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Accounting global grey water footprint from both consumption and production perspectives

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1 **Abstract**

2 Grey water footprint (GWF)¹ accounting has previously been conducted at the global level using a
3 bottom-up approach but lacking detailed industrial information. Here we applied a multi-region
4 input-output approach based on the World Input-Output Database (WIOD) to quantify global GWF
5 of 40 countries/regions with 35 economic sectors. The GWF from both the production perspective
6 (GWFP), and the consumption perspective (GWFC) are quantified. The results show that the global
7 GWFP/GWFC was 1507.9 km³ in 2009. Except for the “Agriculture, Hunting, Forestry and Fishing”
8 sector, the industrial sectors with the largest GWFC were “Food, Beverages and Tobacco”,
9 “Construction”, “Chemicals and Chemical Products”, and “Textiles and Textile Products”. The BRIC
10 countries (Brazil, Russia, India, China) had a larger GWFP than their GWFC, which accounted for
11 over half of global GWFP (53.6%), and their GWFP was mainly generated from the production of
12 domestic final demand. In contrast, the OECD29 and EU27 groups of countries i.e. the country
13 groups consisting mainly of economically advanced nations, had larger GWFC than their GWFP.
14 Overall, the OECD29 and EU27 outsourced 134.8 km³ and 64.4 km³ of their grey water respectively,
15 mostly to large newly advanced economies such as the BRIC group of countries, which, in turn,
16 were collectively outsourcing 112 km³ of grey water. Quantitative approaches are thus suggested
17 for development, aimed at shared responsibility for water pollutant discharge among poor
18 exporters and wealthy consumers.

19 **Keywords:** Global assessment; Input-output analysis; Virtual water trade; Water pollution

¹Abbreviations: WF, water footprint; GWF, grey water footprint; GWFP, grey water footprint from the production perspective; GWFC, grey water footprint from the consumption perspective; IGWF, internal grey water footprint; GVWE, grey virtual water exports; GVWI, grey virtual water imports; WIOD, World Input-Output Database.

20 outsourcing.

21 **Introduction**

22 It is widely recognised that the ever growing demand for goods and services for human
23 consumption are the main drivers of water resource depletion and water pollution (Hoekstra and
24 Mekonnen, 2012; Munksgaard et al., 2005; Zhao et al., 2016a). Further, the spatially uneven
25 distribution of consumption and water resource depletion has been identified as having a
26 substantial impact on countries/regions with water intensive production (Feng et al., 2014; Liu et
27 al., 2015; Orłowsky et al., 2014; Zhao et al., 2015). Highlighting such issues has added a global
28 dimension to regional water management (Vörösmarty et al., 2015). However, despite severe
29 water pollution problems around the world, most studies seeking to understand the impact of
30 trade and consumption on water only consider water quantity and ignore water quality (van Vliet
31 et al., 2017; Zhao et al., 2016a).

32 One of the helpful concepts used to describe human impacts on water quantity and water
33 quality is that of the water footprint (WF). The WF of a product may be defined as the volume of
34 freshwater use, measured directly and indirectly, through the supply chain to support the final
35 demand of a particular product (Hoekstra et al., 2011). Three components are included in WF
36 accounting: the blue and green WF refer to the use of blue water (groundwater and surface water)
37 and green water (soil water) to support final demand. These two components represent the impact
38 of human consumption in terms of water quantity. In contrast, the grey WF (GWF) is a measure of
39 the volume of water required to assimilate the pollution load generated as a result of final demand
40 of a particular product back to ambient levels and, as such, is a water quality indicator (Chapagain
41 et al., 2006; Hoekstra et al., 2011). Hence, the GWF unifies the impact of *both* water quantity and

42 quality into a homogeneous unit: freshwater volume. The GWF also allows the comparison of
43 environmental impacts produced by pollutants discharged into waterbodies with different
44 natural conditions (Pellicer-Martínez and Martínez-Paz, 2016). It has been quantified at different
45 spatial levels (Cazcarro et al., 2016; Serrano et al., 2016; Zhi et al., 2015), as well as at global level
46 (Hoekstra and Mekonnen, 2012; Liu et al., 2012; Liu et al., 2017).

47 The accounting of WF (including GWF) may be approached from two perspectives. Accounting
48 from the production perspective includes the production of goods/services for domestic
49 consumption, and those for export (Hoekstra and Mekonnen, 2012; Peters, 2008). Regional water
50 management has traditionally focused on local water supply i.e. managing water to support the
51 water demand of local production (Lenzen et al., 2013). However, WF accounting from the
52 production perspective takes this a step further to divide local water supply into domestic use
53 (internal WF) and export use (Hoekstra and Mekonnen, 2012). As a result, the internal and external
54 driving force of local water supply due to final demand can be shown (Zhao et al., 2016b). In
55 contrast, accounting from the consumption perspective includes water used in the production of
56 all goods/services intended for local consumption (internal WF), including imports (external WF).
57 From the consumption perspective, all water use, no matter whether it is within or outside the
58 regional boundary, occurring along the chains of production and distribution are allocated to the
59 final product consumer (Wiedmann, 2009). Hence, the consumption perspective can show the
60 impacts on water resources of consumers in one region from the same or another region, thus
61 informing consumer responsibility. Overall, it is important to address both perspectives to
62 understand how the environmental costs of water pollution are redistributed from the
63 countries/regions of consumers to that of producers.

64 In terms of the quantification of WF (including GWF), two approaches are commonly taken
65 i.e. the bottom-up and top-down approach. Global GWF accounting has previously been conducted
66 using the bottom-up approach for agricultural products from both production and consumption
67 perspectives (Hoekstra and Mekonnen, 2012). Compared to the top-down approach, the bottom-
68 up approach is less sensitive to trade data and enables a detailed inventory of the agricultural
69 sector (Hoekstra and Mekonnen, 20102), but is more difficult to quantify for the industrial sector
70 owing to the complexity of the supply chain (Feng et al., 2011). However, the breakdown of the
71 industrial sector is important in GWF accounting because of the substantial amount of waterborne
72 pollutants discharged by the sector, such as from the textiles, chemicals, and papermaking
73 industries. A top-down approach based on input-output analysis allows the quantification of the
74 GWF with details of industrial sectors. In addition, the top-down approach allows the quantification
75 of the GWF in a unified framework from both consumption and production perspectives. Recent
76 studies have shown that a multi-region input-output (MRIO) analysis is an appropriate
77 methodology for quantifying the WF (including the GWF) from the consumption perspective
78 (Lenzen et al., 2013; Serrano et al., 2016). However, as far as we know, studies which have
79 quantified the global GWF from both production and consumption perspectives under an MRIO
80 framework are rare.

