International Business Development Plan

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Executive Summary

The plan outlined below in detail was approved by the NMMA Canada board of directors initially in 2011 and updated and approved most recently on November 15, 2017. Analysis has thoroughly been done and there are no major changes in trends and priorities. The market conditions are changing and that has been considered by the export development committee.

The National Marine Manufacturers Association Canada (NMMA Canada) is a national, not-for-profit association that provides advocacy services to the recreational boating industry. There are over 80 NMMA Canada members and over 130 NMMA members in the U.S. including major boat, accessory and engine manufacturers.

As the trade association representing the interests of the marine manufacturers, NMMA Canada is seeking from Global Affairs Canada funding support from the Global Opportunities for Associations (GOA) to stimulate cost-shared activities for the international marketing and promotion of Canadian recreational marine products.

There are a number of boat and accessory manufacturers (mostly SMEs) in Canada. There are 396 boat manufacturers and 127 accessory manufacturers in Canada. The major export focus of most Canadian manufacturers is the large U.S. market – although some do have marketing presence in Europe and other global markets such as Asia.

Based on a study by NMMA Canada it has been documented that boat/trade show presence is critical for advancing brand recognition and preference among customers and developing distribution and marketing partnerships not only in developing markets but in all markets which have growth potential or are areas viewed as key recreational marine shows.

The NMMA has been supporting North American manufacturers with their international marketing/promotion for several years. This has involved sponsoring Canadian and U.S. pavilions at major international trade shows.

Canadian manufacturers, supported by NMMA Canada, need to continue to build up international market(s) awareness and perception of Canadian boats and marine products as having niche market value for products and brands in specific marketplaces (U.S./Europe/Middle East/Asia/Australia/South America) where the growth of the luxury market is expected to be strongest over the next decade. This is becoming evident as NMMA travels to various shows and conferences in parts of the world where wealth is growing – Chinese middle class and upper-middle class are growing at a rapid rate and they are interested in quality made luxury western products. As the world has moved out of the great recession, growth is evident everywhere as unemployment decreases and household disposable income grows.

Building on past efforts with new companies, NMMA Canada members have expressed the strong desire to attend international trade/boat shows in an effort to expand their distributor/dealer networks and raise the ‘Canada-brand’ and company profile for Canadian-made products. Having received funding through GOA in the past, NMMA member companies were able to explore the market in Eurasia, Asia, Europe, Australia and the Middle East. Distributor relationships were established at boat shows in Shanghai, Dubai, Sanctuary Cove, Marine Equipment Trade Show METS (Amsterdam), International Boat Exhibition (IBEX) (Tampa) and Istanbul. In order to expand further into these markets there is a renewed interest in returning and participating at METS, IBEX and Sanctuary Cove.

We will return to these markets with new companies as well as returning companies to explore the potential as well as expose these companies to new distributors and build on existing relationships. The end goal is to have these distributors carry Canadian product lines. Some companies have gone into these markets on their own without GOA funding as they strongly feel there is great potential. With GOA funding, these companies and new additional companies will be able to do more and gain access to markets where they may not have had access without funding. Our main priority is to return to the Marine Equipment Trade Show (METS) in Amsterdam, as we have in previous years, which is the premier business to business trade show for leisure marine accessories with exhibitors from more than 50 countries attending. We have established a Canadian pavilion at this show which has helped to showcase Canadian businesses and continues to draw in new export opportunities for these businesses. The METS 2017 show was the strongest showing of Canadian companies yet and there is more interest from other Canadian companies to exhibit at this premier show. Our second priority is to return to the International Boatbuilders’ Exhibition & Conference (IBEX) which is the largest technical marine event in North America and sees companies from all across the world with more than 50 countries attending. Our third priority will be to visit, for the first time, the Sydney International Boat Show in Australia which is Australia’s biggest boat show. There were more than 63,000 visitors in 2017 with over 250 exhibitors from around the world. The show also has over 32,000 square metres of hall space across two levels. At the show in 2017, there were almost 1,000 boats on display.

We will build on past efforts at METS and add new elements like a networking event with embassy staff and local distributors. We anticipate three new companies will join the pavilion in 2018 at METS in Amsterdam. For IBEX we anticipate twelve exhibitors and for Sydney we anticipate two new exhibitors and three companies walking the show for the very first time.

1. Sector Description

National Marine Manufacturers Association (NMMA) Canada is the national trade association representing manufacturers, importers and associate trade members of marine products in Canada and the U.S. NMMA Canada is a division of the U.S. based National Marine Manufacturers Association (a Delaware corporation). While we are a division of the U.S. association, **ALL** GOA funding received would be solely for the use of Canadian manufacturers and for the association activities in Canada. We have a headquarters in Canada and all of our members are Canadian who provide membership dues to us in Canadian dollars for Canadian activities and budget.

1.1. Organization History & Description

The National Marine Manufacturers Association Canada (NMMA Canada) is a national, not-for-profit association that provides advocacy services to the recreational boating industry.

Members of NMMA Canada are domestic and foreign companies that manufacture and/or distribute a variety of products used by Canadians as they go boating on our many lakes and rivers.

Our members' products include boats, engines, electronic navigation equipment, lifesaving products, accessories and parts for boats, and trailers. In addition, some members produce magazines or provide other services such as financing, dealers, marinas and insurance to boaters and the industry.

Boat manufacturers are required to participate in the NMMA Boat Certification Program which focuses on product safety and recognition to consumers.

There are over 80 current NMMA-Canada members including major boat, accessory and engine manufacturers.

NMMA-Canada activities involve:

- ✓ government relations at the local, provincial and federal levels;
- ✓ generic marketing and boating lifestyle promotion, such as "Discover Boating";
- ✓ sector statistical collection, dissemination and analysis;
- ✓ standards development and product certification; and
- ✓ international marketing/promotion of Canadian recreational marine products.

Global Affairs Canada funding support from the Global Opportunities for Associations (GOA) is sought to stimulate cost-shared activities related to this last activity: the international marketing and promotion of Canadian recreational marine products.

1.2. Sector Overview

There is an estimated 8.6 million boats in Canada and it has one of the world's highest rates of boat ownership. About 20% of Canadian households own at least one recreational boat. In 2015, 43% of Canadian adults participated in recreational boating at least once during the year – this equates to an estimated 12.4 million boaters. Canada's extensive coastal territory, inland water systems and lakes provide the opportunity for seasonal boating activities across a diverse range of natural beauty and marine environments.

The Canadian recreational boating industry – which NMMA Canada represents – is statistically captured across a range of North American Industry Classification System (NAICS) industries. The only specific NAICS manufacturing industry which is fully included within the scope of NMMA Canada is 336612 Boat Building.

Other NAICS manufacturing industries in which activity is undertaken related to recreational boating include:

- 326198 Other Plastic Product Manufacturing (e.g. plastic boats, life rafts);
- 332319 Other Plate Work and Fabricated Structural Products (e.g. boat sections);
- 332999 Other Miscellaneous Fabricated Metal Products (e.g. propellers, machining);
- 333920 Material Handling Equipment (e.g. boat lifts);
- 336215 Motor Home-Travel Trailer and Camper (e.g. boat trailers);
- 336990 Other Transportation Equipment (e.g. personal watercraft); and
- 339920 Other Miscellaneous (e.g. sailboards).

Sector data encompassing the entire scope of the Canadian recreational boating sector are difficult to obtain due to the sector's focus on marine/boating products and the NAICS focus on similar forms/materials used in the manufacturing process.

NMMA Canada estimates that the recreational marine industry accounts for about 75,000 jobs (directly and indirectly).

