



## International Business Development Plan (2023-25)



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## Executive Summary

**The plan outlined below in detail was updated and approved by the NMMA Canada board of directors in January 2023. 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. Given recent changes to the CanExport program terms and conditions, the plan focuses on two strategic missions: the Canadian pavilion at the 2023 Marine Equipment Trade Show (METs) in Amsterdam and the 2024 Dubai International Boat Show.**

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 1200 NMMA members in the U.S. including major boat, accessory and engine manufacturers.

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

There are hundreds of boat and accessory manufacturers (mostly SMEs) 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. There is a strong desire to diversify export markets outside of the U.S. market and take advantage of trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Comprehensive Economic and Trade Agreement (CETA).

A study by NMMA Canada shows 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 Canadian economy recovers from the global pandemic, it is more critical than ever that marine manufacturers diversify their customer base and make inroads into new markets.

Building on past efforts with new companies, NMMA Canada members have expressed the strong desire to attend international trade/boat shows to expand their distributor/dealer networks and raise the 'Canada-brand' and company profile for Canadian-made products. Having received funding through GOA/CanExport Associations 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, Sydney, Marine Equipment Trade Show METS (Amsterdam), International Boat Exhibition (IBEX) (Tampa), Cannes and Istanbul. Distributor relationships were established in Dusseldorf near the end of January 2020 after our successful mission to the Dusseldorf Boat Show. For this current application we plan to return to METS in Amsterdam in 2023 with additional exhibitors. As well, we propose to attend the Dubai International Boat Show in 2024 with new companies.

Thanks to previous grants we attended the Dubai International Boat Show in March 2019. There were tens of thousands of visitors at this show with 800 brands and exhibitors and 450 boats and yachts on display. We also attended the Cannes Yachting Festival in September 2019 which had more than 50,000 visitors from around the world and more than 600 exhibitors. We also attended Marine Equipment Trade Show (METS) in Amsterdam in November 2019, 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.

In 2019, the METS show boasted the strongest showing of Canadian companies yet and there is more interest from other Canadian companies to exhibit at this premier show as it continues to get stronger every year. Trade Commissioner with the Canadian Trade Commissioner Service in the Netherlands, Judith Baguley, was welcomed at the show by Canadian exhibitors for a ribbon cutting ceremony to officially open Canada's largest presence at METS. Of particular note, one of the exhibitors in the Canadian pavilion was awarded the prestigious DAME Design Award in the Clothing and Crew Accessories category. The DAME Design Award is the most significant marine equipment competition of its kind. For 30 years, it has focused attention on the art and science of design in all aspects, from styling, functionality and innovation, through to ease of implementation, practicality of use and even packaging. This is the first Canadian company to be recognized for this award which would not have been possible without the CanExport Associations assistance. We look forward to attending the show

and developing new relationships with distributors. This is considered the world's biggest boat show with thirteen halls and almost 2,000 exhibitors from 73 countries in 2019. The exhibit space is 2.3 million square feet and the show saw more than 247,000 visitors from more than 100 nations.

After a cancellation in 2020 due to COVID, the show was able to go ahead in November 2021 and while it was a smaller footprint due, it saw good traffic and the Canadian pavilion companies made many leads. In 2022, METS was back to full strength and had outstanding attendance – 1,400 exhibitors; 6,175 exhibitor personnel; and 26,480 visits by 17,417 unique visitors. The Canadian pavilion has moved to a new location which has a steady stream of traffic.

Our priorities for the 2023-34 funding round are to return to METS in Amsterdam with a Canadian pavilion and to visit the Dubai Boat Show.

As discussed above, METS is the premier business to business trade show for leisure marine accessories with exhibitors from more than 50 countries attending. A Canadian pavilion has been established at this show to help showcase Canadian businesses and products. We have established a Canadian pavilion at this show which has helped to showcase Canadian businesses and it continues to draw in new export opportunities for these businesses. We would like to continue to support this show as it has been a hugely successful mission and greatest promoter of Canadian product which continues to grow every year. We will also be adding two new companies to the show in 2023 and have received support from Trade Commissioner in the Netherlands Judith Baguley for our application.

The United Arab Emirates is a key player in driving offshore investment in the region with a total of \$170 billion to \$490 billion between 2015 and 2018. It accounts for 35% of the total regional maritime sector investment. Dubai International Boat Show is a fantastic show for the region which attracts a global audience. NMMA Canada president, Sara Anghel, as past president of the International Council of Marine Industry Associations (ICOMIA), attended and spoke at the World Marinas Conference hosted in Dubai in October 2021. The region boasts outstanding recreational marine distributor opportunities and is a growing market which Canadian manufacturers should continue to explore. Three Canadian companies (two of which are new) are interested in walking the show in 2024.

