Minneapolis-St. Paul Regional Cluster Competitiveness Forum

Emergence of the Water Tech Cluster

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Minnesota Trade Office

Support to the Water Sector

- DEED/MTO’s role
- Water Technology Export Roundtable—about 15 since 2009
- Water summit in 2014
- Room for a trade association? See WI’s Water Council
- Many reasons to expect growth

Export Stars—Large

Pentair

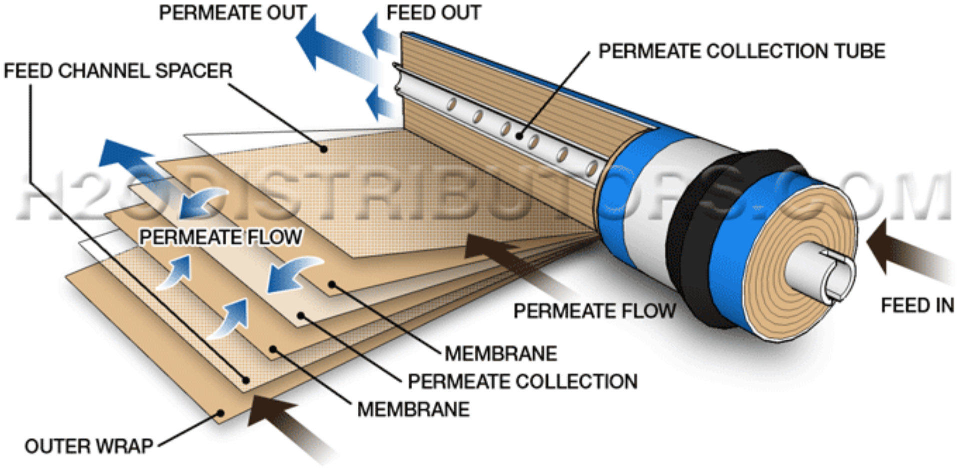
ECOLAB®

GE Water & Process Technologies (Formerly Osmonics)

Dow® FILMTEC MEMBRANES

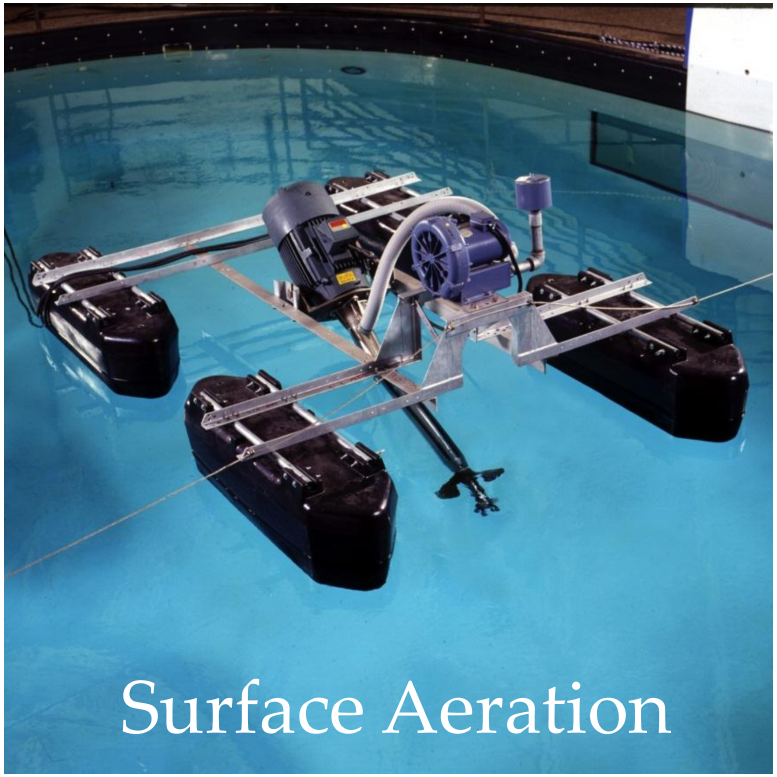
3M

What is Water Tech?



