



Energy & Environmental Export News

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Climate Change Set to Move Energy and Environment Markets

by Marc A. Lemmond and Sarah Lopp

In November 2004, Russia ratified the Kyoto protocol. This ratification cleared the way for the agreement to go into force as a formal international treaty as of February 16, 2005.

The Kyoto agreement commits signatories to reduce emissions of greenhouse gases (primarily carbon dioxide, but also nitrous oxide, methane, hydrofluorocarbons, and others). These gases have been linked to global warming—the rise in Earth's average temperature that is blamed for climate changes, including droughts, diminishing water resources, and decreasing biodiversity. The agreement was originally crafted in 1997 under the auspices of the United Nations Framework Convention on Climate Change. Although the United States is not party to the agreement and will not be bound by its requirements, this development is likely to enhance a number of challenges and opportunities for the energy and environmental technologies industries.

Any required international reductions in greenhouse gas (GHG) emissions are expected to greatly affect world energy markets, because approximately 80 percent

of GHG emissions are carbon dioxide released by the generation of energy. Therefore, the energy industry—and energy-intensive industries such as aluminum, steel, chemicals, petroleum refining, cement, and pulp and paper—will bear a large portion of the burden for emissions reductions. It is unclear how U.S. companies with GHG-emitting subsidiaries or manufacturing operations in countries that have ratified the Kyoto protocol will be affected by any new emissions limits. U.S. technology development and product offerings in energy, energy-intensive industries, and environmental technologies could be affected by the absence of domestic regulatory incentives similar to those that will be created by emissions reduction requirements in markets that have ratified the Kyoto protocol.

In addition to these challenges, there will also be a number of opportunities. The Kyoto agreement's entry into force is likely to stimulate global demand for environmental technologies—specifically for products and services in the air pollution control sector that mitigate greenhouse gases, such as continuous emissions monitoring systems (CEMs), gas scrubbers and

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Dear Readers:

Welcome to the first electronic issue of *Energy and Environmental Export News*. We hope that the information it contains will continue to be useful to you and that through this new format we will be able to reach you more quickly and regularly.

I want to take this opportunity to inform you of recent changes in our organization. Late last summer, the International Trade Administration (ITA), our parent agency, underwent a reorganization. As part of that effort, our old Office of Environmental Technologies Industries and Office of Energy were merged into a new Office of Energy and Environmental Industries (OEEI). This new office will continue to focus on enhancing the competitiveness of the U.S. energy and environmental industries and on increasing their exports. My two deputies are Jerry Morse for the energy industry team and Joseph Ayoub for the environmental industries team.

If you have any specific questions, please feel free to contact us at (202) 482-5225 or see our Web page at www.environment.ita.doc.gov for the latest on our activities. We look forward to continuing to work with you.

Sincerely,
Carlos Montoulieu
*Director, Office of Energy and
Environmental Industries*

Special Seminar for U.S. Companies at AWWA 2005

by Ellen Bohon

The Office of Energy and Environmental Industries will host a technical seminar for U.S. companies on “Opportunities in the Asian Water Markets” at the American Water Works Annual Conference and Exhibition (AWWA 2005) at the Moscone Convention Center in San Francisco, California. This free workshop will take place on Sunday, June 12, 2005, from 9:00 a.m. to 12:30 p.m. to provide U.S. companies with firsthand information on water and wastewater projects in Asia, information on financing options, and—most importantly—ideas about how your company can get involved. It will also provide information on public and private organizations that can assist you in your export endeavors in Asia.

The Asian market for environmental technologies is estimated to be over \$119 billion and enjoys an

annual growth rate of 6 percent. The market for water treatment technologies in China alone is valued at close to \$18 billion and is growing rapidly. With the passage of free trade agreements between the United States and Australia, China, Singapore, Thailand, and Vietnam, and those countries thus securing most-favored-nation status, the timing could not be better for U.S. industry to do business in Asia.

Featured speakers will include senior executives from private-sector financing firms, multinational water companies that have been successful in the region, and multilateral development banks. To register, please contact Jane Johnson of AWWA at jjohnson@awwa.org or fill out a registration form online at www.awwa.org/ace2005/.



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Are You Experiencing Barriers to Trade?

We continue to seek your input on trade barriers that may be limiting your ability to do business in international markets. If you have encountered such barriers, please take a few minutes to tell us about your experience. See our Web site at www.environment.ita.doc.gov/ and click “Trade Barriers,” then “Trade Barriers Survey.” We will use your input to highlight these issues in U.S. international trade negotiations.

