

**SECTOR: Defence Programs, Products and Related Equipment and Services**

**SUB-SECTOR: DEFENCE PRODUCTS**

**Officer:**

**U.S. Market Opportunities:** The U.S. military, as a result of the Gulf War, will place more emphasis upon precision-guided, laser-designated, smart weaponry, unmanned aerial vehicles to reduce casualties, aircraft losses, logistics transportation of massive quantities of munitions, and time on deployment. They will cancel some production runs of proven weapons and vehicles in favour of technological advantages in the near future, and become more demanding for better quality, better performance, and improved field testing of prototypes. They will refine and improve the Total Quality Management System (TQMS) to obtain more reliable sources.

**Canadian Capabilities:** Canada's defence products in the US Military market consist of major systems, sub-systems and components. There are many dual-purpose products and technologies suitable for commercial markets as well as the military. In this military market, there are unique requirements, procedures, specifications, government international arrangements, and barriers, which call for more information gathering and liaison activities than in commercial markets. The US-Canada Defence Development and Defence Production Sharing Arrangements (DD/DPSA) give Canadian companies an avenue for marketing into the US which, despite all the barriers, still consists of approximately US\$20 billion per year. Total Canadian sales to US military last year were approximately one-half of one per cent of the US DoD procurement budget. The total DoD budget this year is approximately \$285 billion U.S.

**Strategy:** - To carefully target U.S. military procurement activities, R&D establishments and defence prime contractors to promote and strengthen the viability of Canadian defence companies competing in the market;

- To identify, and foster, joint venture and teaming arrangements, with both U.S. prime contractors and sub-contractors;

- To support the exchange of technology, and teaming arrangements, under the provisions of the DD/DPSA;

- To work closely with appropriate Canadian associations and others to seek ways whereby Canadian companies can identify opportunities to enter the US market place and establish long-term relationships with US primes for dual-use systems and componentry.