GROWING CANADIAN EXPORT BUSINESS

Canadian Commercial Corporation

CORPORATE PLAN SUMMARY 2017–18 TO 2021–22

OPERATING BUDGET • CAPITAL BUDGET • BORROWING PLAN

CCC
Canadian Commercial Corporation
Corporation Commerciale Canadienne

Canada

MANDATE

To assist in the development of trade by helping Canadian exporters access markets abroad and by helping foreign buyers obtain goods and services from Canada.

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Canadian Commercial Corporation
Corporate Plan 2017–18 to 2021–22

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CCC'S CORPORATE GOAL IS TO GROW CANADIAN EXPORT BUSINESS. The corporate strategy employed to accomplish this goal is to increase access to foreign markets for exporters while providing efficient and effective contracting solutions to foreign buyers. This is supported by the following strategic objectives:

Focused and Collaborative Business Development	CCC's business development efforts in target markets will continue to embody a whole-of-government approach to facilitating export sales on a government-to-government basis while continuing to leverage important contributions of other Government of Canada stakeholders.
Business Diversification	CCC will seek to secure opportunities for Canadian companies across a wider and more diverse set of sectors and geographic markets. CCC's business development activities will support and align with the Government of Canada's new Trade and Investment Strategy.
Demonstrating Exemplary Corporate Social Responsibility	CCC is committed to the highest ethical standards in all business dealings at home and abroad. CCC will continue to operate in an environmentally, socially and ethically responsible manner while upholding the Corporation's public policy mandate and acting within its resources.

EXECUTIVE SUMMARY

INTERNATIONAL TRADE, CANADA AND CCC

ESTABLISHED IN 1946, the Canadian Commercial Corporation (CCC) is a federal Crown corporation mandated to facilitate international trade on behalf of Canadian industry, particularly with governments of foreign countries.

By facilitating international trade, the Corporation assists in creating and maintaining Canadian jobs that contribute to Canada's overall economic performance. While CCC supports many industries across Canada, the Corporation has been primarily focused on the aerospace, defence, security and infrastructure (including healthcare, clean technology, and renewable energy) sectors. These industries are strategically important contributors to the Canadian economy in terms of employment, innovation, productivity, research and development, Gross Domestic Product (GDP) and trade. The Canadian aerospace industry, for instance, is responsible for the employment of more than 211,000 Canadians, and contributes $28 billion annually to Canada's GDP.[1] Similarly, a 2012 study by KPMG found that every $1 million of defence and security revenue creates or sustains 8.68 Full Time Equivalent (FTE) jobs in the Canadian economy.[2]

CCC is a central component of the Government of Canada's trade agenda. The Corporation has signed over $900 million in contracts in the first three quarters of 2016-17 as a result of focused outreach with Canadian exporters across numerous target markets. During the planning period, the Corporation will expand its foreign representation network to help deepen business relationships in order to diversify into new industry sectors and geographic markets.

CCC's business model is unique in the world. The Corporation's primary service involves the establishment of government-to-government contracts with foreign government buyers to provide goods and services available for export from Canada. CCC then enters into contracts with Canadian exporters to fulfill the requirements of these government-to-government contracts. With this approach, CCC guarantees the performance of the terms and conditions of the contracts for the foreign government buyers, mitigating their risks and providing added incentive to procure from Canada.

CCC's business model also mitigates risks for Canadian exporters as the Corporation is able to leverage its capacity as a Government of Canada organization to monitor progress and help bring resolution to issues that may arise in fulfilling the contract requirements. CCC's involvement can reduce payment collection risks and business development costs; aid in gaining more advantageous contract and payment terms for Canadian exporters, particularly for small and medium-sized enterprises (SMEs); and help increase international awareness through supporting and promoting ethical business and Corporate Social Responsibility (CSR) practices as Canadian firms seek to increase their international sales.

The International Commercial Business (ICB) line is focused on business pursuits in sectors such as infrastructure, clean technologies and communications. The Global Defence and Security (GDS) business line is comprised of the administration of the Canada—United States Defence Production Sharing Agreement (DPSA) as well as other defence and security sales around the world. Other activities undertaken by CCC include the sourcing of goods and services on behalf the Government of Canada's international aid programs, managing 10 Canadian Trade Offices in China on behalf of Global Affairs Canada and providing shared services to PPP Canada Inc.

1 Aerospace Industries Association of Canada (AIAC), "State of Canada's Aerospace Industry 2016 Report," http://aiac.ca/wp-content/uploads/2016/06/State-of-Canadas-Aerospace-Industry-2016-Report.pdf

2 KPMG, Economic Impact of the Defence and Security Industry in Canada, May 2012, p. ii, Internet: https://www.defenceandsecurity.ca/UserFiles/File/IE/KPMG.pdf

CCC is actively governed by a Board of Directors who represent a diverse group of people from across Canada who possess a broad range of private and public sector experience. The Board, through the Chairperson, works closely with the Minister of International Trade to guide the Corporation's strategic direction.

CCC'S OPERATING ENVIRONMENT

Economic growth has been generally slow following the financial crisis of 2008. The International Monetary Fund points to the economic slowdown in China, low energy and commodities prices and the tightening U.S. monetary policy as key reasons for reduced growth within advanced economies.[3]

These same pressures are felt by emerging and developing markets and a certain number of CCC's target markets have also experienced currency depreciations over the last few years. However, pockets of growth are expected within the ASEAN5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam) and the 2020 Seven (Chile, China, Malaysia, Mexico, Peru, Philippines and Poland). These countries share common traits such as high quality labour, stable regulatory environments and reform agendas and will likely lead emerging market growth in the near future.[4]

Global megatrends also play a significant role in the current operating environment. Increased connectivity of people and the Internet of Things along with the continued movement towards urbanization will have significant impacts on society and future business models.

Connectivity

Increasing connectivity will lead to substantial changes in how business and society operates. In 2015, it was estimated that there were 3.2 billion people connected to the Internet.[5] This number will continue to grow as innovations advance connectivity to rural areas. The World Economic Forum (WEF) forecasts that more than 1 trillion sensors will be connected to the Internet by 2022.

The Internet of Things will rapidly expand device connectivity providing new sources of consumer and trade information. The transformation of existing production systems will lead to the possibility for new business and delivery models. Work undertaken by Ernst & Young identified enormous opportunities for businesses to take advantage of connected devices enabled by the Internet of Things to capture vast amounts of information, enter new markets, transform existing products and introduce new business and delivery models.[6] From healthcare to smart production facilities, the Internet of Things will lead to wide-spread changes and opportunities for Canadian exporters.

Urbanization

By 2050, the United Nations predicts that 66% of the earth's population will live in cities.[7] Urban centres are estimated to generate 80% of a country's economic growth and are currently home to approximately five billion people. The urbanization megatrend will generate significant opportunities for Canadian companies as governments around the world, especially in developing countries, spend an estimated $35 trillion in public works projects over the next two decades according to the U.S. National Intelligence Council. To do so in a manner that maximizes sustainability, quality of life, and economic competitiveness, these countries will require a mix of innovative approaches to security, energy and water conservation, resource distribution, waste management, disaster management, construction, and transportation. These investments in public projects will inevitably feature a growing list of clean technologies as governments look to this sector for innovative solutions that will harness renewable materials and energy sources while reducing waste and emissions.

Focused business development efforts in growing markets will assist in capitalizing on opportunities related to increased connectivity and urbanization. This will enhance CCC's value to exporters and help CCC in fulfilling its mandate to assist the development of international trade.

3 International Monetary Fund, "Too Slow for Too Long", World Economic Outlook, April 2016.
Internet: http://www.imf.org/external/pubs/ft/weo/2016/01/

4 Ibid.

5 Tracey Keys, *10 Trends to Watch for 2016 and Beyond*, Global Trends Briefing December 2015/January 2016.
Internet: www.globaltrends.com

6 Ernst Young, Megatrends 2015 Making sense of a world in motion.
Internet: http://www.ey.com/Publication/vwLUAssets/ey-megatrends-report-2015/$FILE/ey-megatrends-report-2015.pdf

7 United Nations, World's population increasingly urban with more than half living in urban areas, July 2014.
Internet: http://www.un.org/en/development/desa/news/population/world-urbanization-prospects-2014.html

CCC'S CORPORATE STRATEGY

The Corporation's strategy focuses on increasing access to foreign markets for exporters while providing efficient and effective contracting services to buyers. This strategy supports the Government of Canada's broader agenda on trade, competitiveness and job creation. The three corporate objectives supporting this strategy are:

Focused and Collaborative Business Development

CCC will continue to strengthen relationships with its international trade portfolio partners, Export Development Canada (EDC), the Trade Commissioner Service (TCS) organization within Global Affairs Canada and the Canadian Forces Defence Attaché network to ensure that CCC's successful foundation for government-to-government export sales is enhanced. CCC will also seek new relationships in the areas of healthcare and clean technologies to grow export opportunities in these important industries. Through engagement with these and other Government of Canada stakeholders and industry associations, CCC's efforts in leveraging a whole-of-government approach to winning international export sales will lead to more successful business development results for Canadian exporters. CCC will also focus on ensuring sustaining access for exporters to the U.S. Department of Defense (U.S. DoD) market through the DPSA.

Business Diversification

CCC is pursuing the goal of growing Canadian export business both to increase the flexibility and long-term sustainability of the Corporation and to increase its relevance to more export sectors. CCC will seek to secure opportunities for Canadian companies across a more diverse set of sectors and markets. CCC's business model is as applicable across a wide range of industries as it is in its traditional sectors. Led by CCC's new Vice-President, Business Diversification, an assessment of latest market developments and needs will be undertaken and entry strategies into new markets and sectors will be developed. Further investments in business development will be prudently undertaken and the Corporation will continue to work closely with Global Affairs Canada to consider funding options that could assist CCC in achieving its diversification goal.

CCC will leverage its experience with its international trade portfolio partners to ensure that business development decisions reflect the best available information to grow market sectors and geographic diversity. CCC will also identify opportunities for Canadian clean and sustainable technology companies that are export ready and able to successfully deliver on projects abroad. Additional market sectors that will be explored include a focus on airport and port infrastructure, waste water treatment facilities, solar energy projects and voter registration systems. This aligns with the Government of Canada's stated trade priorities. CCC will continue to increase its presence abroad through establishing foreign representation in Asia during the planning period. This will assist in the provision of timely and efficient service for both buyers and exporters in the Asian market.

Demonstrating Exemplary Corporate Social Responsibility

CCC is committed to the highest ethical standards in all business dealings at home and abroad. CCC's continued focus on combatting bribery and corruption ensures that the positive reputation of the Government of Canada is maintained. The Corporation's commitment to these values has become part of CCC's value proposition and provides both foreign buyers and Canadian exporters with comfort that business dealings are held at the highest ethical level. CCC commits to operating in an environmentally, socially, and ethically responsible manner, while upholding the Corporation's public policy mandate and functioning within its resources.

CCC'S FINANCIAL PLAN

CCC's ability to deliver on its mandate is dependent upon a commitment to sound financial management. The 2017–18 to 2021–22 Financial Plan outlines CCC's operating budget, capital budget and borrowing plan as well as the Corporation's proforma financial schedules, financial objectives and five-year key planning assumptions.

1
SECTION

CORPORATE OVERVIEW

CANADA'S EXPORT CONTRACTING AGENCY

ESTABLISHED IN 1946, CCC is a federal Crown corporation mandated to facilitate international trade on behalf of Canadian industry, particularly with governments of foreign countries. The Corporation's business lines are structured to support Canadian companies contracting in a variety of industries and sectors in markets around the globe.

In 1956, CCC became the custodian of the Canada–U.S. DPSA and is responsible for administering the agreement on behalf of the Government of Canada. Under the DPSA, the U.S. DoD requires that all purchases from Canada by their procurement personnel be contracted through CCC when their procurement value exceeds its simplified acquisition threshold (currently set at $150,000 USD). Since 1960, a similar agreement has been in place for the supply of goods and services from Canadian sources to the National Aeronautics and Space Administration (NASA). These agreements are integral to the maintenance of a healthy North American defence industrial base.

CCC'S SERVICES

CCC's primary service involves the establishment of government-to-government contracts with foreign government buyers to provide goods and services available for export from Canada. In turn, CCC enters into contracts with Canadian exporters to fulfill the requirements of these government-to-government contracts. With this approach, CCC guarantees that the terms and conditions of the contracts with the foreign government buyers will be satisfied, mitigating the buyers' risks and providing added incentive to procure from Canada.

CCC also mitigates risks for Canadian exporters as the Corporation is able to leverage its capacity as a Government of Canada organization to monitor progress and bring resolution to issues that may arise in fulfilling the contract requirements. CCC's involvement reduces payment collection risks and business development costs; aids in gaining more advantageous contract and payment terms for Canadian exporters, particularly SMEs; and helps increase international awareness through supporting and promoting ethical business and CSR practices as Canadian firms seek to increase their international sales.

As a Government of Canada entity, and authorized to execute commercial contracts with foreign government buyers, CCC is uniquely positioned to support Canadian exporters and to increase Canada's trade footprint in new and priority markets. The Corporation's presence in foreign countries leads to better awareness regarding the credibility and capabilities of Canadian exporters. CCC delivers on its mandate through the following principal business lines.

