

# **The United Nations Arms Trade: Raising the Bar Globally to Strengthen Global Security and Reduce Weapons Proliferation**

## **Remarks to House of Commons Standing Committee on Foreign Affairs**

Remarks

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### **Check Against Delivery**

Good morning and thank you for inviting me to speak to you today. I would like to take the next few minutes to give you the perspective of my industry, the Canadian defence and security industry on the United Nations Arms Trade Treaty, and the importance of raising the bar globally and reducing weapons proliferation.

CADSI is the national voice of more than 800 Canadian defence and security companies that produce world-class goods, services and technologies made across Canada and sought the world over. Our member companies contribute to the employment of more than 63,000 Canadians across the country; pay wages 60 per cent higher than the average manufacturing wage; and generate \$10 billion in annual revenues.

If you refer to the most recent "State of Canada's Defence Industry" report, which is from 2014, you will notice that our industry's major segments include:

- o Aircraft Fabrication, Structures, Components and Maintenance, Repair and Overhaul at 31 per cent;
- o Combat Vehicles and Related Maintenance, Repair and Overhaul and other Defence at 28 per cent;
- o Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance, or C4ISR including Avionics and Simulation Systems and Other Electronics at 25 per cent;
- o Naval Ship Fabrication, Structures, Components and Maintenance, Repair and Overhaul at 9 per cent;
- o Firearms, Ammunition, Missiles, Rockets, and Other Munitions and Weapons at only 4 per cent;
- o Troop Support at 2 per cent; and
- o Live Personnel and Combat Training Services at 1 per cent.

Our members take pride in delivering defence and security goods, services and technologies to the Canadian Armed Forces, Coast Guard and security service providers to keep Canadians safe and secure on a daily basis.

The most relevant number to this discussion, however, is that 60 per cent our sector's revenues come from exports. That means our members' innovative technologies, products and services are sought out by governments across the globe. The fact that Canadian companies are that competitive in highly regulated

and protected foreign markets suggests our industry is innovative and productive. In other words ours is an industry Canadians should value. We need to recognize that defence exports are essential to maintaining leading-edge industrial capabilities, a skilled and knowledgeable workforce and an advanced technological base at home.

Before discussing the UN ATT specifically, I would like to point out that the existing Canadian export control regime, which our members adhere to on a daily basis, is highly robust and rigorous. The Canadian defence export regime consists of three separate approval processes and sets of regulations--The Automatic Firearms Country Control List; The Controlled Goods Program; and the Export and Import Permits Act--and involves multiple federal government departments, including Global Affairs Canada, National Defence, Public Services and Procurement Canada and Justice Canada. If you haven't had a chance to review the depth and breadth of these documents, I have them here with me.

Canada's accession to the UN ATT will further enhance our very strong defence export regime and raise the bar globally for other countries whose defence export control processes are not up to Canada's very high standards. The treaty places additional burdens on countries that export small arms and military equipment to ensure the weapons are not diverted to third parties, or misused by the actual recipients. It will also regulate the practice of brokering, where weapons are exported from one third country to another. This is why CADSI called on the government last year to accede to the UN ATT.

In Canada, the government sets tough parameters, rules and regulations on defence exports and our companies follow them. In terms of the new requirements on defence exports that arise out of Canada acceding to the UN ATT, we only ask that the government continue to provide a predictable and timely framework within which business can operate. Industry needs a process that allows our companies to fairly pursue market opportunities with the confidence that they are supported by their government.

It is important that the government communicates as early and clearly as possible regarding its comfort with exporting a particular good to a particular country and end user. Companies do not want to invest significant resources in pursuing potential sales opportunities if the government denies them the permit at the end of the process. The export licence is the final stage in the process, not the first.

In conclusion, CADSI fully supports Canada's acceding to the UN ATT. All of our allies are signatories to this treaty and Canada should be as well. The Canadians that work for defence and security companies care and are concerned about the world in which they live, like you, and are proud of what they do, make and sell. They share the same basic values we all share.

I thank the committee for providing our industry with an opportunity to appear before you today to share this message and I welcome any questions you may have.

Thank you.