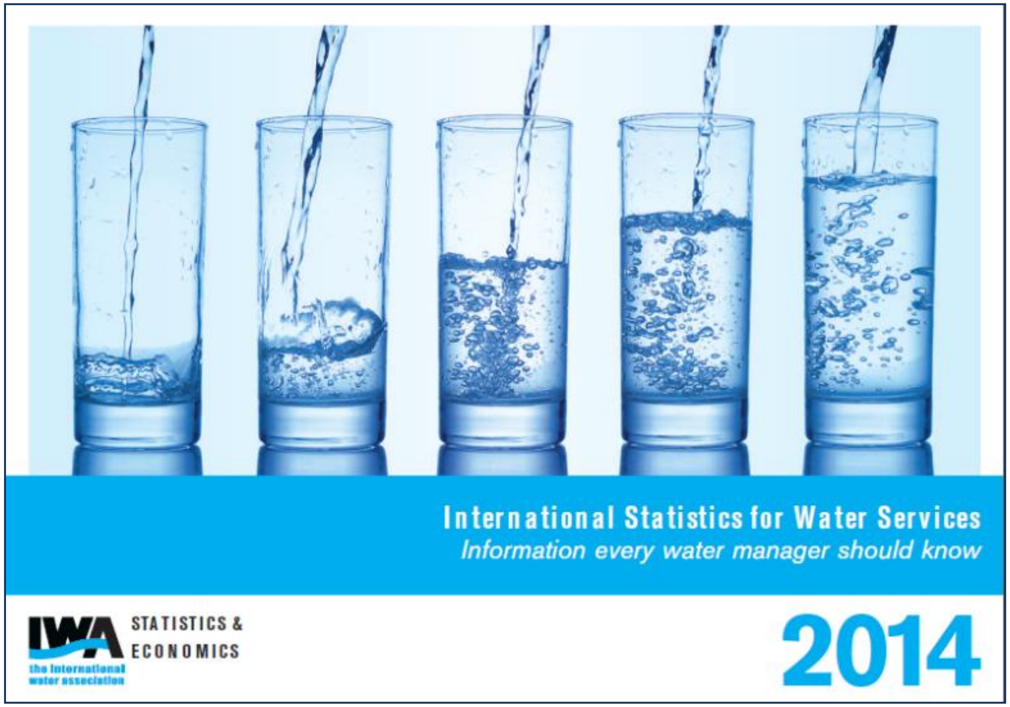
PART I: WATER PRICE AROUND THE GLOBE



Jan Hammenecker

commercial director of De Watergroep, Belgium

BIANNUAL IWA LEAFLET

LEAFLET 2014: CONTENT

- 34 countries, 160 cities
- Drinking water, sewerage and wastewater
- Content
  - Abstraction (2012)
  - Delivered (2012)
  - Consumption (2012)
  - Charges for 100 m^3 and 200 m^3 (2013)
  - Regulation (2013)

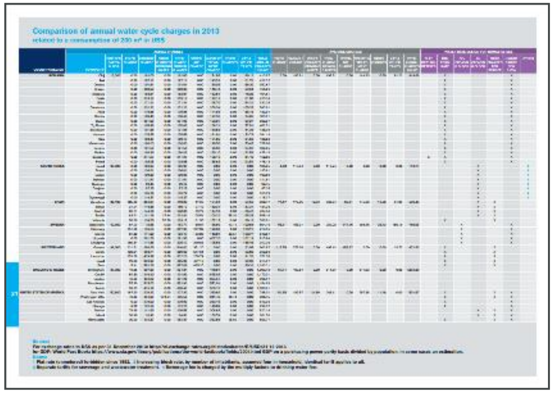
www.dewatergroep.be/leaflet2014

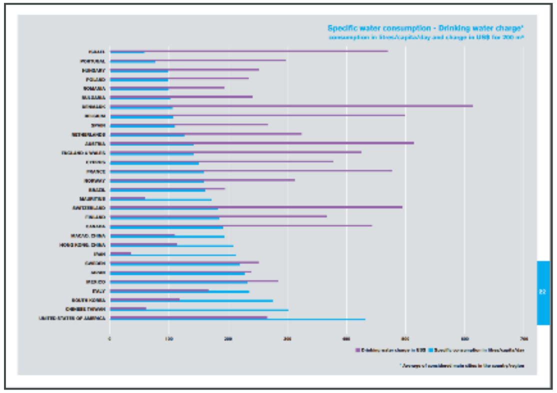
LEAFLET: CHALLENGES

- Questionnaire: easy to complete
- Validation / quality checks
- Stability of parameters and time series
- Country and city level

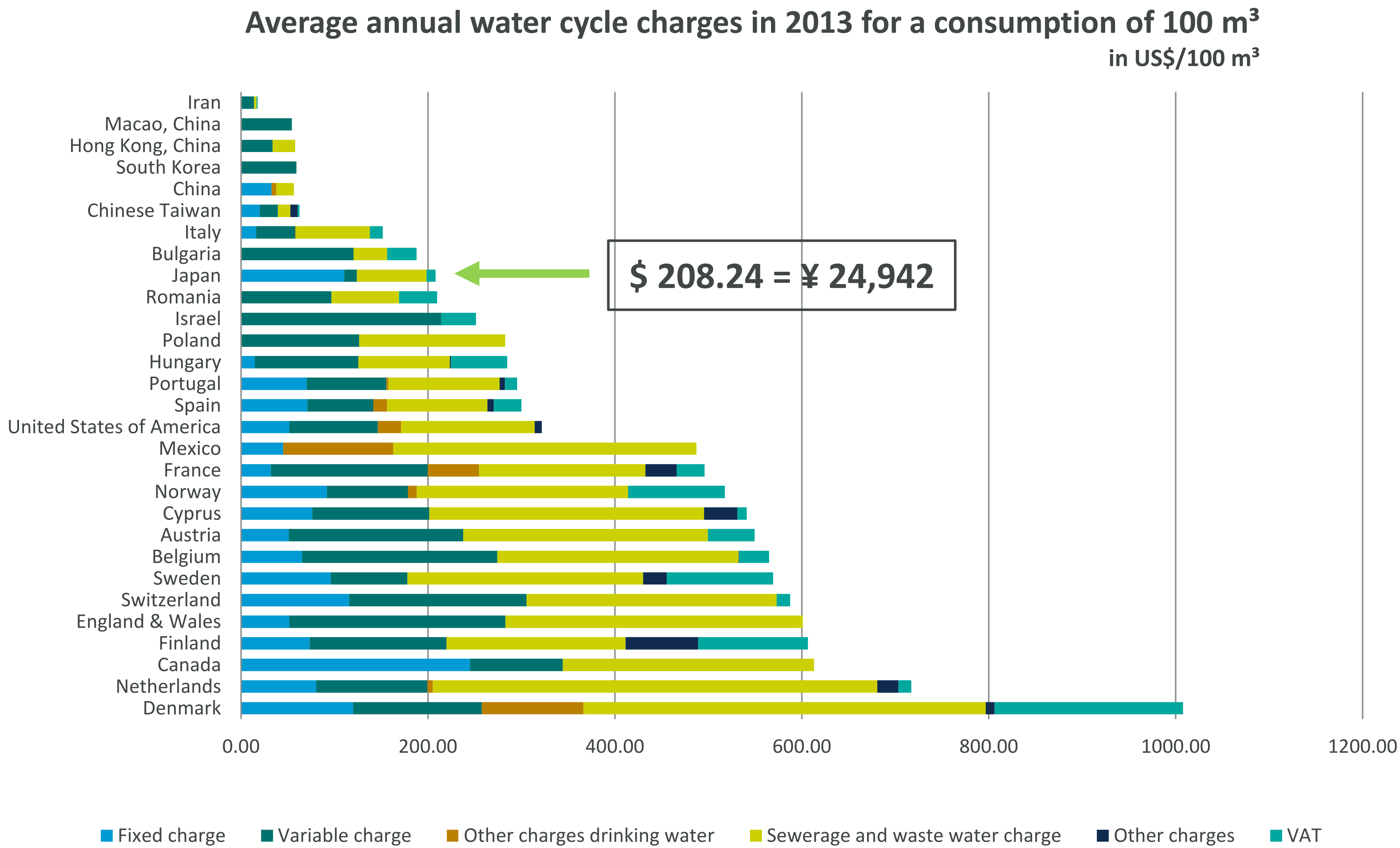
HOW TO READ THE LEAFLET

- Statistics Group provides data
  - Consumption
  - Tarification
  - Regulation
- Data → knowledge
- Graphs and tables → trends
- Graphs can serve as templates