We will continue to explore new markets and return to markets with new companies to explore the potential as well as expose these companies to new distributors and build on existing relationships. The end goal of this funding is to have these distributors carry Canadian product lines. Some companies have gone into these markets on their own without CanExport Associations funding as they strongly feel there is great potential.

With CanExport Associations 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.

## 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. 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** CanExport Associations 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 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 with offices in Canada 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;
- ✓ 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 CanExport Associations 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 are 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).

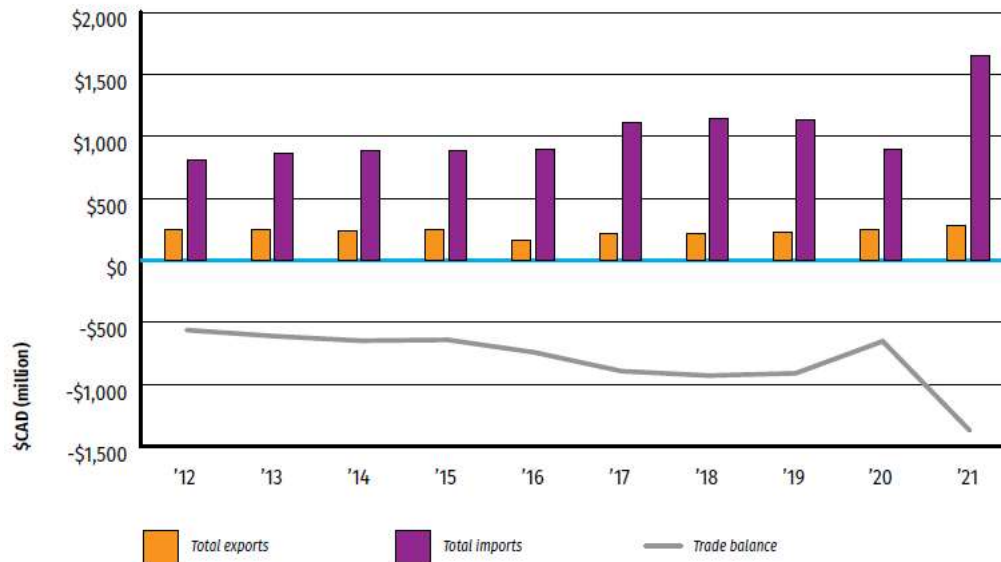
## **International Trade**

As is evident from the data, the U.S. is ahead by a large margin and continues to be the largest export market for Canadian-made recreational boats (\$285.3 million), accounting for 94.7% of exports in 2021. Other sizable export markets include:

- United Kingdom (\$2 million)
- Australia (\$1.89 million)

- France (\$1.97 million)
- Germany (\$850K)
- Netherlands (\$770K)

Chart 4.1: Overall trade balance (\$CAD million)

