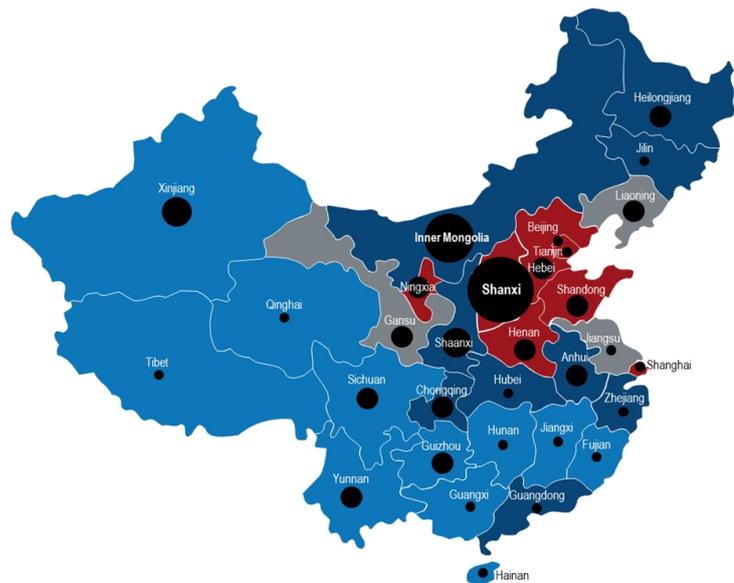


NO WATER = NO FOOD & NO POWER

Water risks have shifted significantly over the last decade globally and in China. Water scarce provinces in China (as scarce as the Middle East) account for around 45% of GDP, 51% of industrial output and 38% of agricultural output value. Moreover, 93% of China’s electricity requires water to generate on a daily basis.

Given this, it is not surprising to see water at the top of the political agenda with China’s Premier Li Keqiang declaring war on pollution and revisions in the environmental law. China’s waterscape is shifting: be it scarcity, pollution, climate change, economic or regulatory, all of which will have significant impact for the economy, industry, investors and the population.

The Water-Energy Nexus (WEN) is a China Water Risk (CWR) core topic since the publication of our opinion “[Elephants in the Room](#)” in April 2012. We also wrote two ground-breaking reports for financial institutions on the risks associated with this nexus: “[No Water, No Power](#) (HSBC Sep 2012)” and “[Water for Coal: Thirsty Miners Will Share The Pain](#) (CLSA May 2013)”.



China’s water crisis is not just China’s problem: there are global repercussions. Water resource allocation between agriculture, industry and municipal use, whilst balancing the economy and social stability is crucial. Decisions made at this nexus could shape China’s food and energy choices and whilst they may be “good for China”, they may be surprises for everyone else. China’s solutions to its water crisis could change the global commodities trade and perhaps even alter the way industries work.



In March 2014, we were commissioned by HSBC to explore the implications of China’s quest for food safety and food security given current water scarcity and pollution issues: “[No Water, No Food](#) (HSBC March 2014)”.

This September, we took our conversation to the 24th World Water Week in Stockholm. The theme this year was 'Water & Energy' and attracted over 3,600 delegates from over 140 countries. We are pleased to announce that CWR co-convened/delivered keynotes at three seminars in Stockholm:

- **Water Linkages to Coal Fired Energy Production: Shaping the Water and Energy Future:** This half-day seminar was co-convened with ADB, BGR, HSBC & WRI and covered coal-fired power & water from South Africa, China and Mongolia from scientific, academic, financial and company perspectives (watch the entire seminar [here](#));
- **Stockholm Water Prize Seminar:** CWR was invited to deliver a keynote and participate in panel discussion on the "Power of Water" along with the 2014 Stockholm Water Prize Laureate, the General Director of IEA and head of IWMI (watch the entire seminar [here](#)); and
- **Closing Plenary:** CWR was selected to present the key findings of the week for the theme "*Equitably Balancing Competing Demands*" (watch the entire closing plenary [here](#)).

Water is needed to generate power and power is required to clean & distribute water. In Asia, growing populations mean we need more water & more power. Since many of Asia's freshwater resources are shared, it is evident that the potential for transboundary conflict is heightened. Adding complexity is the melting of the glaciers in the region's common watershed. According to the Chinese Academy of Sciences, glaciers in the Qinghai-Tibetan Plateau have already retreated 15% over the last three decades. More coal-fired power may mean Himalayan glaciers will melt faster, whilst more hydro may lead to heightened geo-political tensions. Can we [avoid a hydro war](#)?

Join the conversation, visit www.chinawaterrisk.org

Read our 2014 World Water Week Water & Energy Takeaways... [here](#)

Read our 2014 WEN related newsletters:

- [June Newsletter](#): Avoiding Military Conflict
- [August Newsletter](#): Power Play
- [October Newsletter](#): Water First, Then Energy

Subscribe to our newsletters [here](#).



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ABOUT CHINA WATER RISK

China Water Risk (CWR) is a nonprofit initiative dedicated to addressing business & environmental risk arising from China's urgent water crisis. We aim to foster efficient and responsible use of China's water resources by engaging the global business and investment communities. As such we facilitate discussion amongst industry leaders, investors, experts & scientists on understanding & managing water risk across six industry sectors: Agriculture, Power, Mining, Food & Beverage, Textiles and Electronics. CWR has also been commissioned by financial institutions to conduct research analyzing the impact of water risks on the Power, Mining and Agricultural sectors. These reports have been considered groundbreaking and instrumental to understanding China's water-energy-food nexus. Join the discussion at www.chinawaterrisk.org