Comparison of annual water cycle charges in 2013



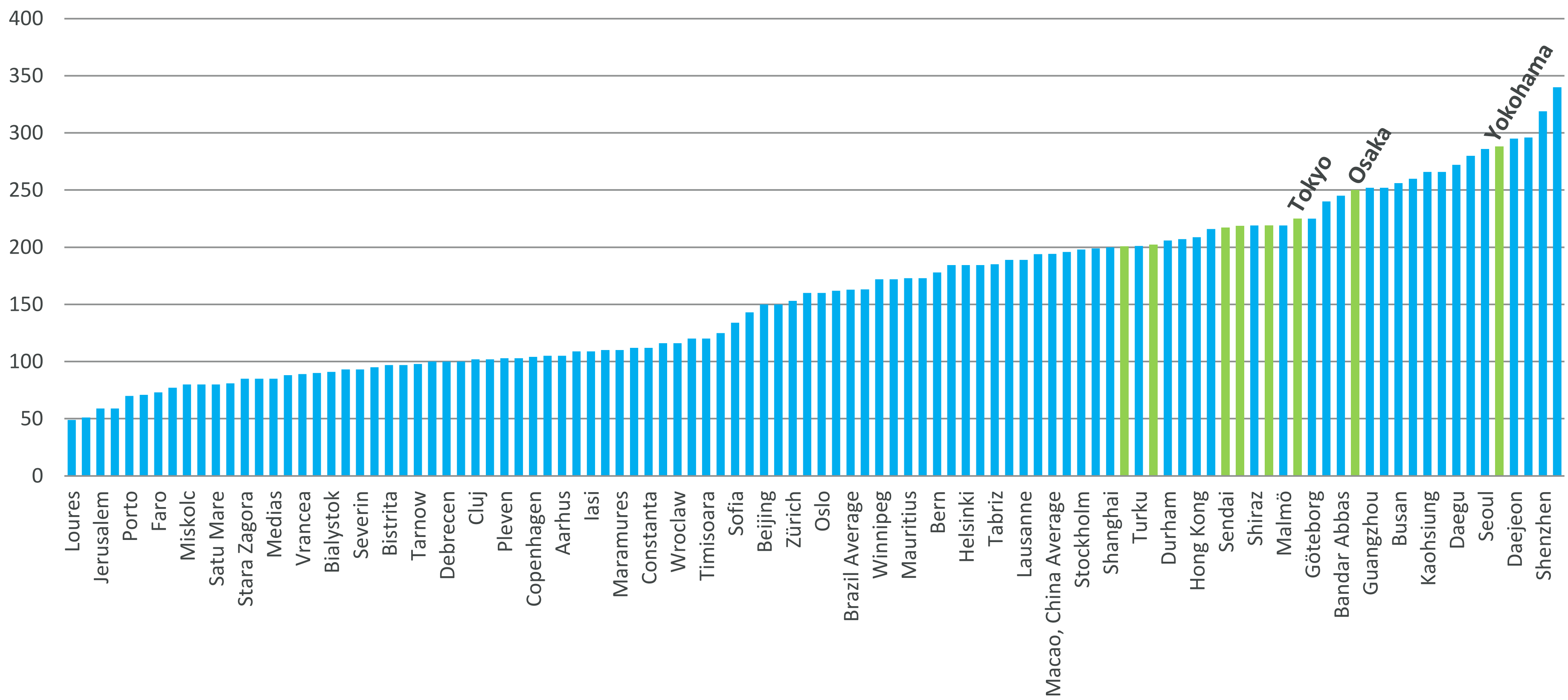
TARIFF STRUCTURE



CONSUMPTION GAP
"FROM 49 LITRES TO 340 LITRES PCPD"

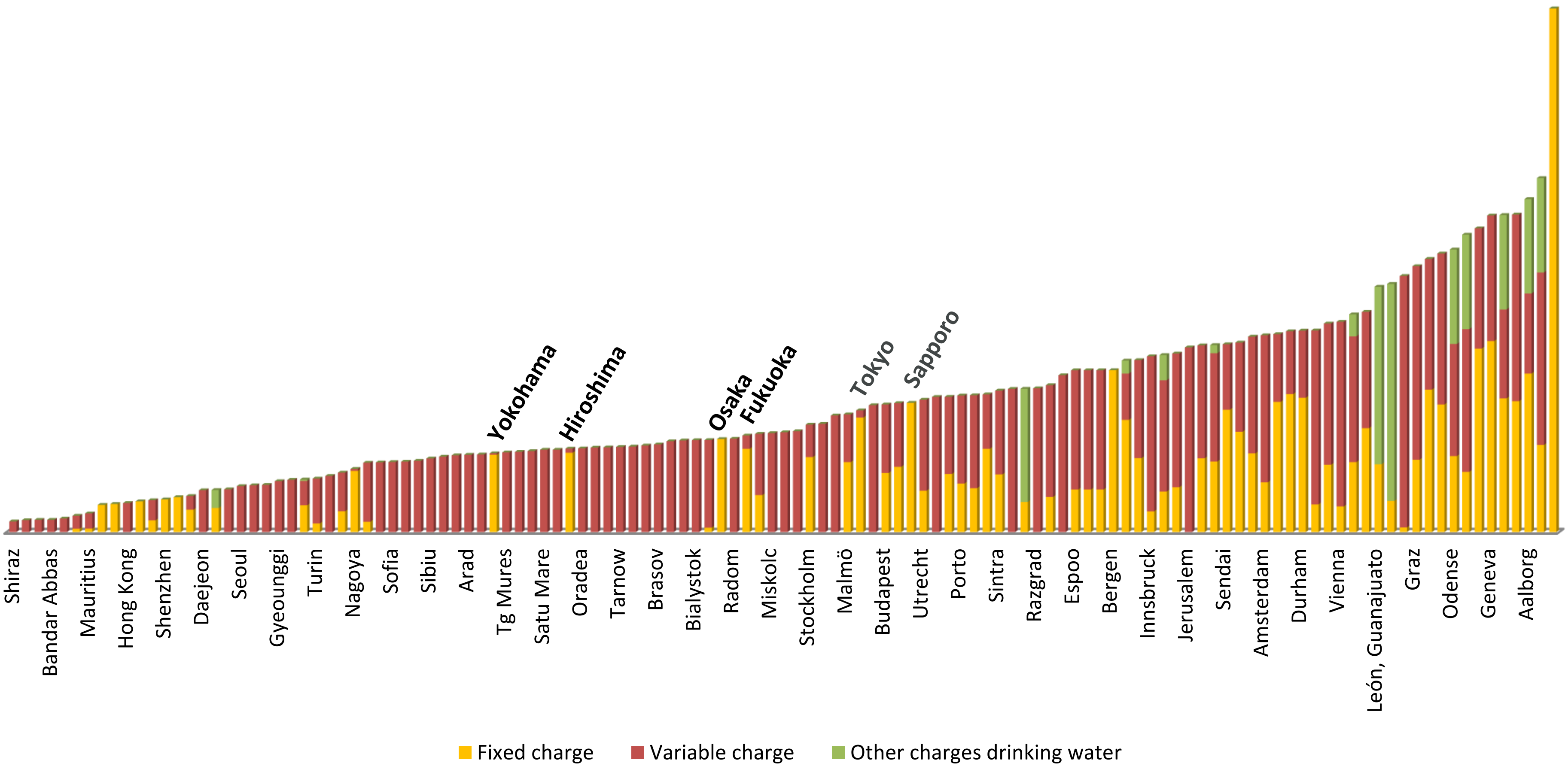
Specific water consumption for households and small business 2012