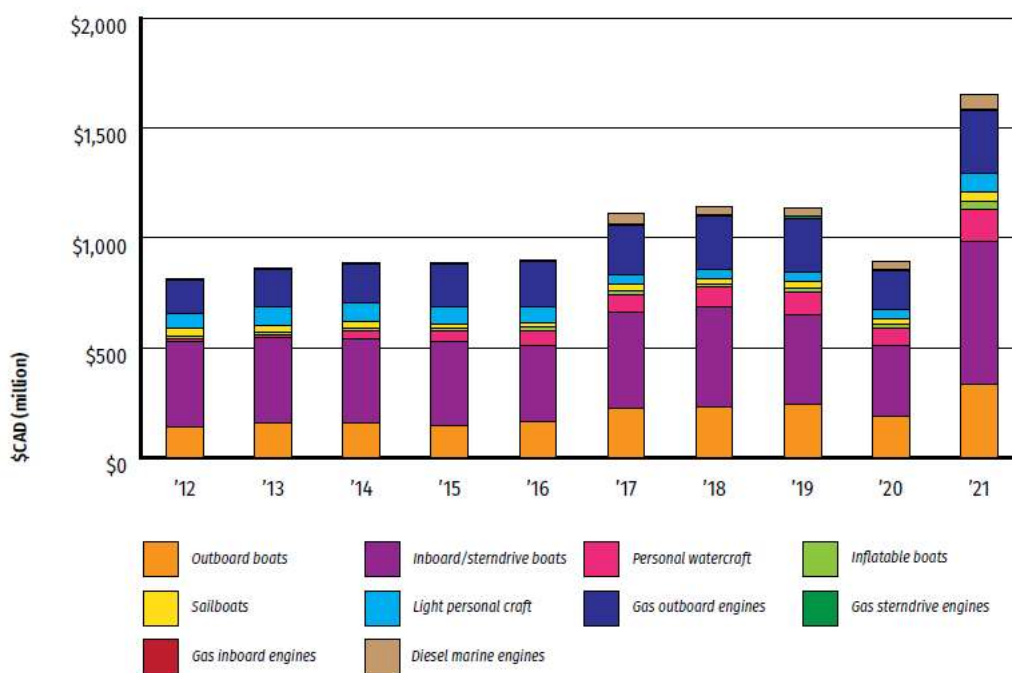


Sector import value of recreational boats (excluding engines) was \$ 1.3 billion (2021). The U.S. is the largest import market for recreational boats (\$1.1 billion), accounting for 64.3% of imports. Other sizable importing countries in 2021 include:

- China (\$80 million)
- France (\$42 million)
- Italy (\$48 million)
- Japan (\$116 million)
- Mexico (\$140 million)
- Taiwan (\$30 million)
- United Kingdom (\$35 million)



Chart 46: Imports by product (market value, \$CADm)



### 1.3. Association Management & Resources

NMMA Canada is comprised of a Board of Directors supported by a full-time President and one 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 CanExport Associations system.

## 2. Product Lines & Services

### 2.1. Breadth of Canadian Product Lines

There are a wide variety of small boat builders and 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.

<p><b>Company:</b> <b>ComNav (BC)</b></p>
<p><b>Product Lines:</b> ComNav manufactures and provides marine. Navigational equipment and land surveying and security solutions to commercial, recreational and government markets for over three decades. Product fall into 4 different categories;</p> <ul style="list-style-type: none"> <li>• P series Marine Autopilots and Steering solutions</li> <li>• G series GNSS Position and Heading solution s for navigation and surveying including industrial automations</li> <li>• V series Thermal &amp; Lowlight Camera system for safety and security, including surveillance and ice breaking ships</li> <li>• X Series Automatic Identification Systems for safety for commercial and recreational vessel</li> <li>• Accessories to complement all main categories of equipment manufactured.</li> </ul>
<p><b>Exports:</b> ComNav is a Global market leader serving over 150 different countries covering Europe, Asia, the Americas, Australasia and African and middle East markets. With global representation in different countries we provide service and support anywhere in the world at any given time. Majority of our products are exported outside of Canada and we serve well in local market too.</p>
<p><b>International Activities:</b> ComNav participates in International exhibitions, such as Nor-shipping- Oslo , SMM Hamburg, KORMARINE- Busan Korea, DIBS( Dubai International Boat Show, METS i- Amsterdam, Euro port-Rotterdam, Stockholm-Sweden. ComNav also does local and North American shows such as Miami, Ft. Lauderdale, Work Boat-New Orleans, PME- Seattle, Seattle Boat Show, Vancouver Boat show- Vancouver, Eastern Fisheries. New product releases for 2019 and 2020 include higher precision GNSS products, two new autopilot models, one for small to mid-size recreational market and the other for IMO / SOLAS approved vessel.</p>

<b>Company:</b> <b>Dock Edge</b> (ON)
<b>Product Lines:</b> dock and marine accessories, boat fenders and life rings
<b>Exports:</b> <ul style="list-style-type: none"> <li>- U.S. market – extensive distribution throughout the U.S.</li> <li>- Other international – Europe</li> </ul>
<b>International Activities:</b> Building distribution throughout the world (see article attached)

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

<b>Company:</b> <b>Deep Trekker</b> (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.
<b>Product Lines:</b> DTG2, DTX2, DT340, DT640, DTPod
<b>Exports:</b> They have sold thousands of their robots into over 80 countries worldwide.
<b>International Activities:</b> They have an extensive group of partners and resellers globally

<b>Company:</b> <b>Shockwave Seats</b> (BC)
<b>Product Lines:</b> Shockwave is a manufacturer of Marine Suspension Seating. We currently have two product lines, those being: <ol style="list-style-type: none"> <li>1) Military/Professional products – Used by Navies, Coast Guard, SAR, Fisheries, Law Enforcement</li> <li>2) Recreational/Commercial – Used by Recreational/commercial fisherman, water taxis, Whale watching, pleasure craft, etc.</li> </ol>
<b>Exports:</b> Exports to the US, Australia, Greece and the United Kingdom
<b>International Activities:</b> On the military/professional side, Shockwave Seats are active worldwide and have been for the better part of a decade. However, the recreational/commercial business is newer to them. They have begun to expand internationally and have identified several export markets that they are looking to penetrate. They currently have distribution in the US, Australia, Greece and the United Kingdom. Their key target markets for 2019 include Scandinavia and the Mediterranean and further down the road, the Middle East, focusing on both an OEM and aftermarket strategy.