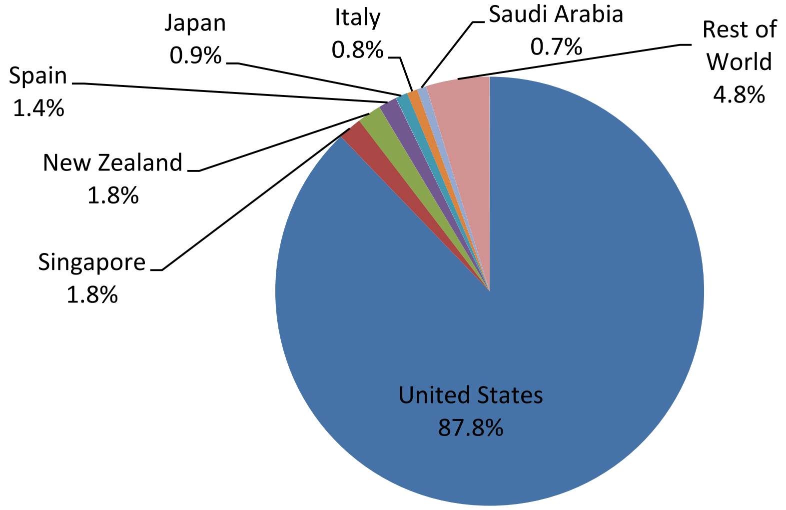
International Trade

Sector export value was $201.2 million (2016) – a 43.8% decrease over 2015. We are concerned to see that the export numbers have decreased significantly and feel it is extremely important to do what we can to support Canadian manufacturers in their export development. The U.S. continues to be the largest export market for Canadian-made recreational boats ($176.4 million), accounting for 86.4% of exports. It is important to note that this drop was primarily caused by a 99.2% decrease in exports of smaller inboard boats smaller than 27' to Europe, Asia/Australia and the Middle East. Exports to Belgium, France, Australia, Finland and China have dropped significantly because of this decline. Other sizable export markets include:

- Singapore ($3.7 million)

- New Zealand ($3.7 million)
- Spain ($2.9 million)
- Japan ($1.9 million)
- Italy ($1.7 million)
- Saudi Arabia ($1.4 million)
- United Kingdom ($1.4 million)
- South Korea ($1 million)
- France($781,989)

Table 1 2016 CANADIAN BOAT EXPORTS

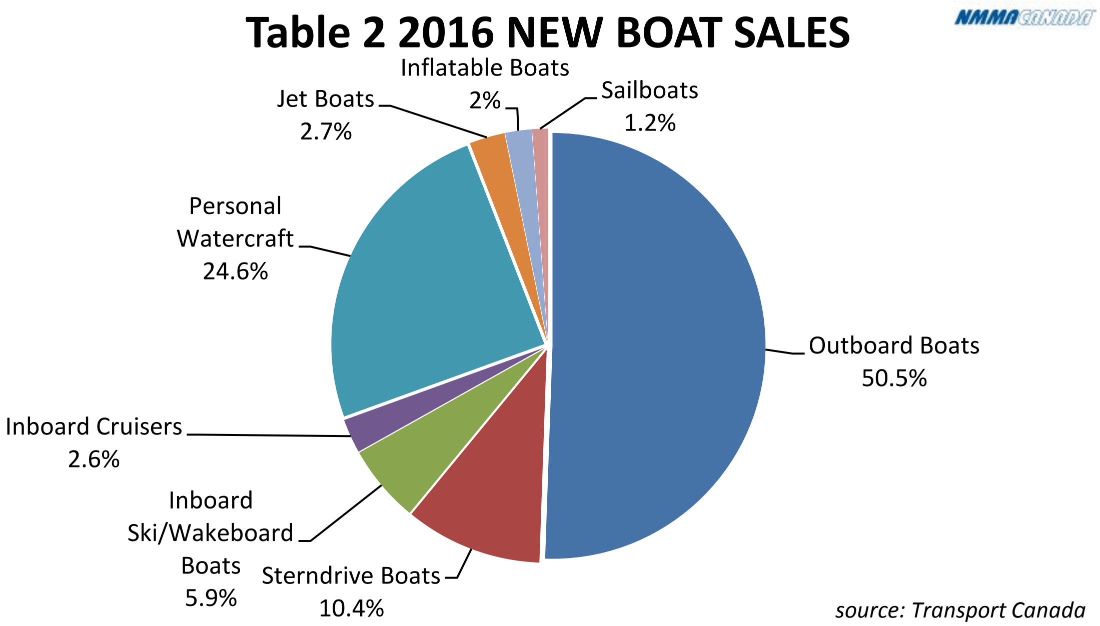


source: Statistics Canada

Sector import value was $933.5 million (2016) –up 1.2% compared to 2015.
The U.S. is the largest import market for recreational boats ($687.3 million), accounting for 73.6% of imports. Other sizable importing countries include:

- Japan ($90.2 million)
- Mexico ($65.7 million)
- China ($28.8 million)
- France ($15.4 million)
- United Kingdom ($6.7 million)
- Thailand ($6.5 million)
- Italy ($5.2 million)
- Sweden ($5.8 million)
- Taiwan ($5.1 million)
- Germany ($5 million)

Canadian recreational boating industry economic impact revenues were roughly $10 billion (2016) with the majority of this spent on recreational fishing boats and power boats.



1.3. Association Management & Resources

NMMA Canada is comprised of a Board of Directors of 18 members supported by a full-time President and two additional staff.

NMMA Canada is active in the areas of:

- Annual General Meeting planning and logistics;
- Sector communications;
- Customer Satisfaction Index (CSI) program;
- ‘Discover Boating’ sector marketing and lifestyle promotion;
- ‘Discover Boating’ fund-raising;
- Boat Engine technical/development issues
- Boat Financing issues;
- Government relations;
- Membership promotion;
- Sector statistics for Boats and Engines;
- Boating technical and certification issues; and
- International trade promotion.

1.4. Association Finances

The financials are attached in a separate document in the GOA system.

2. Product Lines & Services

2.1. Breadth of Canadian Product Lines

There are a wide variety of small boat builders and a number of medium-sized manufacturers of recreational boats and accessories. The major export focus of most Canadian manufacturers is the large U.S. market – although some do have marketing presence in Europe and other global markets.

A profile of some Canadian manufacturers is provided below. These companies outlined are representative of the companies which are interested in exploring the markets identified in our plan and are members of NMMA Canada.

Company: **Campion Marine** (BC)
Product Lines: fibreglass boats: - 37 models across 'Allante', 'Chase', 'Explorer' and 'SVFARA' lines - 5.0m to 10.0m in length; from 90hp to 640hp; up to 12 persons
Exports: - U.S. market (25% of sales) - Other international (25% of sales)
International Activities: - Boat Shows in Scandinavia - European office in Denmark - Campion Boats recently won an Environmental Initiative Award at the International Boating Industry Boat Builder Awards at the METS show 2017 – making history as the first Canadian company to be recognized internationally

Company: **BRP** (QC)
Product Lines: fibreglass personal-watercraft (PWC) and boats, and Evinrude engines: - 25+ models across 'Sea-Doo', 'Challenger', 'Sport' and 'Speedster' lines - 3.3m to 5.4m; 4-TEC engine with 1.5L displacement
Exports: - US market - manufacturing plant & strong presence - Other international – manufacturing in Europe and growing
International Activities: - Manufacturing in Canada, US, Austria, Finland and Mexcio - Sold in 90 countries with distributor network in 17 countries - BRP, headquartered in Valcourt QC, has global revenues of $2 Billion across its entire boating and other consumer/recreational products

Company: **Dock Edge** (ON)