Dow Filmtec RO

Dezurik valve



Surface Aeration

Export Stars—Small & Medium

- Aeration Industries, Chaska
- Lemna International, MPLS
- Barr Engineering, Edina
- DeZurik, Sartell
- Flatwater Fleet, Duluth
- Even solo consultants—e.g. Cartwright Consulting

Emerging & Promising Companies

- Pristine Environmental
  - Concrete Slurry Solution

- Creative Water Solutions
  - Use of sphagnum moss to treat water
  - Used in St Paul public pools

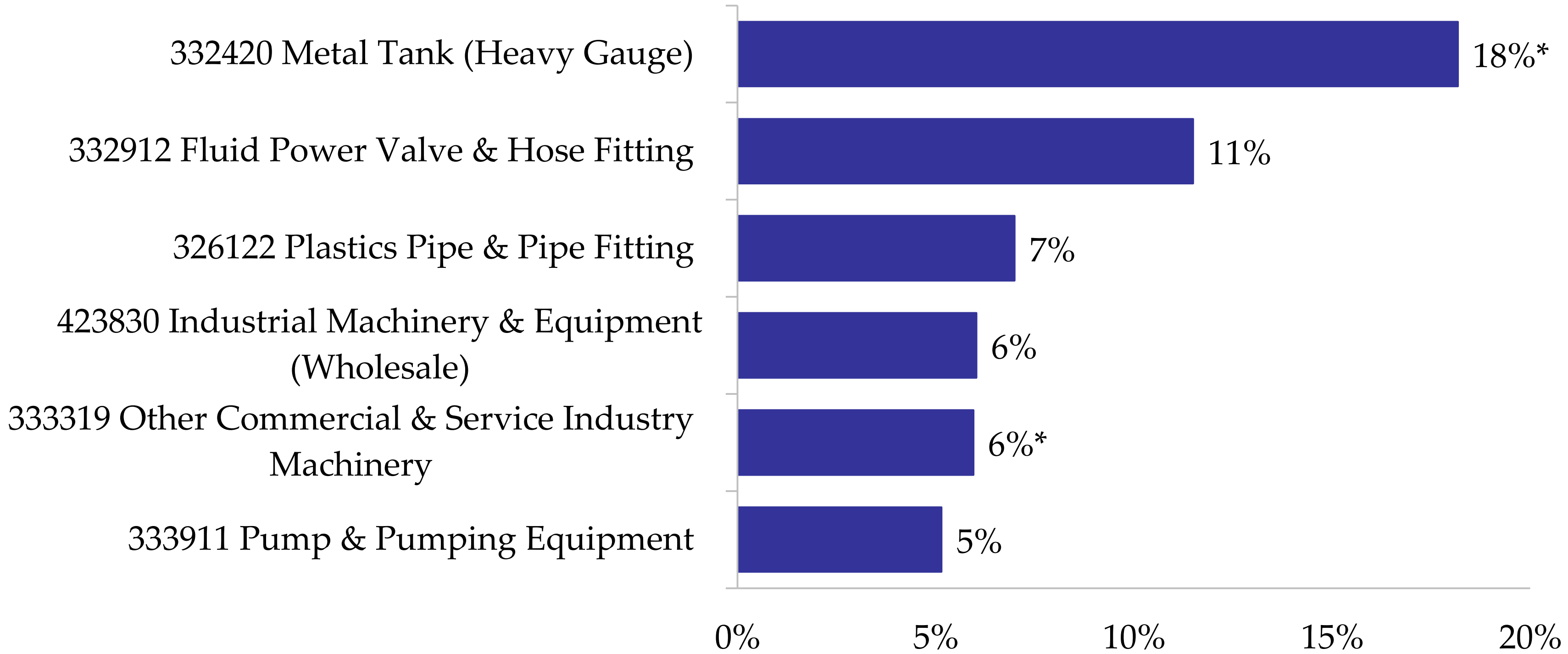
- Utility Management Solutions & MeterLogix
  - Housing Study: 18 to 39 % reduction in water use in sub-metered dwellings

Water Technology Industry

- Lack of a standard industry definition and data issues present challenges to exploring industry.
- U.S. Department of Commerce's definition:
  - "Products and services that cater to wastewater treatment and water purification for industrial or municipal use."
- Department of Commerce and Environmental Technologies Trade Advisory Committee (ETTAC) also provide guidance on sub-sectors to include.

