

exports in 2002 were Australia, Germany and Korea. Together, these four destinations received 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 UN 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. 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.

Further information related to Canada's export controls can be found at our Web site (www.dfait-maeci.gc.ca/eicb).

Notes on Methodology

The statistics in this Annual Report were prepared by the Export and Import Controls Bureau of the Department of Foreign Affairs and International Trade. The following should be noted regarding the statistical tables:

- "Military goods" are defined as goods specifically designed or adapted for military use and controlled under Group 2 (Munitions) of the Export Control List (ECL). Descriptions of ECL Group 2 items have been slightly revised using internationally accepted terminology to provide greater detail for the reader.
- As explained in the Foreword, the tables do not include exports to the United States, which are estimated to account for over half of 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 2001 have been revised to reflect additional information received since publication of the 2001 Annual Report.