<b>Company: Samui Corporation (ON)</b>
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.
<u>Product Lines:</u> EcoBlast, EcoBlast Sport, EcoBlast Pro and AirZound
<u>Exports:</u> Exports products to USA, UK, Australia, Japan, Korea, France, Sweden, Denmark and Mexico
<u>International Activities:</u> Hoping to line up new and potentially exclusive distributors in Europe, South America and the Middle East

### 3. Existing & New International Markets

#### 3.1. Forecast Global Boating Growth

In terms of unit shipments, the North American boat market remains the largest global segment. The U.S. boat market in 2021 accounted for U.S. \$20.8 billion in new boat sales. US expenditures on new boats, engines, aftermarket accessories and related costs totaled \$56.7 billion – a 12.7% increase over 2020. There were 305,734 new boats sold in 2021.

In 2021, U.S. exports of recreational boats and marine engines totaled \$2.2 billion. Imports into the U.S. were valued at \$4.2 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.

<b>Table 3 – Key Global Markets for Recreational Boating</b>				
<b>Country</b>	<b>Population (M)</b>	<b>GDP/Capita US\$</b>	<b>GDP %Growth (10 yrs)</b>	<b>Boating Trends / Ownership / Estimated Market Size</b>
<b>North American Markets</b>				
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%
<i>NAmerica</i>	<i>343</i>	<i>\$47,100</i>	<i>1.6%</i>	<i>Maybe 19M boats</i> <i>US\$7B new boat sales (570,000 units)</i> <i>US\$3.5B boating services/accessories</i>
<b>European Markets (ranked in terms of # boats)</b>				
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%
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%
<i>EU</i>	<i>502</i>	<i>\$32,000</i>	<i>1.3%</i>	<i>Maybe 5-6M boats</i> <i>US\$7B new boat sales (400,000 units)</i> <i>US\$3.5B boating services/accessories</i>
<b>Middle East Markets (ranked in terms of estimated # boats)</b>				
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*;
<i>ME&amp;NAfrica</i>	<i>382</i>	<i>\$6,500</i>	<i>4.3%</i>	<i>Maybe 0.3M boats</i> <i>US\$1B new boat sales (50,000 units)</i> <i>US\$0.5B boating services/accessories</i>
<b>Latin American &amp; Caribbean Markets (ranked in terms of estimated # boats)</b>				
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%

**Table 3 – Key Global Markets for Recreational Boating**

Country	Population (M)	GDP/Capita US\$	GDP %Growth (10 yrs)	Boating Trends / Ownership / Estimated Market Size
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
<b>Other Europe &amp; Central Asia Markets (ranked in terms of estimated # boats)</b>				
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
<b>East Asia &amp; Pacific Markets (ranked in terms of estimated # boats)</b>				
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
<b>South Asia Markets (ranked in terms of estimated # boats)</b>				
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
<b>World Market</b>				
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				

### 3.3 Global Market Preference

Some examples of where there is market potential include:

Italy is the world's eighth largest economy and is the fourth largest EU economy. Two-way trade between Canada and Italy totaled \$10.4 billion CAD in 2017 making Italy the 8<sup>th</sup> largest global merchandise trading partners and Canada 3<sup>rd</sup> most important partner in the EU. In 2017, Canadian export of good totaled \$2.29 billion CAD making Italy the 12<sup>th</sup> largest export market in the world and the 6<sup>th</sup> largest in Europe. Italy also has a strong boating background with great potential to promote Canadian products.

Another example of an untapped market drawn from our previous application is Australia. 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. Also, Australia has lifted the 5% duty they previously had on boats from Canada which is great news for Canadian manufacturer. The Sydney International Boat Show is considered Australia biggest boat show. In 2019, there were more than 60,000 visitors to the show with over 250 exhibitors 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.

