



Environmental Technology

Why Trade Matters

INDUSTRY SECTOR REPORT

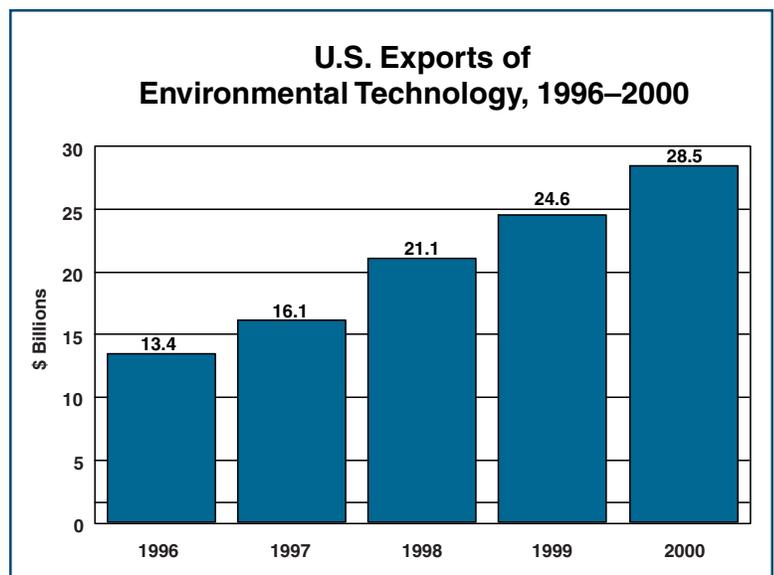
General information on exports. U.S. firms exported \$28.5 billion in environmental technology products in 2000. These exports account for 11 percent of the total revenue of the U.S. environmental industry and support 145,000 U.S. jobs.

Market development. The global environmental market was estimated at \$500 billion in 1999, with the United States accounting for 40 percent. Negotiations in the World Trade Organization and Free Trade Area of the Americas would offer U.S. firms increased access to key markets, particularly in emerging economies, where demand for environmental technologies is growing at higher rates than in developed country markets.

Tariffs. Tariffs affecting U.S. environmental exports are as high as 24 percent in South Africa and 30 percent in Brazil and Indonesia.

Nontariff barriers. Major nontariff barriers affecting this sector include restrictive technical standards, labeling, packaging, and documentation requirements; local government procurement requirements and contracting procedures; and restrictions on professional services, investment, and foreign ownership.

Small and medium-sized enterprises. The U.S. environmental technologies industry accounted for \$196 billion in revenues in 1999, nearly 30 percent of which was generated by small and medium-sized U.S. private sector companies.





Environmental Technology

Environmental benefits. Liberalization of trade in environmental technology lowers the cost of environmental protection and enables purchasing nations to clean the environment and promote health and human safety.

Employment opportunities. In 1999, the U.S. environmental industry employed approximately 1.4 million people, an increase of more than 100,000 new jobs since 1997.

Key producing states. California, Texas, New York, Illinois, Pennsylvania, New Jersey, Ohio, Florida, Massachusetts

The sector. As defined by a core list of environmental goods, this sector includes products for environmental protection and assessment, compliance with environmental regulations, pollution control, waste management, remediation, and the provision and delivery of environmental resources.

BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- ▶ U.S. environmental exports to Mexico grew by 385 percent between 1993 and 2000, due primarily to the increased opportunities and growth generated by NAFTA.