Product Lines : dock and marine accessories, boat fenders and life rings
Exports: - U.S. market – extensive distribution throughout the U.S. - Other international – Europe
International Activities: Building distribution throughout the world (see article attached)

Company: **Canada Metal** (BC)
Product Lines: Martyr Anodes, Titan Chain, Autopilot Drives
Exports: International – 82%
International Activities: Manufacture facility in China; Building worldwide distributor network

Company: **Deep Trekker** (ON)
Deep Trekker manufactures portable, affordable, and easy to use underwater remotely operated vehicles (ROVs). Deep Trekker, Inc. is your complete headquarters for high-quality, commercial-grade remotely operated vehicles (ROVs), also called underwater drones, specifically designed and developed to make underwater observation easy and affordable. They offer an extensive selection of submersible robots with cameras that are portable, easy to use and require no maintenance. Product Lines: DTG2, DTX2, DT340, DT640, DTPod
Exports: They have sold thousands of their robots into over 80 countries worldwide.
International Activities: They have an extensive group of partners and resellers globally

Company: **Scepter Corporation** (ON)
Product Lines: OEM and Aftermarket portable marine fuel tanks, permanent (below deck) marine fuel tanks and a complete range of accessories including tank accessories, fuel filtration products, marine maintenance products, marine battery boxes, oil extractors, marine paints.
Exports: 20% of total marine sales (revenue) to the U.S. market. The Canadian market represents approximately 10% of sales revenue, with the balance being exported to 33 other countries through a network of sales channels / distributors
International Activities: niche market for midsize power boats from 18’ through 26’, as well as the smaller “cruiser” market up to 36’.expanding in niche markets for midsize boats

Company: **Samui Corporation (ON)**
Samui Corp is a product development company established in 1992. Their focus is on eco-friendly solutions in the marine, industrial safety and bicycle accessory markets. In the 1990s they invented a fully rechargeable hand-held signal horn (EcoBlast Air Horn) that uses regular compressed air instead of below-boiling point gases. The user just pumps air into the horn with a bike pump. It quickly became popular as a safe alternative to the throw-away aerosol horns. The AirZound version is an essential bike safety device. Product Lines: EcoBlast, EcoBlast Sport, EcoBlast Pro and AirZound
Exports: Exports products to USA, UK, Australia, Japan, Korea, France, Sweden, Denmark and Mexico
International Activities: Hoping to line up new and potentially exclusive distributors in Europe, South America and the Middle East

Company: **Schneider Electric/Xantrex** (BC)
Product Lines: AC power conversion and battery charging products for the marine, RV, truck, bus, ambulance, military & other speciality markets
Exports: Exports products to Europe, South America, Africa, Asia and Australia
International Activities: Xantrex employees walk the Caravan Salon show in Germany and exhibit at METS, Netherlands

3. Existing & New International Markets

3.1. Forecast Global Boating Growth

The global boat market is expected to grow to $25.2 billion in 2019. The major drivers for growth in global boat market are high replacement rate, change in technologies, increased boat size, and high net-worth population increase[1].

The U.S. and Europe dominate the global marketplace – but high growth rates are anticipated in the developing ‘new power’ (e.g. BRIC) countries. The Europe and Asia Pacific regions will contribute most to future growth.

In terms of unit shipments the North American boat market remains the largest global segment. The U.S. boat market in 2016 accounted for U.S. $9 billion in new boat sales, $2.3 billion in new outboard engine sales, $352 million in new boat trailers and $6.4 billion in aftermarket boating accessory sales. Total new boating products (boats, engines, trailers, accessories) in 2016 for the U.S. market equaled $17.9 billion. There were 254,300 new boats sold in 2016. In addition, U.S. boaters spent another $8.8 billion on boating services, repairs, storage, fuel, financing and insurance. This brings the total spending on new boating products and services to $26.7 billion. When including the retail

[1] Lucintel (2014) *Global* Recreational Boating Industry Analysis and Forecast 2014-2019.

value of pre-owned boats and engines ($9.2 billion) the total retail value of the U.S. recreational boating market in 2016 was $36 billion.

In 2016, U.S. exports of recreational boats and marine engines totaled $1.6 billion. Imports into the U.S. in 2016 were valued at $2.9 billion.

3.2. Key Global Markets

Due to costs we are unable to update this data every year, however, the information still presents a strong picture of key global markets relevant today. After North America, the European market is the largest with sizeable boating activity in Belgium, Italy, Germany, Norway, the UK and France (each of which may have new boat sales of around U.S. $1B with a further $500M in boating services and marine products/accessories). The only other market of equivalent size in the rest-of-the-world is likely China which has seen an increase in recreational boating imports and exports with Canada over the years but a large decrease in export value for 2016.

Of the emerging markets with strong economic growth rates and a high ratio of income captured by the top 10% of income earners, the most viable markets for luxury boats and boating products are: UAE/Qatar; Brazil, Colombia, China, and India.

Other emerging markets of promise include Mexico, Russia, Turkey and Korea along with developed markets in Australia and Japan.

Other fast growing and emerging markets lack some combination of population size and/or per capita income.

Table 3 – Key Global Markets for Recreational Boating

Country	**Population (M)**	**GDP/Capita US$**	**GDP %Growth (10 yrs)**	**Boating Trends / Ownership / Estimated Market Size**
North American Markets				
Canada	34	$46,000	1.9%	2.2M boats; bopc 1:15; istop10 25%
USA	309	$47,200	1.6%	17M boats; bopc 1:23; istop10 30%
NAmerica	*343*	*$47,100*	*1.6%*	*Maybe 19M boats* *US$7B new boat sales (570,000 units)* *US$3.5B boating services/accessories*
European Markets (ranked in terms of # boats)				
Italy	60	$34,000	0.2%	0.9M boats; bopc 1:65; istop 27%
Germany	82	$40,100	0.9%	0.8M boats; bopc 1:100; istop 22%
Norway	5	$84,500	1.5%	0.7M boats; bopc 1:7; istop 23%
UK	62	$36,100	1.4%	0.6M boats; bopc 1:100; istop 29%
France	65	$40,000	1.1%	0.6M boats; bopc 1:100; istop 25%
Sweden	9	$49,000	0.2%	0.3*M boats; bopc 1:30*; istop 22%
Netherlands	17	$46,900	1.4%	0.3M boats; bopc 1:65; istop 23%
Denmark	6	$56,000	0.6%	0.3M boats; bopc 1:15; istop 21%
Spain	46	$30,500	2.1%	0.3M boats; bopc 1:150; istop 27%