in litres/capita/day

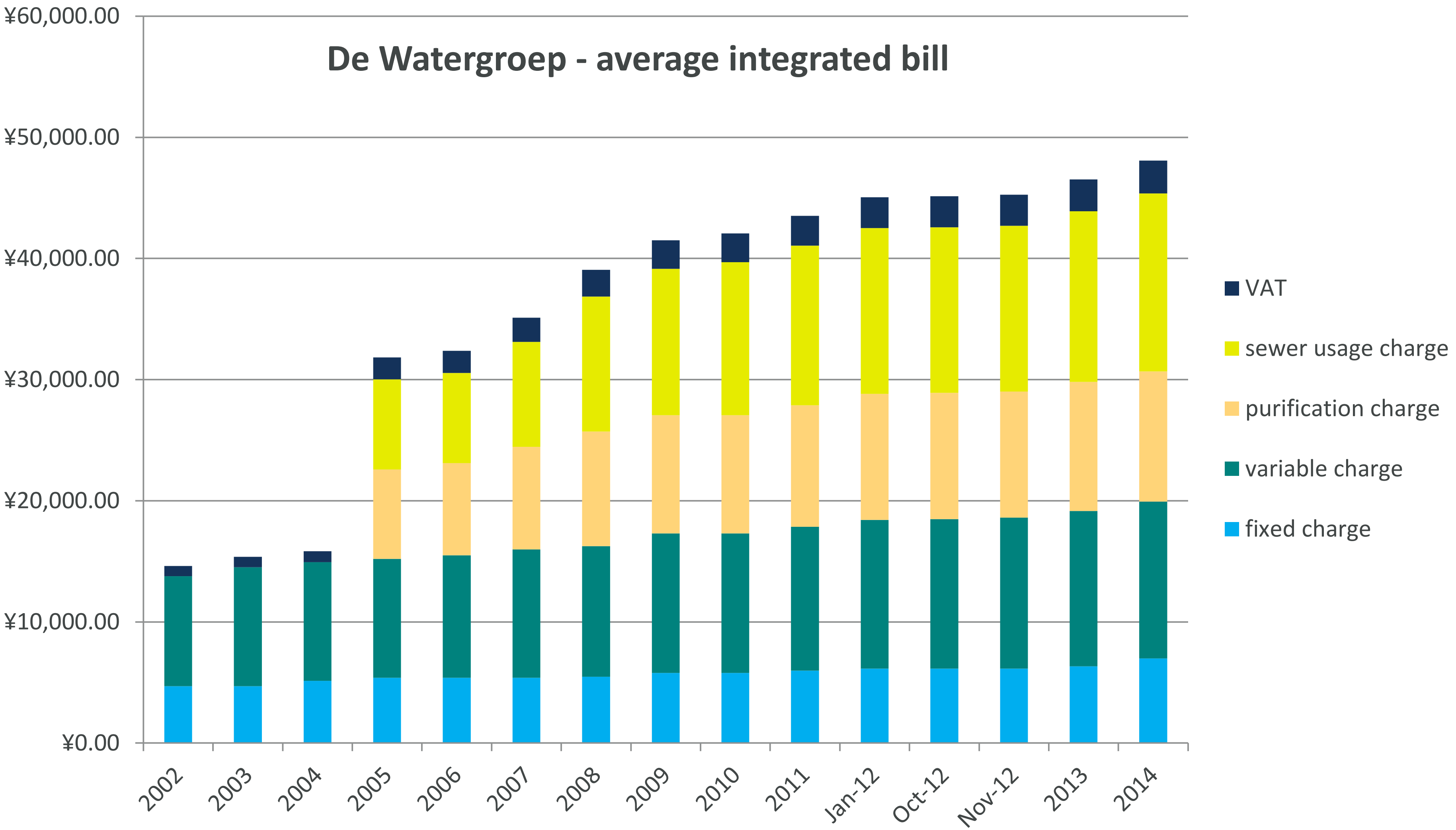


PRICE GAP
"FROM ¥ 1,500 TO ¥ 72,000 FOR 100 M³"

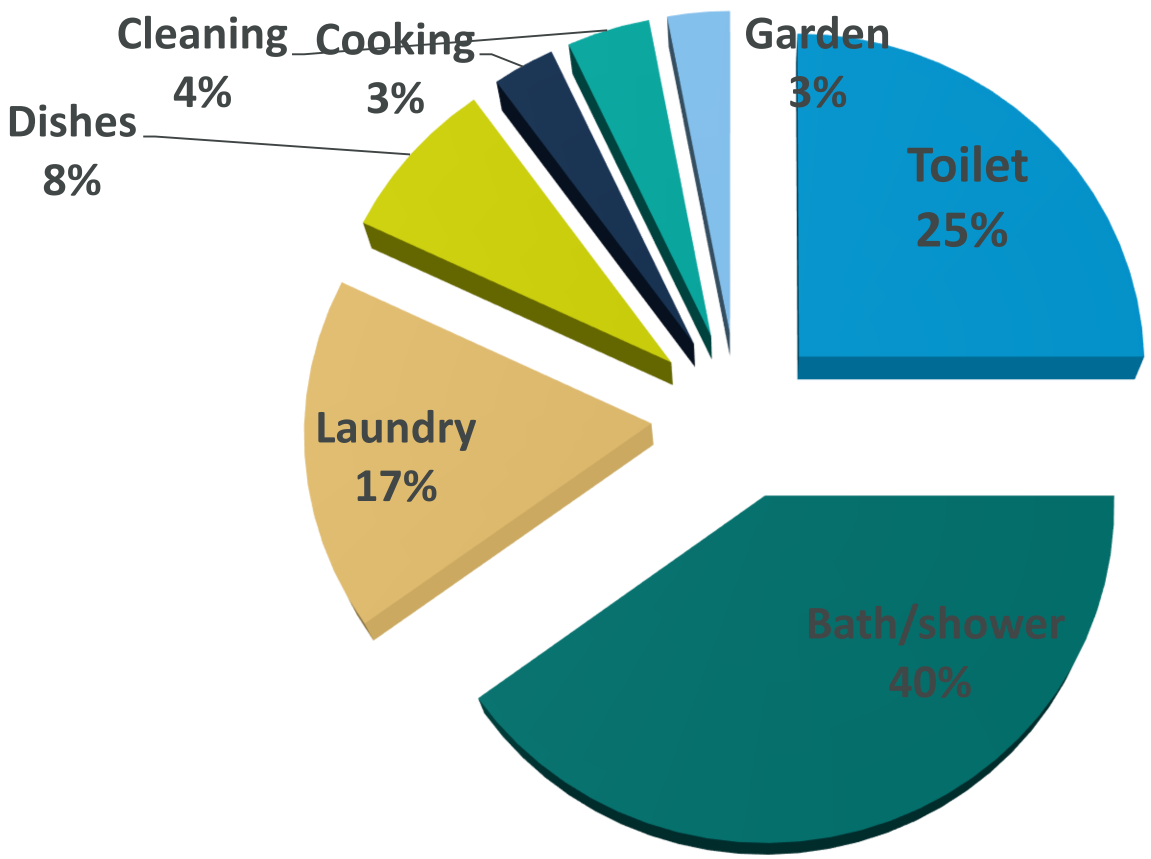
the international water association



AVERAGE WATER BILL: 42,000 JPY



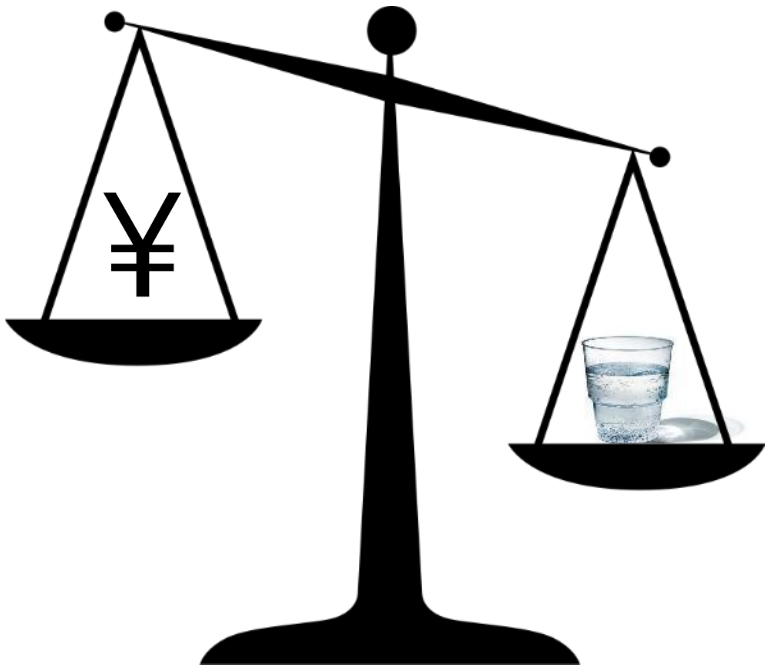
DOMESTIC WATER USE IN BELGIUM



85 l per capita per day

TARIFF STRUCTURE:
WATER PRICING MEETS ETHICS

- Economic aspect
  - Fixed >< variable charge
  - Total cost recovery
- Ecologic aspect
  - Progressive >< decreasing blocks
- Social aspect
  - Target group
  - Affordability



