

# List of water remunicipalisations in Asia and worldwide – As of April 2014

by

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This PSIRU Briefing draws on the following PSIRU Reports, among other sources.

- Lobina, E., Hall, D. (2013) Water Privatisation and Remunicipalisation: International Lessons for Jakarta. *PSIRU Reports*, prepared for submission to Central Jakarta District Court Case No. 527/Pdt.G/2012/PN.Jkt.Pst, November 2013 (<http://www.psiru.org/sites/default/files/2014-W-03-JAKARTANOVEMBER2013FINAL.docx>).
- Hall, D. (2012) Re-municipalising municipal services in Europe. PSIRU Report commissioned by the European Federation of Public Service Unions (EPSU), May 2012, revised November 2012 (<http://www.psiru.org/sites/default/files/2012-11-Remun.docx>).

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The tables below list the cases of remunicipalisation occurred in the last 15 years in high-, middle- and low-income countries.<sup>1</sup> These remunicipalisations – which as of April 2014 total 100 - occurred mainly for three reasons: the widespread problems affecting water privatisation irrespective of country and regulatory regime; the equal or greater efficiency of public water services, and the lower prices resulting from elimination of excessive profits; and, the comparative advantage of the public sector in realising the human right to water and sanitation and achieving other social and environmental objectives.<sup>2</sup> These reasons have led to water remunicipalisation in Asian countries like Kazakhstan, Uzbekistan, Malaysia and Indonesia.

- **Almaty, Kazakhstan:** In 1999, French multinational Vivendi (presently Veolia) won a 30-year water supply and sanitation concession in Almaty. The concession was terminated and remunicipalised in 2003 due to disagreements on the price increases demanded by Veolia, which were double what the government was prepared to accept. Veolia demanded to increase tariffs from US\$0.08 per cubic meter in 1999 to US\$0.12 in 2002 and US\$0.29 in 2005. This compared with US\$0.15 charged in 2005 by the state owned “Vodokanal” after remunicipalisation.<sup>3</sup>
- **Astana, Kazakhstan:** Following the termination of its Almaty concession in 2003, Veolia abandoned Kazakhstan. This meant that Veolia withdrew from a \$US90 million contract to build a new bulk water supply pipeline to serve Astana and its growing population.<sup>4</sup>
- **Ust-Kamenogorsk, Kazakhstan:** In 2004, the Kazakh company IR-Group won a 25-years water supply and sanitation operating contract. Local authorities expected to improve the efficiency and reliability of water supply and sewerage networks, but these expectations were not met. In addition, the private operator made inadequate investments in the system, and had a high staff turnover, paid low wages and lacked specialist staff. The contract was terminated and remunicipalised in 2007.<sup>5</sup>
- **Bukhara and Samarkand, Uzbekistan:** In 2003, Veolia won a water management contract covering the two cities of Bukhara and Samarkand. The Uzbek government terminated the contract soon after due to disagreements on the price increases demanded by Veolia. The contract was then awarded to the Austrian-Swedish company Amiwater. The second contract was terminated and remunicipalised in 2007 due to the poor performance of the private operator.<sup>6</sup>
- **Kuala Lumpur, Malaysia:** Malaysia is in the process of renationalising its water network. In Selangor province, which includes Kuala Lumpur, the water concession is held by Syabas, owned by the Malaysian private company Puncak Niaga. Under its management fee agreement with its parent company Puncak Niaga, Syabas has to pay Puncak management fees amounting to RM8.4 annually and RM32 million since 2005. Syabas awarded 72 percent of contracts, worth RM600 million [US\$180m.], without open tender. Tariffs charged by Syabas are RM0.77 per cubic meter, more than double the amount of RM0.37 charged by the public sector water operator in Penang State.<sup>7</sup> In March 2014, Malaysia’s federal government and the government of the Selangor state decided to unilaterally terminate four private concessions in Selangor including the concession held by Puncak Niaga’s Syabas in Kuala Lumpur.<sup>8</sup>
- **Badung Bali, Indonesia:** In January 2013, the local government decided not to renew a 20-year contract with a consortium of Indonesian companies - PT. Mahasara Buana, PT. Intan Dyandra Mulya, and PT. Dewata Artha Kharisma – when the contract expired in early 2013. The new public water operator PDAM Tirta Mangutama was expected to improve service quality compared to private operations.<sup>9</sup>
- **Jakarta, Indonesia:** In 1997, two 25-year water concessions were awarded to two consortia respectively led by subsidiaries of multinationals Suez and Thames Water. The two concessions have been highly controversial, due to lack of transparency in the award of the contracts and poor performance,<sup>10</sup> and a citizen lawsuit is demanding that the Central Jakarta District Court passes an injunction ordering the Jakarta government to terminate the concessions.<sup>11</sup> In March 2014, Jakarta’s government planned to use publicly-owned enterprise JakPro to take over the shares held by Suez in the Jakarta concession and effectively terminate the contract.<sup>12</sup> The future of Jakarta’s water supply looks increasingly a future in public hands.

