

ZENON ENVIRONMENTAL INC.

Zenon Environmental Inc. of Burlington, Ontario is a 16-year-old company that went public in 1992. The company has been growing rapidly and has expanded into international markets with operations in Europe and the United States. Zenon believes that Mexico is a major potential market for its advanced municipal and industrial water purification and wastewater recycling technology. The Mexicans have a national will to get on with things, which is creating a demand for environmental products and services.

Assistance from the Department of Foreign Affairs and International Trade (DFAIT) and Department of Industry (DI) have been instrumental in Zenon's efforts to enter the Mexican market. Zenon has used the services of DFAIT and DI to help conduct its research into the Mexican market and to develop an understanding of the country's culture and ways of doing business. They have received assistance in networking and meeting contacts in Mexico through trade missions.

The company initially entered the Mexican market by selling their products and services to General Motors and Chrysler, American companies with operations in Mexico. These automotive companies already knew what Zenon had to offer and could readily integrate the offerings into existing operations.

Zenon's objective is to form corporate relationships with Mexican partners interested in pursuing municipal water and sewage projects. They are now looking at partnerships that may involve any or all of pure product representation, joint ventures, OEM relationships and/or licensing agreements. They feel that they bring leading-edge technology, experience and knowledge to a partnership, and are looking to their partner to provide an understanding of the culture, the way to do business, the markets for their products, and customer-oriented service.

ECONOMIC

- level of economic development
- growth rates, actual and potential
- sectoral and industrial distribution of activity (and imports)
- industrial structure
- per capita income
- income distribution
- consumer spending patterns and trends
- general openness of the economy to imports
- levels of import penetration
- most important sources of imports
- currency and exchange rate factors

POLITICAL AND GOVERNMENTAL

- political stability
- government involvement in the economy and business
- the legal framework for doing business
- provisions for the resolution or redress of grievances
- controls over foreign trade
- major trade policy instruments and tariff barriers
- non-tariff barriers such as standards and regulations

SOCIAL AND CULTURAL

- literacy rate
- language and customs
- cultural norms and characteristics
- business practices, if they are different than Canadian practices