Table 3 – Key Global Markets for Recreational Boating

Country	Population (M)	GDP/Capita US$	GDP %Growth (10 yrs)	Boating Trends / Ownership / Estimated Market Size
Belgium	11	$43,100	1.4%	0.2*M boats; bopc 1:65*; istop 28%
Finland	5	$44,500	1.9%	0.2*M boats; bopc 1:30*; istop 22%
Portugal	11	$21,500	0.7%	0.1*M boats; bopc 1:200*; istop 30%
Ireland	4	$47,200	2.6%	0.xM boats; bopc 1:125*; istop 27%
EU	*502*	*$32,000*	*1.3%*	*Maybe 5-6M boats* *US$7B new boat sales (400,000 units)* *US$3.5B boating services/accessories*
Middle East Markets (ranked in terms of estimated # boats)				
UAE	8	$39,600	4.3%	0.15*M boats; bopc 1:50*;
Qatar	2	$61,500	13.2%	0.05*M boats; bopc 1:50*; istop 36%
Kuwait	3	$41,400	7.2%	0.05*M boats; bopc 1:50*;
Israel	8	$28,500	3.1%	0.05*M boats; bopc 1:200*; istop 29%
Saudi Arabia	27	$15,800	3.2%	0.05*M boats; bopc 1:400*;
Oman	3	$17,300	4.8%	0.01*M boats; bopc 1:400*;
Bahrain	1	$17,600	6.5%	0.xM boats; bopc 1:400*;
ME&NAfrica	*382*	*$6,500*	*4.3%*	*Maybe 0.3M boats* *US$1B new boat sales (50,000 units)* *US$0.5B boating services/accessories*
Latin American & Caribbean Markets (ranked in terms of estimated # boats)				
Brazil	195	$10,700	3.6%	0.5*M boats; bopc 1:400*; istop 42%
Mexico	113	$9,100	1.8%	0.3M boats; bopc 1:400*; istop 41%
Venezuela	29	$13,600	1.7%	0.1*M boats; bopc 1:400*; istop 33%
Argentina	40	$9,100	4.3%	0.1*M boats; bopc 1:400*; istop 34%
Chile	17	$12,400	3.7%	0.05*M boats; bopc 1:400*; istop 42%
Puerto Rico	4	$17,700	5.6%	0.01*M boats; bopc 1:400*;
Uruguay	3	$12,000	3.2%	0.01*M boats; bopc 1:400*; istop 33%
Costa Rica	5	$7,700	4.2%	0.01*M boats; bopc 1:500*; istop 39%
Panama	3	$7,600	6.0%	0.01*M boats; bopc 1:500*; istop 40%
LA&Caribbean	*589*	*$8,800*	*3.3%*	*Maybe 1.0M boats* *US$1B new boat sales (50,000 units)* *US$0.5B boating services/accessories*
Other Europe & Central Asia Markets (ranked in terms of estimated # boats)				
Greece	113	$26,600	2.1%	0.8*M boats; bopc 1:150*; istop 26%
Russia	142	$10,400	4.8%	0.4*M boats; bopc 1:400*; istop 33%
Turkey	73	$10,100	3.9%	0.2*M boats; bopc 1:400*; istop 33%
Poland	38	$12,300	3.9%	0.1M boats; bopc 1:400; istop 27%
Hungary	10	$12,800	2.0%	0.02*M boats; bopc 1:600*; istop 25%
Cyprus	1	$28,800	2.8%	0.01*M boats; bopc 1:150*;
Slovenia	2	$22,800	2.7%	0.01*M boats; bopc 1:400*; istop 25%
Czech Rep	10	$18,200	3.2%	0.01*M boats; bopc 1:600*;
Slovak Rep	5	$16,000	4.8%	0.01*M boats; bopc 1:600*;
Croatia	4	$13,700	2.7%	0.01*M boats; bopc 1:400*; istop 27%
Lithuania	3	$10,900	4.4%	0.01*M boats; bopc 1:300*; istop 29%
Latvia	2	$10,700	3.7%	0.01*M boats; bopc 1:300*; istop 28%
Estonia	1	$14,300	3.9%	0.xM boats; bopc 1:300*; istop 28%
Eur&Cen-Asia	*890*	*$22,500*	*1.6%*	*Maybe 1.5M boats* *US$1B new boat sales (50,000 units)* *US$0.5B boating services/accessories*
East Asia & Pacific Markets (ranked in terms of estimated # boats)				

Table 3 – Key Global Markets for Recreational Boating				
Country	**Population (M)**	**GDP/Capita US$**	**GDP %Growth (10 yrs)**	**Boating Trends / Ownership / Estimated Market Size**
China	1,338	$4,400	10.5%	1.3*M boats; bopc 1:1000*; istop 31%
Australia	22	$42,100	3.1%	0.5*M boats; bopc 1:40*; istop 25%
Japan	127	$42,800	0.7%	0.4M boats; bopc 1:300; istop 22%
Korea Rep	49	$20,800	4.1%	0.4M boats; bopc 1:300; istop 22%
Indonesia	240	$3,000	5.2%	0.2M boats; bopc 1:1000*; istop 30%
Malaysia	28	$8,400	4.6%	0.1*M boats; bopc 1:500*; istop 35%
New Zealand	4	$29,300	2.4%	0.1*M boats; bopc 1:100*; istop 27%
Hong Kong	7	$31,800	4.0%	0.xM boats; bopc 1:400*; istop 35%
Singapore	5	$41,100	5.6%	0.xM boats; bopc 1:300*; istop 33%
E-Asia&Pacific	*2,201*	*$7,351*	*3.7%*	*Maybe 3M boats* *US$2B new boat sales (150,000 units)* *US$1B boating services/accessories*
South Asia Markets (ranked in terms of estimated # boats)				
India	1,170	$1,500	7.7%	0.6*M boats; bopc 1:2000*; istop 31%
Pakistan	174	$1,100	4.6%	0.08*M boats; bopc 1:2000*; istop 28%
Sri Lanka	21	$2,400	5.2%	0.01*M boats; bopc 1:2000*; istop 33%
S-Asia	*1,579*	*$1,323*	*7.1%*	*Maybe 0.7M boats* *US$0.5B new boat sales (25,000 units)* *US$0.3B boating services/accessories*
World Market				
World	*6,840*	*$9,227*	*1.2%*	*Maybe 30M boats* *US$19B new boat sales (1,300,000 units)* *US$10B boating services/accessories*
Sources: World Bank: Population, GDP/capita, GDP % real growth (US$constant); ibinews: boating trends (# boats and bopc = boat ownership per capita); World Bank: istop10 = income share of top 10% of population. * estimate/guess				

Some examples of where there is market potential include:

As a developed & sophisticated market with familiar business norms and a common language, Australia is a relatively easy market for small Canadian companies to enter. The Sydney International Boat Show is considered Australia biggest boat show. In 2017, there were more than 63,000 visitors to the show and almost 1,000 boats on display. The show also had over 250 exhibitors in 2017 from around the world. It also has over 32,000 square metres of hall space across two levels. With this type of space and the number of participants from around the world, this is a great opportunity for Canadian companies to build better relationships with Australian trade partners as well as others worldwide.

3.4. U.S. & International Boat Shows

Based on a study by NMMA Canada it has been documented that boat show presence is critical for advancing brand recognition and preference among customers, as well as developing distribution and marketing partnerships in developing markets.

Table 4 – Motivation for Participation in Boat Shows		
Reason	**Primary**	**Secondary**
Attract Customers	100%	na
Compete for Market Share	85%	15%
Introduce New Product Lines	62%	31%
Assess the Competition	15%	69%
Identify New Product Offerings	0%	54%
Source: Genesis Research / Smith Gunther Associates (2007)		

Major U.S. and international boating exhibitions/shows are held in:

