

Exhibit #3 presents the total expenditures forecast to be spent on environmental protection. Note the following points:

- The Kaiser total is almost three times that of the DRI report. It is not possible to tell from the reports what might account for these differences. In any event, both totals are very large and the discrepancy is not beyond what might be expected for a situation in which definitions vary and no firm forecasting methodologies exist.
- A partial explanation for the difference could be that the Kaiser report forecasts "total" expenditures, whereas DRI forecasts "additional" expenditures over a baseline level of expenditures. It is therefore reasonable that the DRI total would be smaller than the Kaiser one which sums current and incremental expenditures.
- Another explanation could be that the DRI estimate in Exhibit #3 is for the business sector only whereas it appears as though the Kaiser estimate is for both public and private sectors' expenditures.

- The Kaiser report presents an estimate of the EP expenditures forecast for the U.S. for the year 2000. The estimate of about \$110 billion is reasonably close to the U.S. Environmental Protection Agency's own estimate for 2000 of \$185 billion (1990 dollars) under the EPA's "full implementation" scenario.

A cautionary note is in order here.

Some of these forecast expenditures are for government procurement within the E.C. This is a huge market: about U.S.\$385 billion is annually spent at all levels of government on services, including construction. However, some E.C. government procurement markets will be reserved for domestic suppliers. See *Barriers to Market Entry and Market Strategies*, page 20, for more details on this point.

#### **The Priority Market Segments**

#### ***Conclusion***

Water purification and solid waste market segments will be the biggest spenders. Air pollution issues could also represent large spending. R&D expenditures may be heavy.