Trade Mission, Workshop Highlight Activities in a Dynamic Chinese Market

by Susan Simon

From October 26 to November 2, 2004, the Office of Energy and Environmental Industries (OEEI) and the U.S. Department of Commerce's Foreign Commercial Service led an environmental trade mission to Hong Kong and China featuring eight U.S. environmental companies. The goal of the mission was to promote U.S. products and services and to provide access to Chinese officials and decision-makers.

The mission's participants visited sites and had more than 120 matchmaker meetings. They are now following up on 23 distributorship agreements, 64 sales leads, and an estimated \$10.4 million in projects.

On November 4, 2004, OEEI co-hosted the Cleaner Production Workshop at the Pollutec-China event in Shanghai. The workshop focused on key heavily polluting industries in China that can benefit from U.S. best practices for energy efficiency, resource recovery, and cleaner production to curb industrial pollutants. The program featured (a) U.S. environmental technology companies' innovative products and services, (b) U.S. multinationals as environmental corporate role models, (c) representatives from the Asian Development Bank and World Bank, and (d) the University of Missouri's technical training program.



Susan Simon (center-right in red jacket) of the Office of Energy and Environmental Industries and Julia Rauner-Guerrero (back row, second from right) of the U.S. and Foreign Commercial Service—San Diego visit the Dunwell Group waste processing facility in Hong Kong.

Legal and regulatory developments in China suggest that this market will continue to be promising for U.S. environmental technologies interests. Five new environmental protection industrial standards became effective in China on December 9, 2004. They address monitoring of groundwater, acid

deposition, soil, indoor air quality, and analytical methods. China's State Environmental Protection Administration (SEPA) is putting teeth into its environmental impact assessment laws by suspending 30 major construction and power plant projects that were not com-

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Two New Reports on Chinese Market Available

The Office of Energy and Environmental Industries is releasing two new market research reports focused on China. The first, *Water Supply and Wastewater Treatment Markets in China*, is now available on the International Trade Administration's publications Web site, www.ita.doc.gov/media/publications. The second report, *Cleaner Production Technologies: Export Opportunities in China*, is slated to be released in early April 2005.

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pliant. Also, amendments to China's Solid Waste Pollution Prevention Law will become effective on April 1, 2005. The amended law includes general principles, supervision and control guidelines for solid waste pollution prevention and handling, special stipulations on hazardous waste pollution prevention, and provisions covering legal liabilities.

For more information on any of the activities cited in this article, please contact Susan Simon at (202) 482-0713, or via e-mail at susan_simon@ita.doc.gov.



David Gossack (standing) of the U.S. and Foreign Commercial Service–Beijing briefs trade mission participants.

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filters, emissions control and assessment consulting, and nitrous oxide control devices. It will also likely stimulate demand for certain energy technology products and services related to energy efficiency, clean coal, nuclear energy, and renewable energy products and services involving solar, wind, biomass, and geothermal energy, as well as hydropower. A report by the Office of Energy and Environmental Industries, *Markets for Climate Change Mitigation Technologies and Services in Developing Countries*, addresses many of these opportunities. (The

report is available for purchase from the National Technical Information Service, www.ntis.gov, or tel. (703) 605-6000. Ask for publication no. PB2000-103665.)

Even outside the Kyoto agreement, many countries have adopted, or are considering adopting, GHG emissions trading systems. In January 2005, the European Union Greenhouse Gas Emissions Trading Scheme began operations. In the United States, the Chicago Climate Exchange requires its members to meet legally binding reductions. Its members include state and local

government entities in addition to some of the largest companies in the country. In the northeastern United States, the Regional Greenhouse Gas Initiative (RGGI) is a cooperative regulatory effort of 11 states to cap-and-trade carbon emissions. The RGGI is scheduled to be fully operational by April 2005.

For more information on how GHG mitigation efforts could affect the market for your products, contact Marc Lemmond at (202) 482-3889 or Sarah Lopp at (202) 482-3851.

UPCOMING EVENTS

Rebuild Iraq 2005

Date: April 4–7, 2005
Amman, Jordan
Contacts:
Joseph English, Trade Event Programs
Senior International Trade Specialist
Tel: (202) 482-3334
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Tel: +962 (6) 590-6629
E-mail: aurie.farris@mail.doc.gov
Web site: www.rebuild-iraq-expo.com/

Americana 2005

Date: April 6–8, 2005
Montreal, Canada
Contacts:
Pierre Richer, Montreal Senior Commercial Specialist
Tel: (514) 398-9695, ext. 2261
E-mail: pierre.richer@mail.doc.gov

Richard Vinson, Halifax Commercial Specialist
Tel: (902) 429-2482, ext. 102
E-mail: richard.vinson@mail.doc.gov