<b>Table 4 – Motivation for Participation in Boat Shows</b>		
<b>Reason</b>	<b>Primary</b>	<b>Secondary</b>
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:

<b>Table 5 – US &amp; International Boat Shows</b>		
<b>Exhibition/Show</b>	<b>Location</b>	<b>Focus</b>
<b>1. USA Boat Shows</b>		
International Boatbuilders' Exhibition and Conference (IBEX)	Tampa, FL	Boats/Accessories (6,500 ind-reps) <a href="http://www.ibexshow.com">www.ibexshow.com</a>

**Table 5 – US & International Boat Shows**

<b>Exhibition/Show</b>	<b>Location</b>	<b>Focus</b>
Miami International Boat Show	Miami FL	Power boats (104,000+ visitors) <a href="http://www.miamiboatshow.com">www.miamiboatshow.com</a>
Seattle Boat Show	Seattle WA	Power boats (62,000 visitors) <a href="http://www.seattleboatshow.com">www.seattleboatshow.com</a>
New York Boat Show	New York NY	Power/sail boats (45,000 visitors) <a href="http://www.nyboatshow.com">www.nyboatshow.com</a>
<b>2. International Boat Shows</b>		
Marine Equipment Trade Show (METS)	Amsterdam NED	Boat and marine equipment (24,000+ visitors) <a href="http://www.metstrade.com">www.metstrade.com</a>
Sydney International Boat Show	Sydney AUS	Boat and marine equipment (250,000+ visitors) <a href="http://www.sydneyboatshow.com.au/">http://www.sydneyboatshow.com.au/</a>
Sanctuary Cove International Boat Show	Sanctuary Cove AUS	Boat and boat accessories (42,000+ visitors) <a href="http://www.sanctuarycoveboatshow.com.au">www.sanctuarycoveboatshow.com.au</a>
China (Shanghai) International Boat Show	Shanghai CHN	Power boats (30,000+ visitors) <a href="http://www.boatshowchina.com">www.boatshowchina.com</a>
Dubai International Boat Show	Dubai UAE	Boats and boat accessories (30,000+ visitors) <a href="http://www.boatshowdubai.com">www.boatshowdubai.com</a>
Monaco Yacht Show	Monaco	Yachts (36,400 visitors) <a href="http://www.monacoyachtshow.com/en/">http://www.monacoyachtshow.com/en/</a>
Boot Dusseldorf	Dusseldorf GER	Power boats (240,000+ visitors) <a href="http://www.boat-duesseldorf.com">www.boat-duesseldorf.com</a>
Salon Nautico - Genoa International Boat Show	Genoa ITL	Power boats (41,000+ visitors) <a href="http://www.salononautico.com">www.salononautico.com</a>
Salon nautique international de Paris	Paris FRA	Power boats (204,000+ visitors) <a href="http://www.salonnautiqueparis.com">www.salonnautiqueparis.com</a>
Salon Nautico – Barcelona International Boat Show	Barcelona ESP	Power boats (56,000+ visitors) <a href="http://www.salononautico.com">www.salononautico.com</a>
Hanseboot	Hamburg GER	Power boats (16,000+ visitors) <a href="http://hanseboot.de/en">http://hanseboot.de/en</a>
Tullett Prebon – London International Boat Show	London UK	Power boats (90,000+ visitors) <a href="http://www.londonboatshow.com">www.londonboatshow.com</a>
Nautic Sud International Boat Show	Naples ITL	Power boats (135,000 visitors) <a href="http://www.nauticsud.info">www.nauticsud.info</a>
CNR - Eurasia Boat Show	Istanbul TUR	Power boats (135,000 visitors) <a href="http://www.cnravasyaboatshow.com">www.cnravasyaboatshow.com</a>
Korea International Boat Show (KIBS)	Ansan City KOR	Power boats (130,000 visitors) <a href="http://www.koreaboatshow.or.kr">www.koreaboatshow.or.kr</a>
Allt for sjon – Stockholm International Boat Show	Stockholm SWE	Power boats (112,000 visitors) <a href="http://www.alltforsjon.se">www.alltforsjon.se</a>
PSP - Southampton International Boat Show	Southampton UK	Power boats (110,000 visitors) <a href="http://www.southamptonboatshow.com">www.southamptonboatshow.com</a>
Helsinki International Boat Show	Helsinki FIN	Power boats (90,000 visitors) <a href="http://www.finnboat.fi/en">www.finnboat.fi/en</a>
Melbourne Boat Show	Melbourne AUS	Power boats (40,000 visitors) <a href="http://www.melbourneinternationalboatshow.com.au">www.melbourneinternationalboatshow.com.au</a>



