

Bottled Water

INTERNATIONAL MARKETS

A peek at the international bottled water market

Water coolers are making big waves in East Europe, according to the second *Zenith Guide to Water Coolers in East Europe* by Zenith International, a European drink consultant.

Unit numbers grew by 44 percent in 2000 to a total of 350,000, seven times the level in 1996. Two-thirds of these were electric and one-third ceramic dispensers or hand pumps. Sales volumes rose 47 percent to 317 million liters. "Water coolers now represent more than 5 percent of the entire East European bottled water market, compared to 1 percent just four years ago," says Richard Hall, chairman of Zenith.

Poland leads European countries with a 60 percent volume share. Russia places second with 22 percent. Other countries such as Ukraine experienced volume share with 3 to 4 percent.

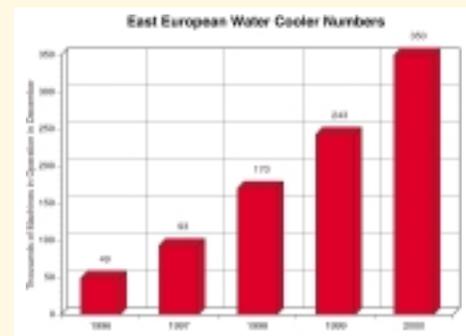
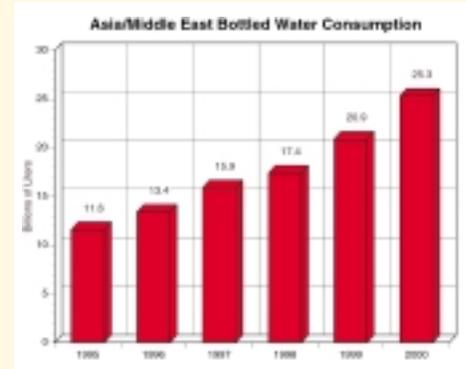
"Differences between the East and West are diminishing," Hall says. "Pumps and dispensers outnumbered electric machines in 1996, but electric coolers now have climbed to a 67 percent share." He also reports that domestic installations accounted for almost half of all units four years ago but the commercial segment has risen to 83 percent.

Hall reports that water coolers are overcoming the economic downturn during the late 1990 and predicts continuing growth to more than 860,000 units by 2005.

In addition, the Asian market also has seen growth. Zenith released a new study for the Asia Bottled Water Association that reports 45 percent growth since 1998, across 50 countries in Asia, the Transcaucasus, Middle East and North Africa. China, Indonesia and Thailand are the three largest Asian markets. Danone is the largest group in the region with a 16 percent volume share. Other companies have no more than 3 percent.

Sales reached 25.27 billion litres in 2000, more than double the level in 1995. The region represents 23 percent of global consumption, but pricing and currency pressures have held back the market's value to a 15 percent global share at \$4.7 billion. China and Japan are the two leading markets by value, accounting for approximately \$2 billion between them.

"Consumption is rising fast because economic growth is making bottled water more affordable and tap water supplies often are unable to keep up with population and urban growth," reports Gary Roethenbaugh,



director of Zenith's research and development. He also says that the Asian bottled water market is young, reporting an estimated 7 liters per person. Zenith expects that to double to more than 50 billion liters in 2005. **WQP**

For additional available reports, visit www.zenith.com.

For more information on this subject, write in 1011 on the reader service card.