Table 5 – US & International Boat Shows		
Exhibition/Show	**Location**	**Focus**
1. USA Boat Shows		
International Boatbuilders' Exhibition and Conference (IBEX)	Tampa, FL	Boats/Accessories (6,500 ind-reps) www.ibexshow.com
Miami International Boat Show	Miami FL	Power boats (104,000+ visitors) www.miamiboatshow.com
Seattle Boat Show	Seattle WA	Power boats (62,000 visitors) www.seattleboatshow.com
New York Boat Show	New York NY	Power/sail boats (45,000 visitors) www.nyboatshow.com
2. International Boat Shows		
Marine Equipment Trade Show (METS)	Amsterdam NED	Boat and marine equipment (24,000+ visitors) www.metstrade.com
Sidney International Boat Show	Sidney AUS	Boat and marine equipment (250,000+ visitors) http://www.sydneyboatshow.com.au/
Sanctuary Cove International Boat Show	Sanctuary Cove AUS	Boat and boat accessories (42,000+ visitors) www.sanctuarycoveboatshow.com.au
China (Shanghai) International Boat Show	Shanghai CHN	Power boats (30,000+ visitors) www.boatshowchina.com
Dubai International Boat Show	Dubai UAE	Boats and boat accessories (30,000+ visitors) www.boatshowdubai.com
Monaco Yacht Show	Monaco	Yachts (36,400 visitors) http://www.monacoyachtshow.com/en/
Boot Dusseldorf	Dusseldorf GER	Power boats (240,000+ visitors) www.boat-duesseldorf.com
Salon Nautico - Genoa International Boat Show	Genoa ITL	Power boats (41,000+ visitors) www.salonenautico.com
Salon nautique international de Paris	Paris FRA	Power boats (204,000+ visitors) www.salonnautiqueparis.com
Salon Nautico – Barcelona International Boat Show	Barcelona ESP	Power boats (56,000+ visitors) www.salonnautico.com

Table 5 – US & International Boat Shows		
Exhibition/Show	**Location**	**Focus**
Hanseboot	Hamburg GER	Power boats (16,000+ visitors) http://hanseboot.de/en
Tullett Prebon – London International Boat Show	London UK	Power boats (90,000+ visitors) www.londonboatshow.com
Nautic Sud International Boat Show	Naples ITL	Power boats (135,000 visitors) www.nauticsud.info
CNR - Eurasia Boat Show	Istanbul TUR	Power boats (135,000 visitors) www.cnravrasyaboatshow.com
Korea International Boat Show (KIBS)	Ansan City KOR	Power boats (130,000 visitors) www.koreaboatshow.or.kr
Allt for sjon – Stockholm International Boat Show	Stockholm SWE	Power boats (112,000 visitors) www.alltforsjon.se
PSP - Southampton International Boat Show	Southampton UK	Power boats (110,000 visitors) www.southamptonboatshow.com
Helsinki International Boat Show	Helsinki FIN	Power boats (90,000 visitors) www.finnboat.fi/en
Melbourne Boat Show	Melbourne AUS	Power boats (40,000 visitors) www.melbourneinternationalboatshow.com.au
Salon Nautico – Argentina Boat Show	Buenos Aries ARG	Power boats www.cacel.com.ar
Boat Asia	Singapore SNG	Power boats www.boat-asia.com
Moscow Boat Show	Moscow RUS	Power boats www.mosboatshow.ru
Sjoen for alle – Norway International Boat Show	Lillestrom/Oslo NOR	Power boats (36,500 visitors) www.norboat.no
HISWA – Amsterdam Boat Show	Amsterdam NED	Power boats (50,000+ visitors) www.hiswarai.nl
JBIA - Japan International Boat Show	Yokohama City JAP	Power boats (50,000 visitors) www.marine-jbia.or.jp/english/
Nauticampo – International Fair of Lisbon	Lisbon POR	Power boats (22,619 visitors) www.nauticampo.fil.pt
Rio Boat Show	Rio de Janeiro (BRA)	Power boats www.rioboatshow.com.br
Sao Paulo Boat Show	Sao Paulo (BRA)	Power boats www.boatshow.com.br
Source: IBI Calendar (ibinews.com); IFBSO.com		

3.5. NMMA Canada Support at International Boat Shows

The NMMA has been supporting North American manufacturers with their international marketing/promotion for several years. This support has involved sponsoring Canadian and U.S. pavilions at major international trade shows with direct participation and/or representation by NMMA members.

As part of its existing international development plan over the last several years, NMMA Canada has supported Canadian manufacturer presence at the important Marine Equipment Trade Show (METS) in Amsterdam. NMMA Canada has typically encouraged Canadian marine product manufacturers to participate at this important European trade show for marine suppliers. The recent METS trade show (2017) had record attendance and NMMA Canada supported Canadian attendance through staff-time for logistics/coordination, administration of a joint 'Canada' branded booth and exhibit space. NMMA Canada will continue to support companies at this show and will continue to expand its Canadian pavilion as it grows through the assistance of GOA funding. NMMA Canada has active engagement with the trade commissioners for transportation at the Canadian embassy in the Netherlands and Judith Baguley, Trade Commissioner with the Canadian Trade Commissioner Service in the Netherlands, has visited the pavilion for four consecutive years.

As part of the balance of the three year plan, NMMA Canada seeks to build on this success by encouraging Canadian manufacturing/boatbuilding attendance at additional key boat/ trade shows in key target markets (e.g. Europe / Asia-Pacific / Australia). NMMA Canada is seeking, with assistance from Global Affairs Canada/GOA, to support Canadian manufacturers at selected major international boat shows.

3.6. Marketing Strategies

Product marketing and customer service have become increasingly important to manufacturers and dealers. Effective marketing is essential to create a unique position for a particular product line and to attract new customers. Marketing efforts increasingly focus on reaching demographic groups that were previously infrequent purchasers of recreational boats (e.g. women and minorities). The demographic of boat purchasers is changing with the aging population – with many more purchasers in the 55+ age category (although likely to be repeat buyers)[2].

Boat manufacturers are broadening their advertising placement to non-boating recreational magazines, with the reason being that people who spend money on other types of recreation might also be interested in boating.

Some companies have changed their corporate culture from a cost-plus, engineering-driven firm to a more market-oriented company in order to compete better.

The supply chain for new boats has relied heavily on boat builder relationships with dealers with offers of retail co-op money for local advertising. The vast majority of recreational boating products are sold through retail establishments, which receive the products, either directly from OEM or through a wholesale distributor.

This traditional distribution channel is being influenced by the internet and attempts by boat builders to create greater direct brand connection with customers (using on-line

[2] Much of this section draws on: Centre for Competitive Analysis (2000) *US Boatbuilding and Repairing Industry.*

catalogues and customer services). This web presence is supplementing the importance of boat shows which were the traditional venue for direct manufacturer-consumer interaction. NMMA Canada has supported this web presence through the ‘Discover Boating’ website.

Business profitability depends on the overall competition in an industry and the position of a company relative to its rivals. A business has little control over the general degree of competition in its industry but can take strategic actions to position itself favourably relative to its rivals and thereby influence its profitability. Businesses that earn profits above the industry average typically do so because they find a sustainable competitive advantage. This advantage allows such firms to position themselves relative to their rivals in ways that emphasize their relative strengths; and this in turn allows them to better cope with the various forces of competition.

Generally, there two broad strategies to achieve competitive advantage:

1. cost leadership; and 2. product differentiation.

Cost leadership is difficult for Canadian manufacturers to achieve – given high labour costs (relative to third world countries) – and often require significant R&D in process development to achieve for non-labour costs.

Product differentiation relies on a combination of product design/engineering and marketing to create a unique identity and image through key characteristics that are considered valuable by buyers. A business needs to find attributes that buyers perceive as important and position itself to meet those needs. These attributes may be broadly defined including the product or service itself, the delivery system used, the marketing channel itself, and the marketing approach adopted.

To succeed with a differentiation strategy, a business must choose attributes which allow it to be perceived as distinct from its rivals. Product differentiation also requires market segmentation so that particular product characteristics can be emphasized to a target market that values these particular characteristics. Target markets can be segmented by income levels, frequency of purchase, knowledge of the product etc.

Canadian manufacturers must ensure that they can either:

- **remain cost/price competitive in target markets for which there is substantial price sensitivity (e.g. U.S. fishing/sports small boat market); and/or**

- **develop a premium quality/image in target markets for which there is substantial price reward (e.g. international luxury small cruiser/power boat market).**

Segments displaying high price sensitivity offer little scope for creating value to buyers through product differentiation efforts. Successful firms will be those that manage to achieve minimum cost in serving this type of target segment.

