

The distribution of investment by type of spending was:

- 63% for construction
- 23% for equipment
- 8% for engineering services
- 6% for instrumentation

Pollution control at source necessitates process changes, product reformulation and other changes in operating methods. New technologies for re-use, recycling and treatment of toxic pollutants will be high-growth areas.

Instrumentation, environmental software, and sludge handling and elimination techniques will see significant growth as well.

Demand will also grow for methods of reducing water consumption, recycling water, and decontaminating groundwater and sediment. The next few years will see very high growth potential for inverse osmosis, distillation, chemical extraction, ozonation, and use of ultraviolet and biotechnological methods.

POTENTIAL CANADIAN-AMERICAN PARTNERSHIPS (DOCUMENT 4)

The huge U.S. environment market is not opening up to Canadian firms all by itself. Expertise, financial resources and a willingness to innovate technologically in the face of competition (American primarily, but international as well) are the underlying determining factors.

If Canadian industry wants to be in the forefront of developments, it will have to go beyond mere trade with the U.S; it will have to resolutely and aggressively seek out partnerships and alliances. These are the key to the future.

While the U.S. environment industry certainly wants to control its own domestic market, it is not absolutely out of the question that certain large firms will be open to partnerships with Canadian firms possessing technological expertise so that they can tackle the global market together.

Since only 5% of the strategic alliances entered into by Canadian firms are with American firms, there is certainly room for more partnerships in the environmental area. As an indication of paths worth exploring, Document 4 provides a list of the major firms having contracts with the EPA as well as the main U.S. companies operating in the field of water and wastewater.