

2. Why is there international trade in military goods?

The United Nations Charter ensures the right of all countries to provide for their own self-defence. Canada agrees with and accepts this right. Most countries provide for their own self-defence by maintaining armed forces. Countries have two options in outfitting their armed forces. Both can generate international trade in military goods.

First, they can try to supply most of their needs from domestic sources. Because of the cost, only countries with very large armed forces tend to choose this approach (e.g., China, Russia and the United States). Still, even these countries usually must import some military goods. Moreover, they always try to export some of their domestic production to strengthen their defence industries and reduce unit costs.

Second, countries can import needed military goods, such as fighter aircraft, that are not available from their own manufacturers. The Canadian Forces acquire most of their major systems in this way.

Canadian defence policies rely on imports, supplemented with domestic production of some military goods such as firearms, light armoured vehicles and naval vessels. This is done for national security reasons, such as to ensure security of supply at all times and to meet NATO obligations. There are also economic reasons for domestic production, such as creation and maintenance of jobs. Domestic military production can also have spin-off effects, since the technologies can often be applied to peaceful uses.

Indeed, some companies produce goods that complement Canada's peacebuilding priorities. Canadian-made bomb disposal suits and mine-clearing equipment for the removal of landmines are examples of these products. Peacekeepers may use Canadian-made armoured vehicles for protection in their dangerous work.