



Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada

Canada

State of Canada's Defence Industry Report

Spring 2026



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REPORT OBJECTIVE

Objective: Develop relevant, quality, and timely strategic information on Canadian production of defence goods and provision of services to brief policy and industry decision makers

- Canada is the first country from the Organisation for Economic Co-operation and Development (OECD) and North Atlantic Treaty Organization (NATO) to conduct an in-depth Government statistical agency survey on defence industry capabilities.
 - Data from the survey produces statistical information on goods and services, sales, employment, exports, innovation, skills, and business practices among firms engaged in the defence industry in Canada.
 - The development of a statistically reliable survey is required to effectively identify and measure defence goods and services where:
 - Standard industrial classification systems mix defence and non-defence activities, and
 - Publicly available firm-level data provide insufficient estimates of specific defence activities.
- This report is supported by a multi-year collaborative analytics agreement between Innovation, Science and Economic Development Canada (ISED) and the Canadian Association of Defence and Security Industries (CADSI).
- This report presents a statistical overview of Canadian defence industry activities in 2024, based on the most recent data available.
 - It also provides a comparative analysis of the state of the Canadian defence industry between 2022 and 2024.
- The next iteration of the biennial survey will measure 2026 industrial activities.
 - Statistics Canada's publication of 2026 data is scheduled for 2028.

REPORT DEVELOPMENT PROCESS

1. Critical Path to Data Development: Stakeholder Engagement (Spring – Autumn 2024)

- Consultation with industry and government stakeholders and policy decision-makers on their priority data requirements
- Development, field testing, and refinement of new survey questions
- Verification of priority firms and key contact information with industry association partners

2. Data Development (Winter 2025 – Winter 2026)

- Administration of ISED-sponsored Statistics Canada biennial survey
 - Distribution of survey questionnaire by Statistics Canada
 - Completion of the survey is a legal requirement under the *Statistics Act*
- Outreach to membership by industry association partners to encourage firms' participation
- Validation of data quality and imputation of firm-level data based on Government of Canada administrative data and independent subject matter expert data sources

3. Research & Analysis (Winter – Spring 2026)

- Modelling of total economic impact (i.e., GDP¹ and jobs contributions)
 - Methodology principles² informed by experts at the OECD and Statistics Canada
- Preparation of customized tabulations data tables by Statistics Canada
- Review of results with industry association partners
- Joint release of the report by ISED and CADSI

Note: The survey used to inform this report provides data on some, but not all, of the key sovereign capabilities identified in *Canada's Defence Industrial Strategy* (DIS). In future iterations of the survey, data will be collected on additional DIS key sovereign capabilities.

¹ Gross Domestic Product (GDP) is the total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period.

² See Annex 1 for detailed methodology principles.

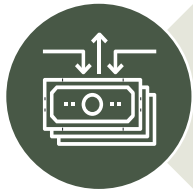
REPORT OVERVIEW



Defence Industrial Base



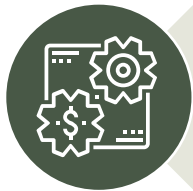
Domestic Supply Chains by Domain



Revenues, 2014–2024



Regional Breakdown



Economic Impact



Innovation



Key Industrial Indicators by Firm Size



STEM & Workforce Characteristics



Key Industrial Indicators by Domain

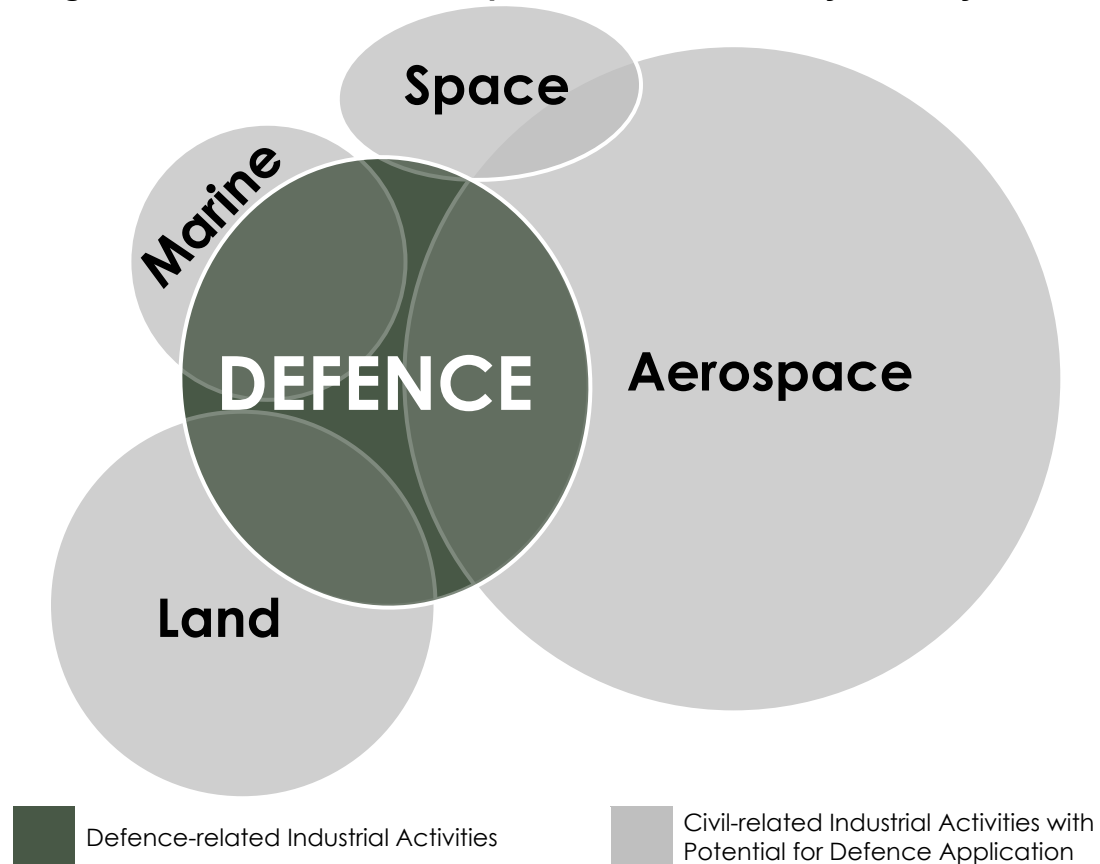


Exports

DEFENCE INDUSTRIAL BASE

The Canadian defence industrial base is interlinked with various industries including aerospace, space³, marine⁴ and land⁵

Figure 1: Intersection and Proportion of Revenues by Industry⁶, 2024



³ Civil-related space is based on the latest available figures (2023) and includes Canadian Space Agency industrial activities.

⁴ Civil-related marine includes Canadian Coast Guard industrial activities. See Annex 2 for a comparative analysis of civil marine revenues by type of customer between 2022 and 2024.

