

Good Environmental Market in Europe

Air pollution control equipment such as catalytic converters for automobiles, water pollution abatement techniques using membrane technology, noise reduction technology and Green services, like environmental auditing, are among the markets that will expand as Europe implements its new environmental policies. These are the findings of recently published reports, including a joint External Affairs and International Trade Canada (EAITC)-Industry Science and Technology Canada (ISTC) directory, *Canada... A World Leader in Environmental Products and Services*, and a major study by DRI/McGraw-Hill, *Green Europe: Economic Implications and Business Opportunities*.

The Market

The European Community (EC) environmental protection market has been valued at over \$64 billion. That market is also important as it will provide the springboard into the Eastern European environmental market and the major capital investment projects expected in that region. Canadian environmental companies with an established presence in Western Europe will be ideally situated to service the new markets in Eastern Europe.

Germany is by far the largest environmental protection market (estimated at over \$22 billion) in Europe and the most technologically advanced.

"We are already beginning to see competition in Germany," says Peter W. Smith, Vice President, Marketing and Sales, Solarchem Environmental Systems, a Richmond, Ontario-based firm that builds the latest in toxic and hazardous waste clean-up equipment.

In Europe, environmental market growth is directly influenced by government regulations. The Europe 1992 program has made a strong legislative commitment to

protection of the environment. Directives relating to water quality standards, air quality, noise pollution, waste disposal and toxic and dangerous materials have been either proposed by the European Commission or have already been adopted by the European Parliament.

Implications for European Industry

According to the DRI/McGraw-Hill study, the overall winners will be sectors producing capital goods.

expanding markets for some of its products. The paper and printing sector will initially benefit from substitution away from light metal packaging, and later suffer from decreased demand for consumer goods.

Implications for Canadian Industry

In order for the new European environmental legislation to produce business, it must be enforced. Ted Edgar, President, Can-Ross Environmental Services Ltd. —

an Oakville-based company which manufactures hazardous waste containment and clean-up products—says that this will not happen overnight.

EAITC and ISTC in their joint report, *Canada... A World Leader in Environmental Products and Services*, identify over 250 Canadian firms offering environmental products and services.

Various reports have identified significant Canadian capabilities in water supply and

liquid and solid waste disposal, conservation, protection and environmental enhancement in the forest industries, fisheries management, mine development, pollution control, the development and processing of energy resources (coal, oil and gas, uranium, hydro power), the construction of transportation and transmission facilities (roads, railways, airports, transmission lines), and all manner of cold weather technology.

The "Europe in Transition" conference held in Toronto on Jan. 15, 1991, featured a workshop on the environment sector. EAITC will also be sponsoring the "Europe 1992 Environment Industries Seminar" in Vancouver, on February 26, 1991 and participating in the "Environment" seminar in Montreal, March 22-23, 1991.

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Europe 1992 Environmental Industries Seminar

Date: Tuesday, February 26, 1991

Place: S.F.U. Downtown Campus-Harbour Centre, Vancouver, B.C.

Registration Fee: \$60

Contact: Jacalin Crosfield

Tel: (604) 666-1440

Fax: (604) 666-8330

Growth in these sectors will initially be boosted by the investment in environmental protection.

Mechanical and electrical engineering will be among the biggest beneficiaries from increased environmental protection in Europe. Other winners are likely to include sectors upstream from the construction industry in the short and medium terms, and the transport services sectors, due to the development of environment services and the expansion of passenger transport services.

Those sectors that won't see a significant increase in demand for their products as a result of environmental protection legislation may, however, be faced with higher prices. They include most consumer goods sectors (food and beverages, textiles), and some intermediate goods sectors (rubber and plastics).

The chemical sector should experience a neutral effect. Although it supports almost one third of all additional costs of environmental protection, it will benefit from