Product differentiation is a more viable strategy in target market segments where there is a strong preference and price premium for perceived high quality and/or image that can be achieved through product design and marketing.

4. International Business Development Plan

Canadian manufacturers, supported by NMMA Canada, need to build up international market(s) awareness and perception of Canadian boats and marine products as having niche market value for products and brands in specific marketplaces (U.S./Europe/Middle East/Asia/ Latin American/Australia) where the growth of the luxury market is expected to be strongest over the next decade.

4.1. Strategic Partnerships

Most Canadian boat builders and marine product manufacturers rely on a distributor/dealer network sales channel to access export markets in terms of marketing, advertising, dealer finance and specific knowledge of targeted consumer and industrial market segments and the socio/psycho-graphics of prospective buyers.

Development of new export markets involves:

a) New Market Awareness of Presence/Capabilities/Value

- planting a Canadian flag on a new sales territory
- educating the new market about Canadian manufacturing strengths (technical, business, product quality, brand)
- getting to know the export market
- getting to know key dealer/distributor participants

b) Development of New Relationships

- getting to know the structure of business in the new market (culture, business practices, regulatory regime, import requirements)
- developing new contacts in export market
- building initial face-to-face relationships and hospitality
- networking to develop intelligence on new contacts and their perception/success within the new market

c) Deepening New Relationships

- follow-up with new contacts and exploration of strengths/weaknesses and potential mutual gains from partnership;

- due diligence related to financial/contractual/customer satisfaction performance
- exploration of partnership arrangements – possible contractual terms and responsibilities and management of commercial risks

d) Execution and Management of Partnerships

- establishment of partnership contract – with legal, financial, performance terms and management of commercial risks
- ongoing relationship management related to sales volume/financial/customer satisfaction performance

Opening New Dealer/Distribution Channels[3]

The single most important criterion is 'potential income' to be earned by the Canadian manufacturer and distributor/dealer in the new export market. This is typically a function of[4]:

A. market size/value (i.e. X potential buyers * Y% motivated buyers * Z$ sales per buyer);

B. realistic expected market share (i.e. P% dealer coverage in market * R% dealer sales success in market segment);

C. realistic expected sales volume (i.e. A * B from above);

D. gross margin (i.e. GM% of retail/wholesale sales price through dealer network); and

E. distribution of 'surplus' between the Canadian manufacturer and foreign distributor (D% vs C% share of Gross Margin generated from dealer sales, where 1 = D% + C%).

Potential Income (Canadian Exporter) =

(X * Y% * Z$) * (P% * R%) * GM% * C%

Potential Income (Foreign Distributor) =

(X * Y% * Z$) * (P% * R%) * GM% * (1-C%)

Not surprisingly, the potential income is heavily dependent on:

[3] Some of this section draws on: Forte Consulting *Where are Your Dealers - Optimizing the Dealer Network* (http://bx.businessweek.com/marketing-optimization--analytics/view?url=http%3A%2F%2Fforteconsultancy.wordpress.com%2F2009%2F01%2F16%2Fwhere-are-your-dealers-optimizing-the-dealer-network%2F)

[4] © Virtuosity Consulting

- market size and wealth variables (X, Y%, Z$) – which are influenced by lifestyle marketing, economic growth, per capita income and wealth distribution in terms of High Net-Wealth/Income (HNWI) population;

- dealer prominence and market presence (P%, R%) – which are influenced by history, marketing variables and dealer-branding;

- product profitability (GM%) – which is influenced by Canadian exporter cost profile, marketing variables, international competition and 'Canada'/manufacturer-branding; and

- Canadian manufacturer/foreign distributor negotiations and contractual arrangements (C%, D%) – which are influenced by trade-offs between desire to enter a new market, volume targets, incentive structure, relative negotiating advantages etc.

There are important feedbacks and trade-offs in the Canadian manufacturer/foreign distributor relationship which make the above exercise a potential win-win partnership. Canadian manufacturer strength and brand-appeal will tend to push up Z$ (i.e. relevant to the Canadian manufacturer) GM%, R% and C%; while foreign distributor strength will tend to push up P%, R%, GM% and D%. As there are mutual gains to both the Canadian manufacturer and foreign distributor from the jointly beneficial impact of gains to P%, R% and GM% -- these can moderate the zero-sum negotiations between C% and D%=(1-C%).

Each party to the Canadian manufacturer/foreign distributor relationship must bring strengths to ensure a win-win commercial partnership.

Canadian manufacturers should attempt to estimate their potential income from the basket of products and services they intend to sell, conducting this analysis at the lowest level possible (i.e. product SKU, region/city level if possible). This can be done by utilizing a combination of data sources, including socio-economic attributes, demographic analysis, income levels, population trends, and product / service uptake ratios and adoption curves.

Table 8 – Optimizing the Dealer Network (4-Step Approach)

Source: Forte Consulting *Where are Your Dealers - Optimizing the Dealer Network*

Step 1 – Defining the Potential Analysis Variables

Strategic factors that may influence rollout or revision plans must be considered. Such factors include: the introduction of a new product in the coming months, or the prioritization of a specific geography for prestige purposes. Once strategic decisions are made, variables and data sets that will serve as the inputs for the potential analysis must be compiled – i.e. past sales figures of dealers, socio-economic data, populations trends, sales projections for new products to be introduced into the pipeline, etc.

Step 2 – Conducting the Potential Analysis

The potential analysis consists of estimating the potential revenues from the pool of products and services down to the lowest product category and geographic level possible. New products and services that may cannibalize the sale of existing products and services must be considered and built into the model. As part of the analysis, modeling needs to be conducted for all regions and locations, not just for those places where dealers exist today (so as to see and possibly capitalize on under-served areas).

Step 3 – Optimizing the Dealer Network

Optimizing the dealer network involves an understanding of threats/weaknesses and opportunities/strengths in the marketplace in terms of both the Canadian manufacturer and foreign distributor. This may include, for example, the minimum amount of revenues a dealer must make in order to survive in a given region or location, the costs to support a dealer, total maximum number of dealers if any, etc. Such analysis helps to assess the appropriate number of dealer partnerships to develop within a new market so as to maximize revenues with a given set of products, services and other marketing parameters.

Step 4 – Planning Market Entry/Expansion

Planning the market entry/expansion requires a review of existing dealer performance (strengths/weaknesses) and potential for new (incremental and/or replacement) dealers the new network. A variety of factors are used to make these decisions: dealer location and proximity to desirable locations/consumers, past performance, sales-orientation, management abilities, etc. Review of existing dealers and evaluation of new dealers by regional management is critical at this stage. A ‘transition road map’ should be designed to detail and assign roles and responsibilities around making the change happen. As part of this planning, the impact of the changes on the customer, the dealer, and management should be considered, keeping available resources in mind and setting realistic targets.

4.2. Action Plan for 2018-19

Building on the success of NMMA Canada trade missions to the Eurasia, Dubai, Shanghai, Amsterdam (METS) and Sanctuary Cove Shows in the past, members have expressed the strong desire to stay focused on METS and invest more effort into IBEX and Sydney in an effort to expand and further entrench their distributor/dealer networks and raise the ‘Canada-brand’ and company profile for Canadian-made products. In addition to the above mentioned activities which have been supported by GOA (except Sydney), the association actively engages with the industry and provides export development support outside of GOA. The entire industry is offered the opportunity to work with us and participate in our export plan.

