

Speaking Notes – Alex Neil, MSP, Cabinet Secretary for Infrastructure and Capital Investment

Global Water Scarcity Conference – Glasgow

Introduction

1. The world is waking up to the critical importance of water and to its scarcity in many places.
2. One in eight of the world's population do not have access to clean water and 2.5 billion live without basic sanitation.
3. Climate change and population pressures will lead to an estimated 30 per cent increase in demand for fresh water, in just 20 years, as the world's food demand grows even more quickly, water availability becomes even more critical.
4. With that stark reality in mind Scotland has a clear responsibility to bring our expertise to bear to the benefit of the global community. We are fortunate to have a relative abundance of water and in having that resource we have built up knowledge and developed technologies that have been effective here in Scotland but that can also be beneficial elsewhere.
5. I can tell you today that the First Minister will be making a significant announcement on our promise to take international action on water issues at a major event just next week [31st May]. Scotland The Hydro Nation will be very much at the heart of that announcement.
6. So we are committed to offering support to the developing nations in the world but it is also important to note that water is a sector with global significance and economic growth potential for Scotland.

Economic Growth

7. The market, whether commercial or as development support for water technology and services, is a significant one. It is also a changing market. Much of this change is due to the emerging understanding of the increasingly critical importance of water to economic development, not least due to its uneven global distribution.
8. In 2008/09 the global water supply and waste water treatment sub-sector was estimated to be worth £242 billion and the UK market was worth £8 billion. By 2014/15 the UK market is forecast to be worth £9 billion.

9. There are over 300 companies in Scotland working in this sector. Scotland's research intensive SME's have developed world leading technology, in particular for water treatment.
10. Analysis carried out for the Scottish Government reports that the water supply and waste water subsector had a market value in Scotland of £709m and employed 6,200 people in 2008/09.
11. Scotland has positioned itself to take a leading position in tackling climate change and our commitment to the low carbon economy takes us naturally towards an emphasis on environmental and clean technology.
12. Scotland can grow its water sector and it can help many many countries to manage their water more effectively. Protecting and improving their fresh water provision and so boosting their economic growth.

Scotland The Hydro Nation

13. I have spoken about our commitment to support developing nations and our ambition to support economic growth through improved management of water resources. I want to just step back for a moment and set out the full extent of our ambition for the water sector.
14. The Scottish government first consulted on how best to develop the value of our water resources in 2010 and then this year we have taken that forward and consulted on a prospectus and proposals for legislation called 'Scotland The Hydro Nation'.
15. **['A Hydro Nation is defined as being one which regards water as part of its national and international identity, recognises that the sustainable management of its water resource is crucial to its future success and a key component of a growing low carbon economy with flourishing international trade.']**
16. Scotland as a Hydro Nation will better exploit its natural water abundance.
 - It will look to build on and improve the productivity of its water industry sector including taking forward plans for a water innovation park to gain accreditation and bring new technologies through to the market.
 - It will capitalise on the market potential and respond to the global water challenges, increasing our international presence and profile.

- It will ensure that we protect and enhance our environment through the good management of Scotland's water. By greater water efficiency and reducing the energy we use to manage our water and indeed by generating more energy from water and the land around our water assets.
- Increasing our profile as a Hydro Nation. All this backed up with practical programmes on knowledge exchange, innovation support and continuing improvement in the performance of the public water utility.
- There is undeniable case for water being a sector with growth potential to support Scotland's low carbon economy.

Water Resources Bill

17. Proposals for legislation will be brought to Parliament in the shape of a Water Resources Bill. Crucially, that Bill will place a duty on Scottish Ministers to take reasonable steps to ensure the sustainable development of the value of Scotland's water resources.
18. What does that mean? It means we will take steps to ensure water is protected, managed and utilised to support our communities, our environment and our economy.
19. The Bill contains a number of provisions beyond that Ministerial duty to improve the aspects of water management to increase efficiency and better protect the environment.
20. Scottish Ministers will be required to take forward a proactive and vigorous programme of measures to improve the economic, social and environmental value of our water resources. Those resources start with water itself but include our expertise, academics and business, and our water governance model that includes the success that is our national public water company – Scottish Water.

Scottish Water

21. Scottish Water has transformed in performance terms over the last 10 years and that experience of successful change as a publicly owned corporation with a unique regulatory system is an asset in its own right. The strong performance of Scottish Water in recent years has also allowed confidence to grow to a point where developing an international business company and a domestic renewable energy generation company has become possible without risking the core business performance.

22. Scottish Water itself is increasing its international engagement with contract success to date in Ireland, Canada, Poland.
23. There is international interest in the Scottish Water governance model and it is the subject of both academic and international political interest. The Hydro Nation prospectus includes the adoption of the model by other nations as one of its aims and there is already interest in this area.
24. There is of course more to the Scottish water industry than the public utility and internationalisation can also be delivered by Scotland's innovative SME sector. We have 300 active companies in the Scottish water sector and we want to work with them to grow their businesses and bring good ideas to market.

Academic

25. We will partner with Scotland's academic sector to develop further a centre of expertise in water issues. We will work to develop global recognition of Scotland as an academic centre of expertise in key water governance and management areas.
26. We will establish The Hydro Nation Forum for Water. The Forum which I will convene will bring together a high calibre team to give energy and direction to the Hydro Nation programme. The Forum will be at the centre of the wider Knowledge Exchange and expert debate activity that will include a combination of Scottish hosted international water related events such as today's, seminars and structured knowledge exchange through networks and joint research projects.
27. We will ensure that we have a busy and high profile programme to highlight and champion our academic strengths, in governance, regulation, engineering and water management including catchment management, transboundary waters and eco systems services.
28. This conference is a prime example of the calibre of event we want to attract to Scotland to ensure we are increasingly seen as the home of cutting edge water related debate and action.

Conclusion

29. Scotland has the capacity and the enthusiasm to contribute to better global water management. We can offer world class knowledge and technology and we have the communications capacity and global reach to project key messages on water issues and build our reputation as a **Hydro Nation**.