

Excerpt

2005-2006  
International Water  
Report & Cost Survey

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# Introduction

I am pleased to present you with the *NUS Consulting Group's 2005-2006 International Water Report and Cost Survey* providing a timely update on what is happening in this industry as well as comparative movements in worldwide prices.

This year's benchmark report, published by NUS Consulting Group, reveals some interesting developments in the world's water industry with 12 of the 14 countries surveyed showing an increase in pricing. Denmark still claims top honors as the most expensive surveyed country in terms of water with the United States being the least expensive. While Australia experienced the single largest year-on-year increase in pricing at 17.9 percent, other countries including Canada, Finland, South Africa and the United Kingdom also underwent significant increases.

Australia's significant price increase was mainly attributable to certain environmental conditions. As the country combats an extended period of drought, it searches for ways of reducing overall water consumption as well as increasing supply for its growing population. Drought concerns in South Africa have eased a bit, however, the country still grapples with the problem of potable water distribution for all of its citizens – a leading cause for this year's increase of 8.8 percent.

In Europe, tighter EU regulations coupled with below normal rainfall levels have led some countries to adopt higher prices. It is generally thought that higher prices will make the consuming public more sensitive to water issues thus promoting greater conservation measures. Though Denmark underwent a reduction in pricing of 4.6 percent over the past year, it is still the most expensive country in terms of water prices of the 14 surveyed countries.

In North America, Canada for the second year in a row experienced water price increases well beyond the country's annual inflation rate. Further increases are expected as the nation invests more towards volume based pricing. The United States reported an increase of 4.4 percent in average water pricing over the past year, however, it has the lowest price for water of all the surveyed countries at nearly 66 cents per cubic meter.

Given these developments around the world, medium to large business consumers of water can no longer rely on cheap and abundant supplies. With fleeting opportunities for savings and the reality of ever higher prices, each consumer must take an active role when it comes to their water purchases.

The NUS Consulting Group, founded over 70 years ago, is the world's pre-eminent independent energy and telecommunications cost control and consulting organization. Operating around the world through 11 wholly owned subsidiaries, NUS Consulting combines the expertise of 500 energy and telecommunications professionals with cutting-edge technology and the world's largest tariff and pricing database to serve over 20,000 clients.

I trust you will find the following survey not only interesting, but also a useful tool in achieving a better understanding of global water markets.

Richard D. Soutanian  
Co-President

# NUS Consulting Group International Water Report 2006 Cost Comparison

<u>2006 Rank</u>	<u>2005 Rank</u>	<u>Country</u>	<u>Cost (US¢)/m<sup>3</sup></u>	<u>2005/2006 Change</u>	<u>5 Year Trend (2001/2006)</u>
1		Denmark	224.6	-4.6%	+1.9%
2		Germany	224.5	+1.6%	-2.7%
3		United Kingdom	190.3	+7.8%	+32.3%
4		Belgium	172.3	+1.9%	+51.1%
5		France	157.5	+3.5%	+11.8%
6		The Netherlands	149.0	+1.0%	+0.3%
7		Italy	114.7	+2.0%	+23.2%
8		Finland	103.3	+9.7%	+30.2%
9		Australia	100.5	+13.8%	+45.4%
10		Spain	93.0	+3.1%	+5.2%
11		South Africa	91.8	+8.8%	+50.2%
12		Sweden	85.9	-2.4%	+10.7%
13		Canada	78.9	+8.9%	+58.0%
14		United States	65.8	+4.4%	+27.0%

*The survey is based on prices as of 1 July 2006 for an organization with an annual usage of 10,000 cubic meters. All prices are in US cents per cubic meter and exclude VAT. Where there is more than a single supplier, an unweighted average of available prices was used. The percentage change is calculated using the local currency in order to eliminate currency movement distortion.*

## International Water Cost Comparison 2006