INTERNATIONAL COMMERCIAL BUSINESS SALES (ICB)

CCC's mandate supports all industry sectors, including infrastructure, healthcare, clean technology, and renewable energy. The Government of Canada brand helps ensure that exporters supported by CCC are credible, ethical and competitive, which helps generate sales that may have otherwise been out of reach. CCC's government-to-government contracting mechanism provides a competitive advantage to Canadian exporters internationally by:

- Streamlining procurement processes;
- Minimizing the need for performance bonds and other securities;
- Reducing buyer payment risk; and
- Helping resolve contractual issues that may arise.

GLOBAL DEFENCE AND SECURITY SALES (GDS)

CCC's GDS business line is focused on assisting Canadian companies to compete globally and secure sales in aerospace, defence and security markets. CCC's GDS business line has two interdependent components:

SALES TO THE U.S. DoD UNDER THE CANADA–U.S. DPSA AND NASA – CCC assists Canadian aerospace, defence and security companies to compete for contracts with the U.S. DoD through the unconstrained access that flows from the Canada–U.S. DPSA and related U.S. regulations. Canadian exporters are also able to leverage the U.S. Foreign Military Sales (FMS) program through their access to the DPSA, as they are able to sell into the U.S. DoD inventory where their goods can then be re-sold to third party countries. Over the past 60 years, Canada's aerospace, defence and security exports to the U.S. under the DPSA have totaled more than $30 billion, and both Canada and the U.S. have recognized the DPSA as being vitally important to the North America defence industrial base. The U.S. DoD market often becomes the platform for Canadian companies to build their capacity to compete internationally and generate other global sales. CCC acts as Prime Contractor for Canadian goods and services on U.S. DoD and NASA contracts valued above $150,000 USD.

CCC assesses the technical, managerial and financial capabilities of Canadian suppliers prior to supporting the supplier on a transaction. In addition, Public Services and Procurement Canada (PSPC) provides a fair and reasonable price evaluation to the U.S. DoD on behalf of the Government of Canada on all sole source opportunities.

When a bid is won by or awarded to a Canadian company, CCC signs the contract directly with the U.S. DoD or NASA, providing the full backing and endorsement of the Canadian government. CCC's active contract monitoring assures the U.S. government buyer that all contract terms and conditions will be met. For the majority of U.S. DoD contracts, the Corporation generally pays its suppliers and invoices the U.S. buyers with net 30 day terms. Supplier payments are not dependent upon the receipt of buyer funds.

While the U.S. generally pays in advance of 30 days, payment delays may occur. In these situations, CCC continues to pay its Canadian suppliers within 30 days which minimizes the suppliers need to carry receivables.

This CCC policy is aligned with broader Government of Canada direction in this area, and helps to ensure that Canadian exporters, particularly the large number of SMEs that sell through the DPSA program, are able to sustain operations through periods of cash flow fluctuation.

AEROSPACE, DEFENCE AND SECURITY SALES TO GLOBAL MARKETS – The second component of the GDS business line responds to a growing demand from Canadian exporters to expand globally. This business line supports Canadian aerospace, defence and security exporters in markets beyond the U.S. with governments of allied and like-minded nations, and builds on the Corporation's experience selling to the U.S. DoD and through the U.S. FMS program. CCC guarantees that the terms and conditions of its contracts will be met, mitigating performance risk for the foreign government buyer. CCC also provides the added benefit of being able to build customized solutions to meet the buyer's acquisition needs often more efficiently and effectively than through their own internal procurement processes.

OTHER BUSINESS ACTIVITIES

CCC assists other Canadian government departments and agencies in the sourcing and delivery of goods and services destined for international recipients of Canada's international aid. CCC has undertaken a wide array of sourcing projects including the provision of a range of training services, the delivery of communications systems, border control items and biocontainment infrastructure and equipment. CCC's assistance results in goods and services destined for foreign aid recipients being acquired and delivered in a cost effective and efficient manner.

In recognition of the expansive growth of China's second-tier cities, the Government of Canada approached CCC in 2009 to help establish and manage six Canadian Trade Offices. Following the initial success of the business model, four more cities were later added and CCC works to manage all 10 offices efficiently and cost effectively.

Finally, CCC has also renewed a comprehensive shared services arrangement with PPP Canada Inc. that generates economies of scale in providing a variety of corporate services to both organizations. This arrangement includes the provision of shared expertise in Information Technology Services; Human Resource Management; Governance; and Internal Audit.

CORPORATE GOVERNANCE

CCC is a parent Crown corporation under Schedule III Part I of the *Financial Administration Act* (FAA), and reports to Parliament through the Minister of International Trade. Its main funding source consists of fees for service generated by its business lines.

The *Canadian Commercial Corporation Act* (CCC Act) governs the Corporation, defining its role and the governance structure of the Board of Directors. It also provides the Corporation with a range of powers, including the ability to export goods from Canada either as a principal or as agent.

In addition to the CCC Act, the core operations of the Corporation are subject to the following federal legislation:

- *Financial Administration Act* (FAA);
- *Corruption of Foreign Public Officials Act* (CFPOA); and
- *Canadian Environmental Assessment Act* (CEAA)

CCC also adheres to the *Privacy Act*, the *Access to Information Act*, the *Federal Accountability Act*, the *Public Servants Disclosure Protection Act,* the *Official Languages Act* and any new legislation, regulation, or policy which is extended to Crown corporations.

Board of Directors

Pursuant to the CCC Act and Part X of the FAA, the stewardship of the Corporation is the responsibility of the Board of Directors. The Board is accountable for the affairs of the Corporation and ensures the proper delivery of public policy on behalf of the Government of Canada. The Board of Directors provides leadership and guidance to the Corporation's management team. It also sets the Corporation's long-term strategic objectives which are aligned with direction provided by the Minister of International Trade.

The Board is composed of a Chairperson, the President and Chief Executive Officer (CEO), and not more than nine or less than five Directors. The Chairperson and the President and CEO, are appointed by the Governor in Council. The remaining Board Directors are appointed by the Minister of International Trade subject to approval by the Governor in Council. Directors are appointed for terms of up to four years, while the Chair and CEO hold office for such term as the Governor in Council deems appropriate. The Government's commitment to a transparent and merit-based appointment process will be highlighted in the coming year as many of the current Board members' terms have expired. The Government of Canada has also emphasized that Boards of Directors should reflect gender parity and that Indigenous Canadians and minority groups be represented.

The Board conducts its oversight function through a number of subcommittees which include the Operations Committee, the Governance and Human Resources Committee and the Audit Committee. The committees examine matters in their respective areas that come before the Board for consideration. For more information on CCC's Board of Directors, please visit www.ccc.ca.

Senior Management Committee

As the CEO, the President is accountable for the direction and management of the Corporation's business. The Senior Management Committee is comprised of the President and five Vice-Presidents. With the approval of the Board of Directors, the Senior Management Committee sets the corporate strategy and related strategic objectives in support of the corporate mandate. Bound by CCC's *Code of Conduct and Business Ethics*, the Senior Management Committee adheres to the highest ethical standards of professional conduct. All senior executives, with the exception of the CEO, are paid within salary ranges which are aligned with the Public Service of Canada Executive salary bands for positions classified at EX-1 to EX-5 levels. Executive compensation policies are approved by the Board of Directors. CEO compensation is governed by the Performance Management Program for Order in Council (OIC) appointees and is approved by the Governor in Council on recommendation of the Board.

Risk and Opportunities Committee (ROC)

This committee was established as an advisory body to the CEO to ensure that prudent risk management practices are in place and reflective of the operational needs of the Corporation. It balances business opportunities against the risks they present and provides a forum for open discussion. The committee reviews issues at the strategic, operational and transactional risk level as defined by the Corporation's Enterprise Risk Management Framework.

The committee has the following key roles and responsibilities:

- Ensures the Corporation's Enterprise Risk Management (ERM) Framework remains relevant and reflects leading industry practices;
- Reviews and assesses export pursuits at various stages to ensure risk and opportunities are balanced and the Corporation's risk appetite and tolerance statements are respected; and
- Reviews all fee generating export transactions to ensure that proposed fees cover expected resource requirements and risks.

President and Chief Executive Officer
MARTIN ZABLOCKI

Vice-President Business Development and Sales
CAMERON McKENZIE

Vice-President Defence and Contract Management
JACQUES GREFFE

Vice-President Legal Services, General Counsel, and Corporate Secretary
TAMARA PARSCHIN-RYBKIN

Vice-President Corporate Services and Chief Financial Officer
ERNIE BRIARD

Vice-President Business Diversification
CARL MARCOTTE

Integrity Compliance Committee (ICC)

CCC continues to update its overall approach to corporate social responsibility and the due diligence requirements in the areas of anti-bribery and anti-corruption. This work is the responsibility of the ICC. The ICC has implemented procedures to align anti-bribery and anti-corruption due diligence with international best practices. This helps ensure the identification of ethical issues at the earliest stage of business engagement with a potential Canadian exporter. The committee is comprised of members from Defence and Contract Management, Business Development and Sales, Risk, and the Legal Services teams.

The committee's role and responsibilities are as follows:

- Ensures alignment of the Corporation's integrity framework with corporate best practices;
- Maintains the Corporation's integrity compliance due diligence processes to ensure it effectively combats bribery and corruption of foreign public officials from occurring on CCC transactions; and
- Reviews the ethical and integrity profiles of Canadian exporters and foreign buyers in the context of specific export opportunities, and makes recommendations to the ROC.

To ensure that CCC's staff embody and understand the importance of ethical behavior, CCC has developed a *Code of Conduct and Business Ethics* policy which clearly articulates ethical expectations for all CCC employees. Each employee is required to review this policy annually and sign a form attesting that the policy was read and understood. Additionally, employees are required to successfully complete anti-bribery and anti-corruption training.

CCC is a contributor to the Annual Report submitted to Parliament as required under the *Corruption of Foreign Public Officials Act* (CFPOA). The Annual Report outlines activities undertaken by government departments and agencies in support of CFPOA requirements.

Business Structure

The Corporation has four operational business units and one corporate services unit. The operational business units consist of: Business Development and Sales (BD&S), Defence and Contract Management, Legal Services and Business Diversification. These business units provide support to exporters through the entire project lifecycle in a professional and ethical manner. The corporate services unit ensures that functions related to Corporate Strategy, Human Resources, Information Technology, Risk Management and Finance support the operational and strategic needs of the business.

Each business unit is led by a Vice-President accountable for corporate performance and results.

HUMAN RESOURCES

CCC is committed to being an employer of choice and recognizes the need to focus on the strategic recruitment and development of its workforce. The employees are the lifeblood of the organization and whose commitment to excellence is evident in the day-to-day interactions with CCC's exporters, foreign buyers and stakeholders. The Corporation's staff exhibits a diverse set of cultural and language backgrounds along with skill sets and knowledge that allows it to effectively negotiate and manage contracts with foreign government buyers from many parts of the world.

CCC is headquartered in Ottawa, Ontario and employs approximately 140 people on a full-time basis. Workforce figures for the planning period are represented in the table below and are tied to operational requirements stemming from anticipated business growth.

CCC's Workforce

FULL-TIME EMPLOYEES	2015–16 ACTUAL	2016–17 FORECAST	2017–18 FORECAST	2018–19 FORECAST	2019–20 FORECAST	2020–21 FORECAST	2021–22 FORECAST
Business Development and Sales	20	26	32	32	32	32	32
Remainder of Corporation	111	111	121	119	118	118	118
Total	**131**	**137**	**153**	**151**	**150**	**150**	**150**

Most of CCC's employees (75%) are members of the Professional Institute of the Public Service of Canada's (PIPSC), which is the only union with members at CCC.

The Corporation recognizes that its staff needs to be highly and uniquely skilled to help Canadian exporters compete in foreign government procurement markets and to effectively manage a broad portfolio of complex contracts. Therefore, succession planning, organizational flexibility and ensuring the right skill sets are available reflect key strategic human resource priorities.

2
SECTION

THE PLANNING ENVIRONMENT

THIS SECTION OUTLINES the general global environment in which CCC expects to operate. It is based on ongoing market research, CCC's own business intelligence assessment, media monitoring, experienced views from International Trade Portfolio partners and Canadian exporters.

GLOBAL OUTLOOK

Growth in advanced economies is projected to remain modest according to the World Economic Outlook (WEO) as published by the International Monetary Fund (IMF).[8] The IMF notes that there are three key factors that continue to influence global growth. These include the gradual slowdown and rebalancing of economic activity in China, lower prices for energy and other commodities, and a gradual tightening in monetary policy in the U.S.[9] In addition, currency movements have impacted certain of CCC's target markets.

Global military spending in 2015 was $1676 billion which represents an increase of 1.0% in real terms, the first increase since 2011.[10] While military spending for 2015 decreased in North America, Western Europe, Latin America and the Caribbean and Africa, it increased in Asia and Oceania, Central and Eastern Europe, and in those countries in the Middle East for which data was available.[11] Regional spending on defence and security reflects the maturing of certain economies and an increased capacity for military spending. It also reflects the recognition that the U.S. and other allies may not be as engaged in future localized conflicts and that additional military resources may be required.