<b>Table 5 – US &amp; International Boat Shows</b>		
<b>Exhibition/Show</b>	<b>Location</b>	<b>Focus</b>
Salon Nautico – Argentina Boat Show	Buenos Aires ARG	Power boats <a href="http://www.cacel.com.ar">www.cacel.com.ar</a>
Boat Asia	Singapore SNG	Power boats <a href="http://www.boat-asia.com">www.boat-asia.com</a>
Moscow Boat Show	Moscow RUS	Power boats <a href="http://www.mosboatshow.ru">www.mosboatshow.ru</a>
Sjoen for alle – Norway International Boat Show	Lillestrom/Oslo NOR	Power boats (36,500 visitors) <a href="http://www.norboat.no">www.norboat.no</a>
HISWA – Amsterdam Boat Show	Amsterdam NED	Power boats (50,000+ visitors) <a href="http://www.hiswarai.nl">www.hiswarai.nl</a>
JBIA - Japan International Boat Show	Yokohama City JAP	Power boats (50,000 visitors) <a href="http://www.marine-jbia.or.jp/english/">www.marine-jbia.or.jp/english/</a>
Nauticampo – International Fair of Lisbon	Lisbon POR	Power boats (22,619 visitors) <a href="http://www.nauticampo.fil.pt">www.nauticampo.fil.pt</a>
Rio Boat Show	Rio de Janeiro (BRA)	Power boats <a href="http://www.riboatshow.com.br">www.riboatshow.com.br</a>
Sao Paulo Boat Show	Sao Paulo (BRA)	Power boats <a href="http://www.boatshow.com.br">www.boatshow.com.br</a>
Source: IBI Calendar ( <a href="http://ibinews.com">ibinews.com</a> ); 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 2019 METS trade show 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. At the 2022 show, which saw attendance numbers (26,480 visits registered by 17,417 unique visitors) rivalling the 2019 high watermark, NMMA Canada continued to support companies and grew its Canadian pavilion through the assistance of CanExport Associations 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 five consecutive years. In 2018, the Canadian pavilion was also visited by the Ambassador of Canada to the Kingdom of the

Netherlands and in 2019 Judith Baguley was welcomed at the show by Canadian exhibitors for a ribbon cutting ceremony to officially open Canada's largest presence at METS. In 2022, Ms. Baguley returned to the pavilion to visit with all the new and returning exhibitors and continues to assist Canadian companies to find business in the Netherlands. For 2023 we will be adding three new companies. Of note at the 2019 show, one of the exhibitors in the Canadian pavilion was awarded the prestigious DAME Design Award in the Clothing and Crew Accessories category. The DAME Design Award is the most significant marine equipment competition of its kind. For 29 years, it has focused attention on the art and science of design in all aspects, from styling, functionality and innovation, through to ease of implementation, practicality of use and even packaging. This is the first Canadian company to be recognized for this award which would not have been possible without CanExport Associations assistance.

Previous missions to the Dubai International Boat Show have proven to be useful to Canadian manufacturers who developed relationships in the region. The value of wealth growth in the region is \$12 Trillion (USD). The UAE has become the top 10 maritime capitals. Each year the show expands and draws a strong B2B audience.

### 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)<sup>1</sup>.

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 catalogues and customer services). This web presence is supplementing the

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<sup>1</sup> Much of this section draws on: Centre for Competitive Analysis (2000) *US Boatbuilding and Repairing Industry*.

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<sup>2</sup>

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<sup>3</sup>:

- market size/value (i.e.  $X$  potential buyers \*  $Y\%$  motivated buyers \*  $Z\$$  sales per buyer);
- realistic expected market share (i.e.  $P\%$  dealer coverage in market \*  $R\%$  dealer sales success in market segment);
- realistic expected sales volume (i.e.  $A * B$  from above);
- gross margin (i.e.  $GM\%$  of retail/wholesale sales price through dealer network); and
- 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) =

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

<sup>2</sup> 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>)

<sup>3</sup> © Virtuosity Consulting

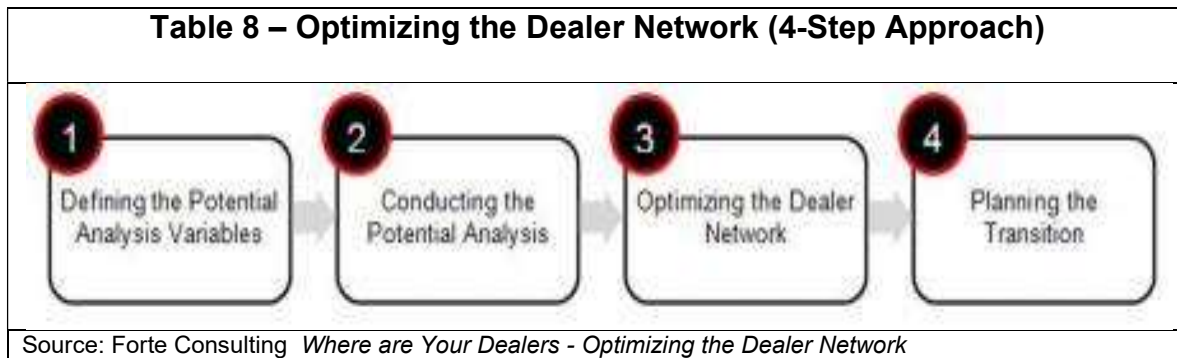
Not surprisingly, the potential income is heavily dependent on:

- 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.



