

### 3. THE EP MARKET OPPORTUNITIES IN WESTERN EUROPE

In this section, we summarize two recent studies on the EP market opportunities which are foreseen for Western Europe.

- Background information on the studies and the main conclusions of the report are presented.
- The markets are discussed from the perspective of forecast expenditures, priority market segments, priority countries, barriers to market entry and market strategies.
- Key points are summarized in a conclusion.

#### Sources of Information

The two studies reviewed were:

- *The Market For Environmental Technologies In Western And Eastern Europe Up To The Year 2005*, by Helmut Kaiser Consultancy of Tubingen, FGR (April 1990); and
- *Green Europe: Economic Implications and Business Opportunities*, by DRI/McGraw Hill (Autumn 1990).

Both studies were provided to the consultants by the client and are quoted herein with the client's permission. Some general observations on the two studies must be made before discussing their individual conclusions.

- Both studies take the "buy" perspective: they offer their views on what industry in Western Europe is going to spend on environmental protection over the next ten to 15 years. The strengths and weaknesses for this approach were identified earlier.

- Neither study provides any detailed background information on the methodology used to produce the forecasts of EP expenditures or to identify the key markets. Thus, it is difficult to judge the reasonableness of the forecasts and the conclusions reached.
- As is typical of most studies of the environmental protection industry, these two studies use different definitions of environmental protection and therefore of the EP industry. Both also use different bases to project expenditures: one estimates total expenditures while the other estimates "additional" expenditures. Neither term is defined unambiguously.

The main conclusions of the reports are:

- Where appropriate, we augment the analysis of these two studies with the comments provided by Canadian Trade Commissioners who were interviewed in Europe as part of this project.
- As well, we incorporate comments from on-going monitoring reports of the U.S. Department of Commerce on the status of Europe 92 negotiations and implementation.

#### The Markets

##### Forecast Expenditures on Environmental Protection in the E.C.

##### Conclusion

Both studies forecast large expenditures in Western Europe on EP goods and services. While the individual estimates vary, the overall conclusions are similar: a great deal of money is going to be spent on EP in Western Europe.