The rise of protectionist sentiment may have implications for trade. Britain's Brexit decision to secede from the European Union and evolving U.S. trade policy following the recent election could disrupt international trade flow patterns. Political change in the U.S. could also impact on Cuba. Where the U.S.-Cuba relationship was starting to warm, it is now unclear as to what the U.S. position will be on moving towards normalized trade.

Despite slow economic activity globally and protectionist concerns, a new wave of growth is expected from smaller emerging markets referred to as the ASEAN 5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam) and the 2020 Seven (Chile, China, Malaysia, Mexico,

8 Advanced economies are defined by the IMF as those that have a high level of domestic product per capita and a significant degree of industrialization. Further information can be found at: https://www.imf.org/external/pubs/ft/weo/faq.htm#q4b

9 International Monetary Fund, "*Too Slow for Too Long*", World Economic Outlook, April 2016. Internet: http://www.imf.org/external/pubs/ft/weo/2016/01/

10 SIPRI Fact Sheet, *Trends in World Military Expenditure*, 2015, April 2016, p. Internet: https://www.sipri.org/sites/default/files/EMBARGO%20FS1604%20Milex%202015.pdf

11 Ibid. p.1

Peru, Philippines and Poland). These countries benefit from high quality labour, solid infrastructure and stable regulatory environments and are poised for growth[12].

The international marketplace is highly competitive and in response, governments around the world support a variety of trade enhancement mechanisms designed to increase the competitiveness of their domestic export firms. In this environment, CCC's value proposition assists Canadian companies to compete internationally. While there are economic challenges globally, there are also opportunities ahead. As those countries within the ASEAN5 and the 2020 Seven begin to grow economically, so too will their demand for international goods and services. Many of these same countries will also benefit from the U.S. recovery and low oil prices. This could provide opportunities to increase or accelerate domestic procurement programs. By gaining early access to these countries, CCC will be well placed to develop potential opportunities for Canadian exporters.

CCC's business objective of establishing foreign representation in target markets, especially in Asia, aligns with global forecasts for growth and potential business opportunities for Canadian exporters. CCC is positioning itself to take advantage of the rising wave of economic activity. In the longer term, consideration is being given to establishing representation in Africa to capitalize on emerging opportunities that may present in the coming years.

Changing Global Landscape

Two megatrends, connectivity and urbanization will dominate the global landscape during the planning period bringing with them challenges and opportunities for the Corporation. These megatrends are interconnected and will impact many areas including the demand for clean technologies, infrastructure investment and to varying degrees, sovereign long term defence and security requirements.

Connectivity

Technological advances, increased networking and lower costs have allowed the world to become more connected. These advances have also increased competition globally. The trend towards increased connectivity will likely strengthen as The Internet of Things takes further hold. This network of physical devices embedded with software and network connectivity will alter not only basic day-to-day activities, but the way in which business is conducted. While being transformative, the Internet of Things and connective technologies will present challenges and opportunities.

Challenges may include greater income disparity and labour market disruption as smart factories reduce labour inputs in favour of web-connected automation. With greater reliance on connectivity, cybersecurity also becomes increasingly important. From a defence perspective, the potential spread of extreme political and religious ideologies made possible through connectivity could increase the risk of terrorism and have impacts on national security and law enforcement.[13]

Notwithstanding the challenges, Ernst & Young has identified significant opportunities resulting from this increased level of connectivity.[14] Whether it is to capture consumer and trade information, transform existing products or introduce new business and delivery models, technical innovations and the Internet of Things will be at the forefront. One result will be the growth in the cybersecurity industry from the current $75 billion USD/year to $170 billion USD/year by 2020, according to Bank of America Merrill Lynch.[15]

Further opportunities in defence and security may result from increased connectivity and the integration of emerging and developing economies into global supply chains. As economies mature, their ability to undertake military and defence procurements to protect national borders, off-shore resources and shipping routes increases. This has been evident in South East Asia where regional tensions in the South China Sea have resulted in upward spending on military

12 Kearney, PT, Global Business Policy Council, Global Trends 2015–2030: Divergence, Disruption and Innovation, 2015. Internet: http://www.middle-east.atkearney.com/documents/10192/6823532/Divergence%2C+Disruption%2C+and+Innovation.pdf/46a91bee-a805-442a-b962-bf4db07c77f4

13 Schwab, Klaus, *The Fourth Industrial Revolution What it Means and How to Respond.* Journal of Foreign Affairs, December 12, 2015. Internet: https://www.foreignaffairs.com/articles/2015-12-12/fourth-industrial-revolution.

14 Ernst Young, *Megatrends 2015 Making sense of a world in motion.* Internet: http://www.ey.com/Publication/vwLUAssets/ey-megatrends-report-2015/$FILE/ey-megatrends-report-2015.pdf

15 Tracey Keys, *10 Trends to Watch for 2016 and Beyond*, Global Trends Briefing December 2015/January 2016. Internet: www.globaltrends.com

purchases by countries such as Vietnam and the Philippines.[16] Countries will increasingly need to protect themselves. Canada has key industrial capabilities in many of these defence and security areas. Increased trade promotion through bilateral trade agreements will help Canadian exporters in these markets.

Urbanization

Many futurists believe that the twin megatrend to connectivity is urbanization. It is estimated that at the close of 2016, 54% of the world's population will live in urban areas. By 2050, the United Nations predicts that 66% of the earth's population will be urban dwellers.[17] Much of the growth in urban populations will take place in Asia and Africa.

Urbanization is powering significant economic, social and environmental changes. Cities are becoming the economic engines of the global economy. Today, the world's largest 750 cities account for 57% of global GDP—by 2030, they will contribute 61% of total world GDP.[18] These megacities and corridors will connect people, goods and services at unprecedented levels. Exporting countries can gain competitive advantages by proactively building these connections. For example, China's Silk Road Economic Belt Plan and its 21st Century Maritime Silk Road project will result in improved trade route connections to Asian, European and African countries.[19] This should lower transportation costs for both Chinese imports and exports thereby increasing Chinese international competitiveness and driving increased employment and national wealth.

Rapid urbanization will give rise to megacities in every part of the world. Currently, there are 29 megacities each having a population of 10 million or more. The growth of megacities will require a planned approach to sustainable urbanization. Major investment in infrastructure such as communications, water and sewer systems, roads and power transmission will be needed to support their large populations. Being green and smart will become important features of the sustainable and competitive city. Green cities will have energy efficient buildings, reduced waste and rely on renewable energy resources and energy efficient transportation systems. Competitive cities will make use of state-of-the-art information and communication technology to build smart transportation solutions, smart grids and other smart solutions.[20] As populations age, megacities will require new resources and approaches to the delivery of healthcare services. Driven by aging demographics and leveraging changes in technology, the healthcare field is expected to be an evolving market.

As megacities grow, the dependence on critical infrastructure also increases. The interconnectivity of these systems raises the impact of a cyberterrorism event. Cities will require protection of their critical infrastructure including communications, energy, food supply chains, government programs, healthcare, transportation and water delivery.

These protection requirements will need to also account for the potential increase in climate change impacts. These could be as slow moving as gradually rising ocean levels to the immediate impact of catastrophic environmental events like floods, tsunamis and hurricanes. Climate change is seen as having a multiplier effect on existing global issues. While refugee migration is currently driven by poverty and conflicts in the Middle East and Africa, climate change impacts could soon add millions of people to this list.[21] By 2050, environmental impacts could create 205 million climate change refugees according to the UN.[22]

16 SIPRI Fact Sheet, *Trends in World Military Expenditure*, 2015, April 2016, p.
Internet: https://www.sipri.org/sites/default/files/EMBARGO%20FS1604%20Milex%202015.pdf

17 United Nations, *World's population increasingly urban with more than half living in urban areas*, July 2014.
Internet: http://www.un.org/en/development/desa/news/population/world-urbanization-prospects-2014.html

18 Ibid.

19 Khanna, Parag, "How megacities are changing the map of the world." TED 2016, Vancouver, B.C.
Internet: http://www.ted.com/playlists/29/our_future_in_cities

20 Ibid.

21 Global Trends, 10 Trends to Watch for 2016 and Beyond, December 2015/January 2016.
Internet: www.globaltrends.com

22 Ibid.

WHAT DOES THIS MEAN FOR CCC?

As a result of increasing competition and sluggish global economic growth, the importance of CCC's services and value proposition is heightened. CCC's role helps to provide exporters with a strategic advantage in these difficult markets by providing a platform that reduces performance risk for buyers and payment risk for suppliers, provides efficient contracting practices and potentially reduces tendering costs and timelines. CCC's role also encourages parties to resolve issues when they arise.

This strategic advantage helps offset the support provided to foreign exporters by their respective governments who play an active role in promoting their commercial interests. This includes political advocacy, credit and insurance programs, financing for feasibility studies etc. CCC's participation in a whole-of-government approach to facilitating international trade for Canadian exporters brings together the important contributions of other Government of Canada stakeholders (Ministers and senior government officials, EDC, the TCS, the network of Canadian Forces Defence Attachés, and others) and helps level the playing field.

CCC's continued delivery of services to support the Canada–U.S. DPSA ensures that Canadian exporters are an integral part of the North American defence industrial base. The whole-of-government approach will further support CCC's advocacy efforts in Washington D.C. to ensure that Canada remains enshrined in American defence procurement legislation. This will continue to provide Canadian exporters with unconstrained access to U.S. DoD procurements by virtue of the DPSA. CCC will remain focused on strengthening this established working relationship to benefit Canadian exporters.

While global economic activity has been generally slow, the ASEAN5 and the 2020 Seven countries are poised to expand. CCC's plans to establish foreign representation in Asia, coupled with its South American and Middle Eastern coverage, ensures Canadian exporters with strengthened access to new markets and new opportunities that may arise.

Megatrends related to connectivity and urbanization will provide opportunities for leading edge Canadian exporters in the areas of cybersecurity, regional defence and security systems, infrastructure, clean technologies and healthcare. These two megatrends will be constant throughout the planning period, allowing for targeted business development strategies to be undertaken in collaboration with CCC's international trade portfolio partners. CCC's role as a prime contractor will continue to assist exporters by providing them with a competitive advantage in a highly competitive environment.

SECTION 3

THE CORPORATE STRATEGY

OVERVIEW

THE CANADIAN COMMERCIAL CORPORATION is Canada's international government-to-government contracting agency whose overarching strategic goal is to grow Canadian export business. To succeed in meeting this goal, CCC's corporate strategy is to increase access to foreign markets for exporters, provide efficient and effective contracting services for buyers while mitigating transactional risks for both parties where possible. This strategy is supported by three objectives that reflect the direction given by the Minister of International Trade.

The objectives include:

Focused and Collaborative Business Development	CCC's business development efforts in target markets will continue to embody a whole-of-government approach to facilitating export sales on a government-to-government basis while continuing to leverage important contributions of other Government of Canada stakeholders.
Business Diversification	CCC will seek to secure opportunities for Canadian companies across a wider and more diverse set of sectors and geographic markets. CCC's business development activities will support and align with the Government of Canada's new Trade and Investment Strategy.
Demonstrating Exemplary Corporate Social Responsibility	CCC is committed to the highest ethical standards in all business dealings at home and abroad. CCC will continue to operate in an environmentally, socially and ethically responsible manner while upholding the Corporation's public policy mandate and acting within its resources.

Succeeding at these objectives is enabled by CCC's commitment to excellence in its people, processes and systems which is evident across the Corporation. CCC has sound financial and contract management in place and upholds the principles of strong corporate social responsibility while pursuing its corporate strategy.

Objective 1

FOCUSED AND COLLABORATIVE BUSINESS DEVELOPMENT

As the Government of Canada's export contracting agency, CCC is committed to improving Canadian exporter access to international markets. CCC will continue to focus on developing and managing key relationships within Canada and abroad to help build the foundations for successful government-to-government export sales.

Promoting a Whole-of-Government Approach to International Trade

CCC's business development strategies embody a whole-of-government approach to facilitating Canadian export sales on a government-to-government basis. This strategy brings together other Government of Canada stakeholders including trade commissioners, defence attachés, Export Development Canada (EDC) and political advocacy (where and when appropriate) to focus efforts on promoting Canadian capabilities and expertise in global markets. This approach has proven to be a winning strategy in securing contracts for Canadian exporters.

In 2016, CCC and the Trade Commissioner Service (TCS) renewed a Memorandum of Understanding (MOU) to enhance coordination and collaboration between the two organizations. CCC provides the TCS with marketing tools that support trade commissioners with a view to broadening CCC's market reach with a consistent, whole-of-government approach. Every year, CCC hosts an orientation and training session for outbound Trade Commissioners that provides them with information on CCC's value proposition and the advantages of government-to-government contracting.

CCC and the TCS will continue these collaborative efforts. Cooperative marketing during this planning period will be aimed at the identification and pursuit of opportunities in priority sectors and markets. CCC will work to renew the MOU throughout the planning period.

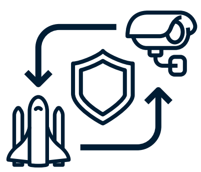
CCC also works closely with the network of Canadian Forces Defence Attachés (CFDA) that operate in Canada's diplomatic missions abroad, ensuring the Corporation is able to leverage important military-to-military relationships in specific markets of interest. CCC works with the Department of National Defence (DND) to provide necessary briefings and build awareness of CCC's role within the CFDA network, particularly at key posting times during the year. CCC will continue to provide support to the CFDA network to ensure opportunities for Canadian exporters are maximized.