SPECIALIST GROUP STATISTICS AND ECONOMICS

- Platform to discuss
  - Pricing policies
  - Tariff structures
  - Price elasticity
  - Regulation
  - Total cost recovery

- Please visit

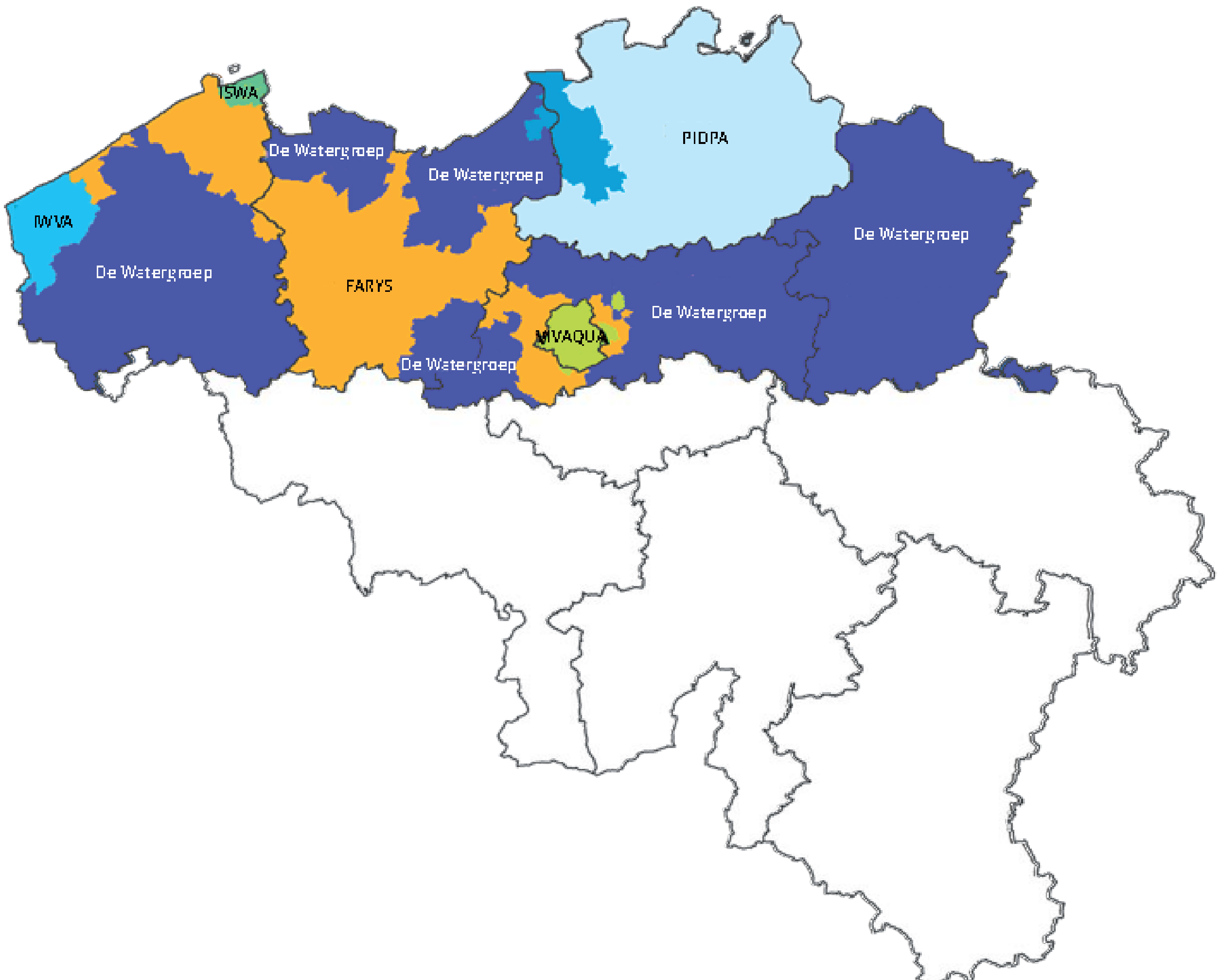
  www.dewatergroep.be/leaflet2014

PART II: UNCOVERING THE BELGIAN WATER SECTOR

Jan Hammenecker

commercial director of De Watergroep, Belgium


ISWA
De Watergroep
PIDPA
De Watergroep
IWVA
De Watergroep
FARYS
De Watergroep
De Watergroep
MIVAQUA
De Watergroep


ISWA
IWVA
De Watergroep
De Watergroep
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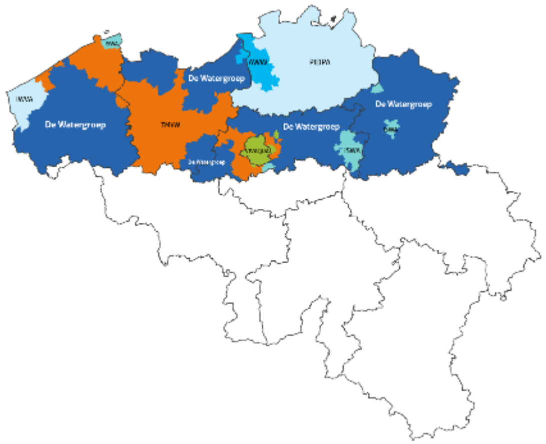
De Watergroep
De Watergroep
FARYS
De Watergroep
VIVAQUA
De Watergroep