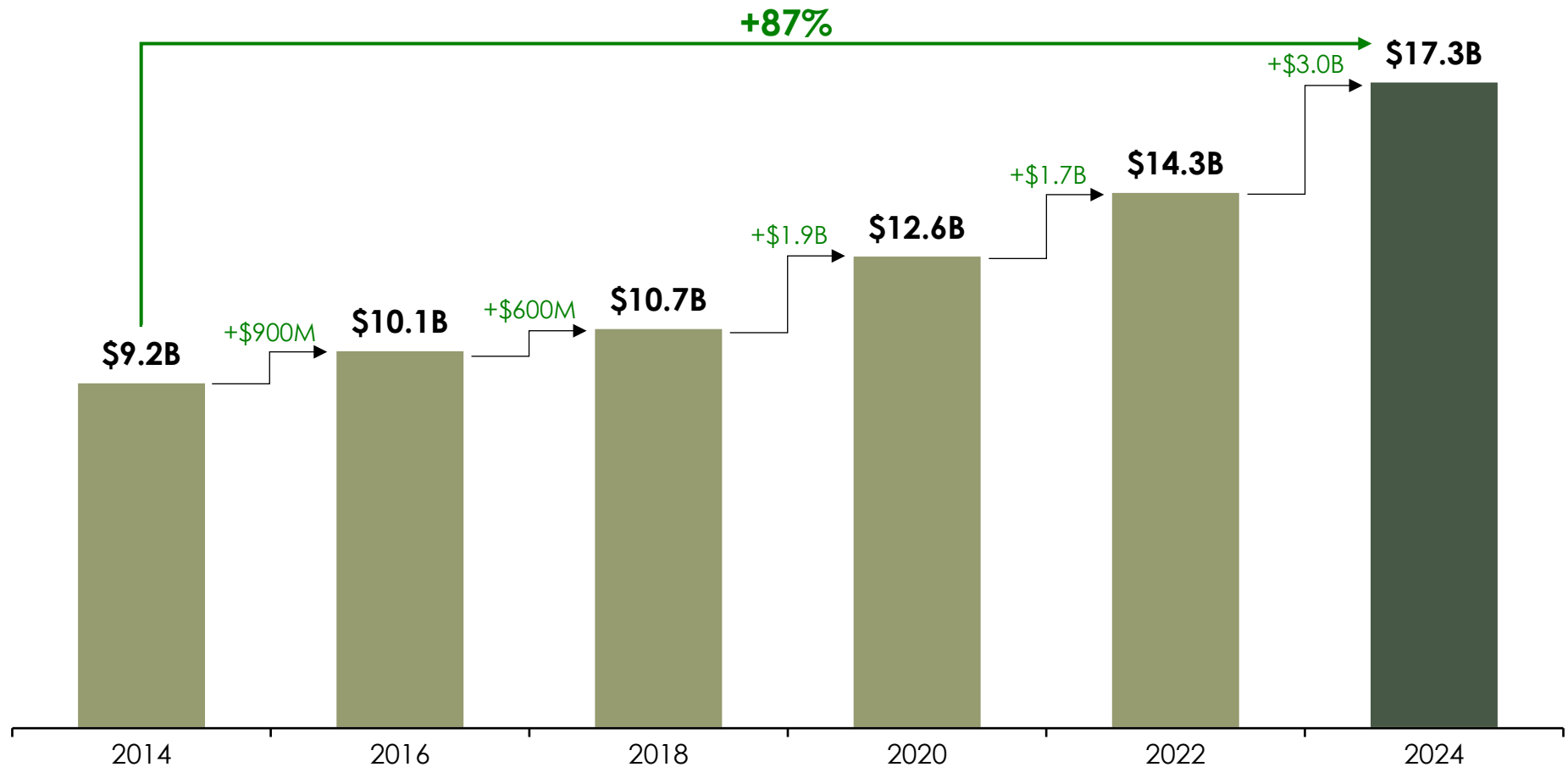
⁵ Civil-related land strictly includes *Heavy-duty truck manufacturing* and *Motor vehicle body and trailer manufacturing* industrial activities.

⁶ Based on *Canada's Defence Industrial Strategy*, 'digital systems' as a sovereign capability include industrial activities in secure cloud; artificial intelligence; quantum computing and communications; integrated command, control, and communications; and high-assurance communications equipment. Some digital systems embedded in platform-specific mission, communications and/or simulation systems are captured in the industry to which they relate.

REVENUES, 2014–2024

In 2024, the Canadian defence industry's revenues⁷ reached \$17.3 billion, increasing more than 85% since 2014⁸

Figure 2: Canadian Defence Industry Revenues, 2014–2024



⁷ Financial values are in nominal/current terms and are not adjusted for inflation. See Annex 3 for a comparative analysis of defence industry revenues by type of customer between 2022 and 2024.

⁸ Estimates related to 2014 defence industry activities are based on updated 2014 data, which reflect the necessary revisions that occurred after Statistics Canada's original data release and ISED-CADSI's 2016 publication of the *State of Canada's Defence Industry, 2014* report. See Annex 4 for a comparative analysis of defence industry key industrial indicators between 2014 and 2024.

ECONOMIC IMPACT

In 2024, the Canadian defence industry contributed over \$11.1 billion in GDP and 81,800 jobs to the Canadian economy⁹

Figure 3: GDP Economic Impact, 2024

Defence Industry and Value Chain

\$8.6 Billion

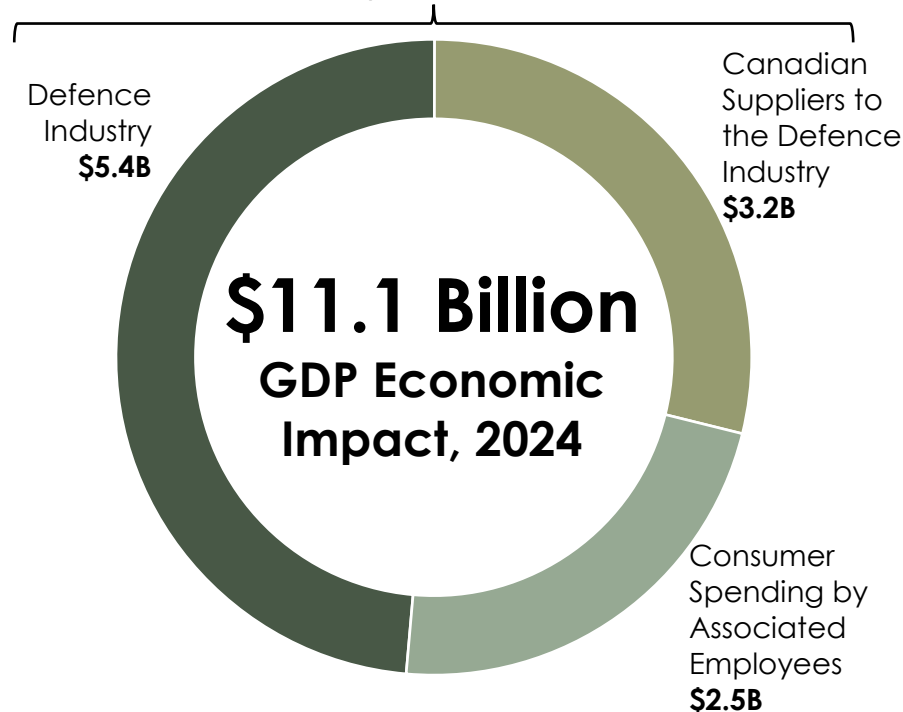
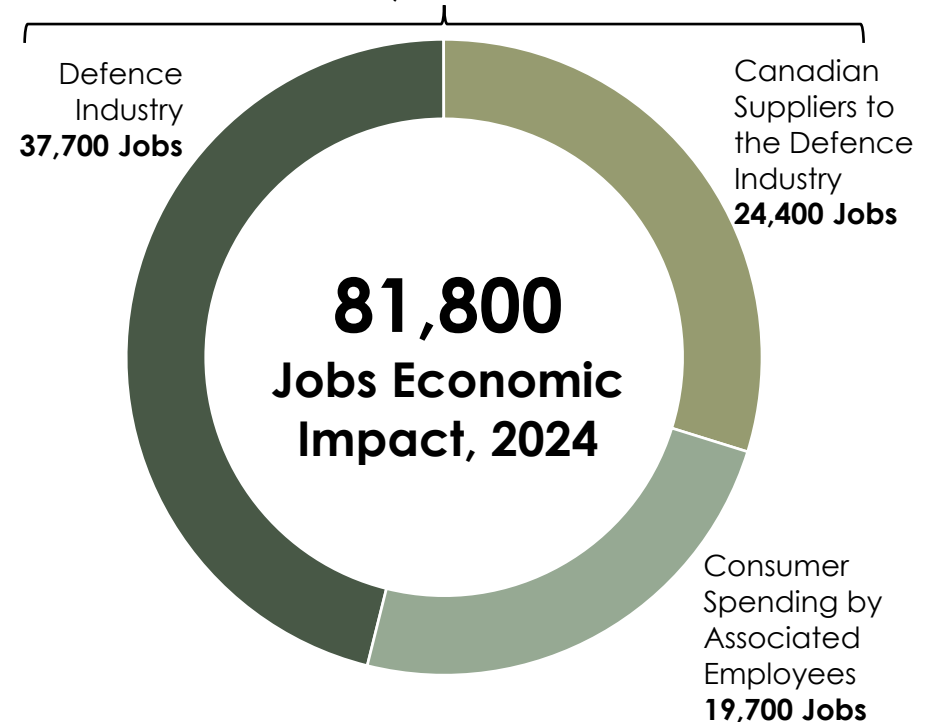


