

Ecobusinesses Flourishing

With the heightening of concern about global environmental problems, the "global environmental business" has been gaining attention for some time now. "Ecobusiness," as it is called, includes everything from businesses with very small markets to mammoth enterprises with turnovers of several trillion yen, but it can be divided roughly into four categories: (1) pollution control, (2) environment conservation, (3) environmental structuring, maintenance and management and (4) environmental information.

The pollution-control business is principally the pollution-control equipment industry, including de-SO_x and de-NO_x systems for flue gases and motor vehicle exhaust converters. The serious pollution problems of the 1970s spurred Japan to develop some of the most advanced technological expertise in the world in this area. When Japan offers these technologies to other countries, the key to market expansion will be who bears what proportion of the costs, and how.

The major issue at this point is restric-

tions on CO₂ emissions. Carbon dioxide is always produced when fuels that contain carbon are burned, and the fact that CO₂ itself is a stable substance makes it very difficult to deal with. Work is being done on CO₂ separation, post-recovery processing, recycling for other uses, and bio-fixing technologies, but these have yet to get out of the laboratory. In addition to these technologies, there are hopes for energy-saving technologies such as cogeneration and for the use of non-fossil energies such as solar power.

The second subcategory, conservation, offers goods and services that reduce environmental loading and are useful in preserving the environment. An example would be a product that is not harmful to the environment, such as biodegradable plastic. Marked progress has been made in the transition to substitute products for CFCs, which cause the depletion of the ozone layer, and many of the best companies have completely eliminated the use of CFCs in anticipation of the restrictions contained in the Montreal Protocol.

Environmental structuring, mainte-



Shampoo bottles made of biodegradable plastic which is produced from the sugar content of agricultural products fermented by microorganisms. The bottles are degradable when placed in soil. The two bottles on the right are in the process of decomposing.

Photo: Nihon Keizai Shinbun

nance and management operations are efforts to respond to the need for a sustainable environment and the need for interaction with nature. Typical here are technologies for greening the deserts and for purifying water.

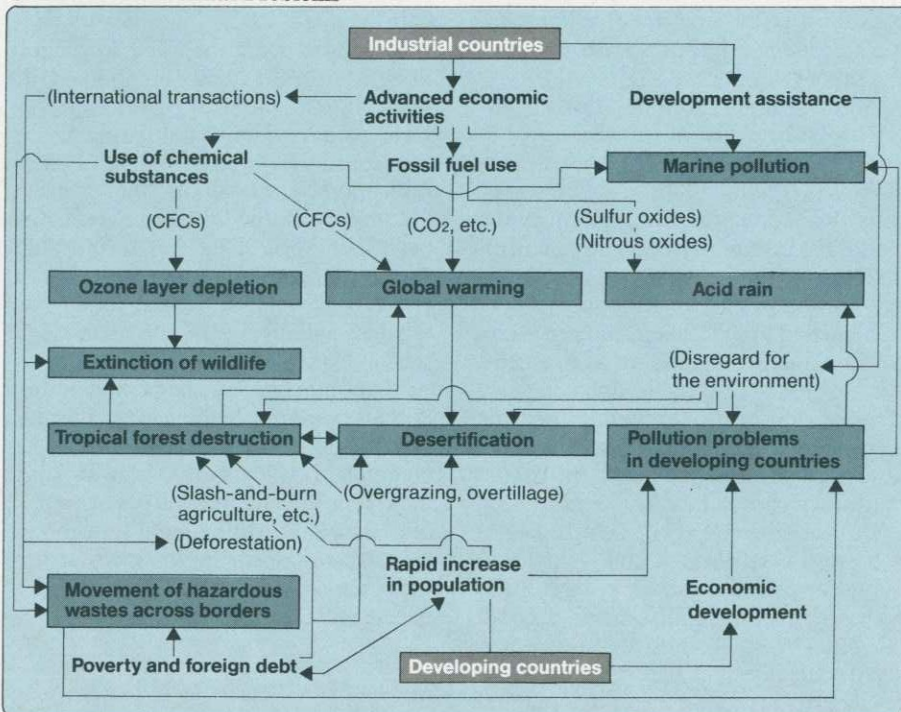
The information aspects of the environmental business offer intangibles such as information about the environment and ideas for environment-friendly lifestyles. Some examples are databases and services and various publications offering information on the environment.

A major event in this field will be the United Nations Conference on Environment and Development (UNCED) scheduled for June 1992. Because this year's environmental issues will probably develop in terms of this conference, it is worth noting the conference's main themes: (1) the adoption of the Framework Convention on Climate Change, the Convention on Biodiversity, and an international arrangement or agreement on forests; (2) the adoption of an "Earth Charter" to lay out basic principles for the conduct of individuals and nations with regard to the environment and development, and to keep the earth in sound condition for humanity's common future; (3) the formulation of the "Agenda 21" action plan setting out specific actions to be taken as we approach the 21st century.

Although looking to the UNCED for a major boost, the environmental business will no doubt continue to grow.

(Satoshi Itoh, economist)

Global Environmental Problems



Source: Environment Agency