
In terms of world wide military exports, the internationally recognized standard is contained in the annual *UN Register of Conventional Arms*. There is no other comprehensive data source for international military trade. According to the UN Register, Canada accounted for just under one per cent of the world arms market in 1994.

The 1994 Annual Report includes the following noteworthy elements. Exports of military goods amounted to \$497 million in 1994. As in previous years, NATO and the AFCCL countries accounted for the major share - this year, 87% - of Canada's military exports. The other countries comprise 13%, representing a modest increase over 1993 but still considerably less than the 25% registered in 1990. High income countries (based on per capita share of GNP) account for 88% of military sales, with only 1% going to low income countries.

Table 2 illustrates the export of military goods by destination with comparative figures for 1993. Table 3 shows the kinds of military goods exported to each country as described under the ECL. Finally, Table 4 displays the value of each ECL category exported globally. NATO and AFCCL countries are listed in Annex 1. Descriptions of the ECL categories referred to in this report are provided in Annex 2.

Canadian military exports in 1994 increased by 48% over 1993. The increase can be attributed largely to three factors. First, the improvement in the global economy and relative position of the Canadian dollar have enhanced the competitive position of Canadian exports. Second, because of Canada's modest exports by world standards, single large transactions have a disproportionate effect on statistics. The year 1994 marked the third consecutive year that shipments of light armoured vehicles (LAV's) to Saudi Arabia took place under a multi-year \$1 billion plus contract. The LAV's alone comprised 51% of all Canadian military exports in 1994. Other countries with a surge in exports which accounted in part for the increase included: Australia, Germany, the Netherlands, Portugal, Singapore, Spain, and the United Kingdom. The third factor was the improved level of reporting of actual shipments by companies. Since 1990 when this reporting requirement for military exports was first imposed, voluntary reporting has risen. For 1994, over 95% of permit holders reported whether or not exports occurred.