

# Water Trading: a successful career

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*Emerging Careers* introduces this week Stanislav Milkavic, a specialist in what is now called the water business. This special interview of one of the most recognized but most criticized specialist in water is a premiere. Stanislav accepted to talk to the magazine through the first interplanetary Internet connection between the International Lunar Base and Earth.

**Emerging Careers:** Stanislav Milkavic, you are one of the most respected water businessmen in the world. How would you define your job?

**Stanislav Milkavic:** In a nutshell, I would say that I do water trading. Like some people still do oil trading, I am trying to make money out of buying and selling water. My specialization is drinking water, which is the most dynamic market, but my company Water Solutions Inc. deals with almost any kind of water.

**EC:** Not all our readers are aware of the distinction you are making between the different types of water. Can you define for us what sorts of water are available?

**SM:** Since the world conference on water in Cairo, Egypt, in 2010, three main types of water have been defined, according to their level of purity, both bacteriological and chemical. From the least pure to the purest, you have wastewater, industrial water and drinking water. Wastewater is not usable water: it is contaminated either by chemicals or by microorganisms. This water needs to be treated to be used either by industry or by people. The industrial category is water that is chemically pure, that is chemicals are found only at a concentration at which they have no effect. It is water that can be used as coolant, or in some processes. In general, you cannot use industrial water for drinking purposes because the biological content is no guaranteed. The drinking water category groups all the types of water that are used in food or drinks making. From simple tap water to the purest spring waters.

In each of those category of water, you have of course subcategories: Wastewater can originate from households or chemical plants and should be treated adequately. Industrial water can be filtered seawater to serve as coolant in power plants or pharmaceutically pure distilled water. Drinking water can be the simplest tap water or well-known spring water.

**EC:** Is it as easy to trade water as to trade oil or gold?

**SM:** It is actually easier in the sense that people need their ration of water every day. There is no substitution product. With fusion as a source of energy becoming reliable and productive, it may be that tomorrow, there is no need for oil anymore. Water is 70% of our body: we need water to survive, and to process our food.

**EC:** Water being one of the essential needs to live, you have been criticised for making money on a basic need for life. Don't you have any ethical problem in becoming richer every day by providing water to people that have no choice but rely on you?

**SM:** I consider that I provide a service and therefore should be rewarded for it. If people don't want to drink the water I find and sell, they can find the water by themselves. I think it is rather unfair to criticise the work of water businessmen, because they provide something valuable for humanity. As water is a scarce resource, it is necessary that some people specialize in trading it and distributing it, as it has been the case for any scarce resource. It also develops a competition that provides the fairest prices according to the old laws of offer and demands.

**EC:** What about regions victims of act of terrorisms like Israel whose sources of fresh water have been polluted by terrorists with radioelements or carcinogenic chemicals?

**SM:** The case of Israel is significant: water is becoming a strategic resource. Terrorists of the last century burned oil wells that were the source of revenue. Now they contaminate water as it touches the whole region they target. Concerning the role of our group, our expertise permitted to design in a record time a solution to provide water to people that would otherwise commit suicide by drinking the only water available: the contaminated one.

**EC:** You mean that by billing Israel a large fraction of its BNP, you have done a humanitarian action?

**SM:** I do not deal with humanitarian actions. The water trade is real and expanding. What we gave to Israel is the chance to survive in an environment that was not anymore suitable for human life. The protection of water resources is now a major concern of governments. Today terrorists have PhDs and outsmart their enemies instead of blindly blasting them, therefore we need groups of specialists to care for the damages they make, as we needed bomb squads twenty years ago. Moreover, the growing population demands that we take care of water. As we have been careless in the past times, we have to spend more resources to keep our standard of living and to protect what remains of our natural assets.

**EC:** Would you say that the whole world is getting aware of the water scarcity?

**SM:** Indeed. The average consumption of water in the economically leading countries has been divided by more than two in the last two decades. The best example is USA where the water consumption is now at the same level as most of the countries. If you compare with the year 2000, a person living in the USA used about three times more water than someone living in Denmark. I must add that Denmark was one of the leading countries concerning water sparing. And they still are. Copenhagen is the first city providing two water supply networks: One for industrial water used to flush toilets and one for drinking water.

**EC:** Apparently we became more responsible.

**SM:** Apparently only! The only reason why we are using less water is that its price has raised fourfold in the last ten years. If you compare the water-consumption with the price of the water, there is a correlation between the decrease of the consumption and the increase of the price. The interesting part is that the decrease of consumption happens about one year after the price increase: People restrain themselves once they realize how much they have to pay.

**EC:** Where do you often buy your water?

**SM:** Most of the countries over the 50<sup>th</sup> parallel North have plenty of water, either in the form of ice in glaciers, snow cover or in aquifers that are replenished rather well by nearly constant rainfall. One of my preferred providers is Greenland. Since it has started to mine its ice cover, it has had a constant quality. They have the smart idea not to process the upper part of the ice that is polluted by the industrial development. The opening of the first waterline between Greenland and Europe makes the trade easy and reliable.

