The strength of this approach is its ease of use: historical sales data are extrapolated to yield estimates of future sales. However, it does have serious weaknesses. The most important weakness is that such an historical approach ignores the fact that future EP expenditures will be driven by new regulations. Historical data offer no insights into the future changes. This approach also may lead to double-counting of dollars.

Typically, regulators estimate the market from the "buy" side, estimating the amount of money which would have to be spent to bring all affected operations up to compliance with proposed regulations. The studies of the Western Europe market reviewed in preparing this report both take the "buy" approach.

The "buy" side estimating approach, based on actual and projected expenditures to meet regulations, is usually more difficult to do but it has the advantage of being based on an analysis of regulatory changes and their cost implications. A significant weakness with this approach is that it ignores the "make-versus-buy" nature of the environmental protection business in practice. If polluters are given long lead times to comply with regulations, innovations and simple housekeeping changes can frequently achieve the required results in a more cost-effective fashion, thus reducing the market for control products. Thus, the "buy" perspective should usually be taken as an upper bound on the likely market.