



## ITALY BEST PROSPECT INDUSTRY SECTOR PROFILE

Sector Name: **POLLUTION CONTROL EQUIPMENT AND SERVICES**

ITA Industry Code: POL

The environmental sector in Italy is expected to undergo considerable growth over the next five to seven years, thanks to a number of recently-enacted laws in various areas. To begin with, in 2001 the government approved a National Remediation Plan identifying 40 sites of "national interest" requiring urgent clean-up. Ministerial Decree n. 471/99 establishes criteria, procedures and methods for safety and clean-up actions and for environmental restoration of contaminated sites. As a result, some 15,000 locations in Italy are subject to environmental investigation and remediation actions. The Italian Ministry of the Environment has allotted 500 million euro to be utilized by Italy's 20 regions for these projects.

Italy has been experiencing serious industrial and urban waste problems for years. Every year, Italy generates approximately 64 million tons of waste, with the capacity to properly manage and dispose of only 30 percent of the waste generated. The Ministry of Environment has implemented EU Directives 91/156 on waste, 91/689 on hazardous waste, and 94/62 and waste packaging. The Italian law, commonly referred to as the "Decreto Ronchi," simplifies procedures by means of a tariff system to encourage waste minimization, reuse, recycling and recovery. The availability of EU and Italian government funds to deal with this emergency creates demand for new, safer US technologies for waste-to-energy incineration.

The implementation of the EU Directive on the prevention, re-use and recycling of Waste Electrical and Electronic Equipment (WEEE) will most likely open potential market opportunities for U.S. firms, especially those engaged in waste management, recycling and waste recovery technologies, new product development and technological innovation.

Italy has enacted a "Water Safeguard Law," a comprehensive reform of Italy's water quality/discharge. Italy's water collection and distribution systems, as well as its urban wastewater sewage and purification systems are clearly inadequate, requiring an investment of some \$18-47 billion over the next 4-10 years. Long-delayed urgent water projects in Southern Italy will be carried out in 2003 and 2004, facilitated by funding from the European Union.

Italy is largely dependent on foreign expertise in this area, with high regard for U.S. products and technologies. Competition is fierce, but demand is strong for truly innovative products and services, as well as environmental consulting and risk assessment companies.

Data Table:

(USD Millions)	2001 (actual)	2002 (actual)	2003 (estimated)
Total Market Size	4,212	4,339	4,468
Total Local Production	3,820	3,934	4,052
Total Exports	465	478	492
Total Imports	857	883	908
Imports from the U.S.	378	389	401
Exchange rate \$1=euro	1.117	1.057	0.877

**The above statistics are unofficial estimates.**