Our Action Plan for 2018-2019 includes returning to METS under a Canadian pavilion with at least four new companies as top priority. We will also return to IBEX as it has attendees from more than 50 countries and a reported 9.7% increase in the number of exhibiting companies with over 600 companies that exhibited in 2017. Finally, two companies will exhibit at a new show, Sydney Boat Show with another three companies planning on walking the show.

We continue to focus efforts towards the Marine Equipment Trade Show (METS) in Amsterdam which happens every November. It is the world's largest B2B leisure marine equipment show. The show again was sold out in 2017 and saw a total of 1,552 exhibitors from more than 50 countries (a 5 percent growth from 2016), including 237 first-time exhibitors, and 24,856 (5 percent growth from 2016) visitors from 116 different countries represented. There were nine Canadian companies within the Canadian pavilion. In addition two Canadian companies came to the show for the first time to walk and see the potential. The Canadian exhibitors also had the opportunity to meet with the Canadian embassy on opening day. Judith Baguley, Trade Commissioner with the Canadian Trade Commissioner Service in the Netherlands walked the show and spoke with the Canadian exhibitors for the fourth consecutive year. Also, we would like to point out that with the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union being entered into force on September 21, 2017, there is potential for greater exports of Canadian made recreational boating products.

Our plan focuses on the goal to provide opportunities to Canadian companies to sell more products outside of North America, allowing them to expand through new distributors which in turn will create jobs in Canada as the manufacturing and support for it expands locally. The goal also is to see more Canadian companies exhibiting at METS and other shows on their own to gain market share. We look to expand on the number of Canadian companies exhibiting at METS in 2018.

Trade shows (B2B) are about gaining new distributors and customers. As an example, those who attend METS found that it took nearly five years to be taken seriously at the show. Namely, that means that those who come to see the exhibitors want to make sure that they are established and able to come back every year. Once the relationship is established it is maintained by seeing each other every year at the show.

We will focus efforts on IBEX this year and look to bring six companies to the show. IBEX is an industry trade event for professionals working in the recreation marine industry which offers its attendees over 650+ exhibits in their exhibit halls, outdoor display space, and on the IBEX Docks. It also offers unparalleled training and education from industry experts and associations. IBEX attracted nearly 6,500 marine industry professionals, a 4% increase over 2016. International professionals made up over 7% of the attendance from more than 50 countries in 2017.

Its new partnership with METSTRADE (Marine Equipment Trade Show) also helped to increase global visibility and reach. IBEX expanded its international reach this year and was made more accessible for international participants with the addition of the International B2B VIP Program and expanded exhibits from global vendors throughout the show floor. For the first time, the International B2B VIP Program offered first-time business-to-business qualified overseas buyers a VIP invitation to the show. There were approximately 70 international companies exhibiting at the show of which half of them were new to the event. We can expect this number to continue to grow.

There is great potential for Canadian recreational boating exports to Australia. Observing 2013 statistics, exports were $21.1 million. This amount decreased to $5.8 million in 2015. This tells us the market potential is there for Australia but requires a greater Canadian presence which may have weakened over 2014-2015. This tells us the market potential is there for Australia but requires a greater Canadian presence. As of 2016, Australia is not in the top 10 export markets for Canada.

The Sydney International Boat Show is considered Australia biggest boat show and also has great potential for Canadian companies. As discussed above, in 2017 there were more than 63,000 visitors to the show and almost 1,000 boats on display. The show also had over 250 exhibitors in 2017 from around the world. It also has over 32,000 square metres of hall space across two levels. This provides an excellent opportunity for Canadian companies to develop new relationships and increase export opportunities. We have also been in contact with the Australian embassy and have liaised with Greg Luz (Trade Commissioner) and Michael Lazaruk (Senior Trade Commissioner) in advance of this mission.

The opportunity for Canadian companies to export abroad with GOA funding will allow them to expand their growth and success in Canada. They are all SMEs who employ Canadians at their factories so increased sales will see an increase in employment opportunities in Canada. Canadian made product quality is well respected internationally and investing in these Canadian companies is a sound business case. Companies have already established relationships from previous years and continue to build on these relationships as well as establish new ones from continued visits to these shows.

Beyond GOA funding, Canadian companies are also interested in several other markets. There have been potential markets and shows identified in Croatia, Portugal, Monaco, Dusseldorf and Genoa.

Croatia has experienced steady economic growth since its independence and has over 5,000 ports along its mainland and island coastlines that house over 22,000 boats (a vast market for marine products of all types). The country has six annual nautical fairs where almost all of the local boat and equipment importers and manufacturers participate in at least one of these fairs, if not all of them. The Biograd Boat Show is a popular show which saw 16,256 visitors with 300 exhibitors, 300 vessels and 45 premiere vessels on display in 2017. The show was sold out and saw thousands of international visitors. While there has not been a decision on which show/s to attend, there is great potential for export opportunities in Croatia and many opportunities to exhibit at the different shows.

Portugal is a maritime country with over 40 marinas, small docks and yacht harbours available across the country. Many of the industries in Portugal are related to the ocean and have experienced levels of growth over the years. Nautical tourism has also been promoted through a “National Sea Strategy 2013-2020” plan. The Nauticampo is considered the biggest nautical event in Portugal. In 2016, there were 22,619 visitors along with 118 exhibitors. The show has been hosted annually since 1967. Since this is the largest show in Portugal it would be the best choice for Canadian companies looking to export internationally and into the Portuguese market.

The Monaco Yacht Show is considered the world’s greatest superyacht event. There were 36,400 visitors in 2017 (an 8% increase from 2016) and 580 exhibitors. It is a great opportunity for Canadian companies to form relationships with international builders in the yachting industry.

The Dusseldorf International Boat Show is the world’s largest watersports trade fair held in Dusseldorf, Germany. It is the first watersports trade fair of the year and the last in the sales cycle. The show saw 241,130 visitors and 1,822 exhibitors from 65 countries in 2017. It is a premier event and a great opportunity for Canadian companies to reach out to new distributors. There has been some interest from companies to attend and exhibit at this event.

The Genoa International Boat Show is one of the world’s premier boat shows held in Genoa, Italy. The first show was opened in 1962 and next to Dusseldorf this show is regarded as one of the world’s largest boat shows. There were 148,228 visitors in 2017 (16.5% more than 2016). There were also 884 brands on display, 1,100 boats and 32 countries present with 70 first-time exhibitors. Another opportunity for Canadian companies to expand their export market.

NMMA communicates to the entire marine industry our plans and efforts on behalf of Canadian marine companies. President, Sara Anghel, has written several articles about the GOA funded opportunities and also given several speeches heard by several hundred industry participants.