Figure 4: Jobs Economic Impact, 2024

Defence Industry and Value Chain

62,100 Jobs



- Between 2022¹⁰ and 2024, the Canadian defence industry's contribution to the Canadian economy increased by close to \$500 million in GDP and 3,500 jobs

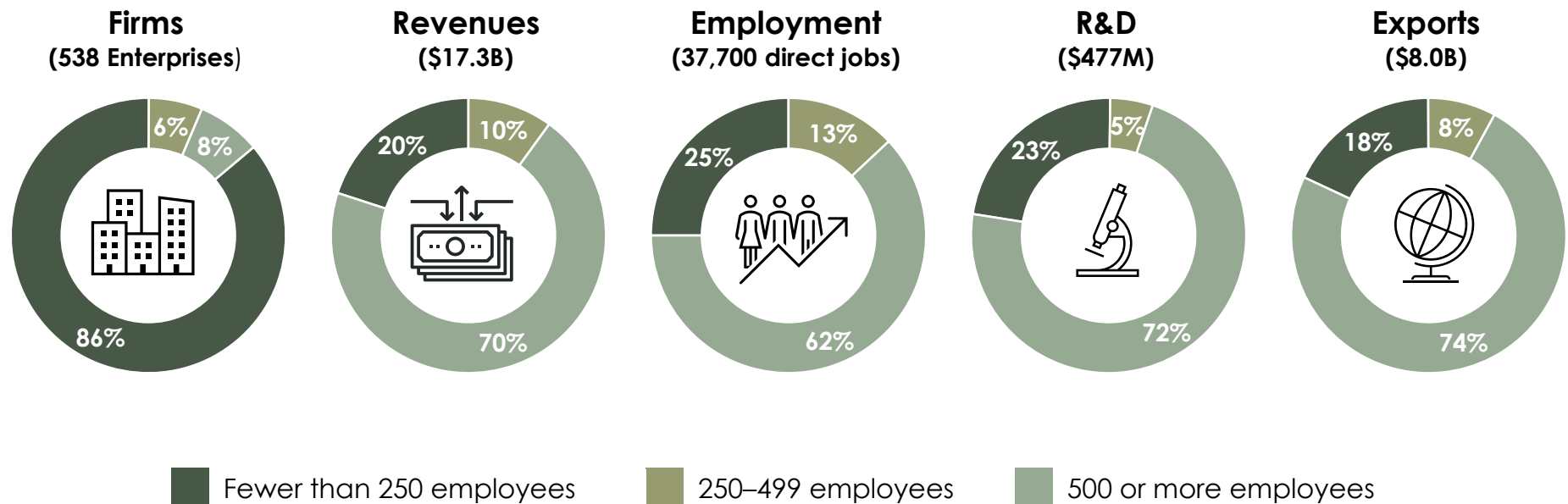
⁹ Excludes the economic impact of business activities undertaken through the Industrial and Technological Benefits (ITB) Policy that were not involved in defence industry production. Economic impact estimates are not comparable to older estimates reported in previous publications as past foundational data are regularly revised and updated. See Annex 1 for detailed methodology principles.

¹⁰ Economic impact estimates for defence activities performed in 2022, published in the *State of Canada's Defence Industry Report, Spring 2024*, have been updated using the most relevant (2022) input-output multipliers. This aligns economic impact estimates with Canada's economic structure at the time industrial activities were performed. See Annex 5 for a comparative analysis of defence industry economic impacts between 2022 and 2024.

KEY INDUSTRIAL INDICATORS BY FIRM SIZE

In 2024, SMBs¹¹ represented over 90% of firms in the Canadian defence industry

Figure 5: Key Industrial Indicators¹² by Firm Size, 2024



- Between 2022 and 2024, Canadian defence industry SMB revenues grew by more than \$700 million to reach over \$5.1 billion

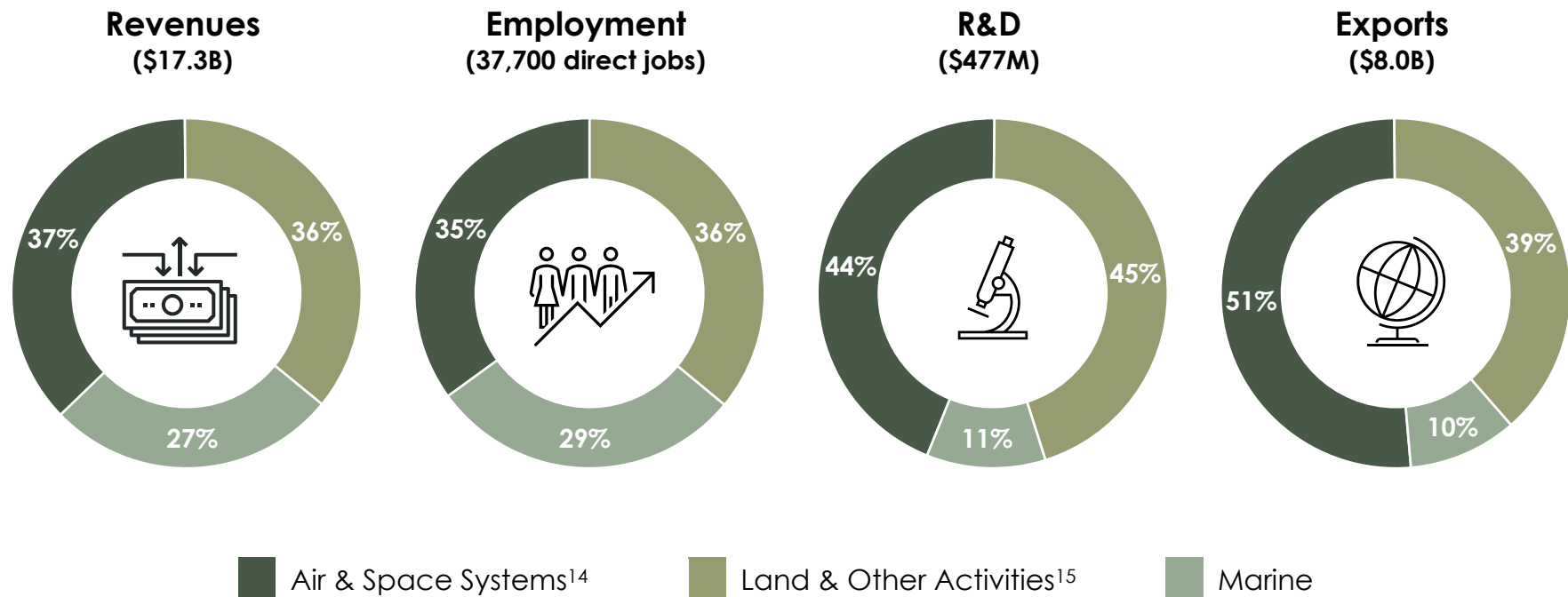
¹¹ Small- and medium-businesses (SMBs) are defined as firms with fewer than 500 employees. See Annex 6 for a comparative analysis of defence industry SMB key industrial indicators between 2022 and 2024.

