

Bottled water and Tibet

Free Tibet is a London-based international campaign organisation. Our vision is a free Tibet in which Tibetans are able to determine their own future and the human rights of all are respected.

China is the world's largest consumer of bottled water¹. As a country, it is, however, water-poor, and the water resources it has are afflicted by high levels of pollution and contamination². Tibet, in contrast, is abundant in water and enjoys the reputation of having a pure environment. Tibetan water has been sold in China, often as a premium product, for a number of years and in 2014, under an initiative called 'Sharing Tibet's Water with the World', the regional government of the Tibet Autonomous Region (TAR)³ signed contracts with sixteen major companies to expand the water bottling industry in Tibet⁴. In November 2015, the TAR announced a new ten-year plan to expand the industry, with a target of producing 10 million tonnes of bottled water by 2025⁵. The expansion – a seventy-fold increase over the capacity in 2014⁶ - is being incentivised with significant tax breaks to companies and a lower extraction fee than elsewhere in China.

While their product is not yet sold outside China, Chinese companies bottling water in Tibet are seeking foreign investment and overseas partners and, partly in response to challenges in the Chinese market, appear to be considering opportunities for export. **There are significant business risks associated with the current 'gold rush' for bottled water from Tibet, risks that will be exacerbated by sale outside China and in particular to Western consumers.**

Tibetan water: a 'conflict resource'

China has occupied and controlled Tibet since its military invasion in 1950 and has incorporated the country into the Chinese state. There have been a series of significant uprisings against Chinese rule, the most recent being in 2008 which resulted in the imprisonment of nearly 7,000 Tibetans and more than 220 being killed by security forces⁷. Since 2011, more than 140 self-immolation protests have taken place in Tibet in opposition to Chinese rule⁸. Enduring Tibetan opposition to the occupation is treated in law as a state security crime – those charged with such crimes face severe penalties and are denied legal safeguards granted to defendants charged with other crimes in China.

1 China Dialogue <https://www.chinadialogue.net/article/show/single/en/8273-China-s-bottled-water-industry-to-exploit-Tibetan-plateau>

2 China Water Risk, 2015, Bottled Water in China: boom or bust? <http://chinawaterrisk.org/wp-content/uploads/2015/09/CWR-Bottled-Water-In-China-Boom-Or-Bust-Sep-2015-ENG.pdf>

3 The TAR is a Chinese administrative province covering the Western part of Tibet. The water bottling industry also exists in other parts of Tibet.

4 Ibid

5 Global Times, 23 March 2016 <http://www.globaltimes.cn/content/975578.shtml>

6 Ibid

7 Department of Information and International Relations, Central Tibetan Administration, 2008, 2008 Uprising in Tibet: Chronology and Analysis <http://tibet.net/wp-content/uploads/2011/08/tibetprotest2008.pdf>

8 Free Tibet, full list of self-immolation protests <http://freetibet.org/about/self-immolation-protests>

The human rights situation inside Tibet is grave. The most recent US State Department human rights report for Tibet described violations including “extrajudicial detentions, disappearances, and torture” and “severe repression of Tibet’s unique religious, cultural, and linguistic heritage by, among other means, strictly curtailing the civil rights of China’s Tibetan population”⁹. The think tank Freedom House rated the level of political freedom in Tibet in 2015 as worse than any country except Syria¹⁰.

China’s dominance is not just military and political: commerce in Tibet is dominated by Chinese private and state-owned businesses, a situation facilitated by mass migration to Tibet by Chinese people and the imposition of Mandarin as the language of education, government and business. As a consequence, Tibetans suffer from economic marginalisation in their own country and resentment of Chinese dominance in the commercial sphere is a major source of grievance¹¹.