For similar reasons to those that caused the water remunicipalisations in Asia, major cities in the US (e.g. Atlanta, Indianapolis) and Europe (e.g. Paris, Berlin) have remunicipalised their water services. The case of Paris is symbolically powerful as Paris hosts the headquarters of the two major water multinationals, and because these two multinationals were holding the private contracts that were terminated in 2009.<sup>13</sup> Also, Paris<sup>14</sup> and Berlin (which decided to remunicipalise in September 2013)<sup>15</sup> are the capital cities of the two countries (France and Germany) that are regarded as leading the European Union project.<sup>16</sup>

As of April 2014, the cases of remunicipalisation around the world total 100. All of these except four took place between 2000 and 2013. Of the 100 remunicipalitions, 66 are in high income countries and 34 in middle- and low-income countries. The cases in high income countries show a marked acceleration: 36 out of 66 took place in the five years between 2009 and 2013, while 20 occurred between 2004 and 2008. The pace of remunicipalisation has therefore increased by 50% after 2009. This is due to the example of Paris which produced an even stronger acceleration in France. Of the 21 remunicipalisations that took place in France, 15 occurred in the four years between 2010 (when Paris remunicipalised) and 2013, while the remaining six occurred in the 12 years between 1997 and 2009. It is also significant that such a high number of cases are concentrated in France, where the experience with water privatisation is more extensive and goes back decades. In middle and low income countries, remunicipalisation takes a slightly different pattern. However, even here there is a large number of remunicipalisations with high profile cases including Almaty, Kuala Lumpur, Bandung Bali, Buenos Aires, La Paz, Johannesburg, Dar-es-Salaam, and Accra. Also, the net global trend since 2006 is in favour of remunicipalisation.<sup>17</sup> Overall, there is a strong remunicipalisation trend both in the global North and South.

**Table 1: High income countries (66 cases)**

Country	City	Date	Company	Status
Belgium	Regional (Aquafin)	2004	Severn Trent	TS
Canada	Hamilton	2004	American Water	TE
Canada	Hamilton	2006	Enron	
France	Durance-Luberon	1997	Suez	TE
France	Grenoble	2000	Suez	T
France	Varages	2002	Suez	TE
France	Castres	2003	Suez	T
France	Cherbourg	2005	Veolia	TE
France	Châtellerault	2007	Veolia	TE
France	Paris	2009	Suez, Veolia	TE
France	Est ensemble (Greater Paris)	2010	Veolia	TE
France	Toulouse	2010	Veolia	TP
France	Eaux Barousse Comminges Save	2011	SEM Pyrénées	TE
France	Bordeaux	2011	Suez	TP
France	Evry Centre Essonne (Greater Paris)	2011	Veolia	TE
France	Nantes	2011	Gradual	TE
France	Rouen	2011	Gradual	TE
France	Montbéliard	2011	Veolia	T
France	Brest	2012	Veolia	E
France	St Malo	2012	Veolia	T
France	Eau des collines (Aubagne)	2013	Veolia	T
France	Vernon	2013	Veolia	TE
France	Rennes	2013	Veolia	TE
France	Nice	2013	Veolia	TE
Germany	Bergkamen	1995	Gelsenwasser	T