¹² Research & Development (R&D) expenditures relate to firms' in-house R&D.

KEY INDUSTRIAL INDICATORS BY DOMAIN

Canadian defence industry domains¹³ have distinct industrial characteristics

Figure 6: Key Industrial Indicators by Domain, 2024



- Revenues across all domains grew between 2022 and 2024

¹³ The grouping of defence goods and services categories by 'domain' is determined here by the platform type to which they relate. See Annex 7 for a comparative analysis of category-level defence goods and services revenues by domain between 2022 and 2024, and Annex 15 for the full official titles and definitions of the survey's defence goods and services categories by domain.

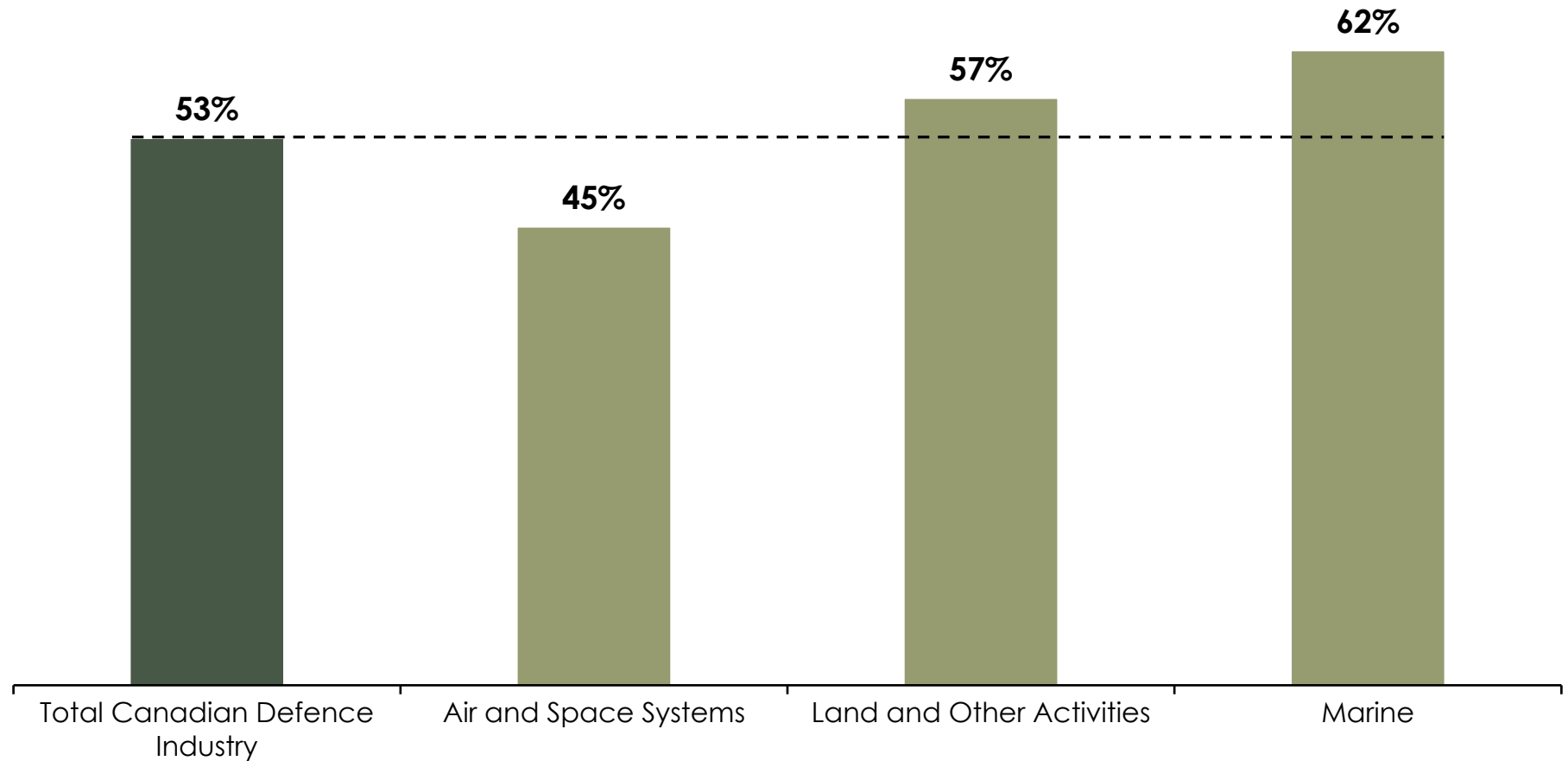
¹⁴ The survey's measurement of 'Space Systems' is narrower in scope than the broader concept of the 'Space Sector' as measured by the Canadian Space Agency.

¹⁵ 'Other Activities' includes non-platform and cross-domain defence goods and services categories.

DOMESTIC SUPPLY CHAINS BY DOMAIN

In 2024, defence companies operating in Canada sourced, on average, close to 55% of their supply chain¹⁶ (goods and services) from Canadian-based firms

Figure 7: Share of Canadian Defence Industry's Supply Chain Sourced from Canadian-based Firms, 2024



- The level of the Canadian defence industry's domestic sourcing vary across domains

¹⁶ Supply chain expenditures reflect the subset of operating expenditures related to the purchase of mainly raw materials and components that are more directly used for/in manufacturing processes and similar maintenance, repair and overhaul (MRO)-type activities.

REGIONAL BREAKDOWN

Each region had specific areas of strength in 2024

Figure 8: Share of Canadian Defence Industry Employment¹⁷ and List of Top Defence Activities by Region¹⁸, 2024



¹⁷ Shares of employment by region are based on firms that specified their regional employment breakdown and reflect the 37,700 direct employees in the defence industry. See Annex 8 for the Top 10 regional defence activities, ranked by employment.

¹⁸ Rankings are approximate estimates based on employment shares derived from the ratio of category-level defence goods and services revenues to total defence industry revenues and from the breakdown of total employment by region. As these are simple rankings, the gap between ranked categories could be relatively small or relatively large.

In 2024, the Canadian defence industry was three times more R&D-intensive¹⁹ than the broader manufacturing sector

