



Water Recognised as a Business Risk

One of the many challenges facing the Eastern Cape is a perennial water crisis. While rains have brought some relief, there will be more droughts, with weather patterns becoming more unpredictable than before. In short, the province faces a water-scare future.

This has a direct effect on investment and job creation. Global business is now making investment decisions based on the availability of water. Sanjay Guha, President, Coca-Cola Great Britain and Ireland, spelled it out in a talk given in London at the Chatham House 2009 Corporate Responsibility Conference: "Building a New Corporate Agenda". Guha told delegates "Sustainability is key to our long term success. Without sustainable communities, we don't have a sustainable business. And you can't have sustainable communities without access to water resources". It is estimated that by 2020, there will be a global water shortage of between 1 779 and 1 892 trillion liters a year.

One of the ways to protect a scarce resource like water is to raise the price. According to the Earth Policy Institute, municipal water rates have increased dramatically over the past five years, by as much as 27% in the United States, 32% in the United Kingdom, 45% in Australia, 50% in South Africa and 58% in Canada.

Both agriculture and business – the two biggest consumers of water – will be forced to look at ways of using water more cost effectively as prices continue to rise. The Eastern Cape already lives with regular water shortages – the district municipality of Cacadu and other areas has had to come to the rescue of the people by supplying water in tankers after town water supplies dried up. Cacadu is faced with the unusual challenge of being home to Nelson Mandela Bay's main storage supply dams – Churchill, Mpofu and Loerie – while suffering from regular water shortages. According to the Cacadu District Municipality Integrated Development Plan, water shortages are "common" in the Ikwezi, Bavians and Camdeboo areas, which often have less than 200 mm of rain a year. In response, the district has launched a rainwater harvesting project which sets out to supply rainwater tanks to all low income households.

Businesses and home owners can do the same. Darren Hanner, managing member of East London-based Eco Tanks, says there is an increasing demand from business for storage tanks. "You are either part of the problem or part of the solution – so save water in a tank and be part of the solution. Every living thing – including 'business,' is reliant on water," he says.

The Cacadu municipality's two biggest economic sectors – agriculture and tourism – both depend on water. Coastal resorts and towns all along the Eastern Cape coast regularly suffer water shortages over the main holiday periods. This creates both a threat to future tourism growth and an opportunity to find solutions. Innovative solutions are also needed for the province's two Industrial Development Zones. International companies are factoring in the availability of water when making investment decisions, says Guha. "Water sustainability is now central to our investment decisions. Potential markets and ease of distribution were once the key factor in deciding where to build plants. Now it is the long-term supply of water. We consult widely with community groups, as well as local and central government, before going ahead. We also understand that water challenges are local. It is not like reducing carbon emissions, which you can see in a global context. It's no good pointing to the progress you are making in Scotland, where there is plenty of rainfall, if you are doing too little to protect aquifers in drought-hit Africa," he told the Chatham House conference.

Water authorities are also doing their bit. In 2009/10, Amatola Water was awarded the prestigious Blue Drop award for the Laing, Peddie and Nahoon Water Treatment Works (WTW). The Butterworth Waste Water

Works also received the WISA Wilson's award for the second most improved waste water works in South Africa. Amatola Water's operations cover close to 125 100 square kilometers, or three-quarters of the province's 170 000 square kilometers, said chief executive Nomonde Mnukwa, in her report on the utility's financial results for the 2009/10 financial year.

There is, of course, also business to be done in providing equipment and support to users of water. DANISH company Grundfos recently launched its new solar-powered water booster pump in Nelson Mandela Bay. Henk Mulock Houver of Waterhouse, agents for the Grundfos range locally, says that there has been substantial buy-in from the agricultural sector. A full solar powered system allows farmers to irrigate, previously untenable areas. Pilot projects are also been undertaken within local manufacturing industries.

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