

other most significant markets for Canadian defence exports in 2001 were Denmark (almost \$71 million) and the Netherlands and Korea (some \$60 million each). Sales to Australia declined slightly to \$42 million. Together, these five destinations received almost two thirds of Canada's non-U.S. defence exports.

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. For example, the increase in the export of firearms (ECL number 2001) from \$3.5 million in 2000 to almost \$26 million in 2001 largely reflects contracts to supply the armed forces of close NATO allies. It is important to review the pattern of trade over a period of years and not draw conclusions based on a jump or drop from any one year to the next.

More information about export controls on military and strategic goods is available in 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>).

As explained in the foreword, the tables do not include exports to high income states, which are estimated to account for over half of total Canada's exports of military goods and technology.

The dollar values shown on export permits are the authorized limits of potential exports and do not necessarily reflect actual export values. Therefore, in order to verify what shipments are actually made against each Group 2 (Munitions) permit, all permit holders are required to report on permit utilization on a quarterly basis.

Figures reflect information received as of the date of this report. Late entries will be reflected in future annual reports. For example, the totals for 2000 have been revised to reflect additional information received since publication of the 2000 Annual Report.

1. U.S. Department of Defense, *International Arms Transfers to the U.S.*

2. U.S. Department of Defense, *International Arms Transfers to the U.S.*

3. U.S. Department of Defense, *International Arms Transfers to the U.S.*

4. U.S. Department of Defense, *International Arms Transfers to the U.S.*