Figure 9: R&D Intensity, 2024

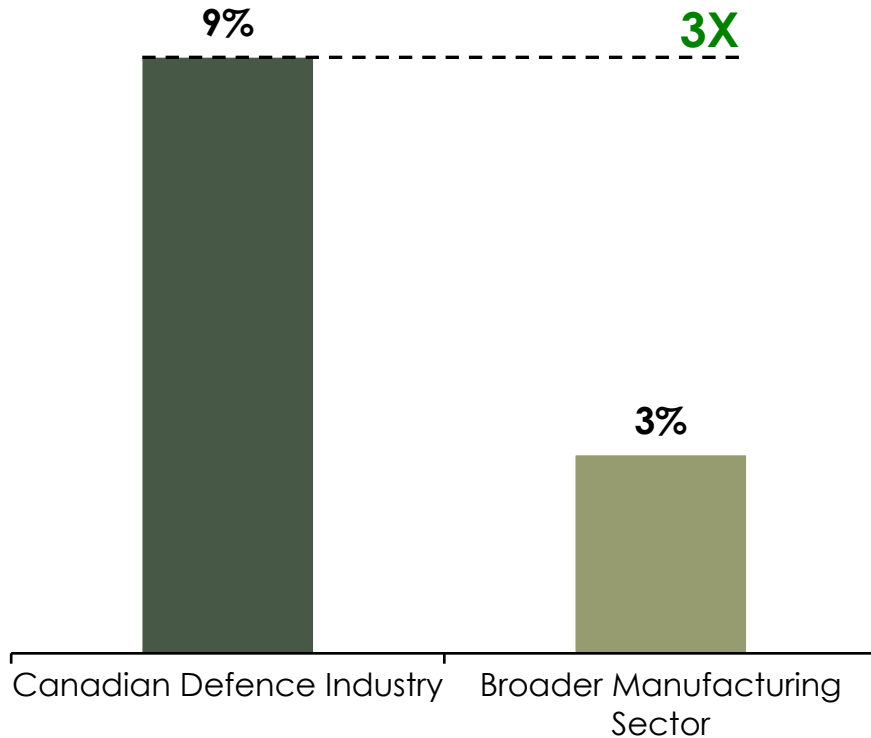
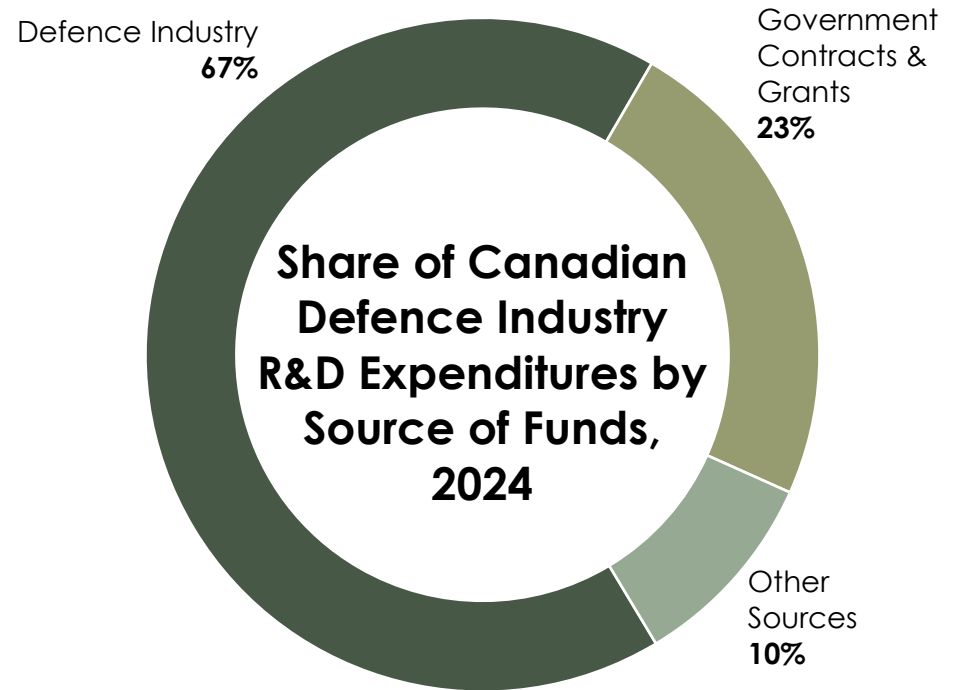


Figure 10: Share of Canadian Defence Industry R&D Expenditures by Source of Funds²⁰, 2024



- Between 2022 and 2024, the Canadian defence industry's R&D expenditures increased nearly 8% to reach over \$477 million
- The share of R&D funded by Canadian government sources increased from close to 15% in 2022 to nearly 25% in 2024

¹⁹ Industry-level R&D intensity is measured as the ratio of R&D performed by a given industry or sector relative to its own GDP. At the level of individual defence goods and services categories, R&D to GDP ratios are not available; instead, see Annex 9 for category-level defence goods and services R&D to revenues ratios.

²⁰ Other sources may include universities, foreign governments, individuals, etc. See Annex 10 for a comparative analysis of defence industry R&D expenditures by source of funds between 2022 and 2024.

STEM & WORKFORCE CHARACTERISTICS

In 2024, the Canadian defence industry's share of employment in STEM²¹ occupations was over 2.5 times greater than the broader manufacturing sector

Figure 11: STEM Intensity, 2024

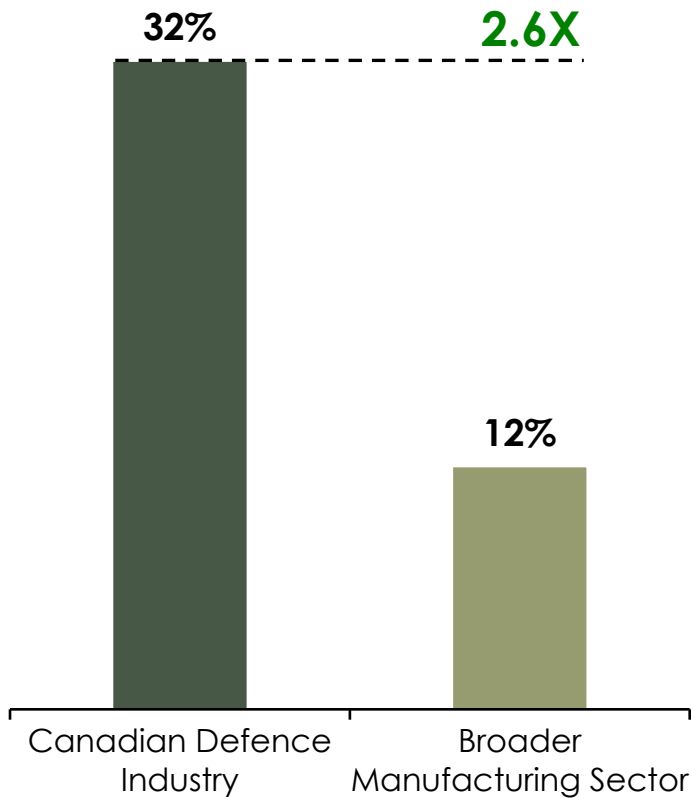
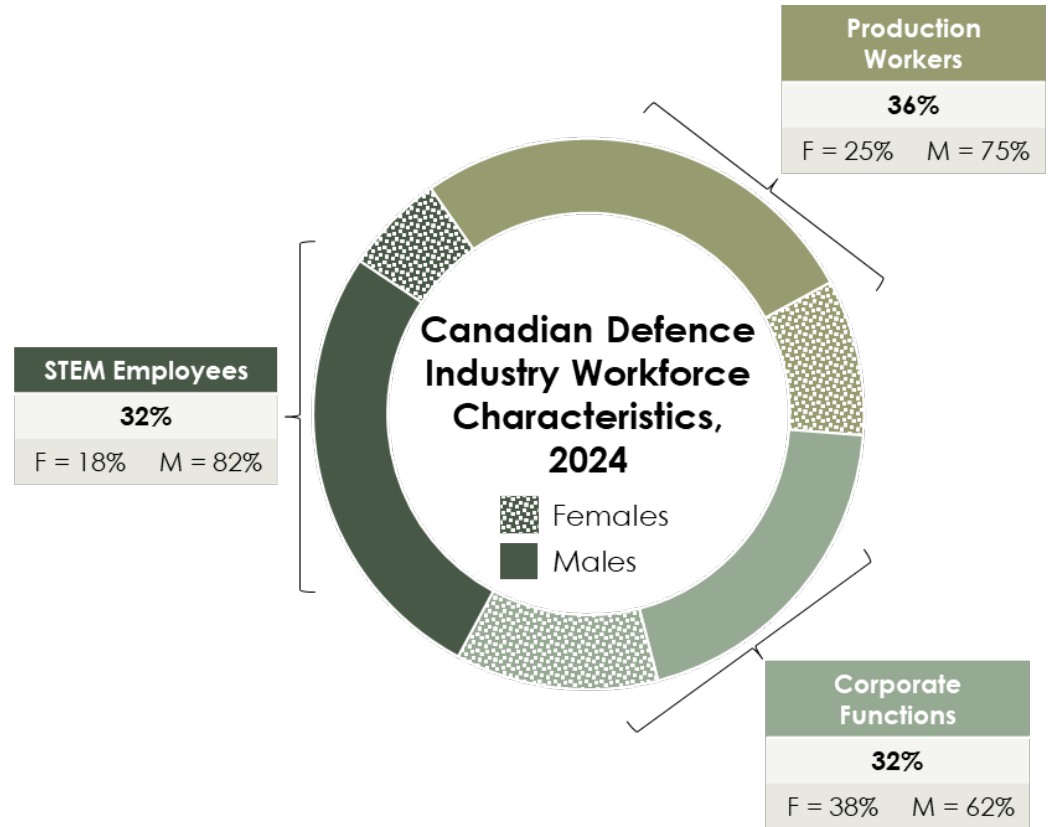