CCC, EDC and the Business Development Bank of Canada (BDC) often support the same clients on select opportunities. Over the planning period, CCC will work closely with EDC and BDC to examine areas for more collaboration and seamless service provision. CCC will also approach new government partners and entities such as Sustainable Development Technologies Canada to help access new suppliers and markets.

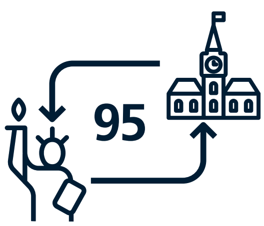
Supporting the DPSA

CCC's role as the Government of Canada's custodian of the Canada-U.S. DPSA facilitates the mutually beneficial relationship between the U.S. DoD and Canadian industry. CCC's work in this area allows for the U.S. to procure goods and services from Canada in a fair and efficient manner. CCC will continue to develop this relationship and its advocacy efforts to ensure access to this important market for Canadian defence and security exporters remains open. CCC's DPSA work traditionally facilitates between $500 million and $600 million in aerospace, defence and security exports annually to the U.S. Ninety-five Canadian companies exported through CCC to the U.S. DoD in 2015-2016, many of whom are SMEs. Entry into the U.S. market is an important first step for many SMEs. EDC reports that the U.S. is the first export market for 80% of Canadian SMEs.[23]

Maintaining the strategic importance of the Canada–U.S. defence relationship is a key priority of the Government of Canada. The DPSA is an important access point to the U.S. DoD market and a platform for Canadian companies to build their capacity to compete on a global basis. CCC will continue supporting the DPSA.



CCC's DPSA work traditionally facilitates between $500 million and $600 million in aerospace, defence and security exports annually to the U.S.



Ninety-five Canadian companies exported through CCC to the U.S. DoD in 2015–2016.

23 EDC, "*Exporter and Planning to Export*", January, 2016.

Objective
2

BUSINESS DIVERSIFICATION

While growing Canadian export business is CCC's strategic goal, growth should reflect opportunities for Canadian companies across a diverse set of sectors and markets. CCC's traditional aerospace and defence markets have provided a solid base from which to further diversify. The Corporation's planned growth will build upon its existing experience in infrastructure (e.g. airport/port development), agricultural products and equipment, water management systems, and consumer and construction products. CCC's business model is as relevant in these sectors of the economy as it has been in CCC's more traditional markets.

Under the leadership of the Vice-President, Business Diversification, CCC will prudently invest available funding in strategy development with a particular focus on generating business in new market sectors such as healthcare and clean technologies.

CCC will work closely with Global Affairs Canada to review possible funding models that could assist the Corporation to accelerate its business diversification strategy.

Supporting the new Canadian Trade and Investment Strategy

CCC's business development activities will support and align with the Government of Canada's proposed Trade and Investment Strategy. The Government's stated focus is to expand trade with large fast-growing markets, including India and China while deepening trade links with traditional partners. CCC's target market regions—the U.S., the Middle East, Latin America, India and Asia align well with these trade priorities. Over the planning period, CCC will work collaboratively with Global Affairs Canada, EDC and BDC to help Canadian companies and SMEs to gain access to public sector markets and increase international trade in line with the Government's Trade and Investment Strategy.

CCC will also work with Government of Canada stakeholders (such as Industry Canada, National Research Council, Natural Resources Canada, Environment Canada, TCS and EDC) to determine which foreign markets may be receptive to the government-to-government procurement opportunities. A more focused market identification and penetration strategy will increase Canadian exports.

CCC Foreign Representation

Establishing and maintaining trusted relationships with key foreign stakeholders and buyers is critical to CCC's success in competitive international markets. Being available and responsive to buyer requests plays a key role in establishing trust. An on-the-ground presence also helps further CCC's understanding of regional requirements. CCC's foreign representation will strengthen commercial knowledge and establish local contacts in target markets. Both elements are important for CCC to diversify its business opportunities and for Canadian exporters to succeed in penetrating foreign markets. SMEs are particularly well served by this model as their capacity to have in-country representation is limited and travel costs are often prohibitive for routine follow-up with foreign buyers while leads are being pursued.

CCC established foreign representation in Latin America and the Middle East in response to the strong success that CCC and Canadian businesses have experienced in these markets. With increasing international competition, CCC's presence can provide Canadian businesses with a strategic advantage as they seek further opportunities. Both regions have proven receptive to government-to-government contracting models as evidenced by CCC's historical sales in these markets. The Corporation also has strong local market knowledge which will enable the regional representatives to quickly focus on bringing closure to projects that are most likely to mature. By co-locating within the Canadian Embassies in Lima, Peru and Abu Dhabi, UAE, CCC is leveraging the support of other Government of Canada stakeholders in international trade to build strong relationships with foreign government buyers. CCC will continue to enhance its presence in both of these target markets by growing its pipeline of regional projects. Focus is on Asia as the next target market in which CCC plans to establish foreign representation. The Corporation expects to have a representative in place during 2017–18.

CCC will continue to examine and assess its business rationale for increasing foreign presence in other regions and countries with a view to possibly opening a fourth representative office in 2018–19.

Making More Effective Use of Market Intelligence

Timely and high-quality information, analysis and advice help exporters when entering a foreign market and may provide a strategic advantage over their competition. CCC is able to gather this important information through its relationships with its international trade portfolio partners, foreign government buyers and other exporters. Through these channels, CCC will work collaboratively to develop market opportunities for Canadian exporters.

Additionally, CCC will continue building on the strength of these portfolio relationships through leadership roles in tradeshows, conferences and trade missions to gather market intelligence on trade opportunities in specific regions. CCC will also look to widen its linkages with healthcare and clean technology experts within government and its related agencies.

Objective
3

DEMONSTRATING EXEMPLARY CORPORATE SOCIAL RESPONSIBILITY

CCC is committed to the values of integrity and honesty in all business dealings at home and abroad and supports the Government's commitment to improve Canada's leadership in this area globally. The Corporation's commitment to these values has become part of CCC's value proposition and provides both foreign buyers and Canadian exporters with comfort that business dealings are held at the highest ethical level when CCC is involved.

Combatting Bribery, Corruption and Fraud

CCC protects the integrity of its export contracts through adherence to its policies aimed at reducing the risk of contracting with unethical parties. Bribery, corruption and fraud undermine fair competition, threaten the integrity of the markets and reduce public confidence in government institutions, both in Canada and abroad. CCC's internal policies and processes align with global best practices in combatting bribery and corruption. CCC's due diligence efforts are designed to prevent entering into tainted contracts at the outset while contract management activities also help to identify ethical issues throughout the contract lifecycle. Throughout the planning period, CCC will continue to improve its integrity compliance processes and undertake regular staff training.

Aligning with Government of Canada Direction

The Government of Canada has taken significant steps to solidify its internal approach to dealing with bribery and corruption within its contracting practices. The recent release of its new Integrity Regime as administered by PSPC embodies these new requirements. CCC will ensure that its policies and practices adopt the key elements of the Integrity Regime to align CCC's uniform treatment of suppliers and its consistent application of integrity principles with that of the Government of Canada.

MEASURING SUCCESS – CCC'S SCORECARD

CCC'S PERFORMANCE SCORECARD highlights key measures that support the Corporation's specified objectives. The scorecard is routinely examined to ensure that the right mix of indicators is employed. This year, the Corporation undertook changes to some of the measures to better track performance.

The Net Employee Satisfaction Score measure has been replaced with the Employee Engagement Score. The new approach will measure the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work. CCC strives to adhere to best practices and in adopting the Employee Engagement Score, the Corporation is in line with human resource industry trends.

The other measure that was changed is the Core Administrative Expenses to Net Revenues score. This metric was impacted by movements in both revenues and expenses. The resulting score was difficult to interpret and has been replaced by an Administrative Expense to Budget measure.

Value of Contracts Signed

This measure provides the amount of international business CCC has signed with foreign buyers and Canadian exporters. The Corporation tracks the value of contracts signed by business line, region, country and exporter. This data provides an indication of the Corporation's effectiveness and allows for trend analysis of its portfolio.

Project Lead Identification

This measure represents the number of new project leads opened in CCC's Customer Relationship Management (CRM) system for the reporting period.

Net Promoter Score (NPS)

This is a measure of CCC's reputation and the likelihood that a Canadian exporter would recommend CCC's services to another company. Consistent with international benchmarks, an NPS result of 70 or greater is considered a strong result for this client feedback indicator.

Administrative Expenses to Budget

This measure tracks the Corporation's ability to control its administrative expenses and highlights both over and under spending variances.

Employee Engagement Score

This measure of the level of engagement the employee has to the organization and its goals. In 2017–18 this measure will replace the Net Employee Satisfaction Score. This performance measure is new and therefore, figures for 2015–16 and 2016–17 are not available. An employee survey will be conducted on an annual basis beginning in 2017–18 to establish its baseline and future targets.

SME Transactions

This measure represents the number of SMEs with contracts via CCC in a given period. This SME-specific measure helps CCC better understand its impact on SMEs that sell to foreign governments. The Corporation will consider enhancing this measure to include SMEs who form part of the supply chain of CCC's larger supplier base.

CCC’s Performance Scorecard: 2017–18 through 2021–22

PERFORMANCE MEASUREMENT	2015–16 ACTUAL	2016–17 PLAN	2016–17 FORECAST	2017–18 TARGET
Value of Contracts Signed	$.992B	$1.19B	$1.51B	$1.35B
Project Lead Identification	144	150	90	100
Net Promoter Score	91	>70	>70	>70
Administrative Expenses to Budget	$31.32M	$32.50M	$29.46M	$32.54M
Employee Engagement Score	**NA**	**NA**	**>75**	**>75**
SME Transactions	48	60	52	55

SECTION 4

FINANCIAL PLAN

4.1 OPERATING BUDGET, CAPITAL BUDGET AND BORROWING PLAN

This section of the Corporate Plan outlines CCC's operating budget, capital budget and borrowing plan. It also includes the Corporation's proforma financial schedules, financial objectives and five-year key planning assumptions and the Corporation's forecast for the remainder of 2016–17.

4.2 OPERATING BUDGET FOR 2017–18

The planning objectives and assumptions used to forecast the Operating Budget for 2017–18 and in subsequent years are detailed and discussed in Section 4.5 Financial Objectives as well as in Section 4.6 Five-year Key Planning Assumptions.

CCC is budgeting for an operating surplus of $11 thousand in 2017–18 with net revenues of $32.6 million.

In 2017–18, net revenues are expected to increase to $32.6 million from $26.0 million in the 2016–17 forecast, an increase of $6.6 million or 25%, with 66% of the increase related to the Armoured Brigades Program (ABP). The ICB business line (which includes the Cuba Contracting and Lottery Programs) is expected to contribute signed contracts in excess of $750.0 million in Latin America, Africa and Asia in 2016–17. A significant portion of these contracts will be delivered in 2017–18, contributing the year-over-year net revenue increase in the form of fees for service earned on the deliveries. This success is directly attributed to a growth in awareness of CCC's value proposition, made possible through the redeployment of resources in business development over the last three years.

The Corporation's appropriation will be phased out in accordance with a three-year plan which began in 2014–15. Over the course of the five-year planning period, CCC will not be operating with an appropriation. Notwithstanding the elimination of the appropriation, CCC will continue to work closely with other Government of Canada departments and agencies in managing corporate risks.

Overall administrative expenses are budgeted to increase to $32.5 million in 2017–18 from $29.5 million in 2016–17, a net increase of $3.0 million, or 11%. The net increase will result primarily from: an increase of $0.8 million related to direct expenses for the continued implementation of foreign representation; an increase of $0.6 million for additional Business Development and Sales (BD&S) resources; an increase of $0.7 million related to the increased effort and associated expenses required to manage the ABP contract; a temporary increase (offset by decreases in subsequent years) of $0.4 million for succession planning of certain key roles; and an increase of $0.4 million related to collective bargaining and the staffing to the full complement of the corporate budgeted workforce.

In 2017–18, contract remediation expenses are budgeted at $50 thousand. CCC's confidence in this low level of budgeted contract remediation expenses stems from its robust risk and contract management practices.

A more fulsome discussion follows under Section 4.5 Financial Objectives and Section 4.6 Five-year Key Planning Assumptions.

4.3 CAPITAL BUDGET FOR 2017–18 TO 2021–22

The acquisition of intangible assets in year 2017–18 to 2021–22 represent the capitalization of the investment costs to upgrade and enhance information and financial systems on an on-going annual basis. These amounts will be funded internally. The capitalized amount will be amortized over the course of five years deemed to be the useful life-span.

In addition, standard purchases of equipment, furniture and fixtures required by CCC annually, which total approximately $250,000, are included in the Corporation's Operating Budget.