81 In this study we account for the global GWF from the production perspective (GWFP for short)
82 and the consumption perspective (GWFC for short) using the top-down approach. A global MRIO
83 table, the World Input-Output Database (WIOD), was used to study the global GWF. The WIOD
84 covers 40 countries/regions and 35 economic sectors, including 1 agricultural sector, 17 industrial
85 sectors, and 17 service sectors (Timmer et al., 2015). GWFP may be further divided into the internal

86 GWFC (IGWF) and grey virtual water exports (GVWE), and GWFC is subdivided into IGWF and grey
87 virtual water imports (GVWI). The implications from the results of GWFC and GWFP, as well as the
88 comparison between the two perspectives, are also discussed.

89 **Data**

90 The WIOD (www.wiod.org) provides the MRIO table from 1995 onwards and (blue, green, and
91 grey) water use data between 1995 and 2009 (Genty, 2012; Timmer et al., 2015). It is currently the
92 only database providing grey water use for a range of sectors (Serrano et al., 2016). There are 35
93 sectors for each country/region including 1 agricultural sector, 17 industrial sectors, and 17 service
94 sectors (See Fig. 2 for details). Hence, this study made use of the data from the WIOD for 2009 in
95 order to acquire the most up-to-date grey water use data (<http://www.wiod.org/database/eas13>).
96 The MRIO table in the WIOD lists 40 countries/regions (see Fig. 2 for details), including 27 EU
97 countries, 29 OECD countries, and the BRIC countries (Brazil, Russia, India and Mainland China);
98 see Table 1 for details. The economic activities of Chinese Taipei was separated from Mainland
99 China (hereafter China for short), according to the data provided. Other countries/regions not in
100 the list were categorized as Rest of World (ROW).

101 In the WIOD, grey water use for different sectors was estimated using different methods
102 depending on data availability (Genty, 2012). The grey water use of crop and livestock production
103 was quantified based on non-point source pollution of nitrogen, according to Mekonnen and
104 Hoekstra (2010a; 2010b). The sum of grey water use for crop and livestock production was
105 aggregated and assigned to the “Agriculture, Hunting, Forestry and Fishing” sector in the WIOD
106 (Genty, 2012). The grey water use of hydropower was estimated based on Mekonnen and Hoekstra
107 (2011b), and assigned to the “Electricity, Gas and Water Supply” sector. The grey water use for

108 industrial production (excluding hydropower) was a measure of the part of the return flow which
 109 is discharged into the environment without prior treatment with the assumption that the dilution
 110 factor is 1 (Mekonnen and Hoekstra, 2011a). The total industrial grey water use was then
 111 distributed to WIOD sectors based on the share of water use in the database generated by the
 112 EXIOPOL project² (Genty, 2012; EXIOPOL, 2011).

113 **Methodology**

114 In a fundamental input-output framework, the total output of different sectors in region r in
 115 column vector form \mathbf{x}^r is the sum of intermediate input in matrix form \mathbf{Z}^{rr} and final demand in
 116 column vector form \mathbf{f}^r , shown as follows:

$$117 \quad \mathbf{x}^r = \mathbf{Z}^{rr} \mathbf{i} + \mathbf{f}^r \quad (1)$$

118 where \mathbf{i} is a column vector of 1.

119 In order to reflect the functional relationship between final demand and total output, the technical
 120 coefficient \mathbf{A}^{rr} is introduced. The relationship between \mathbf{Z}^{rr} , \mathbf{A}^{rr} , and \mathbf{x}^r can be denoted as
 121 $\mathbf{Z}^{rr} \mathbf{i} = \mathbf{A}^{rr} \mathbf{x}^r$, where \mathbf{A}^{rr} is the technical coefficient of region r in matrix form, acquired through
 122 dividing the total output of each sector by their intermediate inputs. Hence, equation (1) becomes
 123 $\mathbf{x}^r = \mathbf{A}^{rr} \mathbf{x}^r + \mathbf{f}^r$. The above equation can be further transformed to the fundamental input-
 124 output formula $\mathbf{x}^r = (\mathbf{I} - \mathbf{A}^{rr})^{-1} \mathbf{f}^r$, where $(\mathbf{I} - \mathbf{A}^{rr})^{-1}$ is the Leontief Inverse Matrix showing the
 125 total output of different sectors necessary for one unit of final demand.

126 In a generalized environmental input-output model for a single region, the environmental
 127 accounts (in our case, the sectoral grey water use accounts) are added as an additional row to the

² EXIOPOL is an integrated project funded by the European Commission to build an input-output framework linking other socio-economic models to estimate environmental impacts of economic activities.

128 input-output table to link the economic sectors to grey water use. In order to acquire the GWF of
 129 region r , we first introduce the direct grey water use intensity of region r , \mathbf{d}^r , which represents
 130 the direct grey water use per unit of output in each sector, i.e. $\mathbf{g}\mathbf{w}\mathbf{u}^r = \hat{\mathbf{d}}^r \mathbf{x}^r$. Here, $\mathbf{g}\mathbf{w}\mathbf{u}^r$ is the
 131 sectoral grey water use of region r in column vector form, and $\hat{\mathbf{d}}^r$ is the direct grey water use
 132 intensity of region r in diagonal form. Combining the above equation with the fundamental input-
 133 output formula, we can obtain the GWF of region r derived from its final demand:

$$134 \quad \mathbf{g}\mathbf{w}\mathbf{f}^r = \hat{\mathbf{d}}^r (\mathbf{I} - \mathbf{A}^{rr})^{-1} \hat{\mathbf{f}}^r \quad (2)$$

135 To quantify the GWF of many countries/regions from both consumption and production
 136 perspectives, we applied the “Water Embodied in Trade” (WET) approach based on the generalized
 137 environmental input-output model. Full details of this approach may be found in Feng et al. (2011)
 138 and Zhao et al. (2015), and herein we provide a simplified illustration of the methodology. The
 139 basic framework of WET for p regions in matrix form can be shown as:

$$140 \quad \begin{bmatrix} \mathbf{x}^1 \\ \mathbf{M} \\ \mathbf{x}^r \\ \mathbf{M} \\ \mathbf{x}^p \end{bmatrix} = \begin{bmatrix} \mathbf{A}^{11} & \mathbf{L} & \mathbf{0} & \mathbf{L} & \mathbf{0} \\ \mathbf{M} & \mathbf{O} & \mathbf{M} & & \mathbf{M} \\ \mathbf{0} & \mathbf{L} & \mathbf{A}^{rr} & \mathbf{L} & \mathbf{0} \\ \mathbf{M} & & \mathbf{M} & \mathbf{O} & \mathbf{M} \\ \mathbf{0} & \mathbf{L} & \mathbf{0} & \mathbf{L} & \mathbf{A}^{pp} \end{bmatrix} \begin{bmatrix} \mathbf{x}^1 \\ \mathbf{M} \\ \mathbf{x}^r \\ \mathbf{M} \\ \mathbf{x}^p \end{bmatrix} + \begin{bmatrix} \mathbf{y}^1 + \sum_{s \neq 1} \mathbf{e}^{1s} \\ \mathbf{M} \\ \mathbf{y}^r + \sum_{s \neq r} \mathbf{e}^{rs} \\ \mathbf{M} \\ \mathbf{y}^p + \sum_{s \neq p} \mathbf{e}^{ps} \end{bmatrix} \quad (3)$$

141 where \mathbf{y}^r is the domestic final demand of region r in vector form, and $\sum_{s \neq r} \mathbf{e}^{rs}$ is the exports of
 142 region r to fulfill the final demand of different regions s .

