

## ABSTRACT

In the recent years, it has been observed that there is an increase of consumption of bottled drinking water in Palestine, mostly due to the perception that public drinking water is of low quality, while some consumption is due to taste and lifestyle preferences. In addition, many households have installed water purification equipment to protect against inferior (real or perceived) public water quality. In the past 10 years mainly, the consumption of bottled water and the installation of home water purification apparatuses have noticeably increased in the Ramallah and Al-Bireh governorate. This research attempts to assess the quality of public drinking water in the Ramallah and Al-Bireh Governorate, and to estimate the averted expenditure on different drinking water to monetize the opportunity cost in 2009.

Generally, it was found that the supplied public water in the Ramallah and Al-Bireh governorate conforms to the Palestinian standards for safe and healthy drinking water. Bottled water consumption in 2009 is estimated at 58.3 liters per capita per year in the Ramallah and Al-Bireh governorate. The total expenditure on bottled water in the Ramallah and Al-Bireh governorate was found to be 23.25 million NIS in 2009, the total averted expenditure on bottled water was estimated to be 22.0 million NIS and the total expenditure on water purification apparatuses was found to be about 1.43 million NIS. Thus, the total expenditure on drinking water totaled to 23.43 million NIS in 2009. When these expenditures are represented as the opportunity costs, the average person purchasing bottled water is forgoing the opportunity to save 400.94 NIS/yr, and the average person who has installed a water filter is forgoing the opportunity to save 74.74 NIS/yr, which are both costs associated with drinking water expenditures. This research has shown that water pollution and possible contamination, or the perception thereof, of public drinking water has a cost to society.