A table identifying anticipated capital budget investments for CCC for the period 2017–18 to 2021–22 follows:

DESCRIPTION	2017–18	2018–19	2019-20	2020–21	2021–22
Acquisition of property and equipment – Leasehold improvements	$ –	$ –	$ –	$ –	$ –
Acquisition of intangible assets – IT investment	$ 320k	$ 250k	$ 250k	$ 250k	$ 250k
Total capital budget request	**$ 320k**	**$ 250k**	**$ 250k**	**$ 250k**	**$ 250k**

4.4 BORROWING PLAN FOR 2017–18 TO 2021–22

CCC's funding activities are governed by section 11 of the *Canadian Commercial Corporation Act* and section 127 of the *Financial Administration Act*.

Under subsection 11(1.1) of the *Canadian Commercial Corporation Act*, CCC is subject to a statutory borrowing authority constraint which limits total amount outstanding at any time at $90 million, or such greater amount as may be specified in an appropriation Act.

In accordance with subsection 127(3) of the *Financial Administration Act*, CCC requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction.

In this Corporate Plan, CCC is seeking Ministerial approval to borrow up to $40.0 million in Canadian currency or its U.S. dollar equivalent from various financial institutions.

The Corporation has working capital requirements to facilitate the DPSA and NASA programs. CCC pays Canadian exporters on a select portion of DPSA and NASA contracts within 30 days of receipt of invoices, and requires access to an operating line of credit as a prudent safeguard in the event that the U.S. DoD or NASA does not pay their invoices from CCC within the same time period. For 2017–18, the Corporation requests $40.0 million in Canadian currency or its U.S. dollar equivalent in the event that CCC needs to borrow funds in U.S. currency to avoid foreign exchange risks. Consistent with previous years, CCC is requesting up to 120 day repayment terms per invoice against which it has borrowed. The Corporation expects to borrow Canadian currency at the Canadian prime rate and U.S. currency at the U.S. prime rate.

A table identifying borrowing needs for CCC for the period 2017–18 to 2021–22 follows:

DESCRIPTION	2017–18	2018–19	2019-20	2020–21	2021–22
Short-term borrowing for DPSA and NASA (up to 120 days)	$40M	$40M	$40M	$40M	$40M
Total borrowing request	**$40M**	**$40M**	**$40M**	**$40M**	**$40M**

The impact on borrowing requirements, if any, of the new IFRS-16 – Leases coming into effect in 2019–20 is currently being assessed by the Corporation.

4.5 FINANCIAL OBJECTIVES

For CCC to achieve its overall business objectives, the following financial objectives will be pursued:

Enterprise Risk Management

The Corporation's risk management strategy recognizes and balances risk in the context of meeting corporate objectives. The Corporation's ERM framework defines the risk management process as the identification, assessment, mitigation, monitoring, communication and training of risk management issues. This framework is updated annually and submitted to the Board of Directors for approval.

The framework focuses on three broad risk categories: strategic, operational and transactional. The Corporation's risk appetite and tolerance statements provide the appropriate guidance to ensure that risks are identified and managed to remain within appropriate limits. The ERM framework also identifies risk owners and risk roles within the Corporation. Responsibility for risk management is cascaded throughout the Corporation commencing with the Board of Directors and its Audit and Operations Committees, who ensure that CCC's risk management strategy is current, effective and reviewed regularly. CCC's Management creates and maintains the Corporation's risk structures, policies and procedures. These are managed under the stewardship of the Corporation's Risk and Opportunities Committee.

RISKS ARE MANAGED UNDER THE FOLLOWING HEADINGS:

Strategic Risks

(Mandate, Organizational, Reputational, Business Environment and Financial)

The key strategic risks facing CCC continues to relate to the business environment and reputational issues.

The impacts of political change in the U.S. and the U.K.'s decision to leave the European Union remain uncertain. This coupled with continued weak economic growth and low oil and commodity prices, could affect CCC's ability to meet corporate objectives, impacting its ability to secure or engage in project work. This may bring negative attention to the Corporation.

Financial risk has increased slightly over the year reflecting the Corporation's heightened reliance on the timing and generation of fees. With the elimination of the Corporation's appropriation in 2017-18, slippage in fee generation could have significant bottom line impacts. While these will average out in the longer-term, short-term fluctuations in net profit could occur.

Mandate and Organizational risks also remain low as the Corporation's services meet its defined mandate while the organizational structure supports the Corporation's long-term goals. A strengthened approach to business development via the establishment of foreign offices further ensures that the Corporation will be able to meet its mandate in assisting Canadian suppliers. No significant changes in these two risk areas are expected during the planning period.

Operational Risks

(Information Management, Information Systems, People, Policies and Processes and Business Continuity Planning)

The Corporation is highly focused on how it manages and secures its information. New monitoring and reporting frameworks are being implemented around cyber security. During the planning period, an information management improvement team will implement a number of process improvements including the launch of a new electronic document and records management system.

Initiatives that support the Corporation's management of Operational risk during the upcoming planning period include the negotiation of a new labour agreement, business continuity plan testing and improving the integration of security practices related to the Corporation's assets, information and people.

Transactional Risks

(Supplier Performance, Foreign Environment, Contract, Foreign Exchange, Fraud, Corporate Social Responsibility)

Foreign exchange risk continues to remain elevated due to the possibility of currency volatility. Over the past year, the CAD$ has seen significant swings and has remained weak especially compared to the U.S. dollar.

In this uncertain economic environment, foreign exchange trends could reverse quickly. A strengthening CAD$ will impact the Corporation's revenues and value of contracts signed. Management minimizes foreign exchange risk by maintaining negligible USD cash balances for operational purposes.

Foreign environment risk remains low as the Corporation's only credit risk relates to its accounts receivables due from the US federal government. As the U.S. federal government maintains a AAA credit risk, it is deemed to be a risk free creditor.

The Corporation's Integrity Compliance Committee undertakes initiatives that strengthen CCC's anti-bribery and corruption practices. The Committee will continue its work in these areas during the planning period.

Due diligence with respect to Supplier capabilities continues to be strong. The performance risk related to the portfolio of Suppliers remains low as there are no outstanding claims against the Corporation for failed Supplier performance. During the planning period, due diligence efforts will continue to evolve to assist the Corporation assess risk related to new opportunities.

Growing Commercial Trading Transactions and Fees for Service

Commercial trading transactions reflect the deliveries and work performed by Canadian exporters contracted by CCC. The Corporation will continue making prudent investments in business development in order to develop a robust pipeline of business opportunities linked to growth in commercial trading transactions and fees for service in future years. This business objective is paramount given the decision to reduce CCC's Parliamentary appropriation to nil in 2017–18.

In CCC's Statement of Priorities and Accountabilities (SPA) for 2017–18, the Minister of International Trade recognized the important role CCC can play in supporting the Government of Canada's progressive trade agenda. The Minister further requested that CCC undertake a third party review of CCC's financial model in order to seek options that would help support CCC's goal of business diversification while providing additional assistance to Canadian exporters. The Corporate Plan 2017–18 reflects enhancing business development efforts to achieve this goal. It includes the estimated financial implications of establishing foreign representation in a total of four markets and the planned results of business diversification. Detailed assumptions are included in Section 4.6 Five-year Key Planning Assumptions.

CCC's five-year business development strategy utilizes a whole-of-government approach that leverages the important contribution of defence attachés, trade commissioners and political advocacy when appropriate to secure business. These business development efforts are aligned with the Government's international trade priorities.

In defence markets, CCC will focus efforts to increase access for Canadian exporters to the U.S. DoD and NASA markets under the DPSA (where fees are not charged), and to identify new clients and markets that would benefit from the Corporation's services. Engaging new exporters and foreign customers will expand the Corporation's client base and afford opportunities for revenue growth while maintaining focus on the U.S. DoD and NASA markets despite ongoing defence budget reductions. CCC will work with its base of exporters in global defence and security markets, including export-ready SMEs, leveraging Canadian and U.S. defence and security related procurements to open new markets with allied and like-minded nations.

In emerging and developing markets, CCC will support Canadian exporters in infrastructure and commercial products and services, and increase access to complex and difficult markets by offering a more fulsome solution, inclusive of links to financing relationships, contract structuring, contract management, quality assurance and operational knowledge transfer.

Capital Requirements

The Corporation determines its required capital by assessing the operational and performance risk of its individual business and service lines.

The Corporation's equity base was reduced to $12.5 million after a payment of equity was made to the Government of Canada on March 31, 2014. Since then, the Corporation's equity base has grown to $28.7 million. The Corporation uses a Capital Allocation Model to determine minimum levels of equity required to backstop the risks the Corporation faces in its day-to-day activities. During the planning period, the Corporation expects this amount to rise from $14.0 million to approximately $15.0 million. These amounts could change subject to the level of confidence used in the analysis as directed by CCC's Board of Directors.

The Corporation's equity base is expected to grow through the Corporate Plan period from $28.7 million at the beginning of 2016–17 to $46.7 million by the end of 2021–22. CCC will continue to strengthen its financial position by growing its equity base through prudent investment strategies, including, but not limited to: reviewing its alignment of resources, management structure and future activities to identify specific initiatives or measures that could be undertaken to ensure continuous cost containment; keeping contract remediation costs at a minimum and exploring ways to utilize CCC's equity to support innovation.

Cost Efficiency Initiatives

CCC has implemented cost efficiency initiatives to ensure services are delivered to Canadians with the best value. In assessing potential savings, CCC has focused on achieving efficiencies from its operations, as well as reviewing business processes and service platforms.

Specifically:

- CCC will continue to assess staff levels and achieve related cost efficiencies where possible by continuously reviewing and improving its alignment between the Corporation's resources and operational activities.
- Combining cost management and cost avoidance objectives, CCC continues to insource certain services historically provided by PSPC. The implications of achieving these objectives have been twofold. First, the annual amount paid directly to PSPC decreased from $4.4 million in 2011–12 to a forecast $2.7 million in 2016–17. However this cost is forecast at $2.7 million in 2017–18 and onward; and secondly, CCC's DPSA Business Process Improvement Initiative resulted in the avoidance of several additional millions of dollars of expenses over the same period (for example, PSPC's cost recovery methodology had estimated future costs of their services to increase from $6.2 million, starting in 2011–12; assuming a modest inflation of rate 1% this amount would have increased to $6.5 million in 2017–18).
- CCC has established a shared services arrangement with PPP Canada to generate economies of scale in providing a variety of corporate services to both organizations. CCC currently recovers $650,000 annually to cover related direct and indirect costs.
- In this Corporate Plan, CCC will budget general corporate travel (not specifically related to business development/contract management), hospitality and conference expenses in line with 2016–17 levels.

CCC will continue to develop and implement cost efficiencies to ensure they remain in step with increases in fee-based revenues, consistent with the Corporation's cost containment philosophy. This commitment has guided the manner in which CCC has responded to the challenges of the past year and signifies ongoing efforts to position CCC for future success and growth.

4.6 FIVE-YEAR KEY PLANNING ASSUMPTIONS

The Corporation has made the following five-year planning assumptions in projecting the major components of its operating budget.

The single most significant planning assumption used in the development of the five-year Corporate Plan is the establishment of foreign representation in select markets. The initial plan called for the establishment of representation in two markets by the end of 2015–16 as proofs of concept, with plans to expand into two additional markets (for a total of four) by the end of 2017–18. Representation was established in South America in 2015–16; Middle East in 2016–17; expansion into Asia is planned for 2017–18, with a possible fourth option to be explored in 2018–19.

The contribution of these regional efforts to the value of contracts signed, commercial trading transactions and fees for service are based on the following assumptions:

- New projects are not signed and effective until two years after representation is established;
- An established representative contributes $40.0 million of GDS VCS per year;
- An established representative contributes $60.0 million of ICB VCS per year.

Value of Contracts Signed (VCS)

- **ICB** – Based on the Corporation's current pipeline of leads and potential projects along with the establishment of foreign representation and business diversification, CCC is expecting its value of contracts signed to grow from $535.0 million in 2017–18 to $808.9 million in

2021–22. Quality leads have been developed in a number of target regions. In regards to lottery system management projects, the value of contracts signed are recorded at 100% of the value of lottery sales made during the course of the year and are forecast at approximately $200.0 million annually throughout the five-year planning cycle based on current levels. In regards to the Cuba contracting program, the value of contracts signed are forecast at $65.0 million annually throughout the five-year planning cycle based on recent trends which are 30% higher than traditional core activity of $50.0 million. However, this program may be capped due to risk related financial restrictions. In 2021–22, of the total $808.9 million in value of contracts signed, $240.0 million is attributable to leads generated through the establishment of foreign representation.