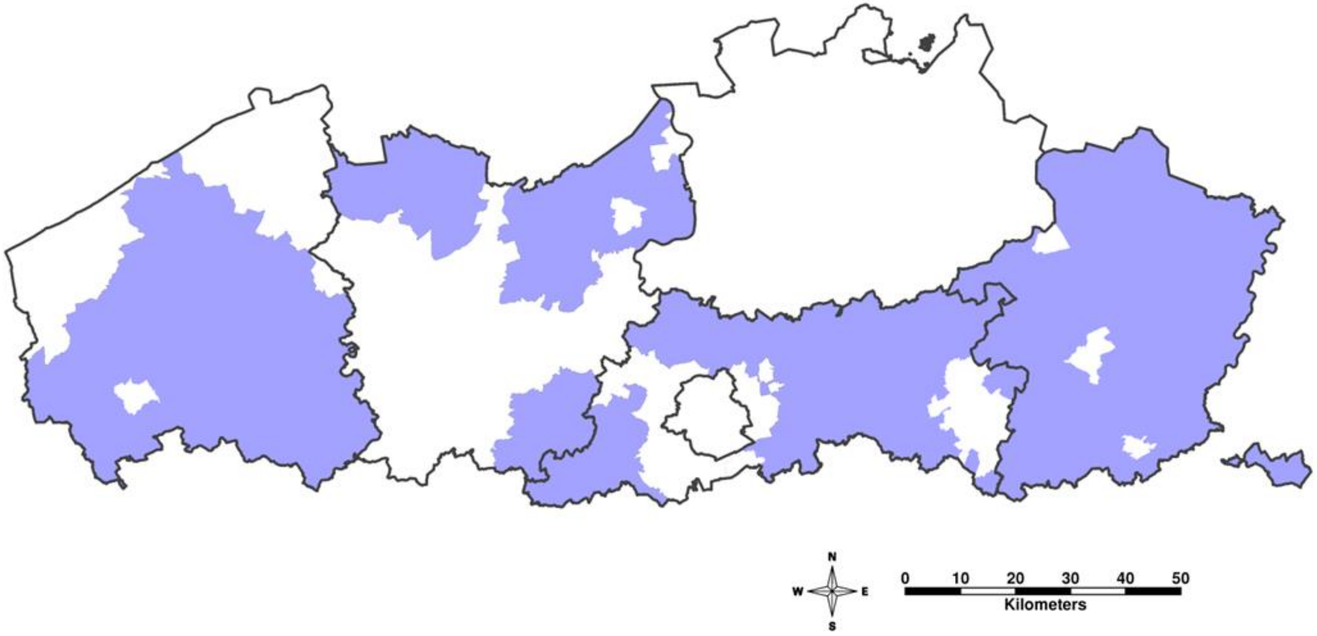
5 LARGE PLAYERS
IN FLANDERS + BRUSSELS

ALL PUBLIC AND FULLY INTEGRATED

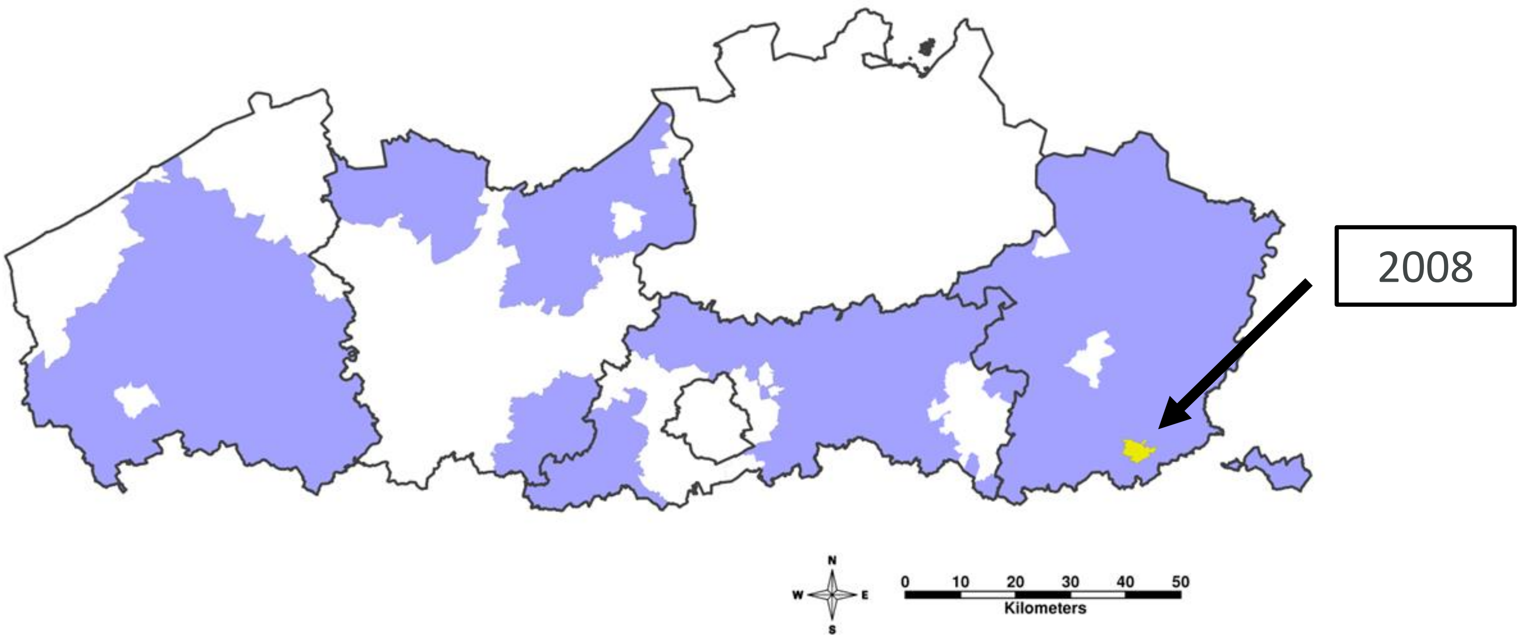


	# connections	# inhabitants	Production source	Disitribution 1,000 m³ / year
De Watergroep	1,200,000	3,000,000	80% GW 20% SW	150,000
Farys	700,000	1,500,000	No production Buy & Sell	70,000
water-link	200,000	500,000	100% SW	92,000
Pidpa	500,000	1,200,000	100% GW	64,000
Vivaqua	600,000	1,500,000	GW + SW	80,000

