Perbadanan Bekalan Air Pulau Pinang Sdn Bhd
199901001061 (475961-X)
Memenuhi segala keperluan bekalan air anda
*Meeting all your water supply needs*

17.7.2026
Media Release
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CEO, PBAHB and PBAPP.

**RAISING FUNDS FOR URGENT WATER SUPPLY PROJECTS IN PENANG**

- **Additional proceeds from new water rates will be used to partially fund WCP 2030 projects.**

- **PBAPP has allocated 87% of its 2025 profit as capital expenditure for water supply projects in Penang, for the benefit of Penang.**

- **Penangites are the primary beneficiaries of PBAPP's profit.**

PENANG, Friday, 17.7.2026: Reasonable new water rates must be implemented in Penang to raise funds for urgent water projects to ensure water supply sufficiency.

From 1.7.2026, about 82% of Penang households will pay a maximum of RM0.08 more per day (or RM2.55 more per month) for their domestic water supply. This is due to the fact that they consume 35$m^3$ or less of water in their homes every month.

As for business consumers who use 500$m^3$ per month, the increase is RM2.59 per day (or RM77.70 per month) for non-domestic consumption.

An additional expense of RM0.08 per day for a household (or RM2.59 per day for a business operation) is not an unreasonable price to pay for additional new water supply infrastructure that will ensure that Penang has enough water to support further socioeconomic growth.

Please visit www.pba.com.my to find out more about the 1.7.2026 Penang water rates.

The new rates will raise funds for water supply initiatives such as:

- Construction of the new 114 million litres per day (MLD) Mengkuang Park Water Treatment Plant (WTP) in Seberang Perai Tengah (SPT) under the Water Contingency Plan 2030 (WCP 2030);

- Land acquisition for the new 136 MLD Sungai Perai WTP in SPT, another WCP 2030 project;

- Land acquisition and upgrading works at the 1,342 MLD Sungai Dua WTP in Seberang Perai Utara (SPU). This is Penang's largest and most important WTP which is serving a total of 465,000 water consumers on the mainland and the island;

- Land acquisition for the new 114 MLD Sungai Muda WTP under the WCP 2030.

- Land acquisition and pipeworks for the (1.8m diameter x 3.9km) Macallum – Bukit Dumbar Pipeline under the WCP 2030. This pipeline will support the pumping of more treated water from Sungai Dua to the South-West District (DBD) on Penang Island in the future.

**Additional water projects cannot be delayed further**

In one year, Penang's GDP grew by 7.3%, from RM121.4 billion in 2024 to RM130.3 billion in 2025. Meanwhile, GDP per capita in Penang was recorded as RM80,584.00 in 2025, or 36.2% above the national average of RM59,167.00.

And yet, Penang's average domestic water rate for the first 35m$^3$ per month has been set at RM0.93 per m$^3$, the second lowest in Malaysia. Meanwhile, the average non-domestic water rate for the first 500 m$^3$ per month is RM2.28, or 20% below the national average of RM2.85.

In July last year (2025), the Penang State Government directed PBAPP to delay the implementation of new water rates in Penang for one year.

Further delays will delay the funding for the implementation of PBAPP's WCP 2030 projects which are needed to support rapid socioeconomic growth towards 2030. Any further delay would be irresponsible because it would incur an unacceptably high risk of a water shortage in Penang on or before 2030.

**More PBAPP profits means more benefits for the people**

The 1.7.2026 Penang water rates is projected to generate an additional RM20 million in profit for PBAPP. However, more profit for PBAPP translates directly into more and better water supply infrastructure in Penang.

PBAPP is not owned by a business tycoon or a rich family. It is the principal subsidiary of PBA Holdings Bhd (PBAHB), a public listed Penang State Government-linked company (Penang State GLC). The majority shareholder of PBAHB is "State Secretary Penang" (SSP), a Penang State Government entity. SSP holds 55% of PBAHB's shares as well as a "golden share".

As such, the Chief Minister of Penang is appointed as the Chairman of PBAPP and PBAHB. The Chief Minister and all other public officials who serve as PBAPP and PBAHB board members do not hold any PBAHB shares.

With public interest in mind, the PBAHB Board has allocated about 87% of PBAHB's profit after tax (PAT) of RM114.5 million for 2025 as capital expenditure (CAPEX) for Penang water supply projects in 2026. The remaining 13% of the PAT was mainly paid out as dividends to shareholders.

In short, PBAHB is reinvesting a high percentage of its 2025 PAT for water projects in Penang. Accordingly, the primary beneficiaries of PBAHB's 2025 PAT are, in fact, the 721,066 registered water consumers in Penang.

Next year, in 2027, PBAHB will continue to reinvest a high percentage of its PAT to further fund the development of additional water supply infrastructure in Penang.

This needs to be done because Penang's water consumption is projected to increase from 865 MLD in 2025 to 1,162 MLD (or more) in 2032. This projected increase is derived from data provided by:

- Multinational corporations (MNCs) which are expanding or setting up new manufacturing facilities;

- Property developers who are building new residential and business premises; and

- Landmark projects such as the Batu Kawan Industrial Park 3 (BKIP3) in Seberang Perai Selatan and Silicon Island A off the southern coastline of Penang Island.

As at mid-2026, the majority of these projects are already underway or in the final planning stages.

**Misleading claims**

So, please do not be misled by comments or claims that "PBAPP can wait another year to raise water rates in Penang" or that "the Federal Government may provide loans or grants for water supply projects."

If such claims were true, the Federal Government would not have gazetted new water rates for 10 states in Peninsular Malaysia and FT Labuan on 30.7.2025. It could have provided grants and loans for all water projects in all the states instead.

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Moreover, the Federal Government is presently undertaking 5 important raw water resource development projects for Penang at an estimated cost of RM838 million. Treated water capacity building projects, such as the WCP 2030 projects, are undertaken by licensed state water supply operators such as PBAPP.

If such claims were true, PBAPP would not have needed to launch its RM5 billion sukuk programme on 8.7.2025. The truth is that PBAHB's annual profits are insufficient to fund the water projects that Penang needs urgently by 2030. The total projected investment for the 6 remaining WCP 2030 projects (which are scheduled for completion in just 6 years) is about RM2.1 billion.

The sukuk programme is required to provide complementary financing for the WCP 2030 projects. It also ensures that PBAPP has sufficient CAPEX for other smaller water infrastructure development and upgrading projects in Penang and a strong operational expenditure (OPEX) buffer to sustain continuous good water supply in this age of climate change and global economic uncertainty.

PBAPP must ensure that taps do not run dry in 2030 at all costs, as our state continues to progress towards a brighter future.

Thank You.

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