- **GDS** – This business line includes sales made under CCC's DPSA program to the U.S. DoD and NASA, as well as global sales activity with other international governments. Contributions to the value of contracts signed by each program within the GDS business line are forecast as follows:
    - **DPSA** – The value of contracts signed in CCC's DPSA program which includes major light armoured vehicle (LAV) projects, is planned at greater than traditional DPSA core activity of $550.0 million annually. The $550.0 million amounts were prevalent before the extraordinary LAV sales to foreign governments through the U.S. DoD FMS, which commenced in 2001–02. Given the direction of the new U.S. administration to grow defence spending despite consumer protectionism, it is anticipated that the procurement components of defence spending in the U.S. will remain consistent with trends of the last couple of years. CCC is planning for the value of contracts signed to grow from $600.0 million in 2017–18 to 2019–20 annually to $650.0 million in 2020–21 to 2021–22 annually.
    - **GLOBAL** – Based on the Corporation's current pipeline of leads and potential projects along with the establishment of foreign representation, CCC expects its value of contracts signed to grow from $205.0 million in 2017–18 to $390.7 million in 2021–22. Quality leads have been developed in a number of target regions. In 2021–22 of the total $390.7 million in value of contracts signed, $160.0 million is attributable to leads generated through the establishment of foreign representation.
- **SOURCING SERVICES** – In 2007, CCC signed an MOU with Global Affairs Canada to deliver goods and services for international programs and assist the Department in meeting its global stabilization and reconstruction priorities. This activity is dependent exclusively upon Global Affairs Canada and other Government of Canada requirements. A large majority of the forecast activity based on the Corporation's involvement with Global Affairs Canada's Global Partnership Program, *Anti-Crime Capacity Building Program*, Global Peace and Security Fund and the Counter-Terrorism Capacity Building Program. CCC is planning for its value of contracts signed to remain constant and stable throughout the five-year planning cycle at $10.0 million per year. Generally, these transactions tend to be smaller in value and scope.

Commercial Trading Transactions (CTTs)

Commercial trading transactions measure the value of delivery of a good or service or the progress of work once a contract is signed and becomes effective. Fees for service are earned as deliveries are made or as work is performed. Assumptions are made to estimate the timing of deliveries and the work performed are important considerations in building the CTT forecast. Several factors are considered when determining the average rate of completion of all contracts signed in a given year. Factors such as the duration of the contract, the number of specific deliverables or milestones and at what point in time during the year the contract is signed and effective. All of these factors are weighed by business line to determine an average rate to apply to the forecasted value of contracts signed value.

Based on an analysis of historical delivery and work completion trends, the following assumptions have been applied to the forecasted value of contracts signed to derive commercial trading transactions and fees for service, where applicable:

- **ICB** – For most infrastructure projects, once a contract is signed and effective, on average 20% of contractual obligations are completed in the first year, 40% in the second year, 35% in the third year and 5% in the fourth year. The Corporation has signed lottery system management projects in Nicaragua and Honduras which continue to contribute to the value of contracts signed, commercial trading transactions and fees for service for the foreseeable future. Commercial trading transactions are recorded at 100% of the value of lottery sales made during the course of the year and are forecast at approximately $200.0 million annually throughout the five-year planning cycle based on current levels. For contracts the Corporation has with Cuba, once signed and effective, on average 80% of contractual obligations are completed in the first year and 20% in the second year. ICB commercial trading transactions are expected to grow from $486.8 million in 2017–18 to $769.5 million in 2021–22. In 2021–22, of the total $769.5 million in commercial trading transactions, $211.5 million or 27% is estimated to be attributable to leads generated through the establishment of foreign representation, an average of $52.8 million per market.

- **GDS** – Contributions to commercial trading transactions by the two programs within this business line are forecast as follows:
  - › **DPSA** – Once a contract is signed and effective, on average 30% of contractual obligations (primarily deliveries) are completed in the first year or the year in which the contract is signed and effective, 55% in the second year and 15% in the third year. DPSA commercial trading transactions are expected to average $653.6 million annually through the five-year planning cycle.
  - › **GLOBAL** – Generally, once a contract is signed and effective, on average 25% of contractual obligations are completed in the first year, 40% in the second year and 35% in the third year. GDS commercial trading transactions excluding ABP are expected to grow from $76.7 million in 2017–18 to $369.4 million in 2021–22. By 2021–22, $146.0 million or 40% of the estimated $369.4 million in GDS commercial trading transactions is attributable to leads generated through the establishment of foreign representation and brought to contract through the CCC Business Development team, an average of $36.5 million per market.
- **SOURCING SERVICES** – Once a contract is signed and effective, on average 80% of contractual obligations are completed in the first year and 20% in the second year. Sourcing Services commercial trading transactions are expected to return to traditional levels in the middle to latter parts of the five-year planning cycle of approximating $10.0 million annually, after an increase to $19.3 million in 2017–18 resulting from specific initiative in collaboration with the National Research Council.

Fees for Service

- **ICB** – Fees are established based on CCC's pricing model which includes consideration for a variety of risk factors. Fees are recognized as revenue when goods and services are delivered. ICB transactions include fixed fees for the annual contract management of the lottery systems program; contract management and administration fees applied to approximately $65 million of deliveries under contracts with Cuba; and an average fee rate applied on all other ICB activity, including infrastructure projects. ICB fees are expected to grow from $9.0 million in 2017–18 to $16.4 million in 2021–22. By 2021–22, CCC estimates that approximately 35% ($5.8 million of the total forecasted $16.4 million) of ICB fees will be attributable to leads generated by established foreign representatives and an average of $1.5 million per market.
- **GDS** – Contributions to fees for service by the two programs within this business line are forecast as follows:
  - › **DPSA** – CCC does not receive fees for service for this business. This business has historically been fully funded by an annual Parliamentary appropriation which will be fully phased-out beginning in 2017–18.
  - › **GLOBAL** – Commensurate with the expected growth in commercial trading transactions, fees for service are expected to grow proportionally. Fees are established based on CCC's pricing model which includes consideration for a variety of risk factors. Fees are recognized as revenue by applying a fee rate (negotiated and specific to each contract) to the value of the recorded commercial trading transactions, as goods and services are delivered or progress work is performed. For forecast purposes, an average fee rate is applied to the Corporation's expected GDS commercial trading transactions over the five-year planning period. GDS fees excluding ABP are expected to grow from $1.6 million in 2017–18 to $8.3 million in 2021–22. By 2021–22, CCC estimates that approximately 40% ($3.3 million of the forecasted total $8.3 million) of GDS fees will be attributable to leads generated by established foreign representatives, an average of $0.8 million per market.
- **SOURCING SERVICES** – For the last several years CCC has charged a fixed fee of approximately $0.5 million annually and an average variable fee

of 2% on all projects depending on the size of the project. These fees offset a portion of direct and indirect CCC administration costs related to the level of effort to manage the Global Affairs Canada requirements. These rates are negotiated on an annual basis and are subject to fluctuations in international assistance obligations. As a result, CCC has conservatively capped fees for this Global Affairs Canada program at $1.1 million per year for the duration of this Plan. Over the planning period, CCC will assess the sustainability of this service and, in the interest of efficiency, may make changes to how services are delivered. CCC also participates in sourcing activities with other government departments as required. Given the adhoc nature of these requirements no impact is included in the Plan beyond 2018–19.

- **OTHER GOVERNMENT SERVICES** – In recognition of the expansive growth rate of China's second-tier cities, the Government of Canada requested CCC to assist Global Affairs Canada in the establishment and management of Canadian Trade Offices in China. Since 2009, the Corporation has been supporting the management of offices in Chengdu, Nanjing, Shenyang, Shenzhen, Qingdao and Wuhan with operational support from the Embassy in Beijing. During 2014–15, the network was further expanded with the addition of four new offices in Hangzhou, Tianjin, Xiamen and Xi'an. As agreed under the MOU between CCC and Global Affairs Canada, the Corporation will receive approximately $3.0 million annually to cover the direct costs of regionally employed personnel, rent, travel and other related costs as well as the direct and indirect costs of CCC's staff to administer the China Trade offices from its headquarters. On this basis, approximately $3.0 million in fees is forecast in 2017–18. CCC fees for administering the offices are expected to be adjusted annually by the greater of (a) the consumer price index (CPI) for the previous year or (b) the economic and incremental pay increases for CCC employees as set out in the CCC/PIPSC collective bargaining agreement on CCC's Administrative Support Costs.
- **OTHER GOVERNMENT SERVICES** – With the ongoing focus on cost containment and the search for improved efficiencies, the Corporation will continue its agreement for shared services with PPP Canada for back office support in information technology, human resources management, and other corporate services. Although CCC and PPP Canada review and agree to MOU terms and related fee amounts on an annual basis, for purposes of the Corporate Plan, CCC is forecasting $650,000 per year.

Other Income

Other income is comprised of fees earned for providing discounted early payments under the DPSA, payment wiring to Canadian exporters and other miscellaneous amounts. The higher trending of discount early payment activity compared to previous years has been forecast for 2017–18. However, revenue due to miscellaneous recoveries stemming from the reconciliation and close out legacy contracts are not expected to reoccur in 2017-18. Accordingly, other income is budgeted at $400 thousand annually.

Interest Income

Interest is earned on excess cash flows generated from daily business transactions.

Actual interest rates earned on corporate balances are subject to the current banking agreement with the Bank of Nova Scotia. CCC may make certain conservative investments but will only invest in cases where the investment rate exceeds rates earned in accordance with its banking agreements.

After a review of related publications the consensus indicates a small growth in interest rates throughout the five-year planning cycle. Based on this consensus and for purposes of the Corporate Plan: (1) An average yield rate of 1.0% annually was used throughout the five-year planning cycle for investments in Canadian dollars, and (2) An average yield rate of 1.5% in 2017–18 and 2.0% in 2018–19 and on for investments in U.S. dollars.

Gain (loss) on Foreign Exchange

No gains or losses on foreign exchange are budgeted although the Canadian dollar is expected to strengthen slightly in comparison to its U.S. dollar counterpart over the five-year planning period. The Corporation's contracts with foreign buyers are matched to offsetting contracts with Canadian exporters. CCC's contracts require receipts and payments to be made in the same currency. As a result, CCC has a natural hedge against foreign exchange gains or losses that would otherwise impact the net results of operations and comprehensive income. Unhedged foreign exchange balances are monitored and kept at negligible levels. As of October 31, 2016, the Corporation's unhedged U.S. currency balance of $976 thousand represents less than 0.1% of its U.S. denominated assets.

Parliamentary Appropriation

The Corporation's appropriation has been gradually phased out in accordance with the three-year directed plan that commenced in 2014–15. Over the course of the planning period, CCC's appropriation reduced from $8.9 million in 2015–16 to $3.5 million in 2016–17 and zero in from 2017–18 forward. On the direction of the Minster of International Trade, CCC has undertaken a third-party review of its financial model to seek alternatives that would assist the Corporation in meeting its goal to diversify its services to new sectors and markets. CCC will explore funding alternatives with Global Affairs Canada.

Contract Remediation Expenses

Contract remediation expenses are budgeted at approximately $50 thousand annually from 2017–18 to 2021–22. The amounts approximately represent the average of associated costs incurred over the last three years. The Corporation has achieved exceptional results over the last several years which include the reversal of earlier provisions.

For purposes of the Corporate Plan, contract remediation expenses are assumed to be entirely paid out in the year they are incurred, therefore, there are no provision balances on the Statement of Financial Position.

Administrative Expenses

Administrative expenses are forecast to increase over the five-year period of the Corporate Plan, from $32.5 million in 2017–18 to $35.6 million in 2021–22, an average increase of $770 thousand or 2% per year.

Administrative expenses are categorized as core and incremental. Incremental expenses are expenses that must be incurred to manage or facilitate certain extraordinary programs or initiatives. These may be one-time in nature depending on the initiative generating the expense. Specific nuances and distinctions include: (1) China headquarters staff and related expenses are categorized as "core" and China Regional Offices staff, rent and related expenses for operation of the ten offices are categorized as "incremental"; (2) additional ABP expenses over and above the current complement of employees that is required to contract manage this unique program are categorized as "incremental." Expenses related to executives and staffs (included in the current complement of employees) are categorized as "core" given their other corporate roles and responsibilities. However, specific resources hired to manage the ABP contract are categorized as "incremental"; and (3) one-time expenses required to facilitate the move to the new premises commenced in 2014–15 through to 2016–17 are categorized as "incremental."

A detailed breakdown of expenses depicting the year-over-year impacts of the specific initiatives is presented in Annex III.

Core Administrative Expenses

Specific initiatives have been detailed under the Financial Objectives Section 4.5 Cost Efficiency Initiatives.

As discussed previously, the Plan outlines the establishment of foreign representation in two markets by the end of 2016–17, and in two additional markets (for a total of four) by the end of 2018–19. Annual expenses are estimated at an average of approximately $650,000 per representative location by 2021–22 required to cover expenses for salaries, benefits, Foreign Service Allowances, rent and maintenance for staff quarters, travel and other related expenses including a locally engaged staff. In addition, a one-time fit-up expense of $100,000 per representative location is included in the first year representation is established, which includes renovations required to staff quarters and related relocation costs.

Core administrative expenses (that include the foreign representative offices) are forecast to increase from $28.4 million in 2017–18 to $30.6 million in 2021–22, an increase of $2.2 million over the four-year period. Of the overall $2.2 million increase, $1.4 million or 64% is due to the establishment of foreign representation in four select markets and investments in business development to accomplish the Corporation's stated goals related to business diversification.

Incremental Administrative Expenses

Incremental administrative expense increases related to the ABP contract and China trade offices are covered by the revenues from these programs.

Related to ABP contract signed in 2014–15, forecast expenses include direct and indirect salaries for the staffing of dedicated contract management personnel at CCC headquarters, the supplier's manufacturing plant in Canada and the international buyer's facilities abroad, travel, living and other related costs over the life of the contract. Related incremental expenses are forecast to increase from $1.3 million in 2017–18 to $2.0 million in 2021–22.

