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IN 2013,

BOTTLED WATER VOLUME ACHIEVED AN UNPRECEDENTED HIGH:

EXCEEDING 10 BILLION GALLONS

SPARKLING WATER HELD A SMALL SHARE OF BOTTLED WATER VOLUME IN 2013, **BUT THE SEGMENT GREW AT A RATE FASTER THAN ANY OTHER TYPE**

BOTTLED WATER HAS REALIZED **ITS PROMINENCE BY ENTICING HEALTH-CONSCIOUS CONSUMERS** AWAY FROM OTHER PACKAGED BEVERAGES

BOTTLED WATER 2013:

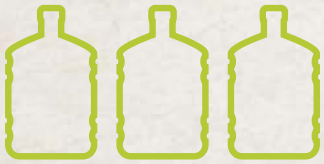
SUSTAINING VITALITY

U.S. AND INTERNATIONAL DEVELOPMENTS AND STATISTICS

PLASTIC BOTTLED WATER PACKAGING IS PREFERRED OVER GLASS IN ALMOST EVERY COUNTRY

IN 2013, THE **SOFT DRINK CATEGORY SUFFERED** ITS NINTH CONSECUTIVE YEAR OF VOLUME REDUCTION

IN 2013,



HOD VOLUME INCREASED BY 1.7 PERCENT

AMERICANS UPPED THEIR ANNUAL CONSUMPTION BY MORE THAN 10 GALLONS—FROM 21.6 GALLONS PER PERSON IN 2003 TO

32 GALLONS 10 YEARS LATER

AGGRESSIVE PRICING, ESPECIALLY IN THE RETAIL PET SEGMENT, MADE BOTTLED WATER **MORE AND MORE AFFORDABLE FOR CONSUMERS**

CONSUMER THIRST FOR BOTTLED WATER LOOKS POISED TO PERSIST IN THE YEARS AHEAD

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By John G. Rodwan, Jr.

THE U.S. BOTTLED WATER MARKET REACHED **NEW HEIGHTS** IN 2013,

when volume exceeded 10 billion gallons for the first time. Already the second largest beverage category by volume, bottled water once again demonstrated its growth tendencies. The recent volume growth was yet another signal of the industry's recovery from a temporary moment of weakness. As was the case for many other beverage types during the economic recession, bottled water suffered reversals in 2008 and 2009. But in 2010, bottled water volume and sales returned to growth, and the category showed renewed strength by both measures in 2011. Growth in 2012 was the strongest it had been in five years, and 2013 saw another strong advance. Continued growth is expected going forward, as economic conditions grow increasingly favorable.

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IN 2013, BOTTLED WATER VOLUME ACHIEVED AN **UNPRECEDENTED HIGH: EXCEEDING 10 BILLION GALLONS.**

Volume Growth

As the performance of other categories makes plain, bottled water enjoys something of a special status within the overall liquid refreshment beverage marketplace. Although carbonated soft drinks remain by far the biggest beverage type in the United States, their volume shrank again in 2013, as it has done every year since the mid-2000s. Fruit beverages have similarly been beset with long-term erosion, withering from having volume comparable to bottled water in the late 1990s to having volume less than one-third the size by 2013. Other liquid refreshment beverages—such as ready-to-drink tea and sports beverages—performed similarly to bottled water, rebounding from back-to-back off years to grow in 2010, 2011, 2012, and 2013. Yet those markets remained considerably smaller than bottled water. Even though sports beverages (like Gatorade) may actively compete with bottled water for consumers seeking hydration, their volume was roughly one-seventh that of bottled water in 2013.

Prior to the economic challenges at the end of the century's first decade, bottled water experienced a remarkable streak of speedy volume growth, as documented in the latest edition of *Bottled Water in the U.S.*, Beverage Marketing Corporation's annual analysis of the market.

During the 2000s, bottled water volume achieved double-digit percentage growth rates in two years (2002 and 2005) and advanced at rates close to that level in several others. Bottled water volume grew by close to 12 percent in 2002, and, after growing by 10.8 percent in 2005, it flourished again in 2006, increasing by 9.5 percent. During the rougher years of the recession, growth in bottled water volume departed from the pattern of preceding years, declining by 1.0 percent in 2008 and then by 2.5 percent in 2009.