143 The IGWF of a region may be defined as the grey water use derived from domestic production
 144 to support the final demand of the region. Under the WET framework, the IGWF of region r may
 145 be denoted as $\mathbf{i}\mathbf{g}\mathbf{w}\mathbf{f}^r = \sum \hat{\mathbf{d}}^r (\mathbf{I} - \mathbf{A}^{rr})^{-1} \hat{\mathbf{y}}^r$. The GVWE of a region is defined as the grey water
 146 use derived from the production of exported products from that region, and the GVWE of region r
 147 may thus be denoted as $\mathbf{g}\mathbf{v}\mathbf{w}\mathbf{e}^r = \sum \hat{\mathbf{d}}^r (\mathbf{I} - \mathbf{A}^{rr})^{-1} \sum_{s \neq r} \hat{\mathbf{e}}^{rs}$. The GVWI is defined as the grey
 148 water use derived from the production of imported products for local final demand, and the GVWI

149 of region r can therefore be shown as $\mathbf{gwi}^r = \sum \sum_{s \neq r} \hat{\mathbf{d}}^s (\mathbf{I} - \mathbf{A}^{ss})^{-1} \hat{\mathbf{e}}^{sr}$,
 150 where $\hat{\mathbf{d}}^s$ is the direct grey water intensity of region s in diagonal matrix form, $\hat{\mathbf{e}}^{sr}$ is the export
 151 from region s to fulfill the final demand of different regions r in diagonal matrix form, and \mathbf{A}^{ss} is
 152 the technical coefficient of region s in matrix form.

153 By combining the IGWF and GVWE we can derive the GWFP of region r ,
 154 $\mathbf{gwf}^r = \mathbf{igwf}^r + \mathbf{gvwe}^r$, and the GWFC of region r is the combination of IGWF and GVWI,
 155 $\mathbf{gwf}^r = \mathbf{igwf}^r + \mathbf{gvwi}^r$.

156 Results

157 Global grey water footprint from the production perspective

158 Total and sectoral GWFP of different countries/regions were collected from the WIOD (Genty,
 159 2012). The total global GWFP was 1507.9 km³, with China identified as having the largest GWFP,
 160 with a total of 536.6 km³, followed by the USA and India with 193.2 km³ and 174.6 km³ respectively.
 161 Other countries with large GWFP's were Russia (65.0 km³), Canada (33.6 km³), Brazil (31.4 km³)
 162 and Indonesia (31.0 km³). In terms of country groups, the GWFP of the BRIC countries accounted
 163 for over half of global GWFP (53.6%), and the GWFP of the OECD29 and EU27 bloc amounted to
 164 24.0% and 6.8%, respectively.

165 In terms of sectoral GWFP, almost all GWFP was allocated to seven sectors including
 166 "Agriculture, Hunting, Forestry and Fishing", "Basic Metals and Fabricated Metal", "Chemicals and
 167 Chemical Products", "Pulp, Paper, Printing and Publishing", "Food, Beverages and Tobacco",
 168 "Textiles and Textile Products", and "Other Non-metallic Mineral". The "Agriculture, Hunting,
 169 Forestry and Fishing" sector had the largest GWFP, accounting for 60% of total GWFP, followed by
 170 the "Basic Metals and Fabricated Metal" and "Chemicals and Chemical Products" sectors

171 accounting for 13% and 11% of GWFP, respectively.

172 Environmental externality and responsibility cannot be discussed without addressing
173 interpersonal equity. Taking into account the per capita value, Canada had the largest GWFP,
174 generating 997.8 m³/person of grey water. This is attributed to the relatively low population of
175 Canada. With the exception of the USA (629.8 m³/person), Chinese Taipei (507.3 m³/person), and
176 China (403.8 m³/person), the top 10 countries/regions with the largest per capita GWFP were all
177 from Eastern and Southern Europe, including Bulgaria (685.7 m³/person), Hungary (535.5
178 m³/person), Slovenia (466.0 m³/person), Russia (455.0 m³/person), Poland (413.9 m³/person), and
179 Romania (370.3 m³/person).

180 GWFP can be divided into IGWF and GVWE to identify internal and external drivers to local
181 grey water production; in total GVWE constitutes 24.6% of total GWFP. The share of GVWE varies
182 among countries/regions from 12.3% (Greece) to 87.9% (Netherlands). The countries/regions with
183 the largest GWFP had a relatively lower share of GVWE, for example China (22.8%), USA (20.6%),
184 India (12.4%), and Russia (17.6%). Obviously, these countries are large economies and produce
185 mainly to fulfill domestic consumption.

186 Global grey water footprint from the consumption perspective

187 **Insert Fig. 1**

188 When examined from a consumption perspective, the GWFC embodied in a country/region's
189 final demand indicates how much grey water would be generated in order to meet its final
190 consumed goods and services. Since the total GWFC is equal to the total GWFP globally, GWFC also
191 refers to the redistribution of grey water use generated from the production side to the
192 consumption side through the supply chain. The national/regional GWFC's are presented in Fig. 1a.

193 For specific countries/regions, China tops the list with a GWFC of 440.0 km³, accounting for nearly
194 30% of GWFC. The USA is ranked second with a GWFC of 214.8 km³, and other countries ranked
195 sequentially among the top 5 are India, Russia and Germany. The GWFC of the top five countries
196 accounted for 60% of global GWFC. In terms of country groups, we found the EU27 accounted for
197 11% of global GWFC, and the results were 33% and 46% for OECD29 and BRIC, respectively. These
198 findings indicate a large amount of GWFC was generated by the so-called “emerging economies”.

199 When taking into account the per capita value (Fig. 1b), North America had the highest GWFC
200 per capita, with Canada and the USA ranking first and second respectively. In 2009, the
201 consumption of an average Canadian and American citizen generated water pollution requiring
202 914.8 m³/person and 700.2 m³/person freshwater respectively. Excepting Chinese Taipei, Russia,
203 and Bulgaria, the top 10 countries/regions with the largest GWFC per capita were all from the
204 OECD29, including Canada, USA, Australia (551.9 m³), Slovenia (515.4 m³), Netherlands (514.6 m³),
205 Luxembourg (506.3 m³), and Belgium (477.9 m³). Some countries had a large total GWFC but small
206 per capita amount, for instance India ranked third in terms of its national GWFC but had the lowest
207 per capita amount of only 133.9 m³. Similarly, the inverse relationship can be seen in some
208 countries, for example in 2009 Luxembourg generated only 0.25 billion m³ GWFC in total, equating
209 to 506.3 m³ per person.