Since 2009, as directed by the Government of Canada, CCC has established and administered, on behalf of Global Affairs Canada, trade offices in Shenzhen, Chengdu, Qingdao, Wuhan, Nanjing and Shenyang with operational support from the Embassy in Beijing. During 2014–15, the China Trade Offices were expanded to include an additional four offices in Hangzhou, Tianjin, Xiamen and Xi'an. Global Affairs Canada pays a total annual amount to CCC for the direct cost of operating the ten regional offices in China for CCC headquarters staff to facilitate and manage the operation of the trade office network. The cost of operating the ten regional offices, including the cost of regionally employed personnel, rent, travel, regional taxes and other related costs, will total $2.8 million in 2017–18. Direct expenses will increase by 5% related to anticipated growth in salaries and benefits throughout the Corporate Plan period.

4.7 FORECAST FOR 2016–17

The Corporation is forecasting a surplus of $88 thousand for 2016–17, $8 thousand higher than the budgeted surplus of $80 thousand.

Net revenues from fees for service, interest income on cash balances and other sources are forecasted to be $26.0 million, 13% lower than the budgeted net revenues of $29.8 million, resulting in an unfavourable variance of $3.8 million. The following factors contribute to the result:

1. Fees for service are forecast to be $4.2 million lower than budget. Fees for service are earned on deliveries and work performed which are recorded. An unfavourable variance is forecast as fees for services are commensurate with commercial trading transactions. An unfavourable variance is forecast due to delayed contract signings and deliveries. Due to the Government-to-Government nature of CCC's business, many variables impact the Corporation's ability to sign contracts and CCC adeptly partners with Canadian suppliers to manage these variables in the interest of generating exports.
2. Finance income is forecast to be $435 thousand, on budget.
3. Other income is forecast to be $728 thousand, $428 thousand over budget. A favourable variance is forecast due to increased income from discounted early payment activity and miscellaneous long standing net legacy balances which were taken into revenue upon final contract reconciliation.
4. CCC is not expecting to realize a foreign exchange translation gain or loss based on currency projections and low cash balances kept on exposed funds. Gains or losses on foreign exchange are not budgeted.

Expenses will be $29.5 million, $3.8 million or 11% lower than the budget of $33.3 million as follows:

1. Administrative expenses including services provided by PSPC and amortization expenses are forecasted to be $29.5 million, $3.0 million or 9% lower than budget. A favourable variance is forecast resulting primarily from (1) savings realized through efficiencies related to the China Offices Program; (2) expenses that have not occurred to date due to delays encountered in the establishment of foreign representative offices; (3) expenses that have not occurred to date as originally planned related to managing the ABP contract; and (4) savings realized due to numerous staff vacancies at various times during the year.
2. CCC is not expecting to record any contract remediation expenses. The favourable forecast variance reflects the Corporation's robust risk and contract management practices and ERM framework.

The Corporation's approved annual Parliamentary appropriation of $3.5 million will be consistent with the approved 2016–17 Corporate Plan.

4.8 FINANCIAL SCHEDULES

SCHEDULE A – STATEMENT OF FINANCIAL POSITION

	ACTUAL 2015–2016	FORECAST 2016–2017	CORPORATE PLAN 2017–2018 TO 2021–2022 ($000's)				
			2017–2018	2018–2019	2019–2020	2020–2021	2021–2022
ASSETS							
CURRENT ASSETS							
Cash	$ 85,670	$ 96,603	$ 89,218	$ 88,748	$ 84,503	$ 90,487	$ 97,102
Trade receivables	130,779	221,446	276,787	289,239	237,330	283,104	266,930
Advances to Canadian exporters	473,609	119,472	95,971	196,732	238,214	262,398	288,373
Progress payments to Canadian exporters	3,122,080	4,610,960	3,863,117	3,546,216	2,688,726	1,464,606	435,269
	3,812,138	5,048,480	4,325,093	4,120,936	3,248,772	2,100,596	1,087,674
NON-CURRENT ASSETS							
Property and equipment	3,630	3,443	3,353	3,180	2,957	2,686	2,558
TOTAL ASSETS	**$ 3,815,768**	**$ 5,051,923**	**$ 4,328,446**	**$ 4,124,116**	**$ 3,251,729**	**$ 2,103,280**	**$ 1,090,232**
LIABILITIES							
CURRENT LIABILITIES							
Trade payables and accrued liabilities	$ 162,722	$ 236,166	$ 290,822	$ 303,792	$ 250,625	$ 295,916	$ 280,315
Advances from foreign customers	497,597	170,402	140,293	235,928	273,214	297,398	323,373
Progress payments from foreign customers	3,122,080	4,610,960	3,863,117	3,546,216	2,688,726	1,464,606	435,269
Employee benefits	243	255	268	281	295	310	326
	3,782,642	5,017,783	4,294,499	4,086,218	3,212,860	2,058,230	1,039,283
NON-CURRENT LIABILITIES							
Deferred lease incentives	2,690	3,563	3,303	3,043	2,783	2,523	2,263
Employee benefits	1,767	1,820	1,875	1,903	1,922	1,941	1,960
TOTAL LIABILITIES	**3,787,099**	**5,023,166**	**4,299,677**	**4,091,164**	**3,217,565**	**2,062,694**	**1,043,506**
SHAREHOLDERS' EQUITY							
Contributed surplus	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Retained earnings	18,669	18,757	18,769	22,952	24,163	30,586	36,725
TOTAL EQUITY	**28,669**	**28,757**	**28,769**	**32,952**	**34,163**	**40,586**	**46,725**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 3,815,768**	**$ 5,051,923**	**$ 4,328,446**	**$ 4,124,116**	**$ 3,251,729**	**$ 2,103,280**	**$ 1,090,232**

SCHEDULE B – STATEMENT OF COMPREHENSIVE INCOME AND CHANGES IN EQUITY

	ACTUAL 2015–2016	FORECAST 2016–2017	CORPORATE PLAN 2017–2018 TO 2021–2022 ($000's)				
			2017–2018	2018–2019	2019–2020	2020–2021	2021–2022
VALUE OF CONTRACTS SIGNED	**$ 991,897**	**$ 1,514,195**	**$ 1,350,000**	**$ 1,514,250**	**$ 1,678,928**	**$ 1,844,045**	**$ 1,859,617**
REVENUES							
Commercial trading and sourcing services transactions	$ 2,871,991	$ 2,657,346	$ 3,321,448	$ 3,470,870	$ 2,847,956	$ 3,397,246	$ 3,203,158
Less: Cost of commercial trading and sourcing services transactions	(2,871,991)	(2,657,346)	(3,321,448)	(3,470,870)	(2,847,956)	(3,397,246)	(3,203,158)
Fees for service	28,565	24,874	31,626	38,030	35,340	40,887	40,717
Other income	786	728	400	400	400	400	400
Finance income, net	354	435	574	639	639	661	722
Gain (loss) on foreign exchange	985	–	–	–	–	–	–
Net Revenues	**30,690**	**26,036**	**32,600**	**39,069**	**36,379**	**41,948**	**41,839**
EXPENSES							
ADMINISTRATIVE EXPENSES:							
Operating expenses	24,505	$25,164	$28,027	$30,204	$30,363	$30,564	$30,768
Lease expenses	1,722	1,219	1,227	1,240	1,253	1,267	1,303
Lease termination/ moving expenses	1,765	–	–	–	–	–	–
China office program expenses	2,617	$2,591	2,791	2,882	2,957	3,037	3,120
Amortization expense	484	417	410	423	473	521	378
Other	222	67	84	88	72	86	81
	31,315	29,458	32,538	34,836	35,118	35,475	35,649
Contract remediation expenses	192	–	50	50	50	50	50
Expenses	31,507	29,458	32,588	34,886	35,168	35,525	35,699
Net results of operations before Parliamentary appropriation	(817)	(3,422)	11	4,183	1,211	6,423	6,139
Parliamentary appropriation	8,880	3,510	–	–	–	–	–
Net profit (loss)	**$ 8,063**	**$ 88**	**$ 11**	**$ 4,183**	**$ 1,211**	**$ 6,423**	**$ 6,139**
Actuarial loss on employee benefits obligation	**(95)**	–	–	–	–	–	–
Total comprehensive income	**7,968**	**88**	**11**	**4,183**	**1,211**	**6,423**	**6,138**
Equity at beginning of the year	20,701	28,669	28,756	28,768	32,951	34,163	40,586
Equity at year end	28,669	28,756	28,768	32,951	34,163	40,586	46,726
Transfer to the Receiver General for Canada	–	–	–	–	–	–	–
Equity at year end	**$ 28,669**	**$ 28,756**	**$ 28,768**	**$ 32,951**	**$ 34,163**	**$ 40,586**	**$ 46,726**

SCHEDULE C — STATEMENT OF CASH FLOW

	ACTUAL 2015–2016	FORECAST 2016–2017	CORPORATE PLAN 2017–2018 TO 2021–2022 ($000's)				
			2017–2018	2018–2019	2019–2020	2020–2021	2021–2022
OPERATING ACTIVITIES							
Net profit	$ 8,063	$ 88	$ 11	$ 4,183	$ 1,211	$ 6,423	$ 6,139
ADJUSTMENTS TO DETERMINE NET CASH FROM (USED IN) OPERATING ACTIVITIES:							
Depreciation	484	417	410	423	473	521	378
Employee benefit expense	13	65	67	42	33	34	35
Employee benefit payments	(155)	–	–	–	–	–	–
Gain on foreign exchange	(210)	210	–	–	–	–	–
Deferred lease incentives	611	723	(260)	(260)	(260)	(260)	(260)
CHANGE IN WORKING CAPITAL:							
Decrease (increase) in trade and other receivables	36,614	(90,667)	(55,342)	(12,451)	51,909	(45,775)	16,174
Decrease (increase) in advances to Canadian exporters	713,675	354,137	23,501	(100,762)	(41,481)	(24,184)	(25,975)
Decrease (increase) in progress payments to Canadian exporters	(1,483,183)	(1,488,880)	747,843	316,900	857,491	1,224,120	1,029,336
Increase (decrease) in trade payables and accrued liabilities	(9,065)	73,444	54,655	12,970	(53,166)	45,291	(15,601)
Increase (decrease) in advances from foreign customers	(727,912)	(327,195)	(30,109)	95,636	37,285	24,184	25,975
Increase (decrease) in progress payments from foreign customers	1,483,183	1,488,880	(747,843)	(316,900)	(857,491)	(1,224,120)	(1,029,336)
Cash provided by (used in) operating activities	22,118	11,223	(7,065)	(220)	(3,995)	6,234	6,865
INVESTING ACTIVITIES							
Acquisition of property and equipment	(1,272)	(80)	(320)	(250)	(250)	(250)	(250)
Cash used in investing activities	(1,272)	(80)	(320)	(250)	(250)	(250)	(250)
Effect of exchange rate changes on cash	210	(210)	–	–	–	–	–
Net increase (decrease) in cash	21,056	10,933	(7,385)	(470)	(4,245)	5,984	6,615
Cash at the beginning of period	64,614	85,670	96,603	89,218	88,748	84,503	90,486
Cash at the end of the period	$ 85,670	$ 96,603	$ 89,218	$ 88,748	$ 84,503	$ 90,486	$ 97,102

