# **Comparison of Drinking Water Prices**

## Project

### Duration

Feb 1996 - Mar 1998

Water prices have become the topic of an often heated political debate in many European countries. Rising prices increasingly call into question the costly measures to protect consumers, health and the environment. Against this background international comparisons of water prices have been attracting more and more media and political attention.

Germany is often represented, especially in extremely simplified comparisons, as one of the states with the highest prices. Consequently, the size of the structure and the governing body of the water supply in Germany, as well as sometimes even the achieved level of protection for customers and waterbodies, are subjects of partly harsh criticism.

In this project, the costs of water supply services and water prices in selected Member States of the European Union were investigated: in addition to Germany also Denmark, France, Italy, the Netherlands, Spain, as well as England and Wales are included. An analysis of available studies and statistics was complemented with research and interviews carried out by experts based in the countries under study. The results were documented in case study reports. These provided the working basis for the entire report.

There are clearly a number of obstacles to international comparisons, and the distorting influence of these factors can only be assessed and controlled on the basis of detailed knowledge of the units under comparison (supply areas, municipalities, regions, states). Different tariff structures with fixed and variable components are prominent among these, as are the allocation of costs for new connections, accounting and invoicing procedures, taxes and charges, depreciation of assets and their fiscal and liquidity effects, provisions and reserves, subsidies and cross-subsidies as well as differences in the quality of the services provided. Although these factors are likely to be relevant for international comparisons of water prices, the data and information necessary for a systematic comparison of the costs and prices of water supply services are nevertheless not currently available in the Member States investigated.

Despite this fact, this research project nevertheless was able to provide a comprehensive overview of relevant differences. It also revealed a number of shortcomings in existing international comparisons of water prices, and identified possibilities for improving such comparisons.

The entire project report is published in the series UBA-Texte 22/98. The <u>summary</u> [pdf, 76 kB, English] of the project report is online available.

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## Partner

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