Employment Growth, 2010-2012

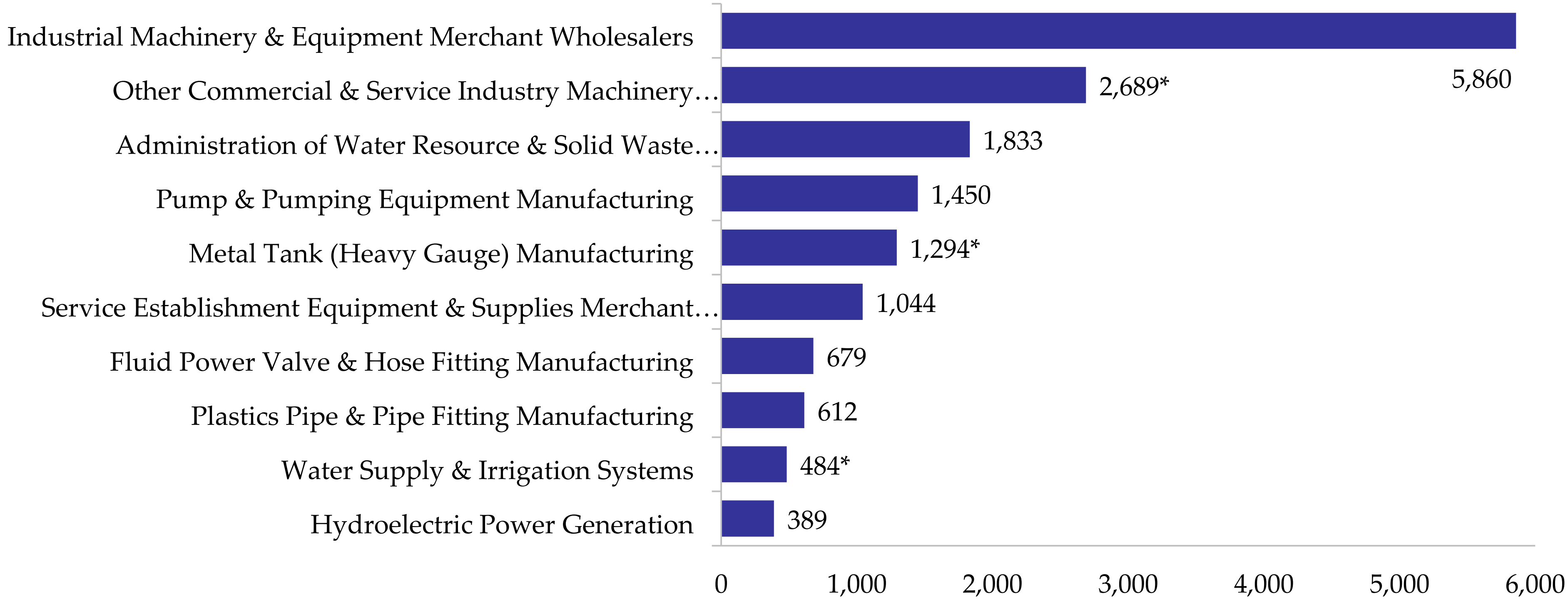
- Subsectors with strongest employment growth between 2010 to 2012 were:



Source: BLS QCEW, 2012; industries defined by Department of Commerce; * Employment estimated due to data suppression

Minnesota Water Tech Employment

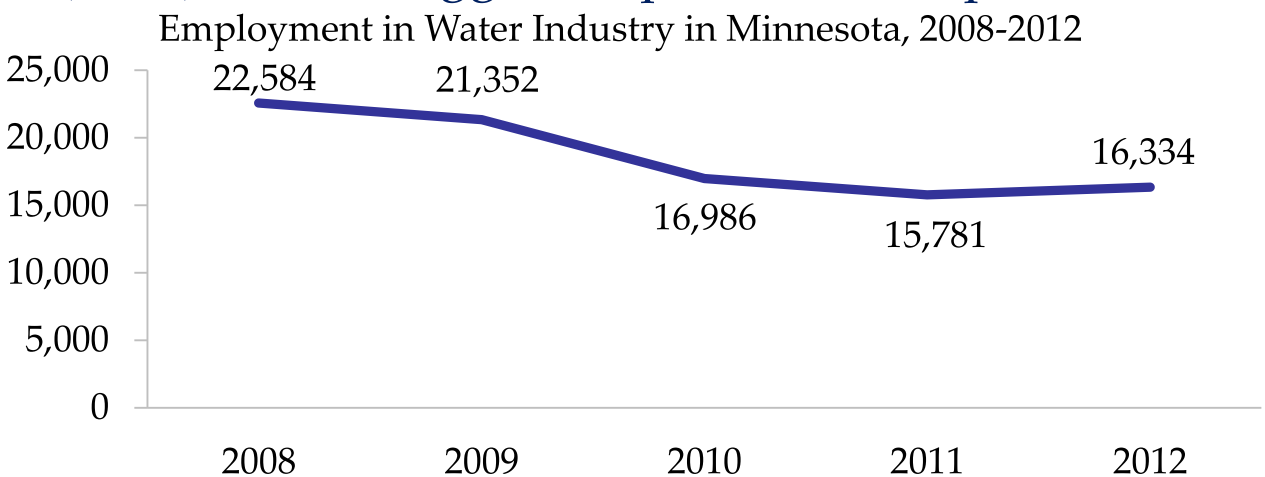
- Industry has around 900 establishments employing 16,300 workers in Minnesota in 2012.



