



Defense Market

SUMMARY

Canada maintains a defense* budget of slightly more than US\$18 billion per year. As the sixth highest military spending economy in NATO, the Government of Canada (GOC) is a significant purchaser of defense and security products. U.S. organizations account for the largest share of military contract awards by the GOC. Canada's Afghanistan mission equipment services requirements are driving demand for a wide range of products and technologies.

MARKET DEMAND

The "Canada's First" Defense Plan announced in December 2005, is designed to strengthen Canada's national sovereignty by providing more funding in the areas of defense, security and international assistance. As a result the GOC has embarked on a variety of major land, air and sea projects.

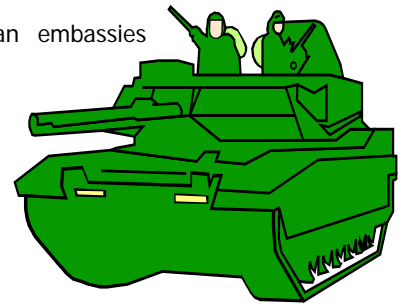
CANADIAN BUDGETS

Budget 2007 is designed to provide funding to make Canada and international communities safer, by committing to the following:

- \$715 million to the Canadian Forces in 2007-08 to accelerate the implementation of the "Canada's First" Defence Plan
- \$200 million in additional support for reconstruction and development in Afghanistan
- \$11 million over the next two years to enhance the critical infrastructure of Canadian embassies

BEST PROSPECTS

- Cold/Hot Lightweight combat clothing & accessories
- Joint Command Systems
- GPS Systems
- Military Automated Air Traffic System
- Tactical UAV
- Aircraft Arrestor Systems
- Utility Transport Aircraft
- Omnibus Night Vision Capability
- Operational Mission Simulators
- Air Surveillance/ Traffic Systems



PROSPECTIVE BUYERS

- Public Works and Government Services (PWGSC) is the GOC's procurement arm and their largest client department is the Department of National Defense (DND).
- DND has a budget of approximately US\$18 billion per year and purchases mainly defense and security products.
- Fisheries and Ocean (DFO) procures security motion detectors, enhances communications and video surveillance systems.
- Public Safety Canada (PSC) has an annual budget of \$6 billion. However, goods and services are also purchased by five of their supporting agencies, namely:
 - Canada Border Services Agency
 - Canadian Security Intelligence Service
 - Correctional Service Canada
 - National Parole Board
 - Royal Canadian Mounted Police

SELLING TO THE GOC VS. SELLING TO THE U.S. GOVERNMENT (USG)

Selling to the GOC is very different from to the USG, the following are just a few of the differences:

- The GOC's fiscal year is from April 1 to March 31.
- The Canadian Government issues Standing Offers as opposed to the GSA Schedule.
- The Industrial Regional Benefits Board (IRB) provides incentives for U.S. suppliers to partner with Canadian companies.
- The GOC uses MERX to advertise its procurement opportunities.

**In Canada, defense is spelled "defence"*

THINK BIG! THINK CANADA!

We encourage U.S. companies to contact the U.S. Commercial Service to receive more information on how to increase their export potential to the Canadian Defense Market. If you would like further information, please contact Lucy.Latka@mail.doc.gov. Visit our website www.buyusa.gov/canada to discover other commercial opportunities in Canada.