Yvonne Jackson, Trade Event Programs
International Trade Specialist
Tel: (202) 482-2675
E-mail: yvonne.jackson@mail.doc.gov
Web site: www.americana.org

Offshore Technology Conference

May 2–5, 2005
Houston, TX
Contact: Samuel Beatty
Tel: (202) 482-4179
E-mail: samuel_beatty@ita.doc.gov
Web site: www.otcnet.org

American Water Works Association Annual Conference

June 12–16, 2005
San Francisco, CA
Contact: Ellen Bohon
Tel: (202) 482-0359
E-mail: ellen_bohon@ita.doc.gov
Web site: www.awwa.org

Air & Waste Management Association Annual Conference

Date: June 21–24, 2005
Minneapolis, MN
Contact: Corrine Standen
Air & Waste Management Association
One Gateway Center, 3rd Floor
420 Duquesne Blvd.
Pittsburgh, PA 15222
Tel: (412) 232-3444, ext. 3136
Fax: (412) 232-3450
Web site: www.awma.org/ACE2005/default.asp

Aquatech Asia 2005

Date: October 6–8, 2005
Bangkok, Thailand
Contacts:
Satit Sanongphan, Bangkok Commercial Specialist
Tel: +66 (2) 205-5242
E-mail: ssanongp@mail.doc.gov
Wake Margo, Trade Event Programs
International Trade Specialist
Tel: (202) 482-2026
E-mail: wake.margo@mail.doc.gov
Web site: <http://show-info.nl/aquatechasia2005/e>



REGIONAL HIGHLIGHTS

Brazil

Minas Gerais Water Program.

Brazil's Minas Gerais state water utility is pursuing an \$88 million waterworks program. The state is currently seeking U.S. engineering and consulting firms as well as equipment providers. For more information, please contact Teresa Wagner, Commercial Specialist, U.S. Embassy, São Paulo, Brazil. E-mail:

teresa.wagner@mail.doc.gov;
tel: +55 (11) 51867177.

Water Utility in Goiás. BN Americas reported that the governments of Brazil's federal district and Goiás state have signed an agreement to create a water utility to serve municipalities in the federal district and surrounding areas. A need for U.S. water treatment equipment and services is expected. For more information, please contact Teresa Wagner, Commercial Specialist, U.S. Embassy, São Paulo, Brazil. E-mail: *teresa.wagner@mail.doc.gov*; tel: +55 (11) 51867177.

Tiete River Cleanup. Brazil's São Paulo state water utility is beginning the bidding process for the Tiete River cleanup. For more information, please contact Teresa Wagner, Commercial Specialist, U.S. Embassy, São Paulo, Brazil. E-mail: *teresa.wagner@mail.doc.gov*; tel: +55 (11) 51867177.

Venezuela

Solid Waste Management Law Signed. A new law on solid waste management was passed in November 2004. It goes into effect in May 2005 and is expected to generate a need for the import of solid waste disposal and collection equipment and services. To learn of opportunities that will arise for U.S. manufacturers of such equipment or services, please contact Hans Mueller, Commercial Specialist, U.S. Embassy, Caracas, Venezuela. E-mail: *hans.mueller@mail.doc.gov*; tel: +58 (212) 9078081.

China Project Lead Sought

The Shanghai Energy Conservation Supervision Center is looking for sponsorship in energy efficiency and conservation technologies for a new demonstration building. The project will showcase the latest developments in energy conservation and is scheduled for completion in May 2005. Interested companies can contact Janet Zhu of the U.S. Commercial Service, tel: +86 (21) 6279-7630, ext. 7637; fax: +86 (21) 6279-7639; e-mail: *janet.zhu@mail.doc.gov*.

Look for more project leads and sign up for the U.S.-China Environmental Business newsletter on the U.S. Department of Commerce's new China Business Information Center Web site, www.export.gov/china.

Opportunities for U.S. Businesses at Beijing Environmental Conference

The U.S. Department of Commerce invites U.S. companies to exhibit in the U.S. Pavilion at the Ninth China International Environmental Protection Exhibition and Conference (CIEPEC 2005). The exposition showcases an extensive array of companies dealing in environmental protection products, equipment, and services. CIEPEC

2005 will be held at the China International Exhibition Center in Beijing, June 7–10, 2005. For more information, contact: Mr. David Gossack or Ms. Wang Yi U.S. Embassy Commercial Service, Beijing, China
Tel: +86 (10) 8529-6655, ext. 807 or 837
Fax: +86 (10) 8529-6558

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or *yi.wang@mail.doc.gov*