Source: BLS QCEW, 2012; industries defined by Department of Commerce; * Employment estimated due to data suppression

Employment and LQ

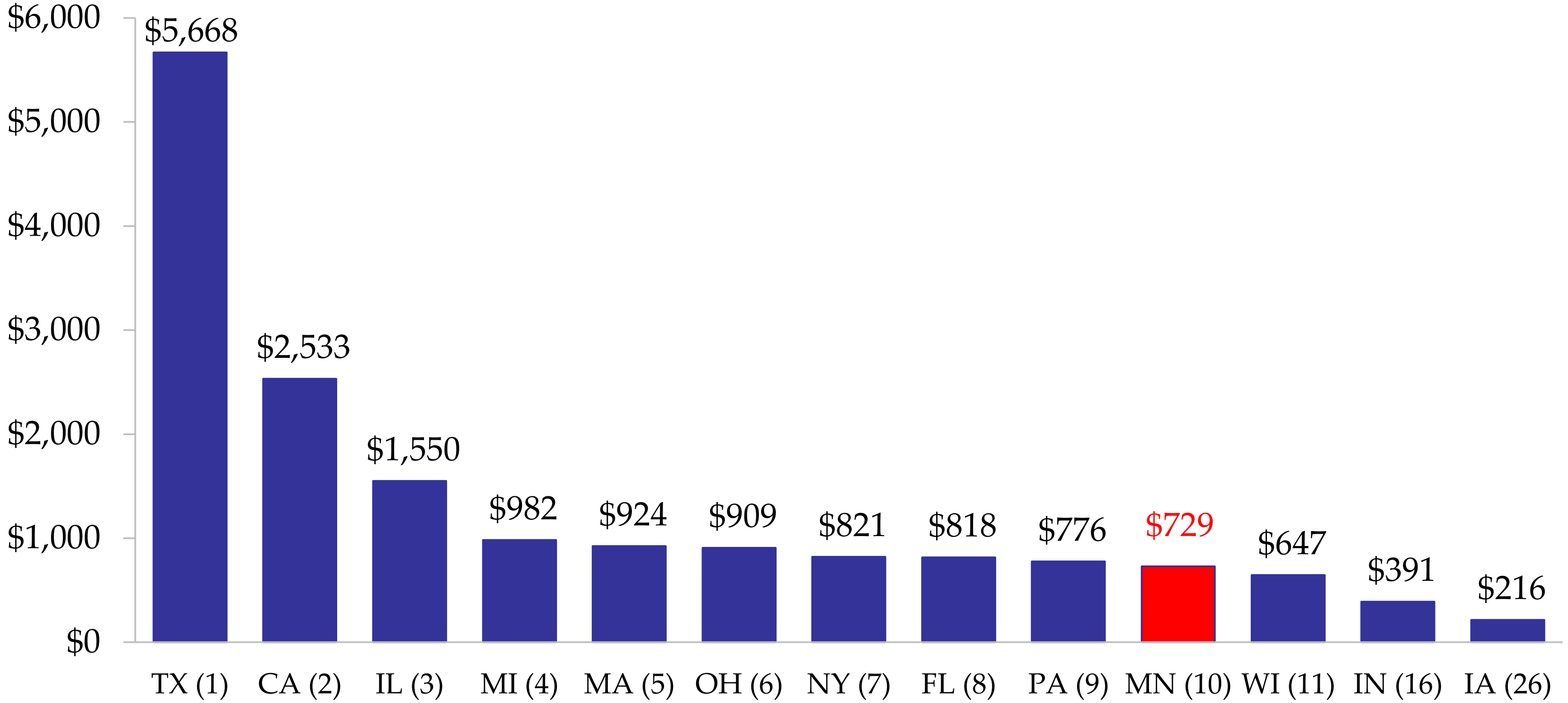
- Numerous industry analyses point to surging future water needs that portend strong industry growth.
  - Decline over last five years in Minnesota almost entirely in Hydroelectric Power generation sector.
  - In spite of decline, Minnesota still has a location quotient (LQ) of 1.39 (2012), which suggests a potential competitive advantage.



Source: BLS QCEW, 2012; industries defined by Department of Commerce;
* Employment estimated due to data suppression

State Comparison by Exports

- State Ranking of Water Tech Exports, 2012 (in millions) – Top 10 states and selected other Midwestern States.



Source: Worldtradestatisticsonline.com; definition from ETTAC and differs from Department of Commerce

Competitiveness

- Are we competitive in the region and if so why?
  - Number 10 nationally
  - Ecolab, GE & Pentair help us rank #1 in water reuse (reuse to double over next 5 years)
  - Reputation for 10k lakes, stewardship
  - Legacy of Osmonics, filtration/membranes, pumping, aeration firms
  - Global water issues (scarcity, econ growth) as demand drivers
  - Quality of the Labor Force
  - Worth Repeating: Many reasons to expect growth

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