International opportunity and market entry

Name:

Instructor:

Due date:

Question 2:

Canada presents some great opportunities for an American investor. For one, as the Export Development Canada report indicates, the organic food industry is enormous, valued at approximately $ 7 billion as of 2020 (“The Organic Food Market in Canada and Its Global Influence”, 2020). The report further states that despite Canada's high arable acreage, ranking 11th globally, the capacity lacks the organic foods industry’s biggest headache is the lack of production capacity. Only 2% of the total agricultural land accounts for organic farmers. Yet, two-thirds of the population attests to purchasing some organic food at least a weekly basis (“Canada’s organic sector just keeps growing”, 2020). Practicing organic farming in Canada seemed like a feasible investment opportunity for an American investor.

 Canada is also a high consumer of technology. Reports from 2019 valued Canada’s ICT sector to account for 4.8% of its GDP. The sector is constantly growing at 4.8%, outperforming its 1.5% economic growth, which is mainly attributed to Canada’s global reputation as a technology hub (Spectrum and Sector, 2020). The country also offers a qualified workforce as well as a friendly environment for American investors.

 The energy sector also serves as a prospective investment opportunity for American entrepreneurs, particularly renewable energy. The power sector seemingly has a high demand for renewables in today’s world (XU, 2019). There is unmet domestic and industrial renewable power demand in Canada. Solar and wind power generation are the most popular renewable energy sources, but they remain highly dependent on weather, therefore, increasing their unreliability. Even small-scale power generation has high growth potential.

Question 3:

The Masumoto family farm is an example from the US whose idea is implementable in Canada. The enterprise Organic farming does not use conventional sewage-or petroleum-based fertilizers, herbicides, pesticides, antibiotics, genetic engineering, or growth hormones. The farmers cultivate nectarines, peaches, grapes, and apricots (“Eliot Coleman”, 2020). An American investor can venture into Canada with a similar idea tapping into the market, adding onto the range of products with organically grown mushrooms and cattle bred on rotational grazing to the list.

Next Big Technology (NBT) is a Web and App Development firm whose services are defined as premium (Next Big Technology, 2020). The US-based company deals in the development of mobile applications and websites. The company’s services use proper programming and design products in making creations that will scale. The best way to venture in to Canada’s ICT industry would be to tap talent from the university level to harness a commendable workforce.

Avangrid Renewables is a US-based company committed to enhancing the global clean energy industry. Among its services include electric transmission, hydroelectric generation, air/propane distribution, natural gas distribution. An American investor can provide an electricity grid in the marginalized areas of Canada. Remote communities in Canada rely on diesel generators for energy. By producing biodiesel and investing in tidal power generation. Solar energy also holds great promises, and the product could be welcome by rural communities.

Question 4:

Canada has numerous communities dispersed across the country, numbering around 250 inhabited by about 185,000 communities (Lonekin and Heerema, 2019). A majority of these communities are believed to be in northern Ontario, northern Quebec, and northern Labrador. Many Canadian households are powered by nuclear, solar, coal, wind, and natural gas. However, most of the remote communities are thought mainly to depend on diesel for energy (70%), fossil (17%), and hydro (13%) (Lonekin and Heerema, 2019). Remote communities are defined as those that are cut off from the state’s electricity grid, forcing them to look for local solutions for electricity.

Creating a microgrid to source the communities with energy would be a good opportunity for investors and remote communities. By installing the necessary infrastructure to households in these regions, the idea would be appreciated because it would promise more power reliability. The microgrid would include combined heat and power biomass, solar (photovoltaic), and tidal. These alternative power sources have a comparatively lower marginal cost of electricity production, thus would displace reliance on diesel. Diesel generators are also components of the microgrid system, but there is a much lower proportion to situations of complete dependence on them. Renewable energy is capable of providing for the majority of the remote communities’ needs.

The renewable energy investment idea seems like the most appealing because it addresses a pressing issue among many Canadians. The market share for a microgrid system would be assured because there is a minor threat of competition in this market. Also, there is a minimal threat from competing products because renewable energy promises to be the future of energy. Also, entry barriers make it difficult for threats to enter. As for organic farming and web development ideas, the cost of switching between suppliers is low in both cases, and therefore, it is easy to lose market share. Customers also have higher bargaining power in both cases as compared to investing in renewable energy.

Reference

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