**EC:** What about treated water? It is normally close to the user.

**SM:** Treated water is not drinking water. It is true that the treatment plants have improved and need to treat less water as most of the cities have now a separated sewage system for storm water collection, it would be too expensive to treat the water up to the drinking water standards. We still rely on Mother Nature to make the last bit of job. This water is reused for cleaning the streets for example or in ski resorts where they use it to produce snow. It is common practice nowadays. The water is disinfected with ozone or chlorine and then used in the snow canons. The reasons why we don't use it for the trade is that it does not have the mineral and gustative qualities required to be sold as drinking water. Moreover, most of the ski resorts are not connected with the large water distribution networks that we use to transfer the water where it is needed.

**EC:** Do you also work with spring water?

**SM:** I normally do no work with spring water. Beverage producing companies, be it spring water, soft drinks or alcoholic drinks, have undergone a gigantic vertical concentration, from the water extraction to the distribution of the final product. For example, Scotch whisky producers own more than 50% of Scotland's area, including most of the mountain chains where you have to follow very strict rules concerning pollution if you want to hike. This is normally a very close market that is not accessible for outsiders. At the drinking water division of Water Solution Inc., we deal preferably with standard drinking water.

**EC:** As the price of water is raising, do you think it will become a symbol of wealth like diamonds or gold was twenty or thirty years ago?

**SM:** It is actually already like that. Even though having an aquarium is not that expensive yet, water works are becoming luxurious. You see less and less fountains in the cities where water is expensive. More and more fountains are private owned by large companies that can afford to use that large amount of water for the sake of aesthetics only. I am the first one to do so, not only for the image but also because I

think it is beautiful. I always loved the fountains of Rome, and now that most of them are out of use, I plan to buy the Treviso fountain to put in the entrance of my office buildings. A fountain is designed to see water flow; it is a shame that the lack of water make some of the most beautiful achievements of history become obsolete.

**EC:** Is it a renewal of water as a source of aesthetic pleasure?

**SM:** Definitely, as water becomes expensive, it should become a source of beauty, as diamonds or gold are. And as those precious materials, it is not worth anything raw, it has to be processed, transformed somehow. For gold and diamonds, jewellery is the most common outcome. For water, fountains are the most obvious way of showing how purity can be represented by water, how the simplicity of a stream of water grasps the whole history of humanity, and the dependence to something that is both so common and so difficult to extract.

**EC:** Water as a source of life, water as a source of aesthetic pleasure, what about water as a fuel?

**SM:** Actually, water is more the outcome of fuel burning, and at the same time source of fuel. And with many different applications. For most of us, when we think about water, we think about hydrogen cars. Hydrogen is separated from oxygen in water using renewable energies like sun, wind or fuels produced from crops. And the resulting hydrogen is shipped wherever it is needed. With about 20% of the cars running with hydrogen, we can say that water is a fuel. But we have also the fusion reactors that use deuterium, a heavy form of hydrogen that can be extracted from water. Again water is the centre of the new technologies. But those are not very interesting to the trader as the quality of the water needed is not important in the efficiency of the process, and there is plenty of salt water from the sea that is not difficult to extract.

**EC:** What about where water is scarce?

**SM:** Then my group and I are ready to provide our expertise. And that is why I am talking to you from the moon. We are prospecting for new water sources on the moon. Even for us, this is new. Here water is like an ore, frozen in the soil, it is mined and then electrolysed to be used as a fuel.

**EC:** Why do they need you over there? Aren't you a specialist of Earth's water?

**SM:** Yes I am. And that is why they need me: the water on the moon is so scarce that they are now thinking about importing water from Earth. With the new transportation systems, it is relatively cheap to reach the moon. And the moon is the perfect place to start the missions that will explore Mars. The low gravity allows both for training of the crews and a cheap way to escape from Earth gravity.

**EC:** How do they recycle their water on the Mars missions?

**SM:** That is another problem I am supposed to look at: how to get the best of the water. Recycling is possible and already applied but we are considering the possibility of the mission to drag a giant ice cube wrapped in some plastic film to prevent

instantaneous vaporization in the void of space. The crew would use this ice cube as a source of fresh water and as fuel for the deceleration in the surroundings of Mars.

**EC:** As a conclusion, what would you advise to those who want to start water trading?

**SM:** They call Water Solution Inc.! It is the best place to start. Seriously, one needs a good background in hydrology to be able to prospect the new sources of water and to assess quickly the market potentials. And of course, an interest and knowledge in trading is essential: water has become a normal trading material, with its price indexed, as is the price of oil or gold. We need people who can play with the fluctuations of the stock exchange to make the maximum profit while satisfying the customers at the lowest price possible.

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