Unlike carbonated soft drinks, which followed several years of slow growth with multiple volume reductions, bottled water demonstrated that two consecutive declines were aberrations rather than the beginning of a protracted losing streak. When bottled water growth resumed in 2010, it restored volume to where it had been prior to the declines. Growth accelerated in each of the two following years. By 2013, volume achieved an unprecedented high—almost 1.4 billion gallons above where it had been in 2007. In contrast, the soft drink category suffered its ninth consecutive year of volume reduction in 2013.

Revenue Revitalized

In 2008 and 2009, bottled water producers' revenues declined as well (and did so more precipitously than volume) but then experienced revitalization. Bottled water wholesale dollar sales first exceeded $6 billion in 2000. By 2007, they topped $11.5 billion. Category sales declined by more than 3 percent to $11.2 billion the following year and then by more than 5 percent to $10.6 billion in 2009. They inched upward in 2010 and climbed back above $11 billion in 2011. Wholesale dollars topped $11.8 billion in 2012 and approached $12.3 billion in 2013—more than double the amount recorded in 2000.

U.S. BOTTLED WATER MARKET
Volume and Producer Revenues
2011 – 2013

Year	Millions of Gallons	Annual % Change	Millions of Dollars	Annual % Change
2011	9,107.4	4.0%	$11,072.4	3.6%
2012	9,674.3	6.2%	$11,815.9	6.7%
2013	**10,130.3**	**4.7%**	**12,286.7**	**4.0%**

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Consumption Counts

Consumers' thirst for bottled water looks poised to persist in the years ahead. Changes in per capita consumption indicate enthusiasm for a product that consumers regard as a healthful alternative to other beverages. Americans upped their annual consumption by more than 10 gallons from 21.6 gallons per person in 2003 to 32 gallons 10 years later. During that same period, per capita consumption of carbonated soft drinks dropped by almost a dozen gallons. Per capita consumption of other major beverage categories, like milk and fruit beverages, also declined. Other types, including coffee and tea, were characterized by stability, though the ready-to-drink versions of both categories made gains. Those beverages associated with beneficial properties and functional benefits—a subset that includes packaged water as well as energy drinks, sports beverages, and ready-to-drink tea—were the most resilient elements of the beverage market after 2009. Even so, average intake of beverages in bottled water's competitive set, such as ready-to-drink tea and sports beverages, remained fractions of bottled water's per capita consumption level.

Indeed, bottled water added more gallons to its per-person consumption rate in 10 years than either ready-to-drink tea or sports beverages reached by the end of that period. In fact, neither reached 5 gallons per U.S. consumer by 2013. Bottled water proved itself to be not only a key component of the liquid refreshment beverage market but also well situated for future increases in per capita consumption.

U.S. BOTTLED WATER MARKET
Per Capita Consumption
2003 – 2013

Year	Gallons Per Capita	Annual % Change
2003	21.6	7.2%
2004	23.2	7.5%
2005	25.4	9.7%
2006	27.6	8.4%
2007	29.0	5.3%
2008	28.5	-1.8%
2009	27.6	-3.2%
2010	28.3	2.7%
2011	29.2	3.2%
2012	30.8	5.4%
2013	**32.0**	**4.0%**

Source: Beverage Marketing Corporation
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Bottled Water's Allure

Multiple factors contribute to bottled water's indisputable attractiveness to U.S. consumers. Among them are bottled water's associations with healthfulness, convenience, safety, and value. Bottled water's versatility makes it suitable for consumption at any time of day and in just about any setting or situation. It doesn't need to be kept cold (like soft drinks or juice) or warm (like conventional coffee or tea). Various packaging types, ranging from bulk to single-serve, facilitate a variety of uses. Among the various ready-to-drink commercial beverages, bottled water is relatively inexpensive. Further, aggressive pricing, especially in the retail PET segment, made it more and more affordable for consumers.

Consumers' interest in beverages that deliver benefits above and beyond simple refreshment also contributes to the quintessential hydrating beverage's ascension in the beverage rankings. Amid worries about obesity and other health matters, bottled water's lack of calories and artificial ingredients attracts conscientious consumers. Even where tap water may be safely potable, many people prefer bottled water, which they regard as superior in taste. The ready availability of packaged water wherever beverages are sold also crucially differentiates bottled water from tap.