Germany	Krefeld	2005	RWE	T
Germany	Stuttgart	2010	EnBW	TE
Germany	Solingen	2012	MVV Energie AG	T
Germany	Bielefeld	2012	Stadtwerke Bremen/Essent	T
Germany	Oranienburg	2012	Gelsenwasser	T
Germany	Berlin	2013	Veolia/RWE	T
Germany	Burg (Sachsen-Anhalt)	2014	Veolia	TE
Germany	Rostock	2014	Remondis	TP
Hungary	Kaposvar	2007	Suez	E
Hungary	Pecs	2011	Suez	T
Hungary	Budapest	2012	Suez	T
Italy	Reggio Emilia	2012	IREN	TE
Italy	Varese	2012	a2a	T
Spain	Medina Sidonia	2003		T
Spain	Aguas del Huesna (Alanís de la Sierra, Alcolea del Río, Almadén de la Plata, Brenes, Las Cabezas, Cantillana, Carmona, Cañada Rosal, Constantina, El Coronil, El Cuervo, El Madroño, Los Molares, Lebrija, Los Palacios y Vfca., El Pedroso, El Real de la Jara, Tocina, Vva. Del Río y Minas, El Viso del Alcor, San Nicolás del Puerto, Utrera)	2007	ACS	T
Spain	Figaró Montmany	2010	CASSA Group	T
Spain	Arenys de Munt	2011	SOREA (AGBAR)	T
Spain	Arteixo	2013	Aqualia (FCC)	T
Spain	La Línea de la Concepción	2013	Aqualia (FCC)	T
USA	North Brunswick (water)	2002	United Water (Suez)	TE
USA	Atlanta	2003	Suez	T
USA	Montara	2003	American Water	T
USA	Angleton	2004	Veolia	T
USA	Laredo	2005	United Water (Suez)	W
USA	North Brunswick (sewerage)	2006	United Water (Suez)	TE
USA	Petaluma (wastewater treatment)	2007	Veolia	TE
USA	Houston (water treatment)	2007	United Water (Suez)	T
USA	Stockton	2008	OMI-Thames Water	T
USA	Fairfield-Suisun (wastewater treatment)	2008	United Water (Suez)	T
USA	Felton	2008	American Water	T
USA	Gloucester	2008	United Water (Suez)	TE
USA	Burley (wastewater treatment)	2009	Veolia	T
USA	Gary	2010	United Water (Suez)	T
USA	Milwaukee	2010	United Water (Suez)	T
USA	Indianapolis	2010	Veolia	T
USA	Schenectady (wastewater treatment)	2011	Veolia	T
USA	New Albany	2012	American Water	T
USA	Gladewater	2012	Veolia	T
USA	Coeburn	2013	Veolia	T
USA	Storm Lake	2014	Veolia	T
USA	Weslaco	2014	CH2M Hill	T

**Table 2: Low and middle income countries (34 cases)**

Country	City	Date	Company	Status
Argentina	Buenos Aires	2006	Suez	T
Argentina	Buenos Aires Province 1	2002	Enron	T
Argentina	Buenos Aires Province 2	2006	Impregilo	T
Argentina	Santa Fe	2006	Suez	T
Argentina	Tucuman	1998	Veolia	T
Bolivia	Cochabamba	2000	Bechtel	T
Bolivia	La Paz/El Alto	2007	Suez	T
Central African Republic	Bangui	2001	SAUR	T
China	Da Chang (Shanghai)	2004	Thames	W
China	Shenyang	2002	Suez	T
Colombia	Bogota (treatment plant)	2004	Suez	T
Colombia	Bogota 1 (water supply)	2010	Gas Capital	T
Gambia		1995	Veolia	T
Ghana	National	2011	Vitens, Rand Water	TE
Kazakhstan	Ust-Kamenogorsk	2007	IR-Group	T
Kazakhstan	Almaty	2003	Veolia	T
Indonesia	Badung Bali	2013	Mahasara Buana, Intan Dyandra Mulya, Dewata Artha Kharisma	TE
Malaysia	Kuala Lumpur (Selangor state)	2014		TP
Malaysia	Indah Water Consortium (sanitation)	2001	Prime Utilities	S
Mali	Bamako	2005	SAUR	T
South Africa	Amahthali (Stutterheim)	2005	Suez	T
South Africa	Johannesburg		Suez	TE
South Africa	Nkonkobe (Fort Beaufort)	2002	Suez	T
Tanzania	Dar-es-Salaam	2005	Biwater	T
Turkey	Antalya	2002	Suez	T
Ukraine	Lugansk	2012	Rosvodokoanal	T
Ukraine	Kirovograd	2008	Water Services, LLC	T
Uruguay	Aguas de la Costa	2006	Suez	T
Uruguay	URAGUA	2006	Urbaser	T
Uzbekistan	Bukhara	2007	Veolia	T
Uzbekistan	Samarkand	2007	Veolia	T
Venezuela	Monagas state	2001	FCC	TE
Venezuela	national	2002	Aguas de Valencia	T
Vietnam	Thu Duc	2003	Suez	T

