

DRI claims that the current EP industry in Western Europe is fragmented since there are few large companies which do mainly EP business. Rather, a large number of companies undertake EP business as an add-on to their core operations. No evidence is offered to support this claim, and it is not in accord with the results of other studies.

The Trade Commissioners agreed generally on the key points of a successful strategy for Europe: have a technological edge, look at niche markets, and establish a strong local presence. The Counsellor from France issued a cautionary note about using "manufacturers' representatives" because of legal issues which had arisen. Distributors or licensing arrangements were to be preferred.

Recall that the E.C. has recently identified four sectors (energy, water, telecommunications and transport) for which its members can institute preferential procurement practices, based on E.C. content. Canadians wishing to export to these markets will certainly have to establish a strong E.C. presence, especially if they are dealing with manufactured EP products. Canadian and U.S. trade officials are advising their small and mid-sized manufacturers to begin the search for partners now, as much out of enthusiasm for the E.C. market as for fear of these preferential practices.

## Conclusions

The estimates of the likely Western European expenditures on EP vary widely but all the estimates are large. This is a common feature of all such attempts to estimate EP expenditures in Western

countries, and reflects the different assumptions and approaches which can be taken to the task.

The important point, however, is not so much this variation as the fact that all of the estimates foresee large expenditures on EP goods and services. There are major EP markets in Western Europe.

The specific market segments identified vary across the studies, but in general all of the traditional EP market segments are pointed out as significant:

- wastewater treatment
- ambient air pollution control
- site remediation
- all aspects of solid waste handling and management
- noise control
- environmental audits and planning
- a wide variety of energy and transportation-related issues and
- global issues such as greenhouse gases control

A company with a technological edge in any of these fields will have potential markets in Western Europe. However, the domestic competition will be tough and sophisticated. A strong local E.C. presence will be an essential ingredient for success.