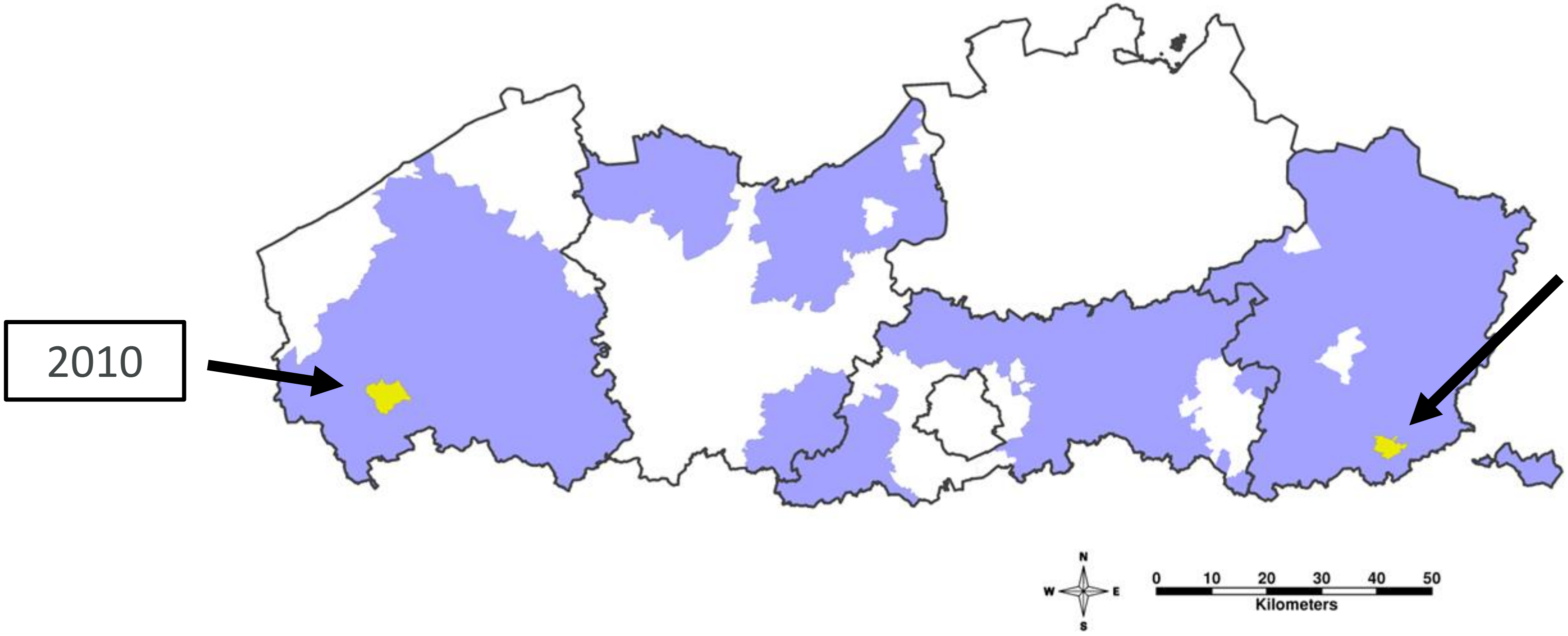
RECENT ACQUISITIONS OF DE WATERGROEP



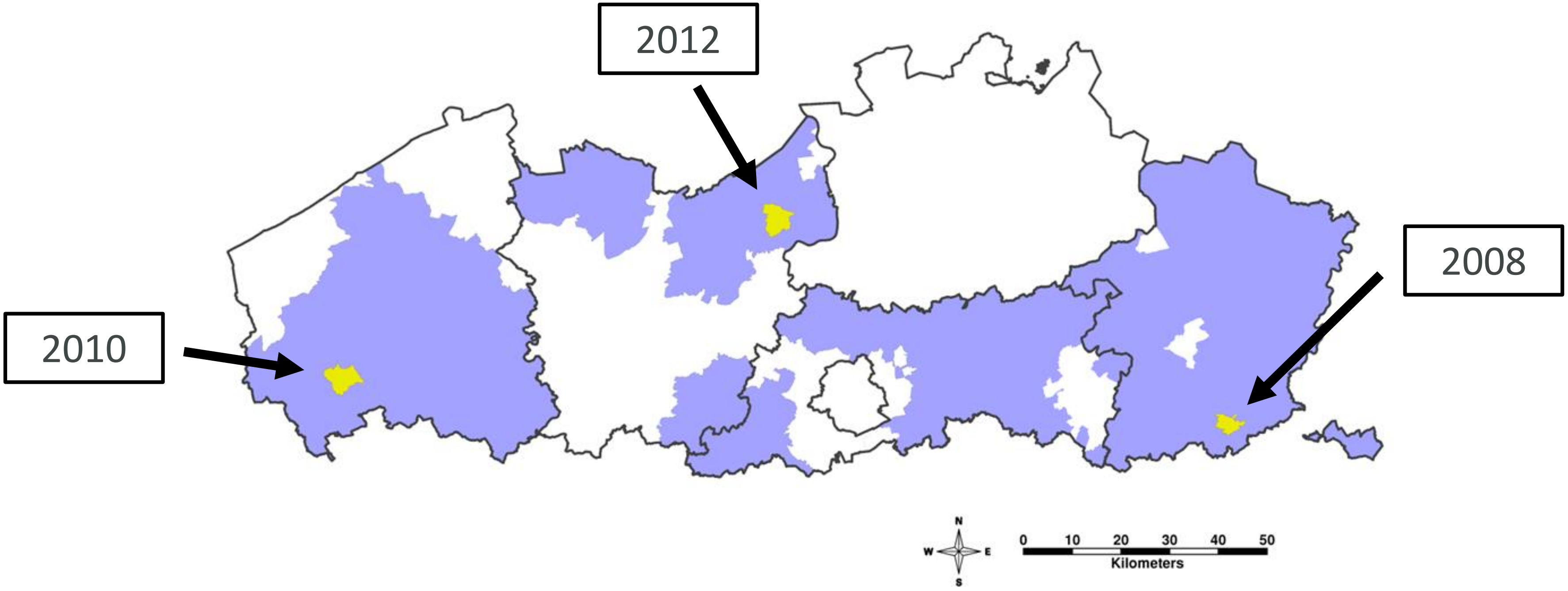
RECENT ACQUISITIONS OF DE WATERGROEP



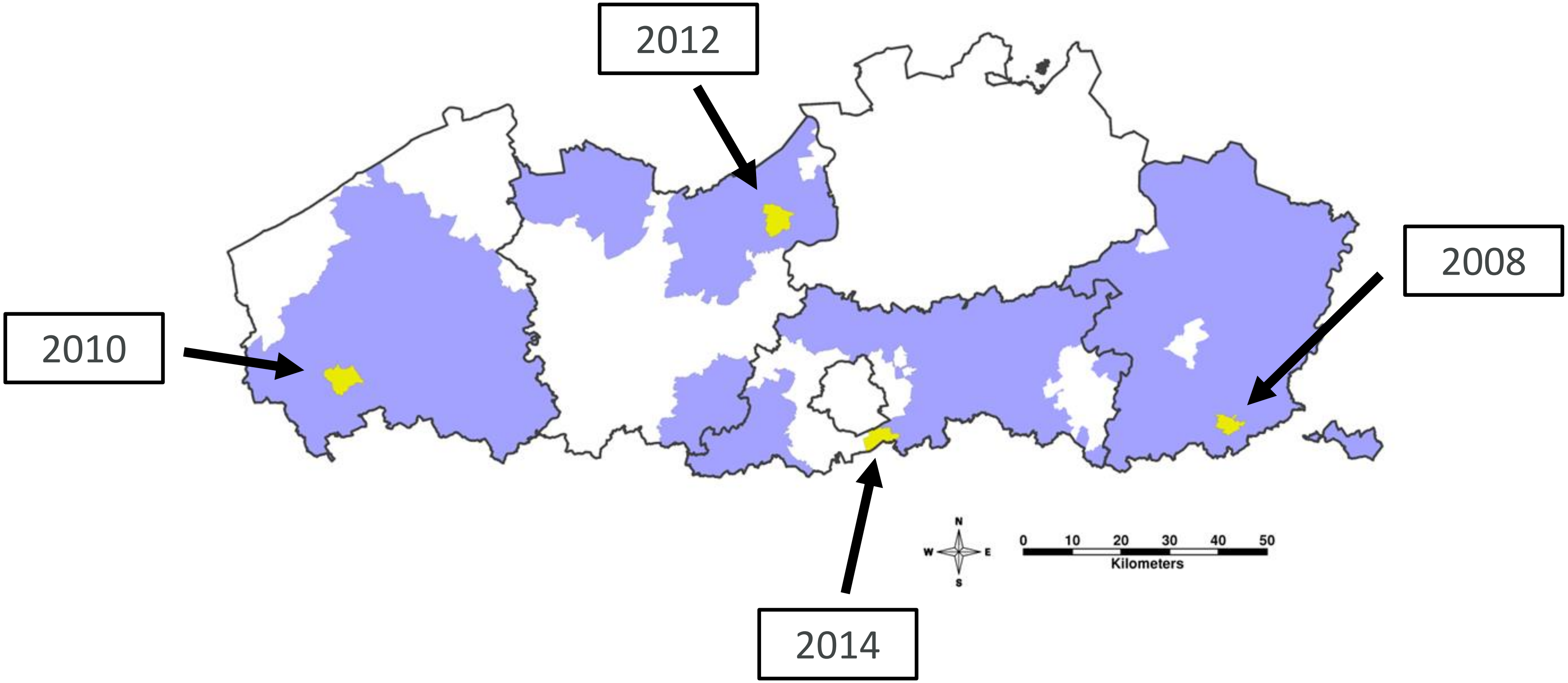
RECENT ACQUISITIONS OF DE WATERGROEP



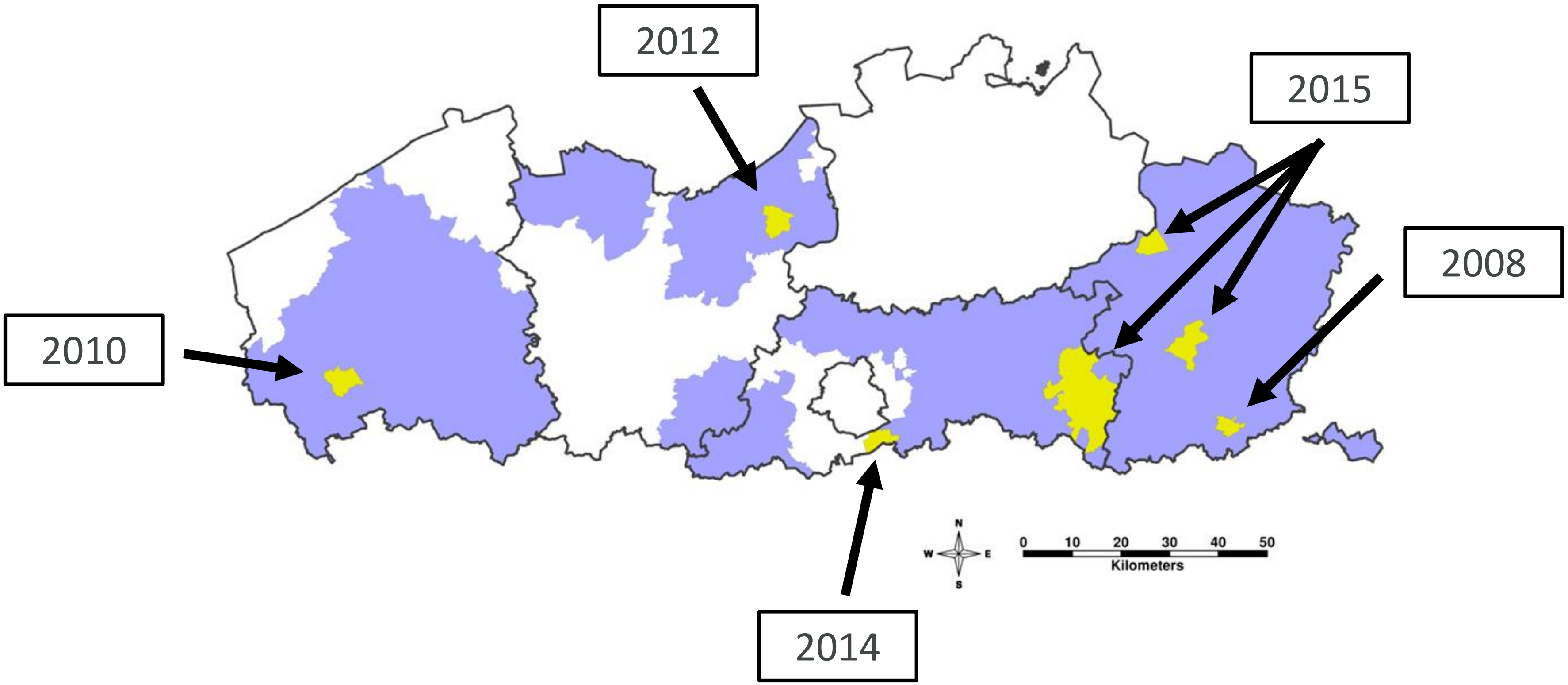
RECENT ACQUISITIONS OF DE WATERGROEP



RECENT ACQUISITIONS OF DE WATERGROEP

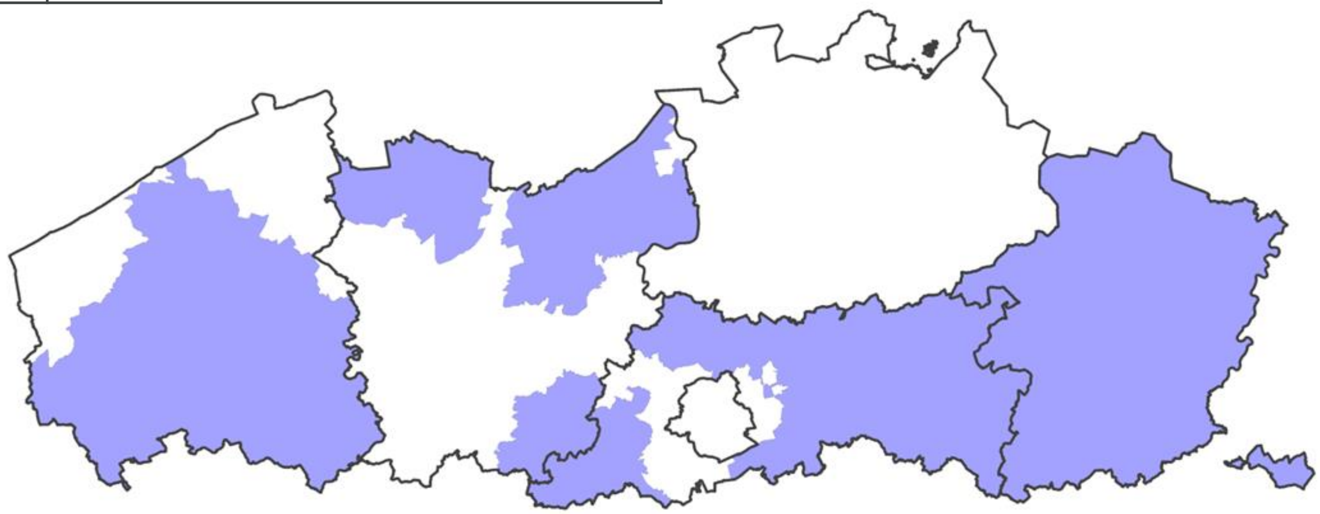