While it has occasionally been compared with tap water, bottled water in fact realized its prominence by enticing consumers away from other packaged beverages perceived as less wholesome than bottled water. While some consumers may have turned away from regular, full-calorie sodas in favor of their diet versions, many others transitioned to bottled water instead.

Challenges to beverage market growth appear to have eased somewhat since the late 2000s. Energy, commodity, and other input costs contributed to higher prices for consumers. That drove them to seek savings by opting for smaller, more affordable unit sizes, eschewing pricier imports or occasionally foregoing packaged beverages altogether, which largely explains what happened in 2008 and 2009. The situation subsequently altered—and did so favorably from bottled water marketers' perspectives.

Category Developments

Domestic non-sparkling water regularly reigns as the largest segment of the U.S. packaged water industry, and its 9.7 billion gallons represented 96 percent of total volume in 2013. As a whole, domestic non-sparkling saw slower volume re-

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WHILE IT HAS OCCASIONALLY BEEN COMPARED WITH TAP WATER, **BOTTLED WATER IN FACT REALIZED ITS PROMINENCE** BY ENTICING CONSUMERS AWAY FROM OTHER PACKAGED BEVERAGES PERCEIVED AS LESS WHOLESOME THAN BOTTLED WATER.

ductions than the overall market in 2008 and 2009 and then outperformed it again in 2010, 2011, and 2012. It moved very slightly slower than the total market in 2013.

The non-sparkling category includes various components that typically follow different trajectories. In 2013, for the third year in a row, all four segments registered growth. Unlike in 2012, however, all segments moved more slowly than they had the year before.

Throughout most of the 1990s and 2000s, the retail premium segment—consisting of still water in single-serve polyethylene terephthalate (PET) bottles—drove the overall category's development. Indeed, the PET component enlarged by a double-digit percentage rate 16 consecutive times through 2007. Growth slowed markedly in 2008, before it disappeared in 2009. Yet PET's 0.9 percent reduction was far less than the 2.5 percent loss measured for bottled water in general that year. Besides, the PET volume in 2009 of almost 5.2 billion gallons stood more than 4.1 billion gallons higher than it had in 1999, and its share of total bottled water swelled from 24 percent to more than 61 percent during that 10-year period. In 2010, PET experienced the strongest growth of any bottled water segment, advancing by 6.8 percent to 5.5 billion gallons, which boosted its share above 63 percent. Growth slowed in 2011 but remained well in advance of the total market: volume greater than 5.8 billion gallons flowed from growth of 5.4 percent, which pushed PET's share to 64 percent. In 2012, the segment saw its strongest showing since 2007, increasing by more than 8 percent to 6.3 billion gallons, which represented 65 percent of the overall market. Greater than 6 percent growth in 2013 propelled volume to nearly 6.7 billion gallons—essentially two-thirds of the total.

Retail bulk volume experienced some reversals as more than a few consumers chose convenient PET multipacks in large format retail channels instead of larger (1 to 2.5 gallon) sizes. Its share eroded from nearly one-quarter of the category volume at the beginning of the century to 10 percent by 2013, largely as a result of competition from PET. After multiple declines, the segment did grow in 2011, 2012, and 2013. Nonetheless, retail bulk's 1 percent uptick was the slowest of any domestic still water segment in 2013.

U.S. BOTTLED WATER MARKET
Volume and Growth by Segment
2011 – 2013

	Non-sparkling		Domestic Sparkling		Imports		Total	
Year	Volume*	Change	Volume*	Change	Volume*	Change	Volume*	Change
2011	8,754.8	3.9%	232.0	8.6%	120.6	1.4%	9,107.3	4.1%
2012	9,307.5	6.3%	262.9	13.3%	104.0	-13.8%	9,674.3	6.2%
2013	**9,734.9**	**4.6%**	**287.4**	**9.3%**	**108.0**	**3.9%**	**10,130.3**	**4.7%**

*Millions of gallons
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IN 2013, **HOD VOLUME INCREASED BY 1.7 PERCENT,** ACCOUNTING FOR 12.1 PERCENT OF TOTAL BOTTLED WATER VOLUME.

