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Capital Expenditures in Water Infrastructure

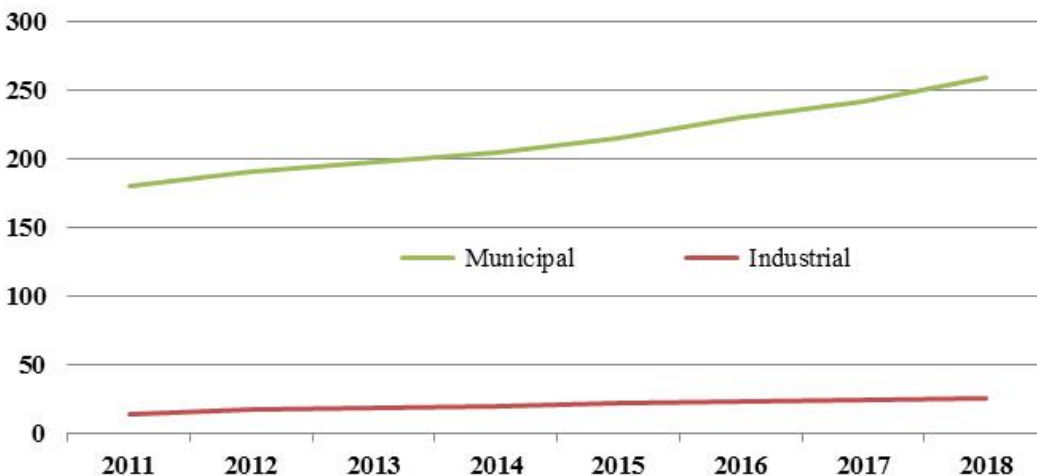
The graphic below outlines the difference between global municipal and industrial water infrastructure spending. The rate of growth on the municipal side is expected to be slightly higher between 2014 and 2018 (27%) than for industrial (25%). Growth for both water expenditure areas is greater than the IMF's stated growth in the global economy. However, the relative spending on municipal water in 2014 is 8 times higher than for industrial, rising to 10 times by 2018. Several reasons for this trend exist such as:

- Increased urban populations requiring major capital upgrades to large networks;
- More stringent municipal water quality and wastewater discharge limits; and
- Infrastructure being added to municipalities that previously had none.

Industrial users water needs are not increasing as rapidly, due in part to:

- Process efficiency increases that reduce specific water consumption/discharges;
- Systems were initially oversized and have not required upgrade; and
- Industrial users utilizing municipal infrastructure to meet their needs.

Global Water Capital Expenditure Forecast (\$US Billion)



Sources: *Global Water Intel (2014), KSH Consulting*

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