More than two million Tibetan pastoralists have been relocated from traditional grasslands in a process which has opened up Tibetan land for resource extraction, including water bottling. Environmental exploitation by the state and Chinese companies is a regular source of conflict between Tibetans and local authorities. Twelve significant protests against environmental damage or exploitation have taken place since 2012 and two fatal self-immolation protests have been linked to the extraction of natural resources.¹²

The United Nations Global Compact’s *Guidance on responsible business in conflict-affected and high-risk areas* identifies a number of factors which make a region a particularly challenging commercial environment and could lead to it being classified as ‘high-risk’. These include political instability, a government unsupported by a large proportion of the population and a high level of human rights abuse¹³. Tibet meets all these criteria.

In addition, the ownership of Tibet’s water is a matter of dispute between the indigenous population and the current government and resource exploitation across Tibet has been facilitated by the removal of Tibetan nomads from their lands. A case can and has been made that in the context of Chinese control sustained by human rights abuse¹⁴, Tibetan natural resources fit the definition of conflict resource as:

*natural resources whose systematic exploitation and trade in a context of conflict contribute to, benefit from or result in the commission of serious violations of human rights...*¹⁵

Foreign investors in Chinese water bottling companies which operate at the behest of the regional authorities in Tibet must recognise that they are operating in a high risk environment and acknowledge the significant ethical, corporate responsibility and reputational risks that arise.

9 US Department of State, 2016, Country Reports on human rights practices for 2015 http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?dynamic_load_id=252757&year=2015#wrapper

10 Freedom House, 2016, Freedom in the world 2016 https://freedomhouse.org/sites/default/files/FH_FITW_Report_2016.pdf

11 Fischer A, 2013, The disempowered development of Tibet in China, Lexington Books

12 Tibet Watch, 2015, Environmental protests on the Tibetan plateau http://www.tibetwatch.org/uploads/2/4/3/4/24348968/environmental_protests_on_the_tibetan_plateau.pdf

13 United Nations Global Compact Guidance on Responsible business in conflict-affected and high-risk areas https://www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/Guidance_RB.pdf

14 Rukor <http://rukor.org/page/2/>

15 Global Policy Forum <https://www.globalpolicy.org/home/198-natural-resources/40124-definition-of-conflict-resources.html>

Troubled water

While Tibet is abundant in water resources, the exploitation of its water is already having a significant environmental impact while global environmental forces are themselves threatening the future of water extraction.

A resource under threat

Known as the 'Third Pole' because it contains the largest reserve of fresh water outside the poles, the Tibetan plateau supplies water to China, India, Bangladesh, Burma, Thailand and other east Asian countries from glaciers that feed into the Mekong, Yangtze, Salween and Yellow River, among other major rivers.¹⁶ However, in recent years the flow of water from Tibet to China and neighbouring countries has been disrupted on a huge scale by damming for hydropower cascades, irrigation and water diversion projects. With dams on every major river and around one hundred built or planned on the plateau¹⁷, environmental threats include habitat destruction, soil erosion, extinction of fish populations through cutting off migratory routes, dried river beds, blocked silt flow (essential for soil fertility in downstream flood plains) and pollution from construction and infrastructure. Tibet is a highly seismically-active area (most recently affected by the Nepal earthquake of 2015) and experts note that increased water pressure behind dams "raises the number of geological catastrophes especially since the valleys [of the Himalayas] are so young"¹⁸.

Because of its altitude and geography, Tibet is suffering the effects of climate change deeply, with a rate of temperature increase three times the global average¹⁹. A recent study by the Chinese Academy of Sciences found that the glaciers in Tibet have shrunk by 15% over the past thirty years²⁰ and, according to one Tibetan scientist, are melting faster now than at any time previously. It is predicted that if the glaciers continue to melt at this rate, two-thirds will disappear by 2050²¹. Most bottled water companies are bottling from eastern Himalayan glaciers, including springs that are sourced from these glaciers, which are seeing a more rapid decrease than anywhere else in the Tibetan Plateau²².