210 **Insert Fig. 2**

211 In terms of sectoral distribution, the top five sectors contributing the most to global GWFC
212 were “Agriculture, Hunting, Forestry and Fishing”, “Food, Beverages and Tobacco”, “Construction”,
213 “Chemicals and Chemical Products” , and “Textiles and Textile Products”. These five sectors were
214 responsible for 31.0%, 21.0%, 9.8%, 5.3%, and 4.4% respectively of GWFC throughout the world in

215 2009, amounting to 71.5% of GWFC. The national/regional level of sectoral distribution are shown
216 in Fig. 2. At national/regional level the pattern varies; the contribution of “Agriculture, Hunting,
217 Forestry and Fishing” to national/regional GWFC ranged from 15% (Bulgaria) to 52% (Latvia). For
218 “Food, Beverages and Tobacco”, the contribution ranged from 10% (Romania) to 38% (Finland), for
219 “construction” from 0.1% (Luxembourg) to 21% (China), for “Chemicals and Chemical Products”
220 between 2% (China) and 24% (Malta), and for “Textiles and Textile Products” between 1% (Hungary)
221 and 20% (Turkey).

222 External and internal grey water footprint from the consumption perspective

223 The GWFC may be divided into IGWF and GVWI. Globally, the GVWI was 371.4 km³ accounting
224 for 24.6% of the total GWFC. The top five countries/regions with the largest GVWI were the USA
225 (61.4 km³), Japan (26.0 km³), China (25.8 km³), Germany (25.0 km³), and Canada (12.7 km³). The
226 share of GVWI varied significantly at national/regional scale (Fig. 3), ranging from 5.9% (China) to
227 98.8% (Netherlands). The EU27 bloc had the largest share of GVWI; globally the top five countries
228 with the largest GVWI were the Netherlands, Malta, Luxembourg, Cyprus, and Ireland. As a result,
229 the GVWI for the EU27 bloc constituted 63.5% of the total GWFC. In contrast the BRIC countries
230 were among the main countries having the largest share of IGWF. Over 90% of GWFC in China
231 (94.1%) and India (94.1%) were generated within their own territories, as well as 83.5% in
232 Indonesia, 82.9% in Russia, and 82.2% in Brazil. The share of IGWF varied greatly between the EU27
233 and BRIC countries, probably because the BRIC countries have larger land areas and relatively self-
234 dependent economies.

235 **Insert Fig. 3**

236 Global outsourcing of grey water

237 If one country imports more grey water than it exports to other countries through its trade
238 balance i.e. is a net importer of grey water, we can say that this country is outsourcing its water
239 pollution to other countries. Conversely, if a country exports more grey water than it imports, i.e.
240 is a net exporter of grey water, we can say this country is being outsourced by other countries. In
241 2009, there were 10 countries/regions being outsourced compared to 30 outsourcing
242 countries/regions (Fig. 4). As can be seen in Fig. 4, the top 5 outsourcing countries were Japan, USA,
243 Germany, UK and South Korea, while the top 5 countries/regions being outsourced were China,
244 India, Poland, Brazil, and Canada.

245 **Insert Fig. 4 and Fig. 5**

246 Grey water outsourcing shows different patterns per country/region (Fig. 5). For example, as
247 the largest outsourcing country, Japan outsourced 24.6 km^3 of grey water in 2009. Breaking down
248 the aggregate result, Japan outsourced 24.7 km^3 of grey water to 34 out of 40 countries/regions,
249 but had only 0.1 km^3 of grey water outsourced to it by 6 countries/regions. The two countries Japan
250 outsourced most to were China and USA, which accounted for 46.1% and 18.3% of total grey water
251 outsourcing from this country. It is also worth noting that the volume of grey water outsourced by
252 Japan to China (11.4 km^3) was even higher than grey water consumption within Japan for producing
253 goods and services (6.4 km^3). As the second largest outsourcing country, the USA outsourced 34.7
254 km^3 of grey water to 12 countries/regions, but was also being outsourced by 28 countries/regions
255 to the tune of 13.1 km^3 , resulting in total outsourcing of 21.6 km^3 grey water. The USA mainly
256 outsourced grey water to China, India and Canada, accounting for 77.4% of its total grey water
257 outsourcing to a total of 12 countries/regions. However, USA was being outsourced a large amount

258 of grey water mainly from Japan, Mexico, and Korea, accounting for 66.2% of its total grey water
259 being outsourced. The top three countries outsourcing the largest share of grey water were Malta,
260 the Netherlands, and Cyprus where net exports represented 96%, 90%, and 88% of consumption-
261 based GWF respectively.

262 The largest net grey water exporting country, i.e. country being outsourced, was China with
263 96.7 km³ from the other 41 countries/regions contained in our study (Fig. 5). This volume
264 corresponds to 18% of GWFP for China, and was close to the GWFP of the EU27 (102.8 km³). The
265 top three countries/regions that outsourced to China were the USA (19.9 km³), Japan (11.4 km³),
266 and Germany (6.6 km³). These three countries were also the top three outsourcing countries
267 examined by our study. Beyond China, the volume being outsourced fell to 12 km³ for the second
268 largest country India, and to 3.7km³ for the third largest, Poland. The top three countries that being
269 outsourced the largest share of their GWFP were Bulgaria, Hungary, and Poland. Net exports of
270 grey water for these three countries represented 38%, 24%, and 23% of GWFP, respectively.

271 **Discussion**

272 The quantification of GWFC showed that the top 10 countries/regions with the greatest GWFC
273 were also the most populous (Fig. 6). This is simply because these countries require tremendous
274 amounts of products to satisfy final demand of their populations. Final demand may be met
275 through either domestic production or imports of externally produced goods and services. Similarly,
276 the GWFC may either be mostly generated within the country/region with larger IGWF, or outside
277 the country/region with larger GVWI. The GWFC of the newly advanced economies of China, India,
278 Russia, Brazil (i.e. the BRIC countries), as well as Indonesia, was mostly generated within the
279 national boundary, with the share of IGWF in GWFC making up 94.1%, 94.1%, 82.9%, 82.2%, and

280 83.5%, respectively. Similarly, the USA and Canada were found to depend mainly on domestic
281 production, but also generated a substantial share of GVWI accounting for 28.6% and 41.2% of
282 their GWFC, respectively. Therefore, the BRIC countries, the USA, and Canada could substantially
283 reduce their GWFC by reducing their IGWF i.e. regulating production related pollutant discharges
284 associated with domestic final demand within their national boundaries. This is important because
285 the total IGWF of these 7 nations (842.4 km³) made up over half the global GWFC, i.e. 55.9%.

