



The Ploughshares Monitor

Summer 2007, volume 28, no. 2

Canada's largest military contractors 2005

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In 2005 the ranking of the largest Canadian military contractors mirrored the 2004 picture—the same companies continue to dominate the industry.

The top echelon of Canadian military contracting was virtually unchanged in 2005. According to Project Ploughshares research, nine of the largest 10 contractors in 2005 appeared in the equivalent 2004 listing and seven retained an identical rank to that of the previous year (see columns A and B of Table 1). The contractors also maintained similar volumes of arms sales and services. At an estimated \$2.9-billion, the total military contract value for the top 10 companies in 2005 was only two per cent less than the 2004 total.

Most of the latest ranked contractors have held leading positions for more than a decade. This stability arises from a geographically concentrated industry that continues to produce “niche” products for regular customers in both the military and civilian markets. Like the industry as a whole, most of the largest contractors are based in the greater Toronto or greater Montreal areas, although many have branch plants and subsidiaries elsewhere in Canada, the US, and overseas. The majority produce aerospace products or provide aerospace services (column H) and some of these same companies manufacture military electronics, the next largest sector in Canada's military industry. While seven of the 10 depend on military contracts for one-fifth or more of their total revenue (column E), in only three—General Dynamics Land Systems Canada, General Dynamics Canada, and Northstar Aerospace—is this dependence dominant. The remaining contractors sell more goods and services to civilian customers.

CAE Inc of Montreal, the top ranked contractor again this year, produces military simulation equipment, primarily for training pilots and other aircraft personnel. It was the 19th largest supplier to the Canadian Department of National Defence in the fiscal year 2005-6 (column C), but much of its military revenue came from subcontracts and subsidiary sales to the Pentagon.

GDLS Canada, based in London, Ontario, builds armoured vehicles for the armed forces of Canada, Australia, New Zealand, the US, and Saudi Arabia. GDLS Canada was the largest exporter of military goods during 2005-06 that were brokered by the crown corporation, the Canadian Commercial Corporation (column D). The “Stryker” wheeled armoured vehicle it supplied to the US Army is seen regularly in televised reports from Iraq, as is its light armoured vehicle, used by Canadian forces in Afghanistan.

Legend

- A** Ranking within largest 10 Canadian military contractors using company financial period closest to calendar year 2005
- B** Ranking for financial period closest to calendar year 2004 (see "Canada's largest military contractors in 2004, *The Ploughshares Monitor*, Winter 2005, <http://www.ploughshares.ca/libraries/monitor/mon05list.htm>)
- C** Ranking within largest 20 Canadian Department of National Defence prime contractors for fiscal year 2005-2006
- D** Ranking within largest 20 military export prime contractors for fiscal year 2005-2006 as brokered by the Canadian Commercial Corporation¹ (CCC)
- E** Estimated or reported military sales greater than 20 per cent of total company sales
- F** Reported military sales or deliveries from Canada to one or more Third World countries during 2005
- G** Foreign-owned or -controlled
- H** Commodity classification of major military products (A – Aerospace, E – Electronics, T – Transportation, R – Armaments)
- I** Estimated total value of military sales in millions of Canadian dollars for 2005 or closest financial period, compiled from *Canadian Military Industry Database* data and files.² For Canadian-owned companies this includes military sales of foreign subsidiaries (*indicates the company reported a value for its military sales).

Notes

1. The Canadian Commercial Corporation (CCC) is an Ottawa-based crown corporation that assists Canadian companies with export sales to foreign governments and international organizations. Typically, over 60 per cent of CCC-brokered sales are purchased by military agencies.

2. It is possible that other Canadian companies have generated sufficient military sales in 2005 to be included in the table. However, the lack of public disclosure of financial information precludes the reporting or estimation of military sales by some privately owned companies like CMC Electronics or IMP Group, which have appeared in earlier editions of the table.