

The 'Fluid' Economy

Steadily rising fuel and food prices and a slowdown of the U.S. economy are making their mark. The market turmoil is having an effect not only on consumer spending habits but likely the water industry as well.

Despite the gloomy forecasts, in May, Morgan Stanley closed on a \$4 billion new infrastructure fund, significantly exceeding its original target of \$2.5 billion and clearly demonstrating that Wall Street is interested in investing in public infrastructure.

Goldman Sachs Group, Inc. raised a \$6.5 billion infrastructure fund last year. Citigroup, Inc. is also raising money for an infrastructure fund that is expected to be in the \$4.5 billion range, exceeding its \$3 billion target, according to DealMakerDaily.com.

This comes as no surprise. Generally, investors look at infrastructural investments as more stable, not to mention that because the majority of infrastructure in the U.S. was built during the first 30 years after World War II, it is hard to ignore the upsurge of infrastructure rehabilitation and replacement the nation will face over the next several decades.

However, infrastructure is not the only problem we are facing today. Climate change and drought are affecting many areas in the U.S.

According to a report from the Bush administration, rising temperatures caused by higher emissions of carbon dioxide will likely impact America's agriculture, land and water resources and biodiversity in the next 25 to 50 years.

While it is hard to predict exactly how climate change will affect the water and wastewater market, it is likely that soon consumers will add the cost of water next to the soaring cost of food and oil.



Neda Simeonova,
editorial director
nsimeonova@sgcmail.com

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Water & Wastes Digest
3030 W. Salt Creek Lane, Suite 201
Arlington Heights, IL 60005-5025
tel: 847.298.6622 • fax: 847.390.0408
www.wwdmag.com

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dmartyka@sgcmail.com
Associate Publisher Greg Tres
gtres@sgcmail.com
Director of Production Operations Judith H. Schmuesser
jschmuesser@sgcmail.com
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dsoltis@sgcmail.com
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mserino@sgcmail.com

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SALES OFFICE

6900 E. Camelback, Suite 400 • Scottsdale, AZ 85251
tel: 480.941.0510 • fax: 480.423.1443

Senior Accounts Manager Matthew Jablonka
mjablonka@sgcmail.com (phone x24)
Regional Sales Manager David Rairigh
drairigh@sgcmail.com (phone x25)
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esmith@sgcmail.com (phone x14)
Regional Sales Manager Fred Ferris
fferris@sgcmail.com (Arlington Heights office, 847.391.1003)
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byanez@sgcmail.com (phone x12)
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lglen@sgcmail.com (phone x17)
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mmansour@sgcmail.com (phone x16)
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daly@sgcmail.com (phone x13)
Reprint Coordinator Adrienne Miller
amiller@sgcmail.com (Arlington Heights office, 847.391.1036)
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