As a result of these pressures, Tibet no longer has an inexhaustible supply of water. In the words of Jennifer Turner, director of the China Environment Forum at the Woodrow Wilson International Centre:

*"The Tibetan water tower cannot support all the damming and the extracting that is taking place right now. Bottled water doesn't have nearly the impact that dams and water-intensive industries do, but it's another big drop being taken out of the bucket."*²³

Nor is the Tibetan plateau any longer the pristine environment of popular imagination. Resource exploitation is a central plank of the Chinese government's plans for the economic development of Tibet (one of the poorest regions inside China's borders) and its environment is paying the

16 ICT Report

17 International Campaign for Tibet, 2015, Blue gold on the Tibetan plateau <http://www.savetibet.org/wp-content/uploads/2015/12/ICT-Water-Report-2015-Cover.jpg>

18 The Guardian 24 May 2015 <http://www.theguardian.com/environment/2010/may/24/chinese-hydroengineers-propose-tibet-dam>

19 International Campaign for Tibet, 2015, Blue gold on the Tibetan plateau <http://www.savetibet.org/wp-content/uploads/2015/12/ICT-Water-Report-2015-Cover.jpg>

20 http://english.cas.cn/resources/archive/news_archive/nu2014/201502/t20150217_140705.shtml

21 International Business Times 25 November 2015 <http://www.ibtimes.co.uk/tibet-scientists-warn-rapid-climate-change-roof-world-1530459>

22 Today 16 February 2016 <http://www.todayonline.com/commentary/bottling-water-glaciers-not-way-quench-chinas-thirst?page=1>

23 Vice, 14 November 2015 <https://news.vice.com/article/china-is-tapping-tibetan-glaciers-to-meet-growing-demand-for-bottled-water>

price. The highly marketable purity of Tibetan water is under threat from other forms of resource extraction, including mining for copper, gold and silver. Many of these industries simultaneously depend on water usage and generate water pollution, including arsenic, sulfuric acid, mercury and other heavy metals^{24 25}. While publicly available research on pollution in Tibet is rare because of the issue's political sensitivity, a study of the heavily mined Gyama Valley found that elevated concentrations of heavy metals posed "a considerably high risk to the local environment"²⁶.

The exploitation of Tibetan water is not simply a domestic Chinese-Tibetan issue. Control of water supply to downstream countries is also a strategic asset whose importance is lost on neither China nor its neighbours. In particular, it is an increasing source of tension between India and China, leading to some analysts even discussing the possibility of 'water wars'²⁷. The management of Tibet's water is now fraught with international sensitivities and subject to political pressures accordingly - negotiations with countries that depend on Tibetan glaciers for water has already led to promises from Beijing of more environmental protection zones, for instance²⁸.

Tibet's environmental significance and plight is also gaining increasing recognition internationally. In November 2015, the Dalai Lama made a public plea for its protection that was reported globally:

*"This blue planet is our only home and Tibet is its roof. As vital as the Arctic and Antarctic, it is the third pole. The Tibetan plateau needs to be protected, and not just for the Tibetans but for the environmental health and sustainability of the entire world."*²⁹

Tibet's water resources are vulnerable and facing threats from multiple global and local environmental factors, including climate change, pollution and anthropogenic interference while Tibet's natural environment as a whole is under threat from resource extraction. Bottled water production threatens to exacerbate both problems. In addition, China's control of the resource is subject to geopolitical considerations that could alter its policies in unpredictable ways.

Far from being a simple commercial project to minimally process a "renewable" resource, bottling Tibetan water is vulnerable to significant external environmental and political pressures and carries high sustainability risks. These risks threaten the commercial viability of the industry and the reputation for environmental responsibility of foreign companies associated with it.

An unstable regulatory landscape

Extractive and highly polluting industries inside Tibet are already poorly regulated and while the regional governments create incentives intended to significantly increase the number of players bottling water from Tibet, there has been no corresponding emphasis on regulation of the industry. For instance, a number of companies are already permitted to bottle inside the Sanjiangyuan National Nature Reserve³⁰ in the Tibetan Autonomous Prefectures of Qinghai Province. In 2009, the boundaries of this reserve were found to have been altered, apparently in order to permit mining to take place within its previous borders³¹.

