

HAZARDOUS WASTE

The current market for hazardous waste disposal is relatively small. By one estimate, the 1995 market was US \$8.5 million for hospital incineration, US \$20 million for industrial recycling and US \$23 million for industrial incineration. This market is expected to grow rapidly over the medium term as new regulations are enacted. In particular, Mexico's first polychlorinated biphenyl (PCB) regulations are expected in 1996.

The potential opportunities will fall into two categories. There is a need for large-scale disposal and containment facilities, as well as company-specific solutions, equipment and consulting services. In the short term, the market is mainly for consulting and storage services. In the medium term, technical services will expand to include on-site remediation and portable units operated by outside firms. In the long term, a market for permanent facilities will evolve.

Industry observers point to a number of specific product and service opportunities.

- The demand for incineration units in large manufacturing facilities will increase.
- The product market will be concentrated in technologies approved by the *Instituto Nacional de Ecología (INECO)*, National Institute of Ecology. This gives American companies with Environmental Protection Agency (EPA) approval an advantage.
- Hospital waste incinerators will be in demand as soon as new regulations are enacted.
- The transportation market will grow steadily in the medium term as enforcement forces companies to deal with hazardous wastes. This market is closed to foreign competition until the end of 1995, when it will be gradually opened. Canadian firms would have to joint venture with local transportation companies in order to participate.
- There is a market for soil remediation and groundwater clean-up from spilled oil. Simple bio-remediation is often performed on site. *Petróleos Mexicanos (PEMEX)*, the national oil company, has 3,000 gas stations with chronic leakage problems. The *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, and *Ferrocarriles Nacionales de México (FNM)*, the Mexican National Railway, are also important customers. Remediation is often required before the privatization of state companies. Most projects will be awarded to companies that can provide turnkey solutions.