Direct delivery also confronted intramural competition from handy, portable PET bottles. The segment, which comprised the largest of them all as recently as the mid-1990s, accounted for 12.1 percent of total volume by 2013. U.S. home and office delivery (HOD) volume slipped from close to 1.4 billion gallons in the early 2000s to 1.2 billion gallons in 2013, when volume moved up by 1.7 percent.

The relatively small, essentially regional, vending segment of refillable jug containers achieved growth even in the years when total bottled water volume declined. Its low cost during economic hard times undoubtedly had something to do with vending's positive results. It continued to grow in 2013, albeit at a far slower rate than either the domestic still water market or the bottled water market as a whole. (Its growth rate mirrored HOD.)

Both of the two segments outside the domestic non-sparkling realm grew in 2013, one of them forcefully. The imported water segment, the smallest of them all, is prone to fluctuations. In the 2000s, it registered double-digit percentage growth in some years and equally sizeable contractions in others. After one of those up years in 2007, imported water's volume fell sharply in 2008 and then plummeted precipitously in 2009. It continued to shrink in 2010 before inching up by a modest clip in 2011. Volume dropped dramatically again in 2012 but did move up (at a market-lagging pace) in 2013. Sparkling water held a small share of bottled water volume but grew at a rate faster than any other type, including retail PET, in 2013.

As usual, domestic non-sparkling water accounted for almost all per capita bottled water consumption in 2013. Sparkling water and imports each represented less than one gallon per person. (With imports, the figure actually worked out to about one-quarter of a gallon per U.S. resident.) In the key PET portion, average intake moved from about 9.3 gallons in 2003 to more than 21 gallons 10 years later.

International Developments

Bottled water emerged as a beverage industry phenomenon not only in the United States—until recently the No. 1 market in terms of volume—but also in virtually every major geographical region of the world. Bottled water first became a large, mainstream commercial beverage category in Western Europe, where consumption of it has long been part of many residents' daily routine. It is now a truly global beverage, found even in some of the more remote corners of the globe. Several Asian markets achieved strong growth to become major bottled water markets during the 2000s. In fact, Asia itself became the largest regional market in 2011, edging out North America and easily besting Europe. After having moved ahead of Mexico to claim the No. 2 position in 2012, China surpassed the United States to take the lead in 2013.

Global bottled water consumption is estimated to have neared 70.4 billion gallons in 2013, according to data from the latest edition of Beverage Marketing's *The Global Bottled Water Market*. Total consumption swelled by more than 6 percent during the year. Per capita consumption of 9.9 gallons represented a gain of more than 2 gallons over the course of five years.

Clearly, per capita consumption by individual region or country can diverge significantly from the global average. For instance, several Western European countries have per capita consumption levels far above 25 gallons, and the No. 1 market, Mexico, exceeded 67 gallons per person in 2013. At the same time, however, much of the developing world, where the majority of the world's population resides, finds its per capita consumption figures still in the single-digit range.

SPARKLING WATER HELD A SMALL SHARE OF BOTTLED WATER VOLUME IN 2013, BUT **THE SEGMENT GREW AT A RATE FASTER THAN ANY OTHER TYPE,** INCLUDING RETAIL PET.

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GLOBAL BOTTLED WATER MARKET
Leading Countries' Consumption and Compound Annual Growth Rates
2008 – 2013

2013		Millions of Gallons		CAGR*
Rank	Countries	2008	2013	2008/13
1	China	5,160.4	10,418.4	15.1%
2	United States	8,665.8	10,130.3	3.2%
3	Mexico	6,502.2	8,234.5	4.8%
4	Indonesia	2,899.8	4,824.6	10.7%
5	Brazil	3,776.1	4,796.9	4.9%
6	Thailand	1,705.8	3,985.4	18.5%
7	Italy	3,097.1	3,174.9	0.5%
8	Germany	2,841.4	3,109.1	1.8%
9	France	2,218.7	2,408.8	1.7%
10	India	1,035.1	1,035.1	13.9%
	Top 10 Subtotal	37,902.2	53,068.6	7.0%
	All Others	14,251.1	17,303.0	3.6%
	WORLD TOTAL	**52,153.3**	**70,371.6**	**6.2%**

