
Section One: Market Overview

1.1 Market Overview

The market information in this section is derived from many documents, studies and interviews. Among others, the NETAC¹ is one good source of statistics and segmented market information that has been drawn upon.

The United States is a collection of regional markets of significant wealth and population. There are 41 metropolitan areas in the U.S. which have populations exceeding one million people, compared to only three in Canada. Five of the nine geographic divisions in the United States have populations exceeding that of Canada as a whole, while the remaining four divisions each exceed one-half of Canada's total population. Some thirty percent of the American population resides in the states which border Canada.²

In the environmental area, the United States market totals some \$130 billion in 1991 spending. As indicated in Table 1, this market encompasses about \$33 billion in air-related activities, \$42 billion in the water and wastewater sector³, \$33 billion in solid waste, and \$23 billion in hazardous waste activities.

The market is divided approximately 60 percent private sector spending and 40 percent public sector spending. Approximately 40 percent of the total environmental spending is on capital investment (plant and equipment replacement and expansion) while the remainder is on operating costs (operation, research and maintenance of pollution abatement processes).

Table 2 presents findings and statistics from a number of individual market studies that have been conducted during the past five years covering various aspects of the U.S. environmental market.

¹ The National Environmental Technology Applications Corporation is a non-profit corporation affiliated with the University of Pittsburgh and funded through a combination of industry, government and foundations.

² The Eastern Seaboard region, potentially of interest to Ontario, Quebec and Atlantic firms, consists of 16 states and represents a population of 90 million people. Based on its share of total manufacturers' pollution abatement capital/operating spending, it is estimated that the region generates an annual environmental market of \$30-40 billion. This region was discussed in more detail in an earlier report focussing on the Eastern Seaboard market.

³ There are some inconsistencies from one information source to another. For example, environmental market consultant, W.A. Lorenz, places the 1991 water and wastewater market at \$52 billion and the combined hazardous/solid waste market at \$45 billion compared to \$42 billion and \$56 billion respectively for NETAC information. The differences are due to overlaps between the various fields. That is, some wastewater aspects may be hazardous, some solid waste aspects may be hazardous and so on.