Figure 12: Canadian Defence Industry Workforce Characteristics²², 2024



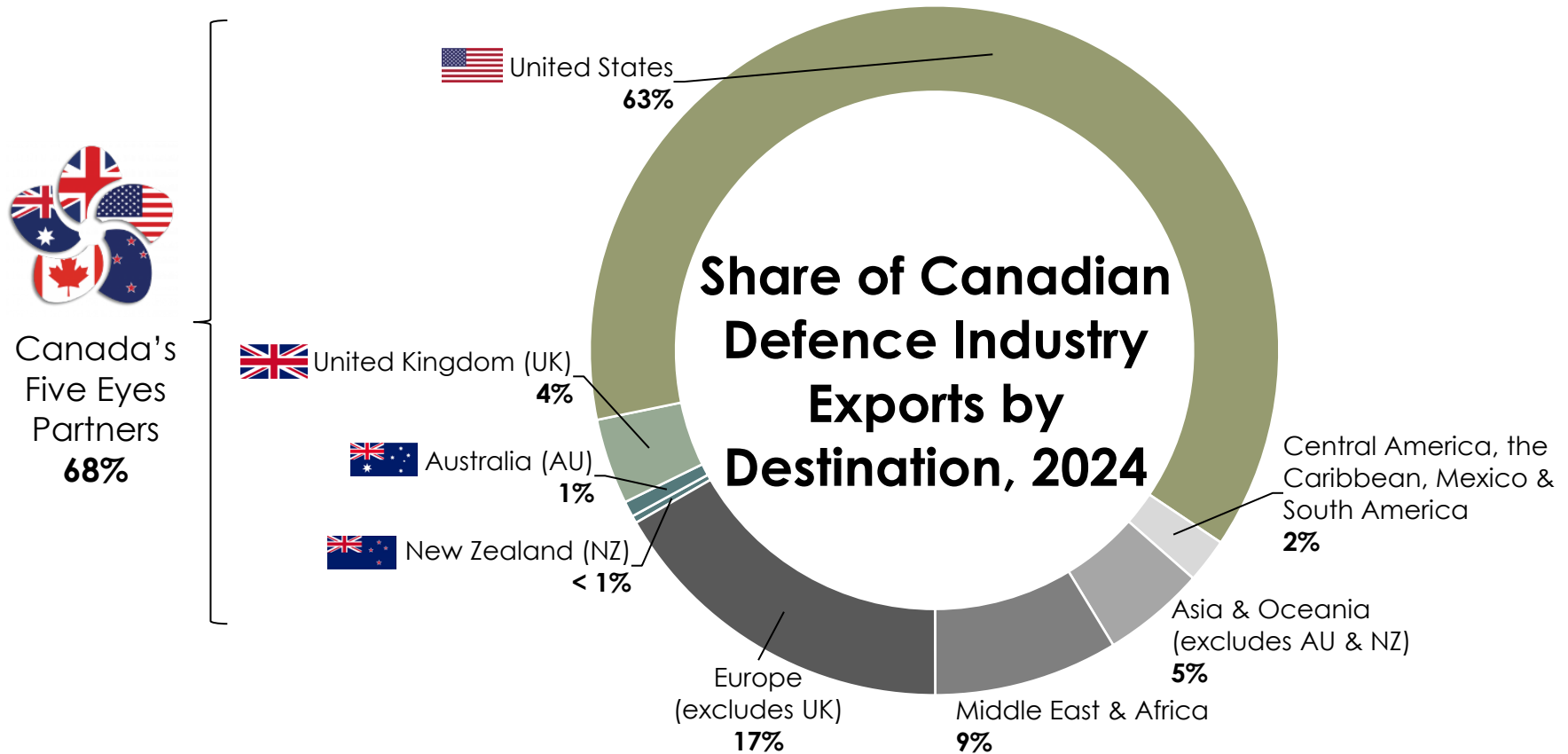
²¹ Science, Technology, Engineering, and Mathematics (STEM) occupations include survey categories on engineers, scientists and/or researchers, and technicians and technologists. Industry-level STEM intensity is measured as the ratio of employees in STEM-related occupations in a given industry or sector relative to its total employment. See Annex 11 for category-level defence goods and services STEM to employment ratios.

²² Gender breakdown reflects the 37,700 direct employees in the defence industry. Corporate functions include occupations in management, administration, marketing, and all other employees. See Annex 12 for a comparative analysis of the share of female employees between the defence industry and the broader manufacturing sector.

EXPORTS

In 2024, the Canadian defence industry's exports grew by \$1.0 billion, reaching close to \$8.0 billion, of which nearly 70% was to Canada's Five Eyes partners

Figure 13: Share of Canadian Defence Industry Exports by Destination²³, 2024



- An increased share of exports to Europe (excluding the UK) was a driver of Canada's export growth

²³ See Annex 13 for a comparative analysis of defence industry exports by destination between 2022 and 2024 and Annex 14 for category-level defence goods and services exports to revenues ratios.

KEY FINDINGS

In 2024, the Canadian defence industry:

- Generated close to \$17.3 billion in revenues
 - Increased revenues across all air & space systems, land & other defence, and marine domains between 2022 and 2024
- Contributed 81,800 jobs to the Canadian economy
 - An increase of 3,500 jobs between 2022 and 2024
- Had small- and medium-businesses (SMBs) that represented over 90% of firms
 - SMB revenues grew by more than \$700 million to reach over \$5.1 billion between 2022 and 2024
- Sourced close to 55% of its supply chain from Canadian-based suppliers
- Was three times more R&D-intensive and over 2.5 times more STEM-intensive than the broader manufacturing sector
- Exported close to \$8.0 billion in goods and services, an increase of \$1.0 billion, of which nearly 70% was to Canada's Five Eyes partners

ANNEXES

Annex 1 – Economic Impact Methodology Principles

- ISED’s approach is informed by experts from the Organisation for Economic Co-operation and Development (OECD) and Statistics Canada.
- Foundation data is based on the latest (2024) ISED-sponsored and Statistics Canada-administered *Canadian Defence, Aerospace, Marine, and Cybersecurity Industries Survey*, released in 2026.
- ISED’s model reflects Canada’s economic structure through Statistics Canada’s latest (2022) Input-Output (I/O) economic impact multipliers.
 - As there is no single statistical/industrial classification for defence activities, each defence industry goods and services category has been linked to the closest related and most relevant specific economic impact multiplier(s).
 - Economic impact estimates for defence activities performed in 2022, published in the *State of Canada’s Defence Industry Report, Spring 2024*, have been updated using the most relevant (2022) I/O multipliers. This aligns economic impact estimates with Canada’s economic structure at the time industrial activities were performed.
- Total economic impact includes industrial activities performed by the Canadian defence industry value chain, which is specifically comprised of the defence industry (direct economic impact from survey participants) and its Canadian suppliers (indirect economic activity from the Canadian defence industry’s value chain partners), and consumer spending by associated employees (induced economic activity) across the Canadian economy.
 - GDP impact is reported on an annual average basis.
 - Jobs impact is reported on an annual average basis and measured in terms of full-time equivalent (FTE) employment.
 - Economic impact estimates are reported at the national level and cannot be broken down at the regional level.
 - Economic impact estimates are not comparable to older estimates reported in previous publications as past foundational data are regularly updated.
- All values are in Canadian nominal/current dollars and are not adjusted for inflation.

