PSP IN WATER

The world's top 50 private water operators

GWI's survey of the number of people served by large private water operators offers a number of clues as to how the market is evolving. A growing emphasis on industrial water and digital solutions means that it is not always about who serves the most people.

More people than ever before receive water and wastewater services from private sector entities, according to new data compiled by Global Water Intelligence this month, with the fifty largest companies alone serving a cumulative total of well over 1.1 billion people.

The top four spots are unchanged since our last survey in November 2017, while Wabag's rapid growth in its home market means the Indian company rises to sixth place. Acciona and Aqualia, meanwhile, both secure places in the coveted top ten.

In terms of absolute numbers, the loss of the ATLL contract in Barcelona effectively cancelled out the gains that Acciona made elsewhere last year, and if Suez bows to shareholder pressure and sells Agbar Spain (*see Need to Know p4*), it also risks around 5 million being wiped from its tally.

One of the principal challenges of a data collection exercise like this is that everyone wants to shoe-horn in as many references as possible, irrespective of whether plants were built on an EPC-only basis, whether they are on- or offline, whether contracts have expired, or – as was the case with one company – whether a single irrigation contract serving 39 million people was eligible for inclusion (we decided it wasn't).

By sorting through hundreds of references, we have done our best to eliminate double-counting, although that caveat only applies at the company level. By way of example, a Suez/Broadspectrum team currently operates metropolitan Adelaide's water and wastewater infrastructure, but the scope of the contract excludes the city's desalination plant, which is operated by Acciona. Both contracts serve the same city residents, but to be fair to both companies, the respective totals have been included in both Suez's and Acciona's tallies. Similarly, Veolia's big wastewater win in Bordeaux last year adds more than a million people to its total, but there is no discount for former incumbent Suez, which retains the drinking water contract in the city.

Although Veolia and Suez provide separate totals for the number of people they serve in water (Veolia: 100m; Suez: 101.8m) and wastewater (Veolia: 61m; Suez: 66.3m), neither company was able to provide a consolidated total. We have therefore had to estimate both numbers, taking into account contract wins and losses as well as acquisitions and disposals, while making educated guesses as to how many people receive both water and wastewater service from the same company.

At just under nine people, the highest average household size in the world is in Senegal, which bumps up the number of people served by pan-African utilities specialist Eranove quite nicely. With the Senegalese authorities deciding to switch their allegiance to Suez from the beginning of next year, however, Eranove is going to have to do some serious deal-making to retain its place in the top 50.

Interestingly, none of the top ten players is ideally positioned to benefit from the potential opening up of the Brazilian water concessions market in the wake of key legislation due to be passed later this year. Instead, Sabesp – the only top ten player with meaningful exposure in the country – will face greater competition from private sector players, while Acciona only has the merest of toeholds.

With Suez under pressure to step up its asset rotation strategy, large O&M contracts in Adelaide and Perth both up for grabs over the next 18 months or so, the Chinese leaning increasingly towards rural contracts, and European companies such as Aqualia and Saur buying established players to enter new markets, the picture could look very different when the time comes to do the next survey. ■

PSP IN CHINA

China's private water operators diversify their exposure

As the country puts more emphasis on rural provision and environmental protection, players are adapting their strategies to fit.

Thirteen of the world's twenty largest private sector operators of water and wastewater infrastructure are based in China, according to data published by Global Water Intelligence this month.

The rise in the number of people served by the major players is only partly a result of new greenfield contracts being signed, however, as previously contracted capacity comes online, and acquisitions of existing assets continue to proliferate.

As the focus of China's municipal water and wastewater market switches from urban to rural coverage, players such as Anhui Guozhen Environmental Protection are taking full advantage, and while actors such as Yunnan Water continue to aggressively pursue PPP contracts, the pace at which market leader Beijing Enterprises Water is going after new PPPs has slowed, as the company increasingly focuses on projects tendered under the Yangtze River Economic Belt Environmental Protection programme. This initiative is led by state-owned power company Three Gorges Corporation, which took a 5% stake in BEWG last year, and is now looking to build further market share by buying 15% of plant owner/operator Wuhan Holding.

To work out the population served by each company, we took the design capacity of the plants they own and operate, and calculated population equivalent figures using the Ministry of Housing and Urban-Rural Development's average figure for domestic water consumption (275.5 l/c/d). For utilities which are only active in certain cities, such as Chongqing Water, we used city-specific consumption rates. To calculate the population receiving wastewater services, we used a co-efficient of 0.9 to water consumption, stripping out wastewater figures for projects providing both services in order to avoid double-counting. ■