### 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 2023-25

Building on the success of NMMA Canada trade missions to the Eurasia, Dubai, Shanghai, Amsterdam (METS), Tampa (IBEX), Sydney, Cannes and Sanctuary Cove Shows in the past, members have expressed the strong desire to attend METS 2023 the Dubai Boat Show in 2024. METS will include new exhibitors in 2023. We will also aim to host a networking event with the Canadian Ambassador to the Kingdom of the Netherlands who previously visited the Canadian pavilion in 2018. The association actively engages with the industry and provides export development support outside of the CanExport Associations program. The entire industry is offered the opportunity to work with us and participate in our export plan.

In 2024-25, NMMA Canada will target additional shows that have yielded strong results in the past as well as new markets, including the Dusseldorf Boat Show, Genoa Boat Show in Italy, and the Biograd Boat Show in Croatia. This will help further promote the diversification of markets for Canadian marine exporters.

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. In 2022, the show saw 26,480 visits registered by 17,417 unique visitors spanning 126 nationalities. There were ten Canadian companies within the Canadian pavilion, including two new next-generation electric propulsion exhibitors. We will be adding three new companies to the show for 2023.

We will be looking to attend the Dubai Boat Show in March 2024. The UAE has experienced growth in marine and net worth and disposable income is up. The Dubai Boat Show is the region's largest boat show. This show is returning to a market and will provide ample opportunities for Canadian companies to expand their export marketing scope. Three Canadian companies are interested in walking this show.

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 is to see more Canadian companies participating at shows outside of the U.S. on their own to gain market share.

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 apply this same formula to the Genoa, Dusseldorf and Dubai shows as this does not necessarily come after a year of visiting the show but rather after multiple visits.

The opportunity for Canadian companies to export abroad with CanExport Associations 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.

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 CanExport Associations funded opportunities and also given several speeches heard by several hundred industry participants.

The Action Plan for 2023-25 to be financed in part through Global Affairs Canada CanExport Associations includes:

<b>Table 9 – NMMA Canada Action Plan (2023-25)</b>	
<b>Action Plan (CanExport Associations)</b>	<b>Strategic Objective &amp; Activities</b>
<b><u>Year 1 (2023-2024)</u></b>	<p>Further extend reach at International Trade Show(s).</p> <p>Return to show: METS (Amsterdam) - 14 companies to METS (3 of these companies are new). As mentioned 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.</p> <p>Return to show: Dubai Boat Show <b>with CanExport Associations support</b> to walk the show with three new companies.</p> <p>Like the previous year there will be maintenance of existing NMMA Canada and company business development at METS using existing resources. Canadian companies continue to return to the METS show because it offers an excellent opportunity to meet 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</p>

<b>Table 9 – NMMA Canada Action Plan (2023-25)</b>	
<b>Action Plan (CanExport Associations)</b>	<b>Strategic Objective &amp; Activities</b>
	<p>these companies overall.</p> <p>For METS: 200 new leads with 50 potential partners; along with building and improving upon already established relationships.</p> <p>For Dubai: 15 new leads with 5 potential partners</p> <p>The reasons for these markets:  Marine Equipment Trade Show (Amsterdam): 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 2019 and saw a total of 1,670 exhibitors from more than 53 countries and 26,984 visitors represented. There were twelve Canadian companies within the Canadian pavilion. Trade Commissioner with the Canadian Trade Commissioner Service in the Netherlands Judith Baguley was welcomed at the show by Canadian exhibitors for a ribbon cutting ceremony to officially open Canada's largest presence at METS. We will be adding three new companies to the show for 2023.</p> <p>Dubai Boat Show: The region has experienced steady economic growth in marine and other areas. The Show is the regions largest boat show. It is also the largest in-water show. It will provide ample opportunities for Canadian companies to expand their export marketing scope. Gabriel Jabbour, trade commissioner has met with NMMA and companies at the 2019 show. Three Canadian companies are interested in walking this show.</p> <p>The Choice:  METS has proved to generate great leads with Dubai looking to have a lot of potential. Distributor relationships developed in the past need to be further expanded and new relationships need to be established. METS has great potential to develop distributor relationships. Canadian manufacturers have been there in the past with some success but require a continuous presence at both shows. New distributor relationships need to be established along with maintaining any existing relationships.</p> <p>Targets include:</p> <ul style="list-style-type: none"> <li>- Return to Amsterdam (METS) and Dubai International Boat Show</li> <li>- Create new and maintain existing distributor relationships/leads</li> </ul>