SCHEDULE D — VARIANCE ANAYLSIS, FORECAST COMPARED TO OPERATING BUDGET FOR THE YEAR ENDING MARCH 31, 2017

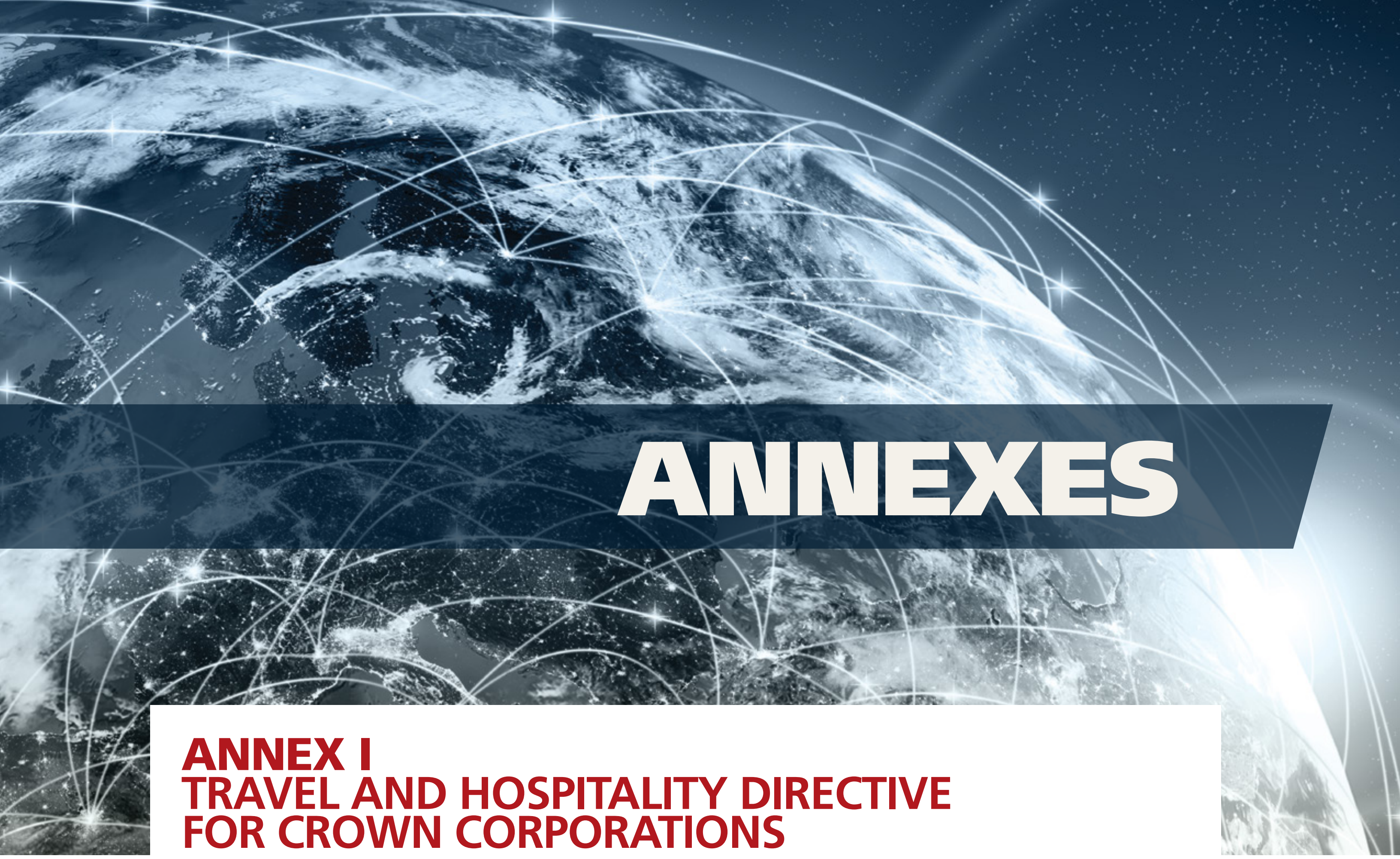
CANADIAN COMMERCIAL CORPORATION ($000's)

	2016–2017			EXPLANATIONS
	FORECAST	BUDGET	VARIANCE	
REVENUES				
Commercial trading and sourcing services transactions	$ 2,657,346	$ 2,983,818	$ (326,472)	An unfavourable variance is forecast due to contract signing and delivery delays encountered. Due to the Government-to-Government nature of CCC's business, many variables impact the Corporation's ability to sign contracts and CCC adeptly partners with Canadian suppliers to manage these variables in the interest of generating exports.
Less: Cost of commercial trading and sourcing services transactions	(2,657,346)	(2,983,818)	326,472	Corresponds to commercial trading and acquisition services transactions due to the "back-to-back" nature of CCC's contracts.
Fees for service	24,874	29,085	(4,212)	Fees for service are earned on deliveries and work performed which are recorded. An unfavourable variance is forecast as fees for services are commensurate with commercial trading transactions discussed above.
Other income	728	300	428	Other income is comprised of fees earned for providing discounted early payment and payment wiring to Canadian exporters, and other miscellaneous amounts. A favourable variance is forecast due to greater discounted early payment activity and miscellaneous long standing legacy balances which were taken into revenue upon final contract reconciliation.
Finance income, net	435	435	(0)	Finance income earned on the Corporation's cash balances are forecast to be on budget.
Gain (loss) on foreign exchange	–	–	–	CCC is not expecting to realize a foreign exchange translation gain due to the Canadian dollar weakening compared to its US dollar counterpart over the course of the fiscal year. Gains or losses on foreign exchange are not budgeted.
Net revenues	**26,036**	**29,820**	**(3,784)**	
EXPENSES				
Administrative expenses	29,458	32,504	3,046	A favourable variance is forecast resulting primarily from (1) savings realized through efficiencies related to the China Offices Program; (2) expenses that have not occurred to date as originally planned due to delays encountered in the establishment of foreign representative offices; (3) expenses that have not occurred to date as originally planned related to managing the ABP contract; and (4) savings realized due to numerous staff vacancies at various times during the year.
Contract remediation expenses	–	746	746	CCC is not expecting to record any contract remediation expenses. The favourable forecast variance reflects the Corporation's robust risk and contract management practices and ERM framework.
Total expenses	**29,458**	**32,504**	**3,792**	
Net results of operations before Parliamentary appropriation	(3,422)	(3,430)	8	
Parliamentary appropriation	3,510	3,510	–	
Total comprehensive income	**$ 88**	**$ 80**	**$ 8**	

SCHEDULE E — VARIANCE ANALYSIS, 2017–18 PROPOSED BUDGET COMPARED TO 2016–17 FORECAST

CANADIAN COMMERCIAL CORPORATION ($000's)

	2017–2018 PROPOSED BUDGET	2016–2017 FORECAST	INCREASE (DECREASE)	EXPLANATIONS
REVENUES				
Commercial trading and sourcing services transactions	$ 3,321,448	$ 2,657,346	$ 664,102	The increase will come from contracts that have been signed in 2016–17 related to primarily the ICB business line. The ICB business line is expected to contribute signed contracts in excess of $750.0 million in Latin America, Africa and Asia by the end of FY 2016–17. A large portion of these contracts will commence deliveries and progress work in 2017–18. In addition, activity related to the support portion of the ABP contract are scheduled to increase.
Less: Cost of commercial trading and sourcing services transactions	(3,321,688)	(2,657,346)	(670,342)	Corresponds to commercial trading and acquisition services transactions due to the "back-to back" nature of CCC's contracts.
Fees for service	31,626	24,874	6,752	Fees for services are commensurate with commercial trading transactions discussed above. Fees for service are earned on deliveries and work performed which are recorded.
Other income	400	728	(328)	The higher trending of discount early payment activity compared to previous years has been forecast for 2017–18, however, significant miscellaneous recoveries into revenue from the reconciliation and close out legacy contracts are not expected in 2017–18.
Finance income, net	574	435	139	The increase is due to higher usable cash balances and average interest rate yields.
Gain (loss) on foreign exchange	–	–	–	The Corporation does not budget for Foreign exchange gains and losses. Unhedged foreign exchange balances are monitored and kept at negligible levels.
Net revenues	**32,600**	**26,036**	**6,563**	
EXPENSES				
Administrative expenses	32,538	29,458	3,080	The net increase is due to: (1) an increase related to direct expenses for the continued implementation of foreign representation; (2) an increase for additional Business Development and Sales (BD&S) resources; (3) an increase related to the effort and associated expenses required to manage the ABP contract; (4) a temporary increase (offset by decreases in subsequent years) for succession planning of certain key roles; and (5) an increase of related to collective bargaining and the staffing to the full complement of the corporate budgeted workforce.
Contract remediation expenses	50	–	50	The amounts represent approximately 0.0025% of commercial trading transactions. The Corporation has achieved exceptional results over the last five years which includes the reversal of earlier provisions and final settlement of a long standing dispute.
Total expenses	**32,588**	**29,458**	**3,130**	
Net results of operations before Parliamentary appropriation	11	(3,422)	3,433	
Parliamentary appropriation	–	3,510	(3,510)	The decrease reflects the final year of a three-year phased in reduction of parliamentary appropriation which will result in the Corporation being self-sufficient from 2017–18 onwards.
Total comprehensive income	**$ 11**	**$ 88**	**$ (77)**	



ANNEXES

ANNEX I
TRAVEL AND HOSPITALITY DIRECTIVE FOR CROWN CORPORATIONS

BACKGROUND

As part of its commitment to good governance, CCC has policies in place with respect to the reimbursement of reasonable expenses required for the purposes of business travel, extending of hospitality and attending conferences. These policies include robust processes for initiation and approval of expenses for reimbursement.

On December 12, 2003, the Government of Canada introduced a new guideline which stipulates that all travel and hospitality expenses for selected government officials be posted on institutional web sites. While the requirement did not apply to crown corporations, CCC continues to make available the travel and hospitality expenses incurred within the Corporation for all Board of Directors members and senior executives.

On July 16, 2015, Order in Council 2015–1107 was issued requiring CCC to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments, and to report on the implementation of this directive in its Corporate Plan.

PROGRESS ON IMPLEMENTATION

CCC has reviewed and updated its travel, hospitality, conference and event expenditure policies and practices and its approach to public disclosure of this information. The policies and practices are fully implemented and CCC is in compliance with the requirements of the Order in Council. CCC manages travel, hospitality, conference and event expenditures with prudence and probity which represents the most economic and efficient use of funds given the nature of the activity in relation to the achievement of CCC's core mandate.

To further enhance transparency, CCC will be posting its Travel, Conference and Events Expenditures policy on its web site. The travel, hospitality, conference proactive disclosure on the Corporation's web site is updated quarterly and the enhanced disclosures began with second quarter results for the period ended September 30, 2016.

Travel, Hospitality and Conference Expenses:

	3-YEAR AVERAGE ACTUAL 2013–2016	FORECAST 2016–2017	CORPORATE PLAN 2017–2018 TO 2021–2022 ($000's)				
			2017–2018	2018–2019	2019–2020	2020–2021	2021–2022
TRAVEL							
Mandate*	$ 1,307	$ 1,276	$ 1,688	$ 1,898	$ 1,898	$ 1,898	$ 1,898
Corporate**	$ 224	$ 241	$ 241	$ 241	$ 241	$ 241	$ 241
Travel	**$ 1,587**	**$ 1,517**	**$ 1,929**	**$ 2,139**	**$ 2,139**	**$ 2,139**	**$ 2,139**
HOSPITALITY							
Mandate	$ 89	$ 176	$ 197	$ 202	$ 202	$ 202	$ 202
Corporate	$ 55	$ 28	$ 16	$ 16	$ 16	$ 16	$ 16
Hospitality–Total	**$ 116**	**$ 204**	**$ 213**	**$ 218**	**$ 218**	**$ 218**	**$ 218**
Conference Attendance	$ 5	$ 5	$ 10	$ 10	$ 10	$ 10	$ 10
TRAVEL, HOSPITALITY AND CONFERENCE EXPENSES COMPARED TO TOTAL ADMINISTRATIVE EXPENSES:							
TRAVEL							
Mandate	4.37%	4.33%	5.19%	5.45%	5.40%	5.35%	5.32%
Corporate	0.75%	0.82%	0.74%	0.69%	0.69%	0.68%	0.68%
Travel–Total	**5.12%**	**5.15%**	**5.93%**	**6.14%**	**6.09%**	**6.03%**	**6.00%**
HOSPITALITY							
Mandate	0.30%	0.60%	0.60%	0.58%	0.57%	0.57%	0.57%
Corporate	0.18%	0.10%	0.05%	0.05%	0.05%	0.05%	0.04%
Hospitality–Total	**0.48%**	**0.69%**	**0.65%**	**0.62%**	**0.62%**	**0.61%**	**0.61%**
Conference Attendance	**0.02%**	**0.02%**	**0.03%**	**0.03%**	**0.03%**	**0.03%**	**0.03%**

(*) Mandate – CCC's mandate to assist in the development of trade between Canada and other nations and assist Canadian exporters to obtain goods and commodities from outside Canada, and to dispose of goods and commodities that are available for export from Canada, requires Corporate officials to travel with or on behalf of its client Canadian exporters for business development or to secure and manage the over $2 billion in international contract activity.

(**) Corporate – Predominantly related to the activities of the Board of Directors in its governance of the Corporation's affairs.

ANNEX II
GLOSSARY OF TERMS

ABP	Armoured Brigades Program
AIAC	Aerospace Industries Association of Canada
ASEAN5	Countries of Indonesia, Malaysia, Philippines, Thailand, and Vietnam
BDC	Business Development Bank of Canada
BD&S	Business Development and Sales
CCC	Canadian Commercial Corporation
CCCA	*Canadian Commercial Corporation Act*
CEO	Chief Executive Officer
CEAA	*Canadian Environmental Assessment Act*
CFDA	Canadian Forces Defence Attachés
CFPOA	*Corruption of Foreign Public Officials Act*
CPI	Consumer Price Index
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
CTT	Commercial Trading Transactions
DND	Department of National Defence
DPSA	Defence Production Sharing Agreement
EDC	Export Development Canada
ERM	Enterprise Risk Management
FAA	*Financial Administration Act*
FMS	Foreign Military Sales
GDP	Gross Domestic Product
GDS	Global Defence and Security
ICB	International Commercial Business
ICC	Integrity Compliance Committee
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
LAV	Light Armoured Vehicle
MOU	Memorandum of Understanding
NPS	Net Promoter Score
NASA	National Aeronautics and Space Administration
OIC	Order-in-Council
PIPSC	Professional Institute of the Public Service of Canada
PPP	Public-private Partnerships Canada
PPPs	Public-private partnerships
PSPC	Public Services and Procurement Canada
ROC	Risk and Opportunities Committee
SMEs	Small and Medium-sized Enterprises
SPA	Statement of Priorities and Accountabilities
TCS	Trade Commissioner Service
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
USD	United States Dollars
U.S. DoD	United States Department of Defence
VCS	Value of Contracts Signed
WEF	World Economic Forum
WEO	World Economic Outlook
2020 Seven	Countries of Chile, China, Malaysia, Mexico, Peru, Philippine’s and Poland