RECENT ACQUISITIONS OF DE WATERGROEP

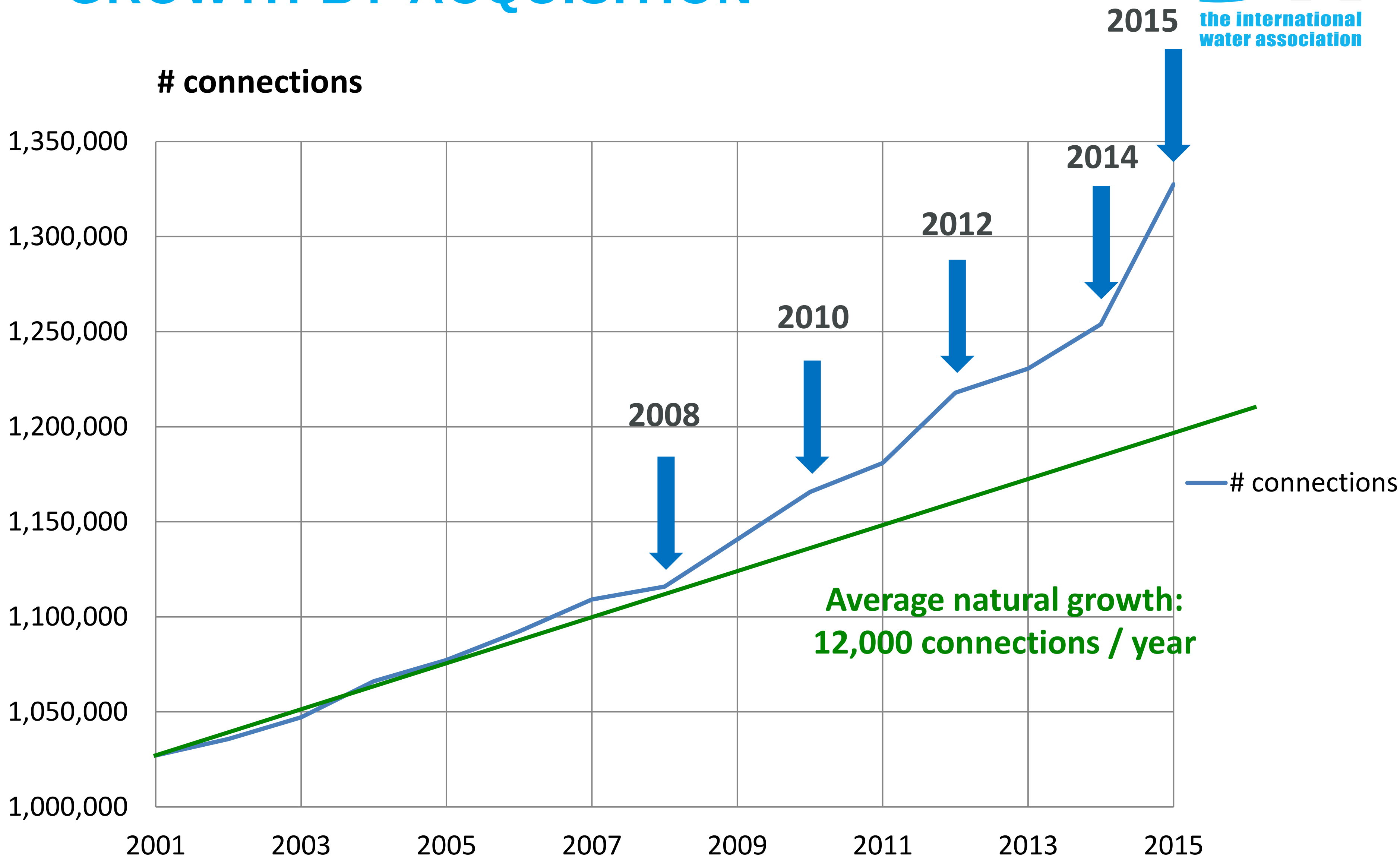


DE WATERGROEP TODAY

# Connections	1,200,000
# Customers	3,000,000
Turnover	55,550 million ¥
# Employees	1,500
Mains	31,000 km

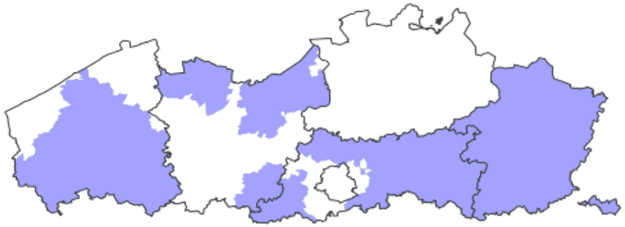


GROWTH BY ACQUISITION



DRIVERS FOR ACQUISITION

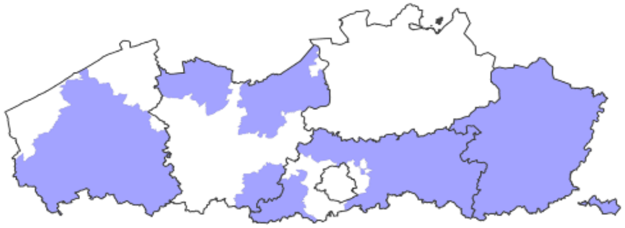
WHY MUNICIPALITIES LOOK FOR INTEGRATION?



