



December 2006

News from the bottled water industry:

Nestlé announced in late November that it was entering into a bottled water alliance with the Mexican bottlers of Corona, Grupo Modelo. Nestlé will use the relationship to capture more of the country's huge bottled water market which is ranked third in per capita consumption globally.

Earlier in the month, it was reported that Nestlé would be building a new water bottling plant in Russia for the home and office delivery market.

The Coca-Cola Company's track record on obesity came under fire this past month in Australia over its exclusive sponsorship of a huge children's' jamboree. The sponsorship deal was reported in the media the day after Coke said that they did not market their products to children. Coke's comments on marketing to children were an attempt to address criticism from Australia's Health Minister who slammed the company for fuelling Australia's obesity epidemic.

Both **Pepsi** and **Coca-Cola** were again in the news this month over the pesticide issue in India. On November 30th the state government of Kerala challenged a September 2006 State High Court order that lifted a ban on the sale of Pepsi and Coke products. Coke and Pepsi have spent millions of dollars on PR and advertising in the country to counter an August, 2006 [study](#) from the [Center for Science and Environment](#) that showed elevated levels of pesticides in the companies' products.

It was reported in November that **Groupe Danone** will be launching a major advertising campaign in the UK in 2007 about the need to drink two litres of water a day. Of course, the promotion is designed to convince people to buy their bottled water brands and, as one industry insider put it, encourage households to switch from tap to bottled water.

In addition to news from the big four international bottled water corps, a smaller company in Hawaii announced that it had expanded its deep sea bottled water operations to the Island of O'ahu. Previously, the deep sea water industry had been solely based on the island of Hawaii. This move highlights a growth in the alarming trend in the bottled water industry of pumping, desalinating and bottling water from deep under the ocean for sale on the global market.

The rising cost of bottled water to taxpayers in the US and Australia was also highlighted in the media this past month. One of the reports exposed how taxpayers in the Australian State of Victoria have spent over \$392,000 (US) on bottled water for public servants over the past four years, while the other highlighted how \$117,000 of taxpayers' money in Denver, Colorado has gone towards bottled water for elected officials and city employees since 2003. In the past year, both the [Los Angeles Times](#) and the [San Francisco Chronicle](#) have reported on similar spending on bottled water by municipal governments.

Some of this month's media headlines:

[Mexico] [Nestlé Waters and Grupo Modelo in Mexican bottled water alliance](#)

November 30

Nestlé Press Release

[US] [Water-gait: Drink's on you; As city picks up pace for bottled refresher, taxpayers pick up tab](#)

November 29

Rocky Mountain News

[India] [Kerala authorities move court against Pepsi, Coke products](#)

November 27, 2006

The Press Trust of India Limited

[Australia] [Taxpayers have spent \\$500,000 on bottled water: report](#)

November 19

Australian Associated Press General News

[CAN] [Put a lid on bottled water](#)

November 16

Winnipeg Free Press

[US] [Environment drowning in bottled water](#)

November 16

Great Falls Tribune

[Australia] Coca-Cola attacked over jamboree sponsorship

November 15

The Age

[Australia] Abbott lashes Coca-Cola over child obesity crisis

November 14

The Age

[Russia] Nestlé to bottle water

November 14

Novecon

[US] Deep-sea water bottler operating off O'ahu

November 7

Honolulu Advertiser

[UK] Danone seeks growth in UK's water market

November 2

Marketing Week

**[US] McCloud, Siskiyou County/ Bottled water war heats up election/
Pitched battle to control board as former timber town weighs Nestlé's
McCloud River plan**

November 5

The San Francisco Chronicle

[Colombia] Colombia union appeals court decision in Coca-Cola suit

November 2

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