

1. ENVIRONMENTAL PRODUCTS AND SERVICES*



- **Opportunities exist in hazardous/toxic waste, municipal waste and industrial effluent management, as well as air pollution control.**

Political, economic and social changes are taking place in Malaysia that may prove profitable for Canadian companies who are far-sighted and aggressive enough to capitalize on the emerging opportunities in Malaysia's environmental sector.

Malaysia's rapid industrialization and sustained high levels of economic growth have had a negative impact on the environment. Growing public awareness and concern for the environment is being translated into environmental action and increased political will. As with many rapidly developing countries, Malaysia has had to "run to keep in place" in the environmental sector. For instance, Malaysia has some of the world's strongest environmental regulations on the books, but has had difficulty in developing sufficient human resources to fully enforce them. Malaysia's solution to supply constraints in a number of areas has been to enlist the private sector; this is also being done in the environmental sector. For instance, the Malaysian government has privatized air and water quality monitoring in order to generate the data needed to better enforce existing regulations. This project has gone to a joint venture which includes Bovar Inc. of Calgary.

The government has privatized the nation's sewerage treatments systems, now being run by the Indah Water Konsortium (IWK), which includes Northwest Water of the UK. This will result in a huge investment in new and upgraded systems over the next few years and, given the bottom-line approach of IWK, creates opportunities for Canadian companies with cost-effective solutions to sewerage problems.

The government has awarded a contract for a private hazardous waste incineration facility to a consortium, Kualiti Alam, which includes a Danish group, I. Kreuger. This project has been delayed for some time, but there is increasing pressure to forge ahead as a serious backlog of hazardous waste is being stored by Malaysian manufacturers. Estimates are that some 50% of all manufacturers have run out of space to store such waste. This creates an opportunity for Canadian companies who can move quickly to provide Malaysian manufacturers with cost-effective waste reduction and management systems.

Tenders have closed on a municipal waste project which would see all of the nation's solid waste systems privatized. As with the results of the IWK privatization, this will create opportunities for Canadian suppliers in this area.

*This summary is based in part on a July 1992 sectoral study, *Malaysia's Environmental Industry*, conducted for the Canadian High Commission in Kuala Lumpur. The complete study can be obtained from the High Commission or DFAIT's InfoCentre.