286 **Insert Fig. 6 and Table 1**

287 Conversely, the GWFC of Japan and Germany, also at the top of the global GWFC list, was
288 found to depend mainly on external production, with shares of GVWI accounting for 75.5% and
289 83.5% of their respective GWFC. These two countries, along with other developed nations such as
290 USA, UK, Italy, the Netherlands, and France, are at the top of the list of grey water outsourcing
291 countries/regions. The OECD29 and EU27 i.e. the country groups consisting mainly of economically
292 developed nations, outsourced 134.8 km³ and 64.4 km³ of their grey water mostly to large
293 developing countries such as BRIC, which imported 112 km³ of grey water. Overall, countries which
294 rely mainly on external production in order to meet domestic final demand raises the question of
295 who is responsible for discharge of waterborne pollution, and how this burden shifting
296 could/should be shared (Davis and Caldeira, 2010; Zhao et al., 2016a). Similar questions have been
297 raised in relation to CO₂ emissions, but rarely for water quality issues (Peters, 2008; Wiedmann,
298 2009). One of the few exceptions is from Zhao et al. (2016a), who studied the megacity Shanghai
299 as a case to show how wealthy consumers have largely transferred water quality stress to other
300 Chinese provinces. As a result, they suggested taking measures at national/regional, industrial, and
301 consumer levels to obtain shared responsibility between wealthy consumers and often poorer

302 exporters, as well as promoting greater demand-side management (Zhao et al., 2016a). Based on
303 the results of the present study, we recommend similar measures could be adopted at the global
304 level for mitigating water quality stress induced by consumption in developed countries/regions.
305 As a result, quantitative approaches could be developed aimed at shared responsibility for water
306 pollution among poorer exporters and wealthy consumers.

307 Overall, GWF is an appropriate tool for global assessment of water pollution because it is a
308 homogenous indicator enabling comparison of water pollution impacts spatially and across
309 regions/countries (Pellicer-Martínez and Martínez-Paz, 2016). However, the concept itself has a
310 number of limitations which currently constrain its accuracy for global assessment. First, the results
311 of GWF will vary substantially based on the selection of different water quality standards and data
312 sources of natural pollutant concentrations (Mekonnen and Hoekstra, 2015). Second, GWF is
313 generally assessed using individual classes of pollutant. Assessments of GWF have overwhelmingly
314 been focused on nitrogen-related pollutants, despite the cocktails of pollutants known to exist in
315 polluted waterbodies, and which may therefore significantly underestimate the GWF (Liu et al.,
316 2017). For example, Liu et al. (2017) found that the volume of freshwater needed to dilute
317 phosphorus inputs is much higher than for nitrogen loads. Third, it is difficult to validate the results
318 of GWF since the indicator cannot be measured directly (Liu et al., 2012). However, despite all
319 these limitations, GWF still has great potential as a sustainability indicator for water pollution at
320 different spatial levels (Pellicer-Martínez and Martínez-Paz, 2016). The present study also contains
321 the well documented limitations typical of input-output analyses and MRIO approaches. In
322 particular, regional and sectoral aggregation of MRIO tables exists, and a higher degree of
323 aggregation tends to more severe issues around quantification accuracy (Lenzen et al., 2013). Last,

324 but not least, both the data of grey water use by sector and MRIO table need updating to include
325 more recent years. MRIO data is often outdated on release because of the problems of dealing
326 with incomplete, conflicting, and misaligned data (Lenzen et al., 2012). Discharges of water
327 pollutants by sector and ambient water quality standards to quantify grey water use by sector are
328 often not available, or cannot be accessed, for many countries (Liu et al., 2017). Overcoming the
329 limitations of the GWF concept and the relative models is therefore key to developing the
330 acceptability of GWF in the policy domain.

331 **Conclusions**

332 We have quantified the global GWFC/GWFP for 40 countries/regions from both the
333 production and consumption perspectives. Although the GWFC and GWFP have the same value at
334 global level, they were found to vary greatly among different countries/regions. Generally, the
335 results from the production perspective (GWFP) helped to identify country/regional hotspots with
336 potential water quality problems, and further manifest the internal (IGWF) and external (GVWE)
337 driving forces to local water pollution discharge. We found that most of the GWFP was
338 concentrated in a small number of geographically large countries/regions; with about 59% of the
339 global GWFP found in North America and BRIC countries. Despite their large IGWF, these countries
340 also topped the list for the largest GVWE, sharing 59% of the global GVWE, meaning that the
341 pollutant discharge of these countries was largely driven by external market forces. The results
342 from the consumption perspective (GWFC), allocating water pollution discharge to the final
343 consumer of products and services, confirms previous research that developed countries (e.g.
344 Japan, Germany) and country groups (OECD29, EU27) have outsourced their pollution to
345 developing countries (e.g. the BRIC countries) to a large extent.

346 The MRIO approach provides a unified framework to account for the GWF from both
347 production and consumption perspectives enabling detailed information on industrial sectors.
348 Globally, industrial sectors accounted for 40.0% of the GWFP, but 56.1% of GWFC. Most industrial
349 sectors (13 out of 17) had smaller GWFP but higher GWFC due to their demand for intermediate
350 products (raw materials) which discharge large amounts of water pollution. Hence, it is necessary
351 to take a life-cycle perspective for key industrial sectors to make sure the supply of raw materials
352 in undertaken in an environmentally conscientious way (Lenzen et al., 2007). Our results identified
353 these key industrial sectors from the GWFC point of view: sectors such as “Food, Beverages and
354 Tobacco”, “Construction”, and “Textiles and Textile Products” are recommended to take additional
355 responsibility for their upstream grey water use. The top-down approach from the consumer
356 perspective thus provides an appropriate tool for such analysis. However, it is essential to reduce
357 the high levels of uncertainty derived from estimating complex production chains from the
358 consumption perspective using the MRIO approach (Peters, 2008). To reduce such uncertainty,
359 further efforts need to be made towards developing the global MRIO table with more detailed
360 sectoral information, as well as developing corresponding and updated data for sectoral grey water
361 use at the national level. In addition, improvements in the scientific robustness of GWF is important
362 in its use as a tool for waterborne pollutant mitigation (Liu et al., 2017).

