



Canada: Bottled Water Industry Insights

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Summary

In response to a recent inquiry regarding U.S. bottled water export opportunities into Canada, the following information was gathered and is being offered as a guide to the Canadian bottled water industry.

Market Demand

The bottled water sector is the fastest growing segment of the commercial beverage market, with consumption increasing markedly over the past 10 years. In 2006, bottled water accounted for 9.1% of market share by volume for the commercial beverage market, up from 5% in 2000. Today, there are approximately 65 bottlers in Canada, the majority of whom have their plants located in Ontario, Quebec and British Columbia. In terms of sales, Ontario provides the largest market in Canada, and in 2006 the province accounted for 48.2% of total sales, followed by Quebec and British Columbia, each accounting for 24% and 11.3%, respectively.

Increasing consumption, coupled with Canada's competitive advantage as an abundant freshwater country, has attracted large international beverage companies to seek Canadian manufacturing and distribution facilities. Presently, there are over 100 different bottled water brands available in the country and competition is fierce. Eight percent of Canadian bottled water is imported. In 2007, total import sales amounted to nearly 70 million dollars (US), of which 24% of sales came from the United States.

Brand proliferation and competition have led the industry to break into three price segments: premium, regular and private label. Competitive barriers are high, with the soft drink giants selling at highly competitive prices. This has led to a lot of consolidation. Moreover, high transportation costs, downward price pressure from private labels, and intense competition to gain store listing currently define the Canadian market.

For further market information on the Canadian bottled water market, please see Agriculture and Agri-Food Canada's report entitled *The Bottled Water Industry* at: <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1171644581795&lang=e>.

Market Entry

Bottled water companies and related equipment manufacturers interested in entering the Canadian market should contact The Canadian Bottled Water Association (CBWA) at: <http://www.cbwa.ca/en/welcome.htm>. The CBWA is the Canadian chapter of the International Council of Bottled Water Associations and its members produce and distribute 85% of the bottled water sold in Canada.

Each April, the CBWA holds a convention and trade show that attracts all major industry players. The association's 22nd annual convention will be held in April at a location yet to be determined. For more information on the event, please visit the CBWA's website.

Information Sources

Food Value Chain Bureau, Agriculture and Agri-Food Canada – www.arg.gc.ca

The Canadian Bottled Water Association (CBWA) - www.cbwa.ca

For More Information

The U.S. Commercial Service in Toronto, Canada can be contacted via e-mail at: Madellon.Lopes@mail.doc.gov;
Phone: 416-595-5412, ext. 227; Fax: 416-595-5419; or visit our website: www.buyusa.gov/canada/en/.

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