Collection and Treatment of Hazardous Waste in Colombia

Pollution Control Equipment in Colombia

U.S. Commercial Service Colombia

Overview

The pollution control equipment market continues to represent a sizeable opportunity for U.S. exporters. Estimates by the Ministry of Environment, Housing, and Territorial Development (MMA) show that close to 80 percent of Colombia’s municipal entities dispose of untreated wastewater into rivers or lakes. The country’s coverage of potable water infrastructure reached 97.4 percent of the urban population providing 90.2 percent of the population with access to sewer system. In the country’s rural areas the situation is markedly different; aqueduct service coverage reaches only 66 percent and sewer system access reaches only 57.9 percent of the inhabitants.

Given the large negative health impact of pollution in general in Colombia, the government has enacted stricter regulatory limits for air pollution emission levels for mobile and fixed emission sources, and MMA faces major challenges to improve environmental regulations, policy, environmental regulations enforcement, and capacity building for the different government agencies.

Key focus areas include integrated water resource management and monitoring systems, water and wastewater treatment and sewerage systems, underground water supply, and toxic and hazardous waste collection and disposal.

The total market for pollution control systems grew steadily during the last two years. In 2008, the imports market reached USD 894 million representing 47 percent growth over 2007. U.S. products represented 54.2 percent of the total imports. In 2009, the market increased ten percent to USD 1 billion despite the global economic crisis. It is expected to grow 13 percent in 2010 well over the projected GDP rate of one to two percent.

The imports market is growing at 10 percent annually, with U.S. market share in 2009 reaching 49.7 percent, followed by Italy (10.5 percent), Germany (4.9 percent), Brazil (4.5 percent), among others. U.S. equipment suppliers benefit from long-standing compliance with industry standards, reliability, lower shipment costs, innovation, and a favorable exchange rate.
Colombia is a regional leader in the development and implementation of a wastewater pollution “tax” (tasa retributiva). However, only a few environmental agencies have established regional funds to finance wastewater treatment facilities. Cities such as Bogotá and Medellín own wastewater treatment plants, and Cartagena is developing an underwater outfall system with World Bank funding. Nevertheless, funding remains a central concern with the exception of Medellín new wastewater treatment plant that will receive IDB funding in the amount of USD $450 million.

If the U.S. Colombia Trade Promotion Agreement (CTPA) is approved, 79 percent of U.S. environmental goods and equipment will receive duty-free treatment immediately, improving its competitive advantage compared to vendors from other countries. The remaining equipment tariffs will be eliminated in a period of between five to 11 years. In addition, Colombia will eliminate its prohibition on imports of remanufactured environmental goods and equipment upon entry into force of the Agreement. Additionally, the CTPA will eliminate tariffs on most remanufactured construction equipment immediately and will phase out tariffs on a small number of remanufactured goods over ten years.

**Best Prospects/Services**

Best prospects include water and wastewater treatment plants, water pollution monitoring and control equipment, pumps, valves, solid waste hauling and disposal equipment, air pollution monitoring and control equipment, and environmental services (consulting). The operation and management of municipal services such as providing potable water and collection, hauling and disposal of solid waste also provide good market opportunities for U.S. firms.

**Opportunities**

The Water and Basic Sanitation Regulatory Commission (CRA) is developing new regulatory methodologies to incorporate the cost of “unaccounted for” water, and the cost of sewage collection into end-user fees to allow for the financing of large infrastructure projects needed throughout the country. In addition, the Ministry of Environment, Housing and Territorial Development is working on the incorporation of pollution charges to fund the cost of wastewater treatment plants.

Regulations regarding air pollution and solid and hazardous wastes are being developed at a time when public financing is almost non-existent, and enforcement has traditionally been lacking. These conditions are expected to change if the proposed CTPA is ratified by the U.S. Congress and implemented. These changes will be necessary in order to comply with the agreement’s environmental provisions.
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