



# Launch of the 2018 Water Market Intelligence Report



**Dialogue on strengthening the WC water sector**  
**26 March 2018**

In partnership with:



# Report Outline

Aimed at investors – highlights key opportunities in the SA urban water sector

- Sector Overview
- Policy and Regulations
- Opportunities and Barriers
  - Industrial
  - Commercial
  - Residential
  - Municipal markets
- Funding and Incentives



Water

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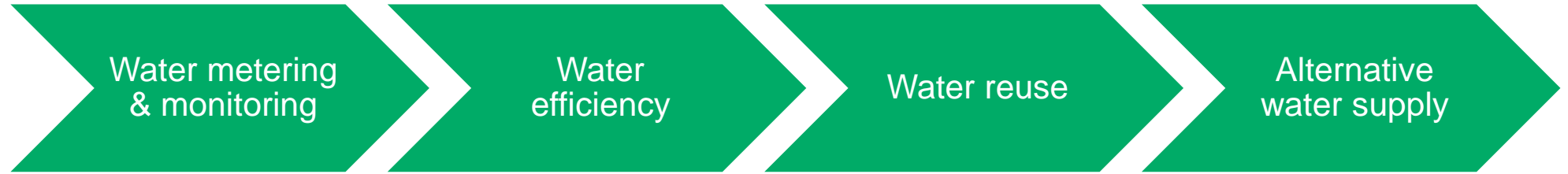
Market Intelligence Report

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# Key opportunities in the urban water sector

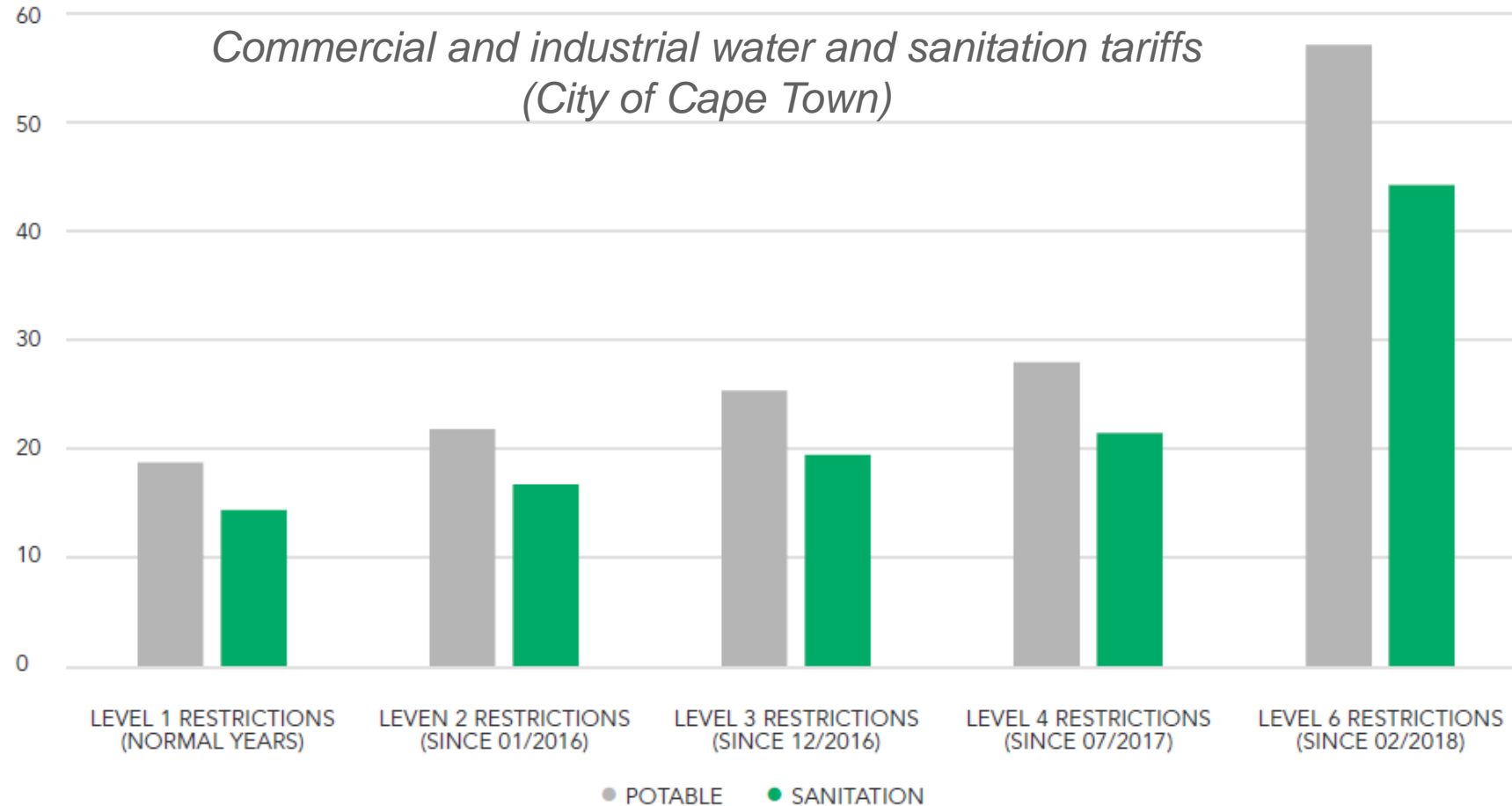


Market	Water metering and monitoring	Water efficiency and reuse	Alternative water supply
Industrial	<ul style="list-style-type: none"><li>• Smart water metering</li><li>• Water quality monitoring</li></ul>	<ul style="list-style-type: none"><li>• Industrial effluent treatment</li><li>• Upgrading treated effluent</li><li>• Water exchange networks (~2300 manufacturing sites in CT)</li></ul>	WC residential market R5.8 billion: <ul style="list-style-type: none"><li>• Groundwater supply</li><li>• Rainwater harvesting</li><li>• Seawater desalination</li></ul>
Commercial		<ul style="list-style-type: none"><li>• Onsite reuse</li><li>• Water efficient devices</li></ul>	
Residential		WC new development market: R900m (2018)	
Municipal	<ul style="list-style-type: none"><li>• Non-revenue water SA metro market: R2 billion p.a.</li></ul>	<ul style="list-style-type: none"><li>• Potable water reuse CT market: ~R2 billion</li></ul>	<ul style="list-style-type: none"><li>• Groundwater</li><li>• Seawater desalination</li></ul>

# General drivers



- Risks of insufficient water supply
- Tariffs historically too low to drive market, but increases have improved the business case



- Water restrictions
- Social responsibility



# General barriers

## Municipal market:

- Access to suitable off-budget funding (non-metro municipalities)
- Creditworthiness of the municipality
- Capacity constraints
- Procurement processes

## Private sector market:

- Capital costs – opportunity for innovative financing
- Property leasing
- Regulations (e.g. Water Use Licence timeframes, brine disposal)



# Outlook

There are good prospects for investment in the Western Cape and, more broadly, in the South African water sector.





# Thank You

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