*Compound annual growth rate
Source: Beverage Marketing Corporation
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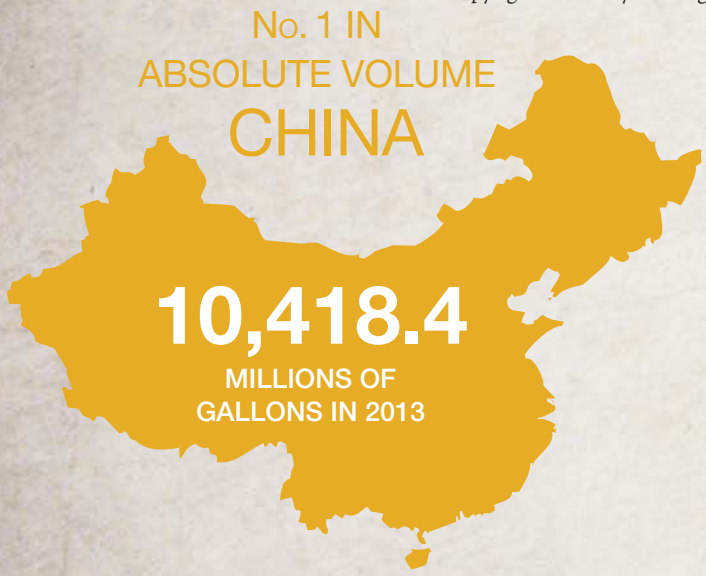

Although the global per capita consumption figure obscures pronounced regional disparities, bottled water's global growth points to demand for it in diverse markets. Consumers have demonstrated a thirst for it in highly developed markets, in less developed ones, and in economies in transition. Bottled water tapped into some different consumer trends around the globe. In developed countries such as the United States and Canada, bottled water became a particularly dynamic major commercial beverage category by registering as an appealing option for health-conscious consumers. Marketers positioned bottled water as a virtuous alternative to carbonated soft drinks and fruit juice drinks (some of which comprise sizeable portions of their own product portfolios). The developed world came to see bottled water as not only a way of achieving hydra-

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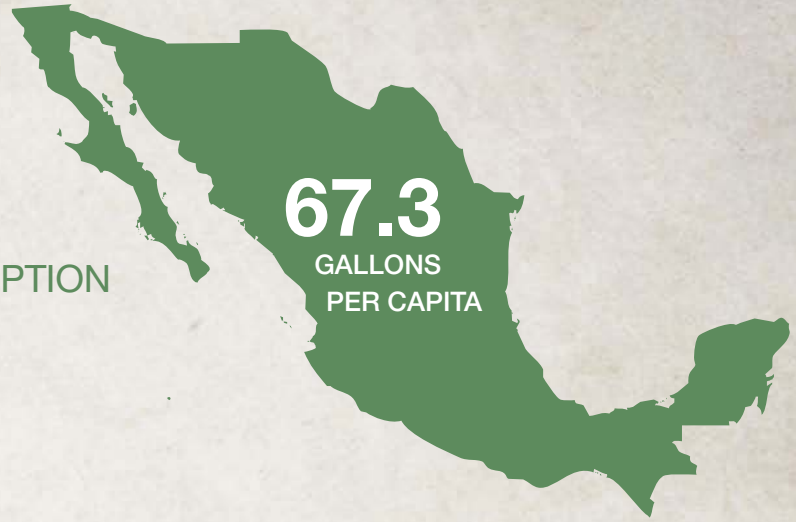
No. 1 IN
PER CAPITA CONSUMPTION
MEXICO



GLOBAL BOTTLED WATER MARKET
Per Capita Consumption by Leading Countries
2008 – 2013

2013		Gallons Per Capita	
Rank	Countries	2008	2013
1	Mexico	56.6	67.3
2	Thailand	25.8	59.5
3	Italy	51.8	51.9
4	Belgium-Luxembourg	36.9	39.1
5	Germany	34.6	38.0
6	United Arab Emirates	27.0	37.3
7	France	34.5	36.5
8	United States	28.5	32.0
9	Spain	27.8	31.9
10	Hong Kong	21.3	31.2
11	Lebanon	28.7	29.8
12	Croatia	25.4	28.5
13	Slovenia	25.9	28.5
14	Hungary	28.2	28.4
15	Saudi Arabia	26.6	28.2
16	Switzerland	26.0	27.7
17	Austria	23.1	24.6
18	Poland	19.4	24.4
19	Brazil	19.7	23.9
20	Romania	18.7	22.6
	GLOBAL AVERAGE	7.8	9.9