Annex 2 – Revenues of Canadian Civil Marine by Type of Customer

Type of Customer	2022 Revenues	2024 Revenues	\$ Value Change, 2022–2024	% Change, 2022–2024
Canadian Federal Government	\$659,260,462	\$1,237,302,129	\$578,041,667	87.7%
Other Domestic Customers	\$836,502,399	\$1,127,262,030	\$290,759,631	34.8%
Export Customers	\$537,502,744	\$563,239,060	\$25,736,315	4.8%
Total Civil Marine Revenues	\$2,033,265,605	\$2,927,803,218	\$894,537,613	44.0%

Annex 3 – Revenues of the Canadian Defence Industry by Type of Customer

Type of Customer	2022 Revenues	2024 Revenues	\$ Value Change, 2022–2024	% Change, 2022–2024
Canadian Federal Government	\$5,173,772,567	\$6,507,284,764	\$1,333,512,198	25.8%
Other Domestic Customers	\$2,097,709,631	\$2,757,757,899	\$660,048,268	31.5%
Export Customers	\$7,039,146,000	\$7,992,053,019	\$952,907,019	13.5%
Total Defence Revenues	\$14,310,628,198	\$17,257,095,682	\$2,946,467,484	20.6%

Annex 4 – Canadian Defence Industry Key Industrial Indicators

Key Industrial Indicator	2014	2024	Value Change, 2014–2024	% Change, 2014–2024
Revenues	\$9,231,524,542	\$17,257,095,677	\$8,025,571,135	86.9%
Employment (Number of Direct Jobs)	26,857	37,732	10,875	40.5%
R&D²⁴ (2016 vs. 2024)	\$398,848,412	\$477,152,939	\$78,304,528	19.6%
Exports	\$5,509,665,830	\$7,954,511,988	\$2,444,846,158	44.4%

²⁴ Defence industry R&D expenditures from 2014 could not be used for comparisons over time, with the 2016 value used instead. Among firms accounting for 50.1% of 2014 defence industry revenues, it could not be determined if they performed in-house R&D and/or the value of such spending. The 2014 R&D value is more likely to notably understate actual R&D in that year and cannot be regarded as statistically representative of the overall defence industry with sufficient confidence.

Annex 5 – Canadian Defence Industry Economic Impact

GDP Economic Impact (Millions of Dollars)	2022	2024	\$ Value Change, 2022–2024
Defence Industry	\$5,174	\$5,420	\$246
Canadian Suppliers to the Defence Industry	\$3,052	\$3,188	\$136
Defence Industry and Value Chain	\$8,226	\$8,608	\$382
Consumer Spending by Associated Employees	\$2,434	\$2,544	\$110
Total GDP Economic Impact	\$10,660	\$11,152	\$492

Jobs Economic Impact (Number of Employees)	2022	2024	# Value Change, 2022–2024
Defence Industry	36,000	37,700	1,700
Canadian Suppliers to the Defence Industry	23,400	24,400	1,000
Defence Industry and Value Chain	59,400	62,100	2,700
Consumer Spending by Associated Employees	18,900	19,700	800
Total Jobs Economic Impact	78,300	81,800	3,500

Annex 6 – Canadian Defence SMB Key Industrial Indicators

SMB Key Industrial Indicator	2022	2024	Value Change, 2022–2024	% Change, 2022–2024
Revenues	\$4,421,984,113	\$5,125,357,418	\$703,373,304	15.9%
Employment (Number of Direct Jobs)	13,938	14,187	249	1.8%
R&D	\$137,957,342	\$136,465,741	-\$1,491,601	-1.1%
Exports	\$2,062,469,778	\$2,069,941,732	\$7,471,954	0.4%

Annex 7 – Revenues of Defence Goods and Services Categories by Domain

Air & Space Systems Defence Goods and Services Categories	2022 Revenues	2024 Revenues	\$ Value Change, 2022–2024	% Change, 2022–2024
Military Aircraft Maintenance, Repair Overhaul, Modernization or Upgrade Services	\$2,079,143,232	\$2,165,741,706	\$86,598,474	4.2%
Aircraft Mission Systems & Simulation Systems ²⁵	\$1,685,803,467	\$2,012,812,491	\$327,009,024	19.4%
Aircraft Fabrication, Structures and Components	\$1,445,924,277	\$1,754,982,973	\$309,058,696	21.4%
Unmanned Aerial Systems/Vehicles and Components	\$168,930,867	\$270,868,992	\$101,938,125	60.3%
Military Systems Deployed in Space, Space Launch Vehicles, Land-based Systems for the Operation, Command and Control of Space Launch Vehicles or Systems Deployed in Space and Related Components	\$73,943,779	\$86,024,784	\$12,081,005	16.3%
Total Air & Space Systems Revenues	\$5,453,745,622	\$6,290,430,946	\$836,685,324	15.3%
Total Defence Revenues	\$14,310,628,198	\$17,257,095,677	\$2,946,467,479	20.6%

Land & Other Defence Goods and Services Categories	2022 Revenues	2024 Revenues	\$ Value Change, 2022–2024	% Change, 2022–2024
Combat and Other Military Ground Vehicles and Components	\$1,975,060,892	\$1,637,558,991	-\$337,501,901	-17.1%
Land-Based, Vehicle-Borne, Man-Portable or Non-Platform Specific Mission Systems & Simulation Systems ²⁶	\$1,044,917,970	\$1,133,491,787	\$88,573,817	8.5%
Ammunition, Missiles, and Rockets ²⁷	\$633,359,578	\$847,328,194	\$213,968,616	33.8%

²⁵ Data from the survey’s “Primarily Airborne Communications and Navigation Systems; and Other Information Systems (Including Processing and Dissemination), Software, Electronics and Components,” “Primarily Airborne Electro-Optical, Radar, Sonar and Other Sensor/Information Collection Systems; Fire Control, Warning and Countermeasures Systems and Related Components” and “Simulation Systems for Aircraft” categories were merged by Statistics Canada to meet the confidentiality requirements of the *Statistics Act*.

²⁶ Data from the survey’s “Primarily Land-Based, Ground Vehicle-Borne, Man-Portable or Non-Platform Specific Communications and Navigation Systems; and Other Information Systems (Including Processing and Dissemination), Software, Electronics and Components,” “Primarily Land-Based, Ground Vehicle-Borne, Man-Portable or Non-Platform Specific Electro-Optical, Radar, Sonar and Other Sensor/Information Collection Systems; Fire Control, Warning and Countermeasures Systems and Related Components” and “Simulation Systems for Land Vehicles or Other Applications” categories were merged by Statistics Canada to meet the confidentiality requirements of the *Statistics Act*.

²⁷ Data from the survey’s “Ammunition and Other Munitions” and “Missiles and Rockets” categories were merged by Statistics Canada to meet the confidentiality requirements of the *Statistics Act*.