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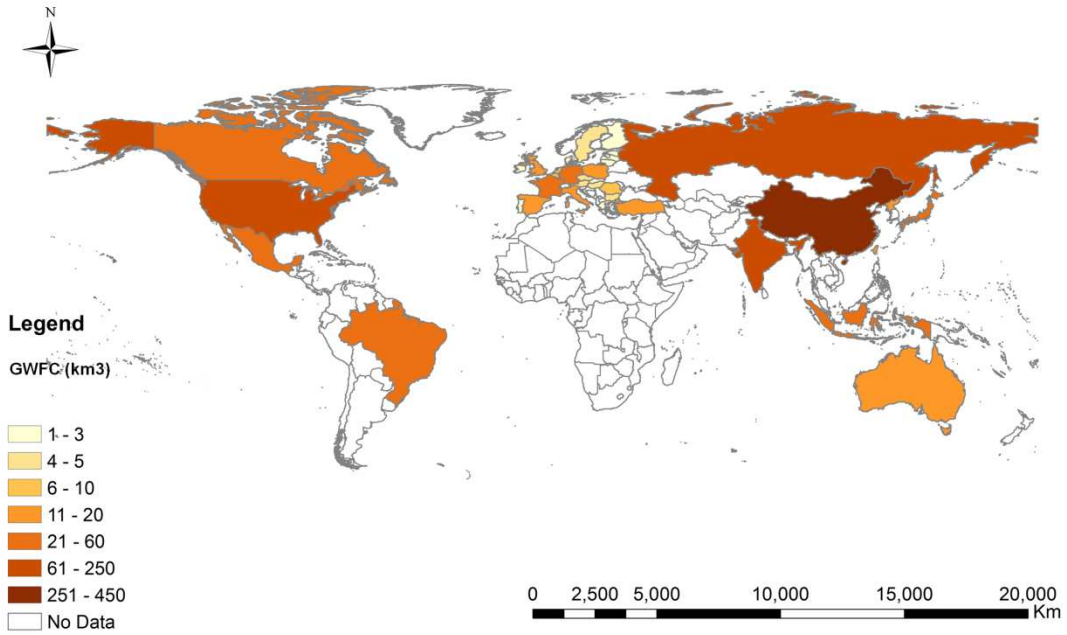
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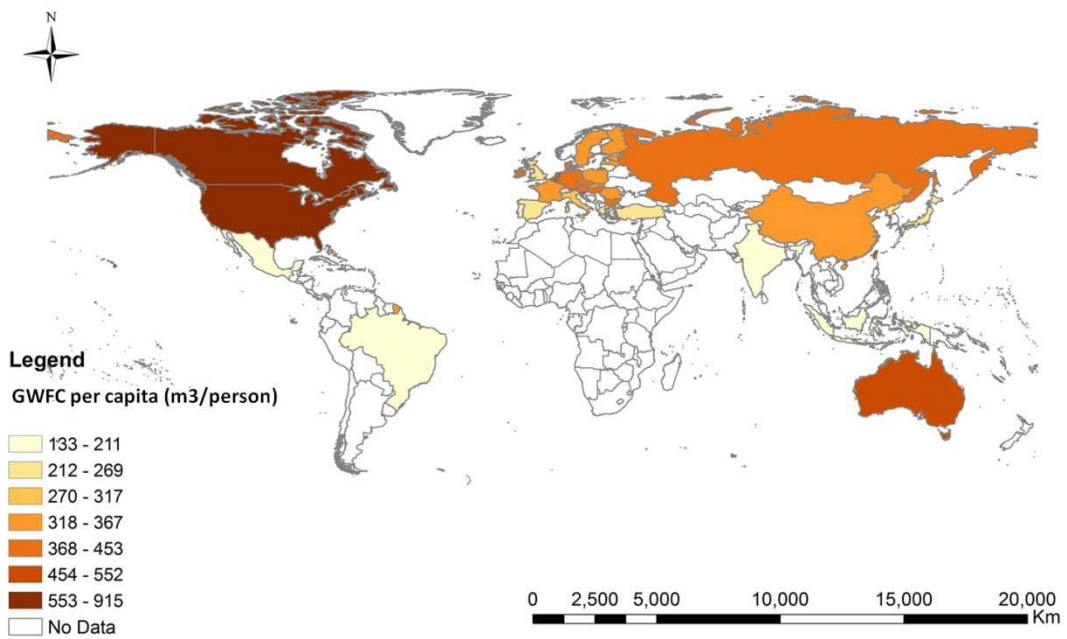
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(a)



(b)

Fig .1 Greywater footprint from the consumption perspective (GWFC) of 40 countries/regions,

