kedah) that affected water supply for 465,000 water consumers in Penang. With water supply from Perak, water consumers in SPS should no longer be threatened by Sungai Muda Incidents. At the same time, PBAPP will be able to upgrade its Sungai Muda emergency response plans (ERPs) to minimise the impacts in SPU, SPT and DBD.

- 7. Less expense and more reasonable future water rates:** Buying conventionally treated river water from Sungai Perak will incur lower expenses than undertaking projects to desalinate sea water and/or recycle wastewater in Penang.

This is the key rationale for the Perak-Penang Water Project.

Singapore has deployed desalination and water recycling technologies to achieve a high level of water supply security. However, Singapore's average domestic water rate for the first 35m³ per month is RM9.60 (SGD2.74) per m³, as compared to the RM0.86 per m³ that PBAPP is charging in Penang.

It is cheaper and more rational for Penang to buy water from Perak, so that PBAPP may continue to bill reasonable water rates in the future.

With these 7 key considerations in mind, PBAPP would like to express its sincere gratitude to Datuk Seri Anwar for his landmark announcement on 5.5.2024.

We need his kind leadership to guide us towards realising the Perak-Penang Water Project by 2030.

Thank You.

Issued by : Syarifah Nasywa bt Syed Feisal Barakbah
Corporate Communications Unit
Email : syarifah@pba.com.my