

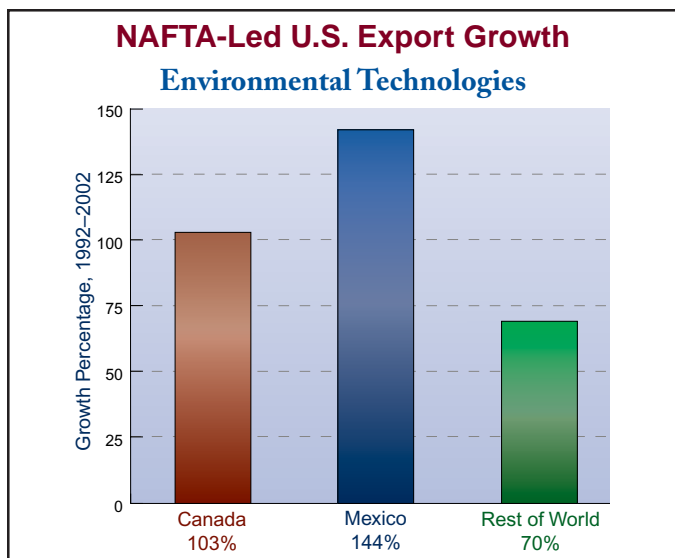


# NAFTA 10 YEARS LATER

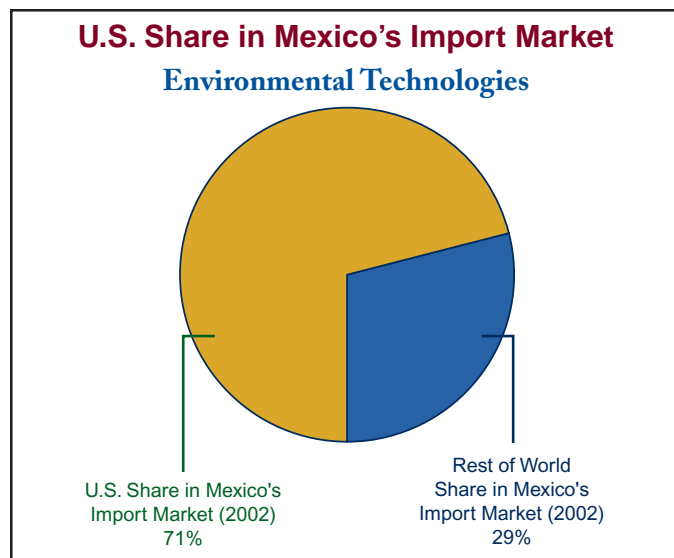
## ENVIRONMENTAL TECHNOLOGIES

### Export Highlights

U.S. firms exported a total of \$30.2 billion in environmental technology products in 2002, including \$6.3 billion to Canada and \$4.4 billion to Mexico. Together, our NAFTA partners account for more than one-third of total U.S. exports of environmental technologies.



From 1992 to 2002, U.S. environmental technology firms increased exports to Canada by 103% and increased exports to Mexico by 144%.



In 2002, U.S. firms captured 71% of Mexico's environmental technologies import market and 70% of Canada's environmental technologies import market.

### Industry Facts

- In the United States, approximately 122,000 enterprises are engaged in the environmental technologies industry generating \$214 billion in revenues.
- The demand for water and wastewater treatment technologies that treat and deliver clean water to the world has grown rapidly during the last decade. This global water market accounts for nearly 40% of the total environmental technology market.
- NAFTA's environmental institutions have strengthened technical cooperation on environmental protection issues of transboundary natural resource

management. Closer economic integration and cooperation since the passage of NAFTA have had a beneficial effect on Mexico's environmental capacity including the enhanced ability to analyze and protect its own resources. Today, Mexico invests more money in the environmental technology sector than any other Latin American country, except Brazil.

- While Mexico's and Canada's exports to the United States in environmental technology products grew 463% and 167%, respectively, from 1992 to 2002, the United States continues to enjoy a trade surplus in this sector of \$3.6 billion.



## Trade Barrier Elimination

Before NAFTA, U.S. exports of environmental technology products to Mexico and Canada faced tariffs up to 35%. Today, these U.S. exports to Canada and Mexico receive duty-free treatment on most products. U.S. environmental technology exporters receive an average tariff preference of 15%—and as high as 28% on some products—over competing exporters to Mexico. For example, U.S. exports of steam-generating watertube boilers to Mexico enter duty free, while those from South Korea and Taiwan are subject to a 22% tariff. U.S. firms also benefit from NAFTA-driven increased government transparency in environmental laws and regulations in Mexico.

## Environmental Impact

NAFTA liberalization of trade in environmental technology has lowered the cost of environmental protection across North America and has enabled purchasing nations to help clean the environment and promote health and human safety.

## Key Exporting States

Arizona, California, Illinois, Indiana, Kentucky, Massachusetts, Michigan, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Wisconsin, Vermont

## Employment Opportunities

The environmental technology sector employs nearly 1.64 million U.S. workers nationwide. The adoption of new environmental standards and compliance has contributed to growing employment in this sector, which has grown approximately 35% during the past decade.

## The Sector

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.