(a) national/regional total, (b) per capita

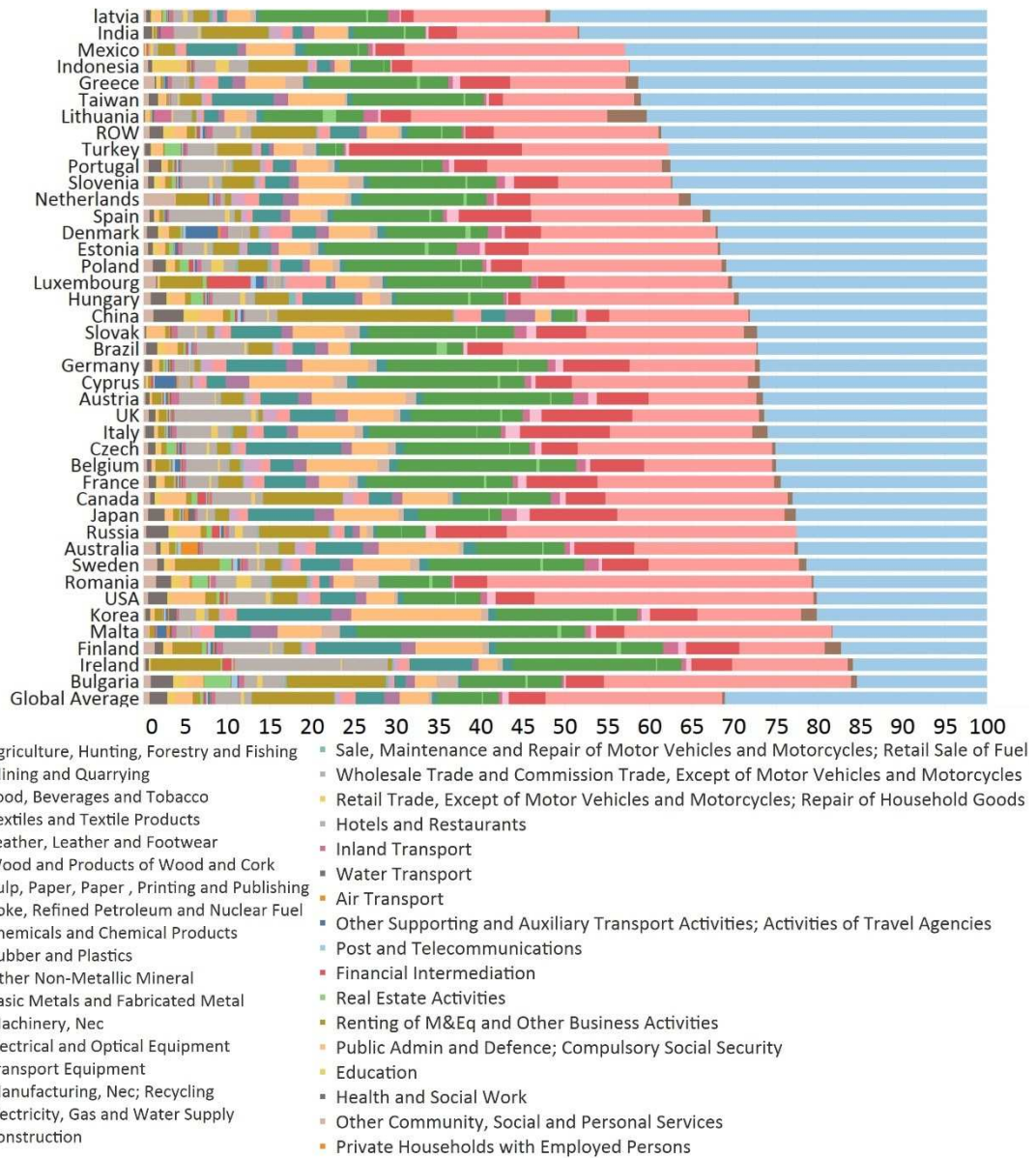


Fig. 2 Sectoral distribution of national/regional GWFC

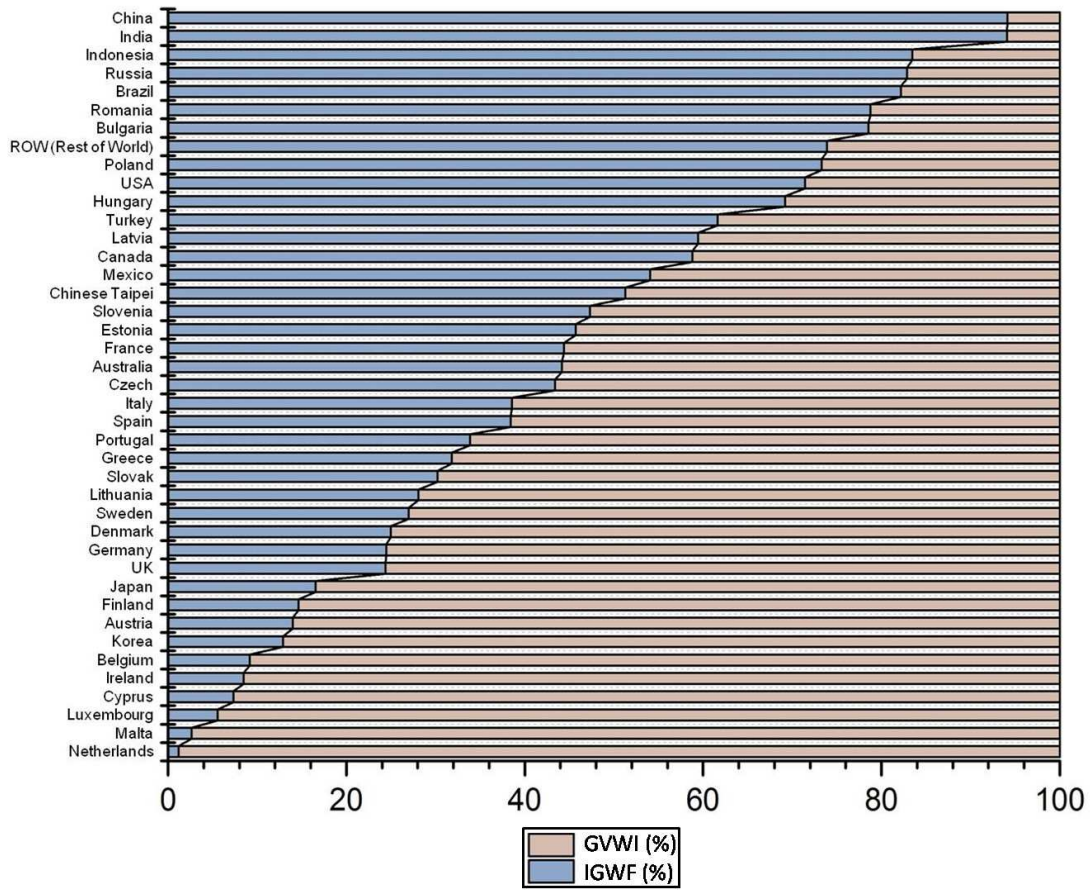


Fig. 3 The share of internal grey water footprint (IGWF) and grey virtual water import (GVWI)

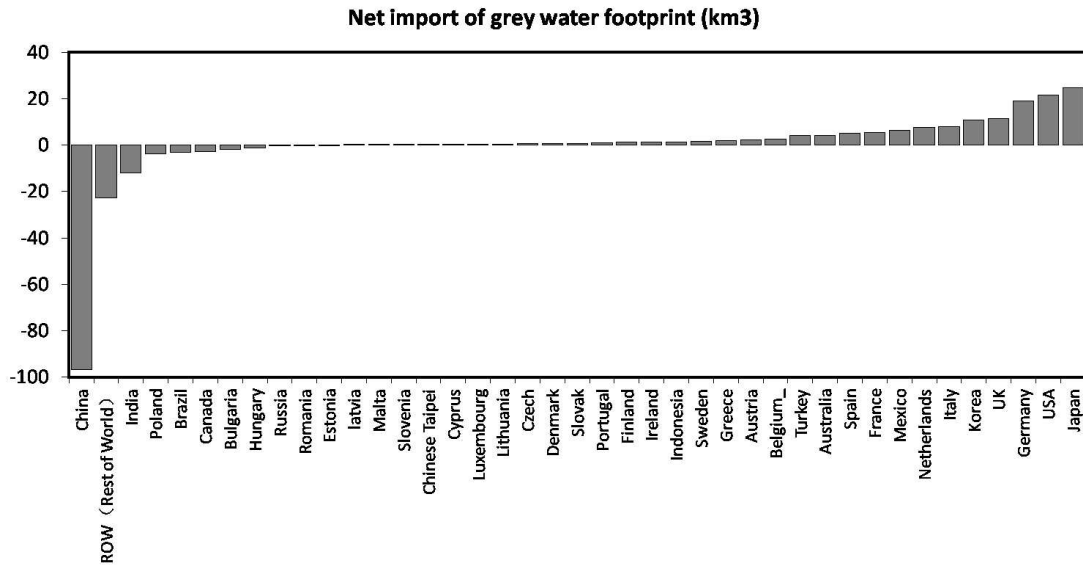


Fig. 4 Net import of grey water footprint (km³)