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ALTHOUGH THE GLOBAL PER CAPITA CONSUMPTION FIGURE OBSCURES PRONOUNCED REGIONAL DISPARITIES, **BOTTLED WATER'S GLOBAL GROWTH POINTS TO DEMAND FOR IT IN DIVERSE MARKETS.** CONSUMERS HAVE DEMONSTRATED A THIRST FOR BOTTLED WATER IN HIGHLY DEVELOPED MARKETS, IN LESS DEVELOPED ONES, AND IN ECONOMIES IN TRANSITION.

tion but also as a functional beverage. At the same time, bottled water serves as at least a partial solution to the problem of often-unsafe water found in many economically developing countries.

Much of the world's bottled water market is still highly fragmented and controlled by local brands, but consolidation is definitely taking place, as four companies have come to dominate much of the market. Swiss food and beverage giant Nestlé and France's Danone are the traditional leaders of the bottled water pack. Both companies initially centered their operations around the core markets of Western Europe and the United States. However, as water growth is increasingly coming from the developing world, Nestlé and Danone have expanded their initiatives to the competitive fields of Asia, Latin America, and other areas. In fact, Danone stepped back from the U.S. market to concentrate on some of those other markets. Soft drink industry leaders Coca-Cola and PepsiCo also entered the bottled water arena. After achieving solid positions in the United States, both companies increasingly devoted resources and energy to developing their global bottled water businesses.

North America boasts two of the three largest individual bottled water markets, the United States and Mexico, which together accounted for 26.1 percent of the world's packaged water market in 2013. Although the U.S. bottled water market had been a catalyst for much of the global expansion up until the mid-2000s, its compound annual growth rate (CAGR) of 3.2 percent for the five-year period ending with 2013 was noticeably slower than the 6.2 percent CAGR achieved by the global market during the same period. Mexico alone accounted for 11.7 percent of the global volume with 8.2 billion gallons in 2013. With a five-year CAGR of almost 5 percent, it grew faster than the United States but more slowly than the world market.

China was the only other country that could claim a double-digit share of global volume with 10.4 billion gallons, or 14.8 percent of the total (or four-tenths of a share point ahead of the United States). Chinese bottled water volume enjoyed double-digit percentage growth rates for several consecutive years, registering a 15.1 percent CAGR for the period from 2008 to 2013—the highest rate among the five biggest bottled water markets. Indonesia moved well ahead of the international market, which allowed it to vault over erstwhile No. 4 Brazil, which moved at about the same rate as Mexico. Sixth-place Thailand, the No. 3 Asian market, grew even faster than Indonesia.

Europe may not boast any of the biggest bottled water markets, but it does have several major ones, including three of the 10 biggest. Because those are firmly established, however, their growth tends to be slower than regions where bottled water has a less deeply entrenched tradition. Some of the most prominent continental countries experienced only very slight growth. For instance, during the five-year period ending with 2013, Italy's volume grew by a CAGR of just 0.5 percent. Germany, the eighth largest bottled water market in the world, had a CAGR of 1.8 percent, and ninth-place France moved slightly more slowly. As a group, the trio of leading European bottled water markets accounted for 12.3 percent of the world's total volume in 2013. (A fourth

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European market, Spain, ranked among the top 10 until 2012, when rapidly rising India supplanted it.)

Still water accounts for the majority of bottled water sales in much of the world. Sparkling water sales are strong in a minority of countries, such as Argentina, Chile, Uruguay, the Netherlands, and Germany, where sparkling water is often tied to meal-consumption practices. On a global level, sparkling water accounts for an estimated 10 percent of the total volume, with still water accounting for the remaining 90 percent.

Plastic packaging is preferred over glass in almost every country, with the exception of Germany, where recycling laws make a determinative impact on packaging trends. Even in Germany, and in other countries such as the United Kingdom where glass has a strong presence, PET is the most dynamic and rapidly growing segment. At about one-third of global volume, HOD still accounts for a minority of global bottled water sales. Yet it is a vital segment in many countries, such as Mexico, where it accounts for more than two-thirds of the volume.

