

Military Export Statistics

As part of Canada's work to promote greater transparency, DFAIT has published an annual report entitled the *Export of Military Goods from Canada* each year since 1990. Few other countries, as yet, provide this level of detail.

The statistics on military exports in the following tables are obtained from reports filed by exporters on the actual shipments for each of the permits issued to them under the Export and Import Permits Act. These reports include the country of destination and a description of the goods and their value. Information about individual shipments and information found on the original permit applications, including the identities of the potential exporter and consignee and details of transactions, is commercially highly sensitive and is provided to DFAIT in confidence. Such information must be protected to ensure compliance with reporting requirements.

As noted above, permits are not required for the export of most Group 2 items to the United States. This has been a long-standing policy arising from the integration of the North American defence industry in World War II. Statistics on military exports to the United States are therefore not readily available and cannot be included in this report.

Certain types of statistics on Canadian exports to military users may be available from other sources, such as Statistics Canada or the Canadian Commercial Corporation. These, however, may include non-military goods such as food rations, commercial computers, civil-certified aircraft or other civilian equipment. Since there is no direct correlation between the commodity codes used by Statistics Canada and the ECL item numbers, and as each source uses different methods of compilation, no meaningful comparison of the data from these two sources is possible.

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 2002, Canada's exports of military goods amounted to some \$678 million, compared with \$592 million in 2001. As in previous years, NATO and AFCCL countries accounted for the major share (80 percent) of our military exports. Increasingly, the bulk of Canadian military exports (almost 90 percent) are going to high-income, highly developed countries. There were only two exports, less than 1 percent of the total, that went to countries given a low human development index rating by the UN Development Programme. As Table 2 shows, in 2002 Canada's largest non-U.S. military market continued to be the United Kingdom, which at \$168 million accounted for one quarter of our non-U.S. exports. The other most significant markets for Canadian defence