

Changing international trade rules to solve local water challenges?

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All sizes

All countries

AquaFed

THE INTERNATIONAL FEDERATION OF
PRIVATE WATER OPERATORS

**All business
models**

**Global and European
focus**

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Knowledge on water in trade mechanisms is increasing

>> **we have new tools**
which will be even more useful
when further refined



Why such a focus on trade rules?

What is the rationale for changing international trade rules?

Freshwater is not a Global Public Good
It is closer to a Local Public Good
(except that its use is exclusive)

No global water scarcity crisis,
many local water scarcity crises

International trade makes many imbalances and distortions visible.

Should we not target their causes before their impact?

What is the “equity” imperative?

Nature has created geographical inequalities:

Temperature, natural resources, water, coastlines, mountains and plains, etc

Are we here to rectify nature?

Mankind has decided to develop in areas where water is now scarce. *Should we suggest to move people to water-rich areas? to Amazonia and Congo?*

All water users in a basin are interdependent. No reason to penalise one against the others > *all products coming from a same basin should be “penalised” in the same way*

Would it be “equitable” to add trade barriers or penalties which would make the life even more difficult in water-scarce countries?

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Major water resources concerns / flaws

Increasing water demand in many areas

Social: Local allocations not equitable

Economic:

- local allocations not optimal
(*water is underpriced*)
- Pollution refrains development

How can int'l trade rules improve these situations?

Ecosystems suffering (*quantity & quality*)

Overabstraction

Unsustainability
Life is at risk

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Improving water resources managt

- **through improving water-related policies?**

YES, at local, national, global levels

- **through markets?**

Pricing water better is certainly useful but not sufficient

Regulation by public authorities cannot be avoided

- **through international trade???**

How can **international trade** contribute to solve local imbalances that **national trade** is unable to solve?

- *Water-related distortions that are considered as unsatisfactory at global/international level are also unsatisfactory in local internal trade (China, India, USA)*

- *In most countries there is no single water price*

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Refine tools on water flows & pollution

Do not dream of
simplifying the waterworld
it is the world

>> no global policy on wastewater!!!

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Thank You



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Source: Suez