Source: PSIRU

T = Terminated

E = Contract expired and not renewed

P = Planned termination

S = Sold by private operator

W = Private operator withdrawn

## Notes

- <sup>1</sup> Details on 30 of the 81 terminated contracts are available in Hall, D., Lobina, E. (2010) Replacing failed private water contracts. *PSIRU Reports*, January 2010 (<http://www.psiru.org/sites/default/files/2010-01-W-Jakarta.doc>).
- <sup>2</sup> Hall, D., Lobina, E. (2008) Water Privatization. *PSIRU Reports*, April 2008 (<http://www.psiru.org/sites/default/files/2008-04-W-over.doc>); Hall, D., Lobina, E. (2009) Water Privatization, in Arestis, P., Sawyer, M. (eds.) *Critical Essays on the Privatization Experience*, International Papers in Political Economy Series, Basingstoke and New York: Palgrave Macmillan, pp. 75-120; Lobina, E., Hall, D. (2008) The comparative advantage of the public sector in the development of urban water supply, in *Progress in Development Studies*, 8(1), pp. 85-101; Lobina, E. (2013) Remediable institutional alignment and water service reform: Beyond rational choice, in *International Journal of Water Governance*, 1(1/2), pp. 109-132.
- <sup>3</sup> Maslyukivska, O., Sohail, M. (n.d.) Existing constraints in the Europe and CIS region. Module 5, Identifying constraints. Material prepared for UNDP ([http://europeandcis.undp.org/files/uploads/PPP/05\\_Constraints.pdf](http://europeandcis.undp.org/files/uploads/PPP/05_Constraints.pdf)).
- <sup>4</sup> Maslyukivska, O., Sohail, M. (n.d.) Existing constraints in the Europe and CIS region. Module 5, Identifying constraints. Material prepared for UNDP ([http://europeandcis.undp.org/files/uploads/PPP/05\\_Constraints.pdf](http://europeandcis.undp.org/files/uploads/PPP/05_Constraints.pdf)).
- <sup>5</sup> Institute of Urban Economics (2010) "Obzor Uchastiya Chastnogo Sektora V Vodosnabzhenii i Vodootvedenii Stran VEKTSa" (Review of Involvement of Private Sector in Water in VEKTSa Counties). Available at: [http://portal-energo.ru/files/articles/portal-energo\\_ru\\_sistemi\\_vodosnabzheniya\\_stran\\_vostochnoy\\_evropi.doc](http://portal-energo.ru/files/articles/portal-energo_ru_sistemi_vodosnabzheniya_stran_vostochnoy_evropi.doc)
- <sup>6</sup> Institute of Urban Economics (2010) "Obzor Uchastiya Chastnogo Sektora V Vodosnabzhenii i Vodootvedenii Stran VEKTSa" (Review of Involvement of Private Sector in Water in VEKTSa Counties). Available at: [http://portal-energo.ru/files/articles/portal-energo\\_ru\\_sistemi\\_vodosnabzheniya\\_stran\\_vostochnoy\\_evropi.doc](http://portal-energo.ru/files/articles/portal-energo_ru_sistemi_vodosnabzheniya_stran_vostochnoy_evropi.doc)
- <sup>7</sup> Hall, D., Lobina, E. (2010) Replacing failed private water contracts. *PSIRU Reports*, January 2010 (<http://www.psiru.org/sites/default/files/2010-01-W-Jakarta.doc>).
- <sup>8</sup> The Sun Daily (2014) WSIA involked, Selangor water concessionaires will be "forced" to sell, 12 March 2014 (<http://www.thesundaily.my/news/983296>).
- <sup>9</sup> Sources: <http://metrobari.com/2013/01/01/akhiri-kerjasama-dengan-swasta-pdam-badung-jadi-satu-satunya-provider-di-badung-selatan>; <http://www.youtube.com/watch?v=TMJDlhjxys>.
- <sup>10</sup> Lobina, E., Hall, D. (2000) Public Sector Alternatives to Water Supply and Sewerage Privatization: Case Studies, in *International Journal of Water Resources Development*, Vol. 16, No. 1, pp. 35-55; Andreas Lako and Nila Ardhanie (2010) Privatisasi Air Jakarta: Akalakalan Keuangan dan Dampaknya Bagi Pelanggan (Jakarta Water Privatization: Financial Machination and the Impact to the Customers). KRUHA (Koalisi Rakyat Untuk Hak Atas Sir), Amrta Institute for water literacy, Public Services International (PSI): <http://www.waterjustice.org/uploads/attachments/Financial%20Machinations-1.pdf>.
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- <sup>12</sup> Source: Kompas Daily Newspaper, 7 March 2014.
- <sup>13</sup> Pigeon, M. (2012) Une eau publique pour Paris: Symbolism and Success in the Heartland of Private Water. In Pigeon, M., McDonald, D. A., Hoedeman, O., Kishimoto, S. (eds.), *Remunicipalisation: Putting Water Back into Public Hands*, 24-39. Amsterdam: Transnational Institute.
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- <sup>15</sup> European Water Movement, "Berlin Water back in Public Hands", <http://europeanwater.org/news/news-from-the-ground/256-berlin-water-back-in-public-hands>.
- <sup>16</sup> Hall, D., Lobina, E., Terhorst, P. (2013) Re-municipalisation in the early 21<sup>st</sup> century: water in France and energy in Germany, in *International Review of Applied Economics*, 27(2), pp. 193-214.
- <sup>17</sup> Hall, D., Lobina, E. (2010) Replacing failed private water contracts. *PSIRU Reports*, January 2010 (<http://www.psiru.org/sites/default/files/2010-01-W-Jakarta.doc>).