Year after year, Mexico leads the world in bottled water per capita consumption, and that didn't change even after China surpassed it in absolute volume. Average intake in

PLASTIC BOTTLED WATER PACKAGING IS PREFERRED OVER GLASS IN ALMOST EVERY COUNTRY, WITH THE EXCEPTION OF GERMANY, WHERE RECYCLING LAWS MAKE A DETERMINATIVE IMPACT ON PACKAGING TRENDS.

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BOTTLED WATER IS EXPECTED TO RESHAPE THE U.S. MULTIPLE BEVERAGE MARKETPLACE DURING THE SECOND DECADE OF THE 21ST CENTURY—GAINING SHARE ALL THE WHILE.

Mexico jumped from 56.6 gallons in 2008 to 67.3 gallons five years later. Per capita consumption in China stood almost nine times lower, at less than 8 gallons, in 2013. The not-long-ago leader in average intake, Italy, consumed the equivalent of 52 gallons per person in 2013.

Several Middle Eastern markets rank very highly in per capita bottled water consumption. With the equivalent of more than 37 gallons for each resident in 2013, the United Arab Emirates (UAE) had the sixth highest level of bottled water consumption in the world. In addition to the UAE, the Middle East region has Lebanon and Saudi Arabia in the top 20 in per capita bottled water consumption. At 22.3 gallons per resident, Israel also consumes bottled water at a rate greater than the global average, though it didn't quite make it onto the top 20 list.

Although Europe no longer held the top spot in volume per capita, 12 of the top 20 bottled water consumers on a per person basis were European countries as of 2013. The consumers of the combined market of Belgium-Luxembourg imbibed more than 39 gallons each, a rate that has trended upward over the years. Germany, France, Spain, and Italy were the other European countries with per capita consumption greater than 30 gallons. French consumers quaffed 2 gallons more bottled water in 2013 than they had five years earlier. In 2013, Germany and Spain had per capita consumption rates of 38 and 31.9 gallons, respectively, putting them in fifth and ninth place in terms of average bottled water intake. Like France and Spain, Germany consumed more bottled water per person in 2013 than it had five years before. Hungary, which ranked fourteenth, also increased its bottled water consumption, though only slightly.

While markets in the West hold the highest numbers, Eastern Europe can claim several spots among the top 20 in per capita bottled water consumption, although Bulgaria fell off the bottom of the list in 2009, when China's special administrative region of Hong Kong displaced it. Croatia and Slovenia both consumed the equivalent of about 28.5 gallons per resident. Austria held the No. 17 spot in 2013, just ahead of Poland. Romania rounded out the top 20 list.

While Asian nations attained prominence among the world's bottled water markets when measured in total volume, the most populous countries generally do not have high per-person intake levels. Thailand stood among the top 20 in terms of per capita bottled water consumption with nearly 60 gallons in 2013. Hong Kong made the list for the first time as its average intake approached 22 gallons in 2009 and continued to increase per capita consumption subsequently, hitting 31.2 gallons in 2013. Despite its status as the second largest market, mainland China had a per capita consumption number well below the global norm even though intake swelled by more than almost 4 gallons per person from 2008 to 2013.

Americans' 2013 per capita bottled water consumption put the United States in the No. 8 position among the countries of the world, between France and Spain.

Into the Future

Beverage Marketing expects bottled water, having put the weaknesses of the late 2000s behind it, to reshape the U.S. multiple beverage marketplace during the second decade of the 21st century, much as it did previously—gaining share all the while. The total amount of liquid Americans annually consume will remain stable, resulting in overall volume growth in line with population increases. Bottled water is likely to grow noticeably faster, unlike carbonated soft drinks, which will continue to stagnate. Most other major beverage categories, including coffee, milk, and tea, are likely to grow much more slowly than bottled water, which is poised to achieve still another high in per capita consumption in the future.

John G. Rodwan, Jr., *is the editorial director at Beverage Marketing Corporation, a New York-based research, consulting, and financial services firm dedicated to the global beverage industry. Beverage Marketing publishes numerous market reports on bottled water and other beverages. For more, visit www.beveragemarketing.com.*