24 <http://www.cfr.org/china/chinas-environmental-crisis/p12608>

25 Greenpeace • <http://www.greenpeace.org/international/en/campaigns/climate-change/coal/Mining-impacts/>

26 Huang X, et al, Environmental impact of mining activities on the surface water quality in Tibet: Gyama valley, *SciTotal Environ* (2010), doi:10.1016/j.scitotenv.2010.05.015 https://www.researchgate.net/profile/Egil_Gjessing/publication/44667913_Environmental_impact_of_mining_activities_on_the_surface_water_quality_in_Tibet_Gyama_valley/links/0912f5073c27b065de000000.pdf

27 *The National Interest* April 19 2016 <http://nationalinterest.org/feature/water-war-river-could-sink-china-india-relations-15829>

28 *The Diplomat* 30 June 2015 <http://thediplomat.com/2015/06/china-india-revisiting-the-water-wars-narrative/>

29 *Reuters* 20 October 2016 <http://uk.reuters.com/article/uk-tibet-climatechange-idUKKCN0SE0IE20151020>

30 *Third Pole* <http://www.thirdpole.net/2015/10/29/chinas-bottled-water-industry-to-exploit-asias-water-tower-4/>

31 *Tibet Third Pole* <http://tibet.org/tibet3rdpole.org/?p=802>

Only one of more than ten companies presently bottling water in Tibet publishes information about its sustainability and environmental protection practices.³² The environmental threat posed by the industry is not simply a matter of the impact of water extraction. Water bottling requires bottling facilities, transport infrastructure and the manufacture or supply of plastic bottles. Almost no information is available from companies or independent sources about the impacts of these activities in remote and potentially vulnerable areas. The company which currently does publish information, Tibet Water Resources Ltd (owner of the Tibet 5100 brand), provides only its policies regarding preserving water purity and about bottle recycling, not about such collateral impacts³³.

While the regional government in the TAR wants to pave the way for another potentially environmentally harmful extractive industry, the national regulatory landscape for environmental protection is rapidly changing. Central government recognises widespread and deep public anger across China about pollution and environmental damage, which have become significant political issues and even threats to its authority³⁴. In 2015, President Xi Jinping introduced an extensive range of measures to create an 'Ecological Civilisation', including plans to deal with climate change and actions to protect glaciers³⁵. Beijing is also promising strict repercussions for those violating the environmental protection measures and regional officials will face "natural resource audits" from 2018³⁶.

The TAR government's ten-year plan for minimally regulated bottling of water in Tibet is at risk of falling foul of central regulation as the Chinese government continues to evolve and change its stance on the environment. What the government gives can be taken away and the favourable circumstances enjoyed by the industry at present are deeply vulnerable.

Conclusion

Tibet's water bottling industry is fraught with political, commercial, regulatory and environmental risks. By investing in or entering into commercial partnerships with Chinese water bottling companies, foreign businesses expose themselves to those risks and face additional negative impacts, including significant reputational damage and being targeted in campaigns by international Tibet support organisations.

Free Tibet urges any company or organisation investing in or otherwise partnering with companies engaged in bottling water in Tibet to end their commercial relationships completely and permanently.



©FreeTibet, 2016

Free Tibet
28 Charles Square
London
N1 6HT
www.freetibet.org

Tel: +44 (0)207 324 4605
Email: info@freetibet.org

Contact: Alistair Currie
Alistair@freetibet.org

32 Third Pole <http://www.thethirdpole.net/2015/10/29/chinas-bottled-water-industry-to-exploit-asias-water-tower-4/>

33 Tibet Water Resources Ltd http://twr1115.net/pages/our_environment

34 Forbes Asia 22 June 2015 <http://www.forbes.com/sites/forbesasia/2015/06/22/environmental-protests-expose-weakness-in-chinas-leadership/#1e9172a02f09>

35 China Dialogue <https://www.chinadialogue.net/article/show/single/en/8018-Interpreting-ecological-civilisation-part-one->

36 The Diplomat 30 September 2015 <http://thediplomat.com/2015/09/chinas-new-blueprint-for-an-ecological-civilization/>