<b>Table 9 – NMMA Canada Action Plan (2023-25)</b>	
<b>Action Plan (CanExport Associations)</b>	<b>Strategic Objective &amp; Activities</b>
	<ul style="list-style-type: none"> <li>- 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</li> </ul> <p>Level of Participation</p> <ul style="list-style-type: none"> <li>- Exhibit at the shows through local distributors where possible</li> <li>- 14 companies exhibit at Amsterdam – 3 new exhibitors</li> <li>- 3 companies to walk Dubai Boat Show – 2 new</li> <li>- 17 Canadian manufacturer participants combined from all shows</li> <li>- Maintain existing distributor relationships/leads</li> <li>- Establish 215+ new leads</li> <li>- Showcase Canadian companies through exhibit floor stages</li> <li>- Organize meetings with local distributors onsite at shows</li> <li>- Organize for local embassy to assist group on the ground before and during the show</li> <li>- NMMA Canada actively engages with media to ensure coverage of the Canadian exhibitors at METS and Dubai</li> </ul> <p>Communications: Through media outlets, speaking opportunities and member communications highlight the successes of the Canadian companies throughout the two events.</p>
<b><u>Year 2 (2024-2025)</u></b>	<p>Targets include:</p> <ul style="list-style-type: none"> <li>- Return to Amsterdam, Genoa, and Dubai along with the possibility of exhibiting at Sydney or Genoa, Dusseldorf and Biograd</li> <li>- Assess new shows for new markets such as the United Kingdom</li> <li>- Maintain existing distributor relationships/leads and develop 25 new leads</li> <li>- 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).</li> </ul> <p>Level of Participation</p> <ul style="list-style-type: none"> <li>- Exhibit at the shows through local distributors where possible.</li> <li>- 25 to 30 Canadian manufacturer participants</li> <li>- Maintain existing distributor relationships/leads and</li> </ul>

<b>Table 9 – NMMA Canada Action Plan (2023-25)</b>	
<b>Action Plan (CanExport Associations)</b>	<b>Strategic Objective &amp; Activities</b>
	<p>build new relationships/leads</p> <ul style="list-style-type: none"> <li>- Assist 3 new companies who have not participated before</li> <li>- Assist companies with applying for DAME Awards (METS) which are innovation awards to showcase Canadian made products</li> </ul> <p>Communications: Through media outlets, speaking opportunities and member communications highlight the successes of the Canadian companies at any of the events.</p>
<b><u>Year 3 (2025-2026)</u></b>	<p>Targets include:</p> <ul style="list-style-type: none"> <li>- Return to Amsterdam, Dusseldorf, Genoa, with possibility of returning to Cannes, Dubai and new locations Croatia</li> <li>- Maintain existing distributor relationships/leads</li> <li>- Explore new shows in new markets</li> </ul> <p>Level of Participation</p> <ul style="list-style-type: none"> <li>- Exhibit at the shows through local distributors where possible</li> <li>- 31 to 36 Canadian manufacturer participants</li> <li>- Maintain existing distributor relationships/leads and build new relationships/leads</li> <li>- Establish 130 new distributor leads</li> <li>- Assist 3 new companies who have not participated before in exhibiting or walking show</li> </ul> <p>Communications: Through media outlets, speaking opportunities and member communications highlight the successes of the Canadian companies throughout the three events.</p>

#### 4.3. Incremental Activities to be funded by CanExport Associations in 2023-2024

NMMA Canada is seeking **\$93,284** in CanExport Associations funding for FY2023-2024. This amount would apply to exhibit space/booth 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 2009-2022.

For the period 2023-2024:

<b>Table 10 – NMMA Canada Action Plan (2023-24) Anticipated Outcomes &amp; Performance</b>	
<b>Plan Year</b>	<b>Outcomes</b>
<b>(2023-24) with CanExport Associations Funding</b>	Targets include: <ul style="list-style-type: none"> <li>- 2 international trade/boat shows</li> <li>- 17 Canadian manufacturer participants</li> <li>- 215 new distributor leads</li> <li>- 55 or more enhanced distributor relationships</li> </ul>

### 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.