

uses different methods of compilation, no meaningful comparison can be drawn between the data from these two sources.

The internationally recognized standard for statistics on worldwide military trade is the above-mentioned UN Register of Conventional Arms. It confines itself to specific categories of weapons systems, and does not include parts, components or the wide array of non-lethal support systems (such as radar equipment, simulators and software designed for military use) that make up a large proportion of Canada's military exports.

In 1999, exports of military goods amounted to some \$434 million, compared with \$421 million in 1998. As in previous years, NATO and AFCCL countries accounted for the major share (over 80 percent) of Canada's military exports. Also, as in the past, the majority (80 percent) of Canada's military exports went to high-income countries. Exports to low-income countries made up less than 0.01 percent of the total.

Canada's military export totals are modest by world standards (based on figures in the United Nations Register, Canada accounts for less than 1 percent of the world arms market), in a sector characterized by high-value transactions. Individual sales therefore may have a disproportionate effect on statistics. Major fluctuations in totals from one year to another often reflect the initiation or completion of one or two large contracts.

As Table 2 shows, Canada's largest military market in 1999 was the United Kingdom, which at \$198.8 million accounted for almost half our total exports. Of this amount, almost \$145 million was for simulators. Sales to Saudi Arabia rose from \$29.8 million to \$43.0 million, the vast bulk of which was for light armoured vehicles. By contrast, sales to Malaysia and Australia, our two largest markets in 1998, decreased from \$91.7 million to \$5.8 million, and from \$80.2 million to \$21.5 million, respectively. The seemingly large figure for Indonesia (\$21.7 million) reflects the sale of a single flight simulator for a transport aircraft. Similar wide upward or downward fluctuations can be seen when comparing 1998 and 1999 figures for a number of other countries. These fluctuations underscore how individual contracts can drastically alter the relative rankings of Canada's military markets, and the disproportionate effect of individual contracts. It is important therefore to consider the pattern of trade over a period of years and not to draw conclusions based on a jump or drop from any one year to the next.

Those wishing to know more about export controls on military and strategic goods may refer to our publication *Answers to Questions about Canada's Export Controls on Military Goods*. This document and other material related to Canada's export controls can be found at our Web site (<http://www.dfait-maeci.gc.ca/~eicb>).