

Sent: Friday, September 23, 2005 4:11 PM

Subject: MORE NEWS FOR WHY WE LOVE THIS INDUSTRY !!!

Dear Aquathin Dealer OnLine;

ENJOY THIS ARTICLE !

AND WHAT THE ARTICLE DOES NOT MENTION is that when a village or city's engineers look to desal, it is a "blending" of desal (normally 500+ppm product quality) with present available water for the purpose of reducing costs and preventing replacement of water pipe infrastructure. For example, a village needs 500,000 gpd...will order a 250,000 gpd desal and blend with present available water. WATER QUALITY IS NOT ON PAR OF RO ! THEY HAVE THE SAME WATER ANALYSIS AS BEFORE...JUST MORE SUPPLY.

Warmest regards to all...as well, your comments are always welcome and very much appreciated.

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"Alfie"

Alfred J. Lipshultz, President

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Industry Outlook - 9/23/2005 1:00:07 PM

Report: World desal market set for major expansion

DUBLIN, IRELAND — Fueled by a growing global demand for water and rising costs of supply, the worldwide desalination market is set to grow into a \$95 billion industry over the next 10 years, according to a new report by industry analysts Research and Markets.

The report, [Desalination Markets: 2005-2015](#), provides key national and

regional data with an analysis of the structural, political and financial issues that will continue to shape the industry, Research and Markets explained in a news release.

Among other information, the study notes that the largest growth market for desalination will be in the Mediterranean Rim, where Algeria, Libya, and Israel are anticipating capacity increases in excess of 300 percent, and the total increase in capacity in the region is predicated at 179 percent over the coming decade.

Research and Markets also reports in its latest study that the United States desalination market, which is currently predominantly a brackish water desalinator, will finally make the break-through into large-scale municipal desalination.

The study reveals that the membrane process, particularly reverse osmosis, will continue to take market share from thermal desalination, with 59 percent of the total new build capacity being membrane based.

According to Research and Markets' news release, additional information presented in the report includes the following:

- *The largest market will continue to be the Gulf area, where the combination of rapidly growing populations, **depleted ground water resources and the retirement of capacity built during the oil boom years of the 1970s and early 1980s will require a near doubling of the total capacity.** Growth in the region would be stronger but for concerns about Saudi Arabia's ability to finance its required capacity within the timeframe.*
- *China and India are also set to enter the large-scale seawater desalination market. Both have large populations in water stressed regions, and political backing for higher water tariffs. The 650,000m³/d additional capacity these two countries are expected to bring on line by 2015 could be the start of a massive move into desalination in the longer run.*
- *The desalination market is driven by growing demand for water and rising marginal costs of supply. Falling costs of desalination have dramatically increased the size of the potential market.*
- *The most cost effective means of tackling water stress is not desalination. It is demand management. Specifically, too many water scarce regions subsidize water for use in agriculture, exacerbating the pressure on supply.*
- ***Demand management is not always politically feasible. Other alternatives to desalination are becoming comparatively more expensive. This is particularly true of water transfer, which***

hitherto has been the main alternative for regions with growing populations and inadequate local resources.

- *Subsidizing domestic users is widespread in water scarce countries. This creates a significant disincentive to invest in infrastructure, which affects both rich countries (eg. the US) and poor countries (eg. Yemen). Tariffs are the most significant issue holding back the desalination industry.*
- *Desalination is an environmental issue because it involves energy use and brine discharges. This has to be balanced against the environmental impact of the alternatives (eg. diverting rivers). **As a whole, the desalination industry is unconsolidated, with a large number of small and medium sized players serving different niches. The strongest players can expect strong market growth as well as increases in market share.***

For more in-depth information on the report, click [here](#).