EXHIBIT #11

Strength of the Ontario EP Industry
(from MITT Report of 1990)

Pollution Abatement and Control Equipment

In terms of the strengths of the domestic industry, Ontario appears to have only modest potential for exports of pollution abatement and control equipment to Europe. However, a small number of selected suppliers may have excellent prospects. The limitations of the industry are reflected by its negative trade balance, the predominance of foreign subsidiaries in Ontario, transportation cost barriers and limited differentiation in some of the basic industrial process equipment used in environmental applications. Nevertheless, a number of firms have distinguished themselves by recognized technological leadership or recent export success.

Successful Ontario-based air pollution firms tend to be small, niche-market players or large resource-based companies. Several have only recently begun to market their in-house process technologies.

The water and wastewater treatment industry in Ontario is also led by U.S. subsidiaries. The larger U.S. manufacturers are supplemented by many small and medium-sized Ontario firms with successful niche-market products. These Ontario firms are often technologically driven (i.e., they have emerged or grown as a result of successful R&D efforts), entrepreneurial concerns that anticipate or react quickly to legislative change. A number of these Ontario firms have already established a presence in export markets, including Europe.

The solid and hazardous waste segment of the EP equipment industry is populated by a mix of U.S. subsidiaries and Canadian firms. Solid waste equipment is dominated by heavy manufacturers. Ontario manufacturers do not appear to have any particular competitive advantages in Europe in these products.

Control, Sampling and Monitoring Equipment and Instruments

The CSM industry involves the design and manufacturing of EP instruments including gas samplers, filter samplers, gas analysis equipment, and meters. Many of the leading firms in the Ontario market are foreign subsidiaries. Others merely assemble control panels and other products from imported electronic components. While overall dollar volumes may not be large, there are a few technologically-innovative Ontario companies specializing in CSM equipment that have export potential. Several of these firms have already shown promise in export markets, including those in Europe.

Environmental Services Industry

In contrast to other segments of the EP industry, the environmental services industry in Ontario is dominated by locally-based firms. Ontario heavy industries and utilities also have a considerable degree of in-house expertise in environmental matters. For the most part, these firms and institutions have not yet actively commercialized these skills for sales to other organizations.

Despite the strength of the domestic services industry, many of the same forces that have protected the Canadian market from imports of EP services will pose impediments to exports to other industrialized countries. Laboratory services are not generally exported except when linked to aid-funded projects in the Third World, although laboratory firms can set up operations in other countries. Engineering and construction firms generally face local licensing requirements and need a strong local market presence.