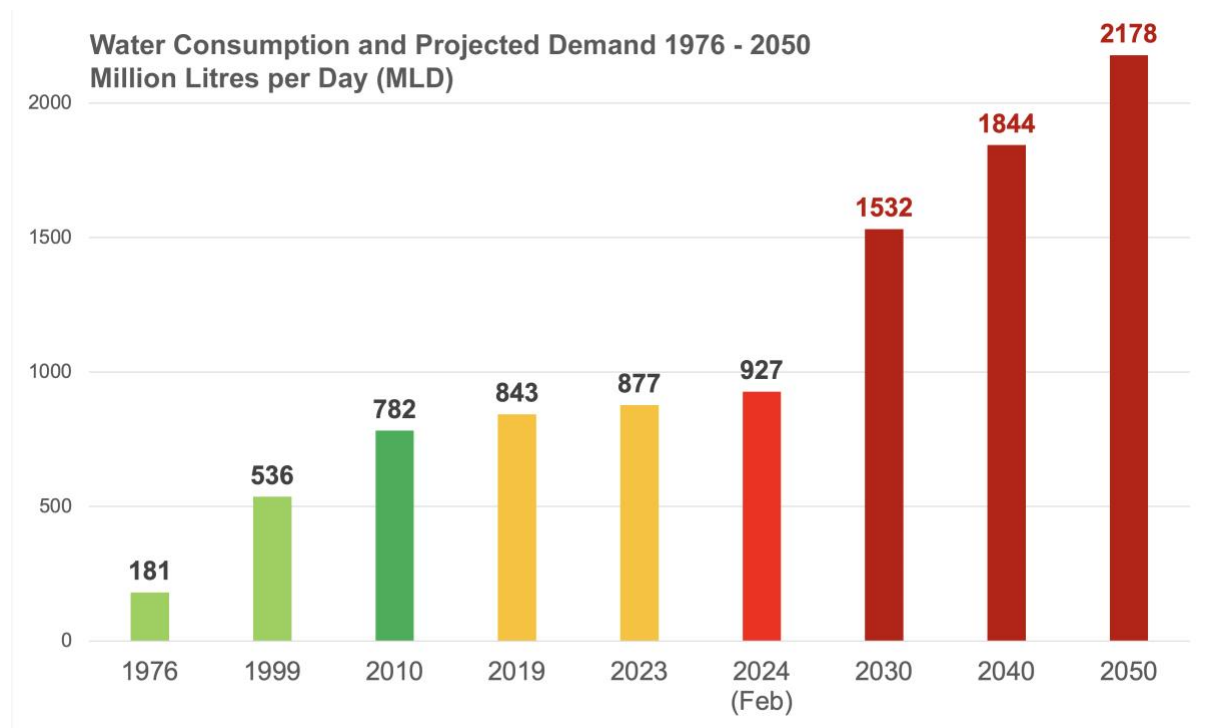


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Media Release

IR. PATHMANATHAN K.
CEO, PBAHB and PBAPP.

WATER RATES: PBAPP IS RESPONDING TO PENANG’S WATER DEMAND



- **Since PBAPP was corporatised, Penang’s water consumption has increased by 72.9%, from 536 MLD in 1999 to 927 MLD in February 2024.**

PENANG, Friday, 24.5.2024: Increasing water consumption and projected water demand are driving up water rates in Penang. PBAPP must tap sufficient funds for water supply infrastructure projects to ensure that the state does not run of water.

In 1973, Penang started tapping Sungai Muda as its primary raw water resource. In 1976, Penang water consumption was recorded as 181 million litres per day (MLD).

PBAPP was corporatised 25 years ago, in 1999. At that time, Penang’s water consumption was 536 MLD.

In 2019, before the Covid-19 pandemic, water consumption reached 843 MLD.

In 2023, after the pandemic, average consumption increased to 877 MLD.

In February 2024, PBAPP supplied 927 MLD of treated water in Penang.

As things stand in May 2024, there are reports of intermittent water supply issues in Seberang Perai Selatan (SPS) and Daerah Barat Daya (DBD) on the island. These complaints are related to high water consumption.

Penang’s existing water supply infrastructure is already operating at near maximum levels. Without additional new infrastructure, PBAPP cannot supply significantly more treated water in Penang.

CAPEX for WCP 2030 and “Perak-Penang Water Project”

PBAPP is responding to Penang’s water demand. It will continue to escalate in pace with rapid socioeconomic progress mapped out in the “Penang2030” vision. We will need more water to become a “family-focused green and smart state that inspires the nation”.

Projections indicate that water demand will reach 1,532 MLD by 2030.

Accordingly, PBAPP will invest RM1.184 billion in capital expenditure (CAPEX) for its Water Contingency Plan 2030 (WCP 2030) to deliver more than 1,532 MLD of treated water before 2030:

WCP 2030 Projects		Benefits	Status
1.	New DAF Module in the Bukit Panchor Water Treatment Plant (WTP)	Additional 10 million litre per day (MLD) water treatment capacity in Seberang Perai Selatan (SPS)	Completed in 2023
2.	Package 12A, Sungai Dua WTP	Additional 114 MLD of water treatment capacity in Seberang Perai Utara (SPU)	Completion in July 2024
3.	13.0km x 1.6m treated water pipeline from the Sungai Dua WTP to Butterworth	Boost treated water pumping capacity from the Sungai Dua WTP in Seberang Perai to Bukit Dumbar Reservoir and Pumping Station Complex on Penang Island	Commencing in November 2024
4.	3.9km x 1.6m treated water pipeline from the Macallum Area to the Bukit Dumbar		

5.	Mengkuang WTP	Additional 114 MLD of water treatment capacity in Seberang Perai Tengah (SPT)	2025
6.	Sungai Kerian WTP	Additional 114 MLD of water treatment capacity in SPS	2027
7.	Sungai Perai Water Supply Scheme (with raw water pre-treatment works)	Additional 114 MLD of water treatment capacity in SPT	2028
8.	Sungai Muda WTP	Additional 114 MLD of water treatment capacity in SPU	2028

Penang's projected water demand for 2040 is 1,844 MLD. With the support of the Federal Government, the Penang State Government is seeking to purchase treated water from Perak through the "Perak-Penang Water Project".

On its part, PBAPP is likely to incur millions or billions more ringgit in additional CAPEX for future in-state water distribution waterworks to support the Perak-Penang Water Project.

Price for progress

In 2024, the Federal Government has "priced" and regulated Penang water rates in accordance to PBAPP's operational expenditure (OPEX) and CAPEX. In the future, Penang water rates will also be reviewed with these two major considerations in mind.

Increases in OPEX are justified with corresponding increases in running costs, such as the costs for electricity, chemicals, fuel, manpower and maintenance.

However, PBAPP's CAPEX is primarily driven by water consumption and projected water demand. If Penang needs more water supply, PBAPP has to invest in more water supply infrastructure. Higher CAPEX will inevitably lead towards higher water rates in the future.

The bottom-line is that Penang's progress cannot be held back by the lack of water.

Thank You.

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