Rank	Company	Country	Water revenues	No. of people served	Notes
1	Suez [a]	France	€9.7bn	135,000,000	Progress in India; ramp-up in US M&A; Spanish risks looming
2	Veolia	France	€10.9bn	129,000,000	Gains in Japan, France and USA; Gabon contract expropriated
3	Beijing Enterprises Water	China	HK$24.6bn	78,193,095	Shifting away from new PPPs to Yangtze River programme
4	Shanghai Industrial Holdings	China	HK$6.3bn	62,796,935	Includes SIIC Environment (46.67%) and General Water (45%)
5	Beijing Capital	China	RMB8.42bn	50,000,000	Includes 100% of Hebei Huaguan EP Science & Technology
6	VA Tech Wabag	India	INR27.8bn	48,430,172	Benefiting from One City, One Operator model in India
7	Acciona Agua	Spain	€639m	40,555,549	Loss of ATLL contract cancels out effect of new contract wins
8	Shenzhen Water	China	RMB7.42bn	30,000,000	Provides water & wastewater services in 7 Chinese provinces
9	Sabesp	Brazil	BRL16.1bn	27,900,000	Steady growth, but private sector competition on the way
10	FCC (Aqualia)	Spain	€1.115bn	25,137,500	Significant expansion in Spain, France, Egypt, Tunisia, UAE
11	Beijing Origin Water	China	RMB9.28bn	24,198,427	Around one third of wastewater portfolio is built & operational
12	Shanghai Chengtou Holding	China	RMB10.4bn	23,239,622	Includes Shanghai Chengtou Water and Shanghai Env. Group
13	China Water Affairs [b]	China	HK$7.7bn	22,000,000	Pop. served has more than doubled since 2016 thanks to M&A
14	Tianjin Capital Environmental	China	RMB2.07bn	20,125,025	Water & wastewater utility for Tianjin, with projects nationwide
15	Chongqing Water Group	China	RMB5.17bn	17,274,499	Acquired 100% of water utility in Jiangjin District in 2019
16	Manila Water	Philippines	PHP19.84bn	16,959,971	Added significant provincial contracts in the Philippines
17	Chengdu Xingrong Env. Co., Ltd.	China	RMB3.6bn	16,652,429	Chengdu's water & wastewater utility, with projects nationwide
18	Guangdong Investment	China	HK$8.23bn	15,636,822	Acquired 79% of Jiangxi Haihui Utility (China) in April 2019
19	China Everbright Water Ltd.	China	HK$4.77bn	15,587,820	Listed on Hong Kong Stock Exchange in May 2019
20	Anhui Guozhen Env. Protection	China	RMB4bn	15,003,025	Most aggressive growth in towns and rural areas
21	BRK Ambiental	Brazil	BRL2.3bn	15,000,000	Brazil's largest majority privately-owned water service provider
22	Thames Water	UK	£2.1bn	15,000,000	The UK's largest regulated water and sewerage company
23	Hua Yan Water	Hong Kong	HK$2.52bn	14,921,960	Bought 26.67% of Foshan Water in 2018-2019
24	Sound Global	China	RMB4.81bn	14,519,056	Continues to win contracts, despite financial woes
25	Remondis Aqua	Germany	-	14,400,000	Includes Istanbul; excludes industrial contracts
26	Yunnan Water	China	RMB4.47bn	14,150,030	Massive capacity ramp-up due to BOT/TOT contract successes
27	American Water Works	US	$3.44bn	14,000,000	Accelerated regulated growth; exited municipal contract ops
28	Jiangxi Hongcheng	China	RMB2.57bn	13,819,380	Controls 80% of Jiangxi Province's sewage treatment market
29	Acea	Italy	€880m	12,860,476	33% of pop. served is under long-term concessions in LatAm
30	Eranove	France	-	12,737,610	Set to lose large contract in Senegal in January 2020
31	Tus Environmental	China	RMB642m	12,663,844	Acquired 100% of operator Thunip Corp. in April 2018
32	Kangda Int'l Environmental	China	RMB3bn	12,569,066	Strong organic growth from new municipal BOT/TOT projects
33	Saur	France	€1.3bn	12,400,000	Pushing into LatAm and the Middle East under new owners
34	SPML Infra	India	INR7.787bn	11,951,000	Excludes those served by the SAUNI Yojana irrigation project
35	Copasa	Brazil	BRL4.17bn	11,330,000	Continues to renew and secure new concession contracts
36	Sanepar	Brazil	BRL4.16bn	11,000,000	Incremental organic growth in core franchise in Paraná State
37	Metro Pacific Investments Corp.	Philippines	PHP22.9bn	10,921,443	Expanding internationally through acquisitions in Vietnam
38	Jacobs	US	$1.5bn	9,300,000	Rapidly gaining market share in the US contract ops sector
39	ACWA Power/Nomac	Saudi Arabia	-	8,500,000	Total aggregated from desalination plant portfolio in the Gulf
40	Aguas Andinas	Chile	CLP530bn	8,500,000	Pop. also included in Suez total due to majority ownership
41	Vishvaraj Infrastructure	India	-	8,004,000	Largest contract in Nagpur is shared 50:50 with Veolia
42	Severn Trent	UK	£1.767bn	8,000,000	Figures include the Hafren Dyfrdwy company in Wales
43	Sembcorp Utilities	Singapore	-	7,578,581	Figures include the Salalah and Fujairah desal plants
44	Hyflux	Singapore	S$290m	7,104,478	Excludes Tuaspring; includes Qurayyat desalination plant
45	United Utilities	UK	£1.818bn	7,000,000	Modest organic growth from existing franchise area
46	Aegea Saneamento	Brazil	BRL1.73bn	6,629,691	Acquired Manaus in 2018; Sagua deal cancelled in July 2019
47	Iguá Saneamento	Brazil	BRL745m	6,594,670	Minority stakes in local subsidiaries bought out in 2018
48	Penyao Env. Protection Co., Ltd.	China	RMB772m	6,241,178	Acquired 51% of China Railway Urban-Rural Env. in late 2018
49	GS Inima	South Korea	-	6,234,229	Total reflects GS Inima's concessions and O&M projects
50	Anglian Water	UK	£1.28bn	6,000,000	Serves fastest-growing region of the UK in terms of population

a) Includes Aguas Andinas, Lydec, and the former GE Water *b) Excludes CWA's 29.5% stake in Kangda International* *Source: GWI WaterData; company data*