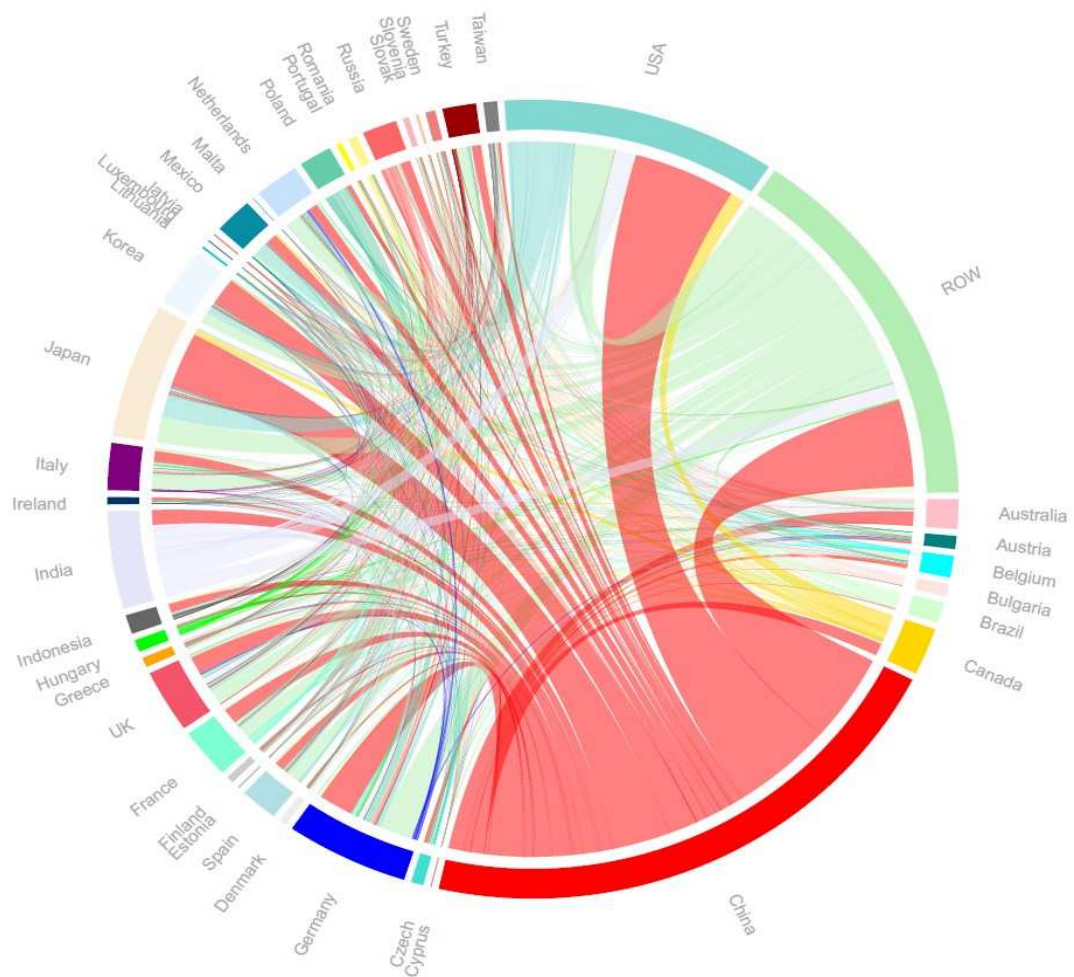


Fig. 5 Grey water outsourcing among 40 countries/regions (the ribbons and links in the same color as the country/region mean the country/region was a net exporter of grey virtual water, otherwise it was net importer of grey virtual water. For example, the red ribbon and links from China shows China was a net exporter of grey virtual water to other countries/regions).

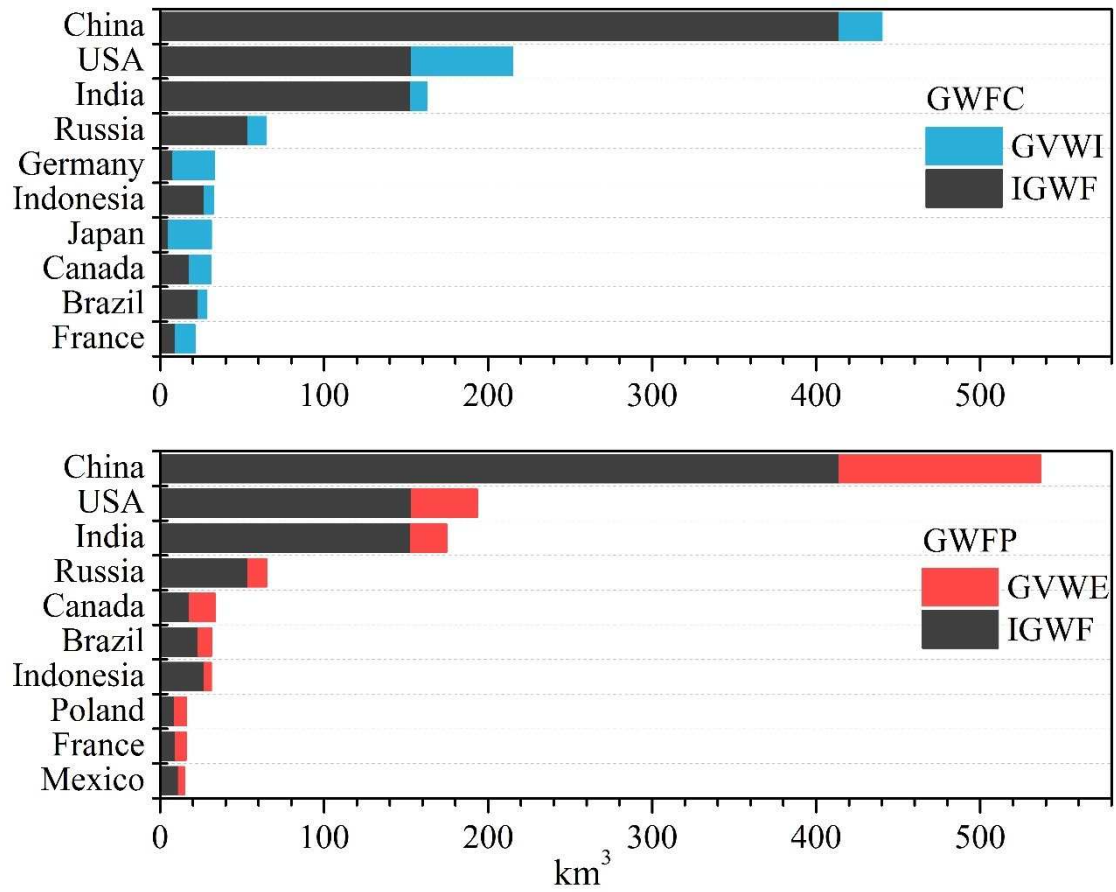


Fig. 6 comparison of the top 10 GWFC and GWFP countries

Table 1 Comparison of grey water footprint among EU27, OECD29, and BRIC countries

Groups	Countries	GWFC	GWFP	IGWF	GVWI	GVWE	GWFC
		Unit:	Unit:	Unit:	Unit:	Unit:	per
		km ³	km ³	km ³	km ³	km ³	capita
							Unit:
							m ³
EU27	Austria, Belgium, Bulgaria, Cyprus, Czech, Germany, Denmark, Spain, Estonia, Finland, France, UK, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Poland, Portugal, Romania, Slovak, Slovenia, Sweden	167.2	102.8	61.1	106.1	41.7	335
OECD29	Australia, Austria, Belgium, Canada, Czech, Germany, Denmark, Spain, Estonia, Finland, France, UK, Greece, Hungary, Ireland, Italy, Japan, Korea, Luxembourg, Latvia, Mexico, Netherlands, Poland, Portugal, Slovak, Slovenia, Sweden, Turkey, USA	496.4	361.6	258.7	237.7	102.9	416
BRIC	Brazil, Russia, India, China	695.4	807.5	643.8	51.6	163.7	241