- Shortage of cash
  - for investments, maintenance
  - for renewal of assets
  - for software
- Lack of technical knowledge (high-tech, rapid evolution)
- Lack of knowledge concerning challenges
  - legislation, tarification, environmental
- Disadvantage of scale
- One shot at making money

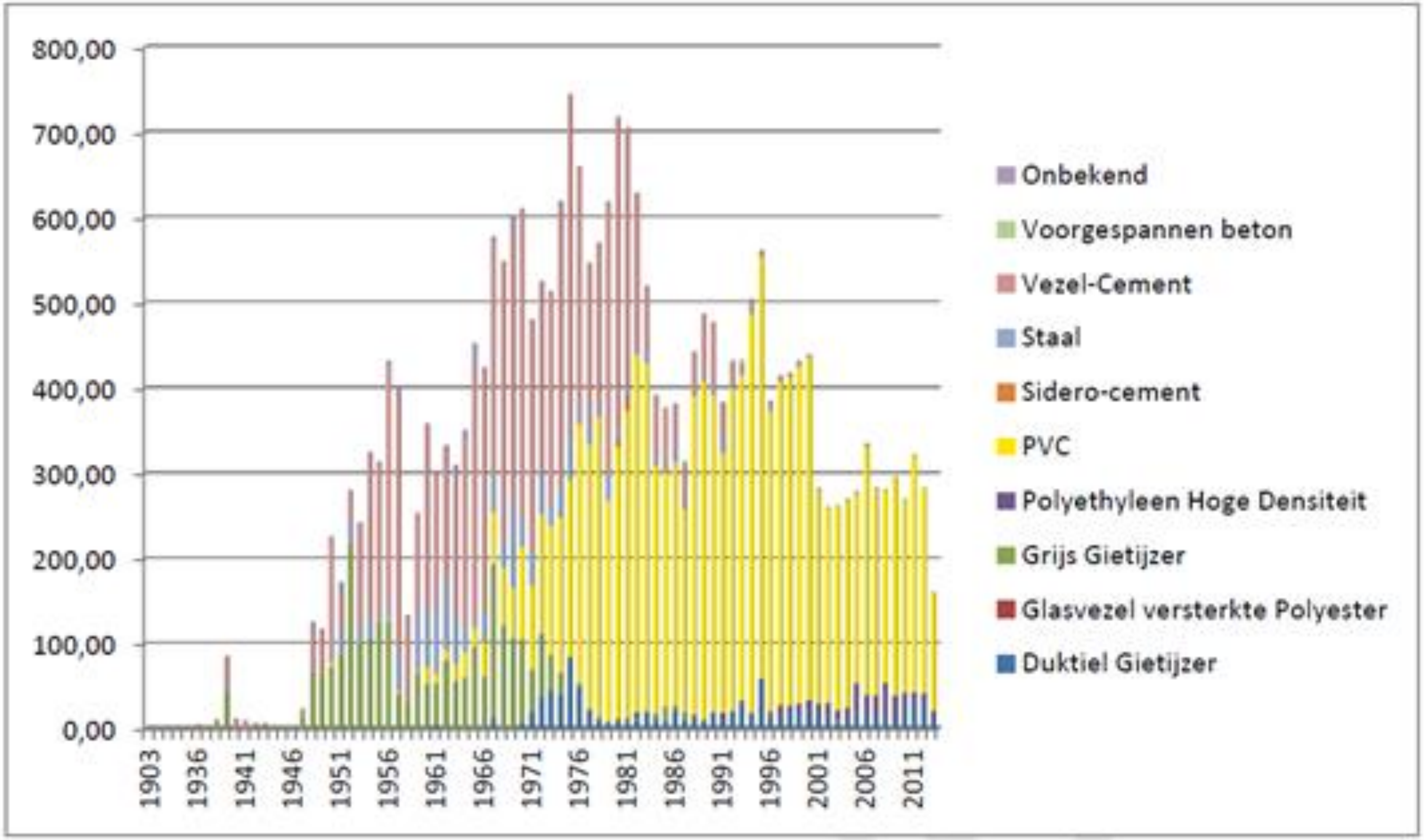
ADVANTAGES OF CONSOLIDATION
WHY DO WE INTEGRATE MUNICIPALITIES?

- Economies of scale
- Efficiency gain
- Optimizing costs
  - most costs are fixed costs (independent of volume)
  - income is variable (dependent of volume)
- Knowledge centre
  - valorisation of knowhow (technical, juridical, environmental …)
  - asset management
  - combination water + wastewater
  - quality control
- Financial capacity
- Best value for money for the (water)customer



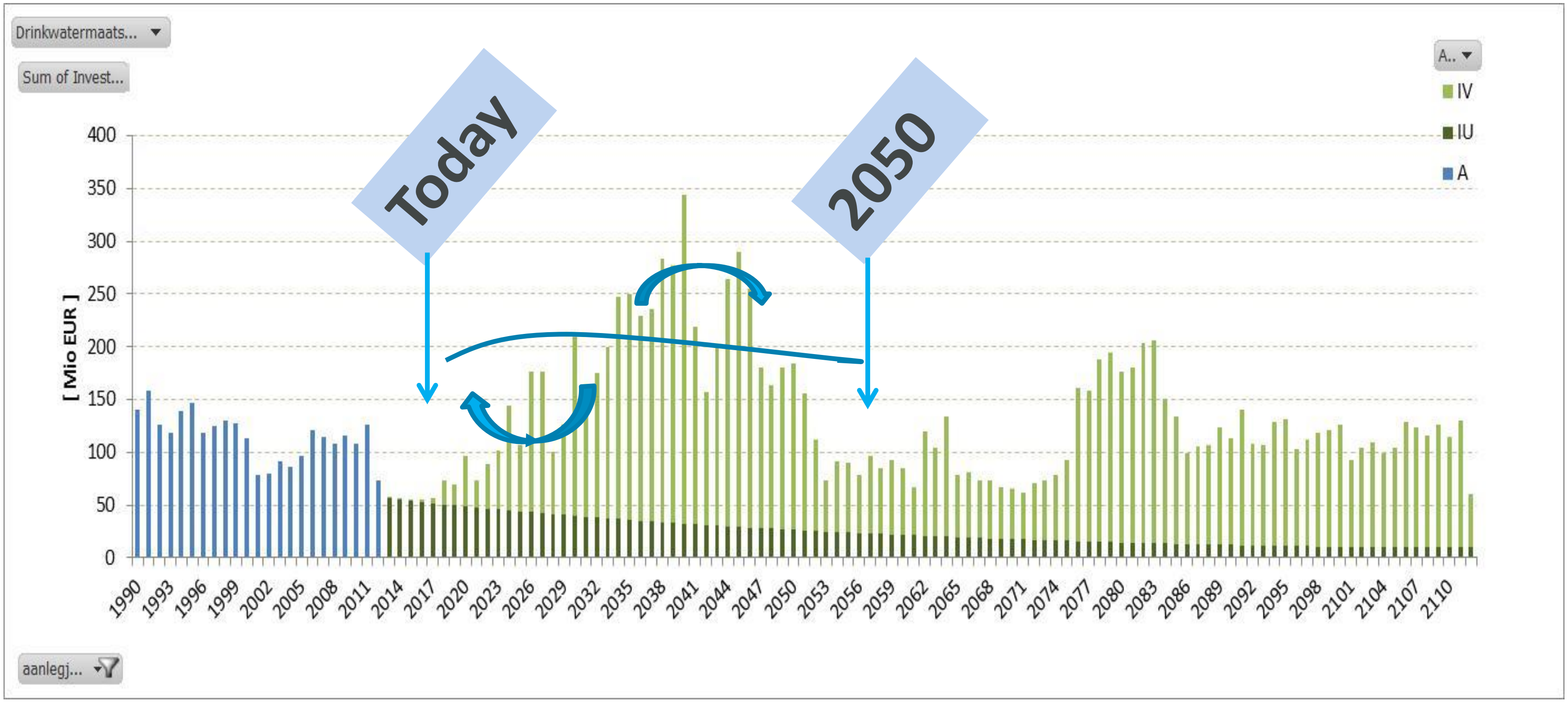
CONSTRUCTION RYTHM OF MAINS 1945-2015

2015: 300KM/YEAR



Figuur 2: Aantal kilometers actieve leiding per type materiaal, weergegeven per aanlegjaar (Bron: GIS).

RENEWAL OF ASSETS: 27,000 MILLION JPY



REGULATION IN FLANDERS

“Regulation is like a pizza

There is not one single recipe, but common ingredients.“

1. Rate-of-return regulation
2. Revenue-cap regulation
3. Price-cap regulation
4. Performance-based regulation
5. Benchmarking-based regulation

KEY INGREDIENTS OF THE PIZZA

- Long-term strategy
- Efficient water companies
- Ability to invest

- Total cost recovery
- Transparancy
- Affordability
- Uniform tariff structure

CHALLENGES FOR THE WATER SECTOR

RE-INVENTING OUR BUSINESS

the international water association

Financial…………………………...investments
Environment………………………water safety plans
Technical challenges……………..state of the art
Customer needs…………………..soft water, re-use rainwater
Industry needs……………………..re-use waste water

Re-invent your business model