The Action Plan for 2018-21 to be financed in part through Global Affairs Canada GOA Funding includes:

Table 9 – NMMA Canada Action Plan (2018-21) with & without GOA Funding	
Action Plan (GOA)	**Strategic Objective & Activities**
<u>Year 1 (2018-2019)</u>	Further extend reach at International Trade Show(s). Return to two shows: METS (Amsterdam), IBEX (Tampa) 13 companies to METS (4 new) 12 to IBEX all new as part of this GOA application. As mentioned at the beginning of section 4.3 – it takes a number of years to establish a long term trusted relationship with distributors and build them as solid customers – returning for a few years in a row at least is key to establishing this trust and learning about a very different market than Canada. Return to Amsterdam (METS) with new exhibitors and IBEX with new exhibitors **with** GOA support to exhibit and walk the show. Return to Australia (Sanctuary Cove): Two companies will go back to Sanctuary Cove without GOA support. Five companies will also be travelling to Australia for a new show, the Sydney International Boat Show (with GOA support). Like the previous year there will be maintenance of existing NMMA Canada and company business development in U.S. markets (IBEX participation) using existing resources. However, it must be noted that the new partnership with METSTRADE at IBEX has allowed for an increase in global visibility and reach which has contributed to business development in international markets at IBEX as well. There were approximately 70 international companies exhibiting at the show of which half of them were new to the event. We can expect this number to continue to grow. <u>Incremental activity to facilitate market entry for new companies through participation at international trade/boat show (IBEX): The group anticipates that they will continue to establish new relationships with international companies and build upon already established relationships. Since IBEX is expanding its global reach there is greater potential to contribute to business development beyond U.S. markets.</u> For METS: 155 new leads with 40 potential partners; along with building and improving upon already established relationships. For IBEX: 40 new leads with 10 potential partners; along with building and improving upon already established relationships. For Sydney: 20 new leads with 5 potential partners Canadian companies continue to return to the METS show because it offers an excellent opportunity to meet

Table 9 – NMMA Canada Action Plan (2018-21) with & without GOA Funding	
Action Plan (GOA)	**Strategic Objective & Activities**
	with existing customers and gain new distributors as well. Sales for the attending companies remained consistently strong. The best estimate is at least a 2% growth for these companies overall. The reasons for these markets: Marine Equipment Trade Show (Amsterdam): We continue to focus efforts at the Marine Equipment Trade Show (METS) in Amsterdam which happens every November. It is the world's largest B2B leisure marine equipment show. The show again was sold out in 2017 and saw a total of 1,552 exhibitors from more than 50 countries (a 5 percent growth from 2016), including 237 first-time exhibitors, 175 international journalists and over 24,8562 (5 percent growth from 2016) visitors from over 116 different countries represented. The Canadian exhibitors had the opportunity to meet with the Canadian embassy on opening day. Judith Baguley, Trade Commissioner with the Canadian Trade Commissioner Service in the Netherlands, walked the show and spoke with the Canadian exhibitors for the fourth consecutive year. Also, we would like to point out that with the recent Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union being entered into force on September 21, 2017, there is potential for greater exports of Canadian made recreational boating products. IBEX (Tampa): IBEX is an industry trade event for professionals working in the recreation marine industry which offers its attendees over 650+ exhibits in their exhibit halls, outdoor display space, and on the IBEX Docks. It also offers unparalleled training and education from industry experts and associations. IBEX attracted nearly 6,500 marine industry professionals, a 4% increase over 2016. International professionals made up over 7% of the attendance from more than 50 countries. The new partnership with METSTRADE at IBEX has allowed for an increase in global visibility and reach which has contributed to business development in international markets at IBEX as well. There were approximately 70 international companies exhibiting at the show of which half of them were new to the event. Australia: The Sydney International Boat Show is Australia's biggest boat show. There are over 250 exhibitors from around the world with more than 63,000 visitors in 2017. New for this year, two new companies will be exhibiting at the show and three will walk the show. We have also been in contact with the Australian

<table>
<tr><th colspan="2">Table 9 – NMMA Canada
Action Plan (2018-21) with & without GOA Funding</th></tr>
<tr><th>Action Plan (GOA)</th><th>Strategic Objective & Activities</th></tr>
<tr><td></td><td>embassy and have liaised with Greg Luz (Trade Commissioner) and Michael Lazaruk (Senior Trade Commissioner) in advance of this mission.

The Choice:
These shows all proved to be great leads. Distributor relationships developed in the past need to be further expanded and new relationships need to be established.

Targets include:
- Return to Amsterdam (METS) & Tampa (IBEX) with new show in Australia (Sydney)
- Maintain existing distributor relationships/leads
- Strategic plan developed to access the value of the years invested into the shows and if returning on a more permanent level like METS is warranted.
- 210 new distributor leads

Level of Participation
- Exhibit at the shows through local distributors where possible.
- 13 companies exhibit at Amsterdam - 4 new exhibitors
- 12 companies to exhibit at IBEX show
- 2 new companies exhibit at Sydney Boat Show; 3 companies walk the show
- 20 to 30 Canadian manufacturer participants combined from all shows
- Maintain existing distributor relationships/leads
- Showcase Canadian companies through exhibit floor stages.
- Organize meetings with local distributors onsite at shows
- Organize for local embassy to assist group on the ground before and during the show.
- NMMA Canada actively engages with media to ensure coverage of the Canadian exhibitors at METS, IBEX and Sydney
- 2 Canadian companies will attend Genoa Boat Show and Monaco Yacht Show without GOA support
- NMMA will do a fact finding mission to Croatia

Communications:
Through media outlets, speaking opportunities and member communications highlight the successes of the Canadian companies throughout the three events.</td></tr>
<tr><td><u>Year 2 (2019-2020)</u></td><td>Targets include:
- Return to Amsterdam & Tampa along with Sydney</td></tr>
</table>

Table 9 – NMMA Canada Action Plan (2018-21) with & without GOA Funding	
Action Plan (GOA)	**Strategic Objective & Activities**
	- Assess new shows for new markets - Maintain existing distributor relationships/leads and develop 155 new leads - Strategic plan developed to access the value of the years invested into the shows and if returning on a more permanent level like METS is warranted (this is dependent on new shows that may be attended for this year). Level of Participation - Exhibit at the shows through local distributors where possible. - 22 to 32 Canadian manufacturer participants - Maintain existing distributor relationships/leads and build new relationships/leads - Assist 4 new companies who have not participated before - 2 companies will attend Dusseldorf Boat Show and 3 companies will go to the Monaco Yacht Show - Assist companies with applying for DAME Awards which are innovation awards to showcase Canadian made products Communications: Through media outlets, speaking opportunities and member communications highlight the successes of the Canadian companies throughout the three events. Add Canadian pavilion to IBEX, U.S. with: -At least 10 Canadian companies -50 new distributor leads
Year 3 (2020-2021)	Targets include: - Return to Amsterdam, Tampa, Monaco and Dusseldorf - Maintain existing distributor relationships/leads - Explore new shows in new markets Level of Participation - Exhibit at the shows through local distributors where possible - 25 to 35 Canadian manufacturer participants - Maintain existing distributor relationships/leads and build new relationships/leads - Establish 110 new distributor leads - Assist 3 new companies who have not participated before in exhibiting or walking show

Table 9 – NMMA Canada Action Plan (2018-21) with & without GOA Funding	
Action Plan (GOA)	**Strategic Objective & Activities**
	Communications: Through media outlets, speaking opportunities and member communications highlight the successes of the Canadian companies throughout the three events.

4.3. Incremental Activities to be funded by GOA in 2018-19

NMMA-Canada is seeking $140,385 of GOA funding for FY2018-19. This amount would apply to exhibit space/booth/shipping costs and the costs of travel and accommodation. NMMA Canada association and individual participating companies would incur the costs proportionately. Results will be made available to the entire industry through various communications efforts (magazine articles, speeches, press releases, website etc.)

5. Desired Outcomes & Risk Management

5.1. Desired Outcomes & Performance Targets

Generally, NMMA Canada has achieved the desired targets for international development performance from its supported activities at international trade/boat shows during the period 2009-17.

For the period 2018-19:

Table 10 – NMMA Canada Action Plan (2018-19) Anticipated Outcomes & Performance	
Plan Year	**Outcomes**
(2018-19) with GOA Funding	Targets include: - 5 international trade/boat shows funding requested for 3 - 20-30 Canadian manufacturer participants - 215 new distributor leads - 25 or more enhanced distributor relationships

5.2. Risk Management

There are no real perceived risks to this plan beyond not developing new distributor leads in the identified markets and incurring costs to attend and exhibit at the shows. It is essentially a win-win opportunity to identify incremental international business potential and export sales.