News Release

WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

Forum Highlights Water as Key Factor for Food and Energy Security

19 May 2011

Desirée Mohindra, Senior Manager, Media, Tel.: +41 22 869 1462, desiree.mohindra@weforum.org

- World Economic Forum hold press launch for new environment book today in Washington DC
- Download Water Security: The Water-Food-Energy-Climate Nexus
- Call for interviews to discuss water crises with the contributing authors
- Join the online water discussion on the Forum ' s Facebook page

Washington DC, USA – The World Economic Forum ' s Water Security: The Water-Food-Energy-Climate Nexus launched today provides a first-ever comprehensive assessment of the global water security problem and collects contributions from leaders of government, business, NGOs, academics, entrepreneurs, financial experts, journalists and many others to share their perspectives on the common water challenge we face today. The contributing authors, consisting of academics from Columbia University and international organizations such as the Asian Development Bank and International Finance Corporation and industry leaders such as Dow Chemical Company, Nestlé, PepsiCo and The Coca-Cola Company and outline the challenges and how they impact not only business but also society and the planet as a whole as a forecast to 2025 in the book.

Globally, water demand is expected to exceed supply by over 40% by 2030. Just as fast as populations, economies and consumption rates increase at alarming rates, the world ' s water and energy resources are already near exhaustion at a similar speed. Global grain harvests and food security depend on water availability. Analysis suggests shortfalls of up to 30% in cereal production by 2030 which may trigger a serious food crisis. Water-scarce countries may be largely depending on food import or on land-lease deals. At the same time, there are more people to be fed: The world ' s population is expected to grow from 6.8 billion today to 8 billion in 2025. Not only will the increased number of people having to share the water resources worsen the situation but also their increased standard of living will contribute. Fast-growing regions such as Asia will need to access almost 70% more freshwater for their energy sector by 2030. Climate change is likely to increase the expected gap between demand and supply even further by contributing to an expected 20% increase of water scarcity.

Although a number of businesses and governments are taking action on water, food and energy issues, few are considering that these issues are highly interrelated. The book highlights water as the key factor in food and energy security debates and, as a result, crucial to sustainable economic development. This illustrates how business must work with public and non-governmental sectors to address these interlinked issues and why they need to be addressed cooperatively and not in isolation as the main water-using sectors of energy and agriculture share the common interest in sustainable use of these resources.

" Water sits at the nexus of so many global issues including health, hunger and economic growth, " explains Indra Nooyi, Chairman and Chief Executive Officer of PepsiCo; Patron of the Water Resources Group; Member of the Foundation Board of the World Economic Forum. " I am absolutely convinced that the only way to measurably and sustainably improve this dire situation is through broad-scale collaborative efforts among government, industry, academia and other stakeholders around the world. "

" As this book clearly illustrates, the link between water, food, and energy is indisputable. We need to understand this, and we need to act fast and in a coherent way, " added Peter Brabeck-Letmathe, Chairman of the Board, Nestlé, Switzerland; Chairperson of the Partnership Council of the Water Resources Group; Member of the Foundation Board of the World Economic Forum.

As a result of discussions generated through the Water Security: The Water-Food-Energy-Climate Nexus book a major initiative is now being undertaken by the World Economic Forum in alignment with the Water Resources Group (WRG)[1]. Projects are currently underway in the Indian State of Karnataka, Jordan and Mexico and development of new country-related fact bases on water resources to help key decision makers. These findings will then provide the basis for public-private coalitions that work with governments to design and implement water sector transformation.

Corporations such as Nestlé SA, PepsiCo, and The Coca-Cola Company and organizations such as the McKinsey & Co., International Finance Corporation, Swiss Agency for Development and Cooperation have provided contributions critical to the success of this initiative through industry knowledge expertise and commitment of resources in these countries. Experience from the three pilot countries and recent expression of interest to partner from more country governments demonstrates the success of public-private expert approach.

A major next step for the initiative will be the establishment of a new global entity as part of a new international institutional architecture on water to be hosted within the International Finance Corporation. " We are glad to be a partner in this work, which has encouraged conversations between governments and the private sector about water scarcity and its link to economic growth, " said Lars Thunell, Executive Vice-President and Chief Executive Officer of IFC. " This engagement is resulting in new approaches to managing water supply and demand, and we look forward to continuing it. "

Should you wish to interview any of the contributing authors, contact Desirée Mohindra by telephone at +41 22 869 1462, or by e-mail at desiree.mohindra@weforum.org.

The Water Resources Group (WRG) is a public-private platform for collaboration. Key partners of the WRG include the International Finance Corporation, Nestlé, PepsiCo, Swiss Agency for Development and Cooperation, The Coca-Cola Company, Veolia Environment and the World Economic Forum. WRG mobilizes stakeholders from the public and private sector, civil society, centres of academic expertise and financing institutions to engage in fact-based, analytical approaches and coalition building initiatives that help governments to catalyse sustainable water sector transformation in support of their economic growth plans. WRG engages with those governments who invite it to work on a comprehensive water sector reform strategy and then provides a public-private approach to support them.

Notes to Editors

Join the online Water discussion on the Forum ' s Facebook page

Find more information about the water crisis at http://www.weforum.org/water

Read the book at Water Security: The Water-Food-Energy-Climate Nexus

To order a copy of the printed book, contact the publisher at vkromm@islandpress.org

View the best pictures from the Forum on **Flickr** at http://wef.ch/pix

Watch sessions on demand on **YouTube** at http://wef.ch/youtube

Follow the Forum on **Twitter** at http://wef.ch/twitter

Read the **Forum Blog** at http://wef.ch/blog

Read Forum reports on **Scribd** at http://wef.ch/scribd

Upcoming Forum events at http://wef.ch/events

Subscribe to Forum **News Releases** at http://wef.ch/news

The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation in the spirit of global citizenship. It engages with business, political, academic and other leaders of society to shape global, regional and industry agendas.

Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is independent, impartial and not tied to any interests. It cooperates closely with all leading international organizations (www.weforum.org).

World Economic Forum, 91-93 route de la Capite, CH-1223 Cologny/Geneva
Tel. +41 (0)22 869 1212, Fax +41 (0)22 786 2744, http://www.weforum.org