Land & Other Defence Goods and Services Categories	2022 Revenues	2024 Revenues	\$ Value Change, 2022–2024	% Change, 2022–2024
Other Defence	\$528,186,410	\$804,686,225	\$276,499,815	52.3%
Military Training Services	\$365,918,369	\$742,242,991	\$376,324,622	102.8%
Combat and Other Military Ground Vehicles Maintenance, Repair, Overhaul, Modernization or Upgrade Services	\$181,838,574	\$672,983,045	\$491,144,471	270.1%
Military Personal Protective Equipment, Load Carriage Systems and Operational Clothing	\$198,234,077	\$265,301,219	\$67,067,142	33.8%
Firearms and Other Weapons	\$88,640,495	\$130,683,798	\$42,043,303	47.4%
Total Land & Other Defence Revenues	\$5,016,156,365	\$6,234,276,250	\$1,218,119,885	24.3%
Total Defence Revenues	\$14,310,628,198	\$17,257,095,677	\$2,946,467,479	20.6%

Marine Defence Goods and Services Categories	2022 Revenues	2024 Revenues	\$ Value Change, 2022–2024	% Change, 2022–2024
Naval Vessel Construction, Conversions, Architecture, Engineering and Related Services ²⁸	\$1,776,979,321	\$1,809,206,744	\$32,227,423	1.8%
Naval Ship Maintenance, Repair, Overhaul, Modernization or Upgrade Services	\$1,070,632,031	\$1,294,516,134	\$223,884,103	20.9%
Naval Vessel Mission Systems & Simulation Systems ²⁹	\$660,399,613	\$1,101,189,346	\$440,789,733	66.7%
Naval Ships' Structural Elements, Platform Systems, Parts and Components	\$332,715,246	\$527,476,257	\$194,761,011	58.5%
Total Marine Revenues	\$3,840,726,211	\$4,732,388,481	\$891,662,270	23.2%
Total Defence Revenues	\$14,310,628,198	\$17,257,095,677	\$2,946,467,479	20.6%

²⁸ Data from the survey's "New Naval Vessels Constructed by Shipyards and Naval Conversions" and "Naval Vessel Architecture, Engineering, Certification, and Other Professional Services" categories were merged by Statistics Canada to meet the confidentiality requirements of the *Statistics Act*.

²⁹ Data from the survey's "Naval Ship-borne Mission Systems and Components" and "Simulation Systems for Naval Vessels" categories were merged by Statistics Canada to meet the confidentiality requirements of the *Statistics Act*.

Annex 8 – Top Ten Regional Defence Activities, Ranked by Employment (2024)

Western and Northern Canada

1. Naval Vessel Construction, Conversions, Architecture, Engineering and Related Services
2. Military Aircraft Maintenance, Repair Overhaul, Modernization or Upgrade Services
3. Naval Ship Maintenance, Repair, Overhaul, Modernization or Upgrade Services
4. Land-Based, Vehicle-Borne, Man-Portable or Non-Platform Specific Mission Systems & Simulation Systems
5. Other Defence
6. Naval Vessel Mission Systems & Simulation Systems
7. Aircraft Fabrication, Structures and Components
8. Military Training Services
9. Combat and Other Military Ground Vehicles and Components
10. Aircraft Mission Systems and Simulation Systems

Ontario

1. Aircraft Mission Systems and Simulation Systems
2. Combat and Other Military Ground Vehicles and Components
3. Aircraft Fabrication, Structures and Components
4. Land-Based, Vehicle-Borne, Man-Portable or Non-Platform Specific Mission Systems & Simulation Systems
5. Other Defence
6. Combat and Other Military Ground Vehicles Maintenance, Repair, Overhaul, Modernization or Upgrade Services
7. Military Aircraft Maintenance, Repair Overhaul, Modernization or Upgrade Services
8. Ammunition, Missiles, and Rockets
9. Naval Ship Maintenance, Repair, Overhaul, Modernization or Upgrade Services
10. Naval Vessel Mission Systems & Simulation Systems

Quebec

1. Ammunition, Missiles, and Rockets
2. Aircraft Mission Systems and Simulation Systems
3. Military Aircraft Maintenance, Repair, Overhaul, Modernization or Upgrade Services
4. Aircraft Fabrication, Structures and Components
5. Naval Ship Maintenance, Repair, Overhaul, Modernization or Upgrade Services
6. Land-Based, Vehicle-Borne, Man-Portable or Non-Platform Specific Mission Systems & Simulation Systems
7. Military Training Services
8. Other Defence
9. Military Personal Protective Equipment, Load Carriage Systems and Operational Clothing
10. Naval Vessel Mission Systems & Simulation Systems

Atlantic Canada

1. Naval Vessel Construction, Conversions, Architecture, Engineering and Related Services

2. Military Aircraft Maintenance, Repair, Overhaul, Modernization or Upgrade Services
3. Naval Vessel Mission Systems & Simulation Systems
4. Naval Ship Maintenance, Repair, Overhaul, Modernization or Upgrade Services
5. Other Defence
6. Aircraft Mission Systems and Simulation Systems
7. Aircraft Fabrication, Structures and Components
8. Naval Ships' Structural Elements, Platform Systems, Parts and Components
9. Combat and Other Military Ground Vehicles and Components
10. Land-Based, Vehicle-Borne, Man-Portable or Non-Platform Specific Mission Systems & Simulation Systems

Annex 9 – R&D to Revenues Ratios of Defence Goods and Services Categories

Rank	Defence Goods and Services Categories	2024 R&D to Revenues Ratio
1	Unmanned Aerial Systems/Vehicles and Components	6% < X ≤ 9%
2	Aircraft Mission Systems and Simulation Systems	3% < X ≤ 6%
3	Other Defence	3% < X ≤ 6%
4	Combat Vehicles and Components & Combat Vehicles Maintenance, Repair and Overhaul ³⁰	3% < X ≤ 6%
5	Military Training Services	3% < X ≤ 6%
6	Land-Based, Vehicle-Borne, Man-Portable or Non-Platform Specific Mission Systems & Simulation Systems	3% < X ≤ 6%
7	Aircraft Fabrication, Structures and Components	3% < X ≤ 6%
8	Naval Vessel Mission Systems & Simulation Systems	3% < X ≤ 6%
9	Military Systems Deployed in Space, Space Launch Vehicles, Land-based Systems for the Operation, Command and Control of Space Launch Vehicles or Systems Deployed in Space and Related Components	3% < X ≤ 6%
10	Military Personal Protective Equipment, Load Carriage Systems and Operational Clothing	0% ≤ X ≤ 3%
11	Ammunition, Missiles, and Rockets	0% ≤ X ≤ 3%
12	Firearms and Other Weapons	0% ≤ X ≤ 3%
13	Naval Ships' Structural Elements, Platform Systems, Parts and Components	0% ≤ X ≤ 3%

³⁰ The survey's "Combat and Other Military Ground Vehicles and Components" and "Combat and Other Military Ground Vehicles Maintenance, Repair, Overhaul, Modernization and Upgrade Services" categories were merged by Statistics Canada to provide a R&D to revenues ratio estimate more certain to be representative of the combined set of associated activities than individual estimates.

Rank	Defence Goods and Services Categories	2024 R&D to Revenues Ratio
14	Military Aircraft Maintenance, Repair Overhaul, Modernization or Upgrade Services	0% ≤ X ≤ 3%
15	Naval Ship Maintenance, Repair, Overhaul, Modernization or Upgrade Services	0% ≤ X ≤ 3%
16	Naval Vessel Construction, Conversions, Architecture, Engineering and Related Services	0% ≤ X ≤ 3%
NA	Total Defence Industry	0% ≤ X ≤ 3%

Annex 10 – Canadian Defence Industry R&D Expenditures by Source of Funds

Source of Funds	2022 R&D	2024 R&D	\$ Value Change, 2022–2024	% Change, 2022–2024
Defence Industry Firms' Internal Funds ³¹	\$325,707,385	\$313,044,905	-\$12,662,480	-3.9%
Contract Work for Other Firms & Private Non-profits	\$15,125,328	\$8,541,734	-\$6,583,594	-43.5%
Total Defence Industry	\$340,832,714	\$321,586,640	-\$19,246,074	-5.6%
Government Contracts	\$50,228,425	\$62,205,726	\$11,977,301	23.8%
Government Grants	\$11,988,846	\$49,086,987	\$37,098,141	309.4%
Total Government Contracts & Grants	\$62,217,271	\$111,292,715	\$49,075,444	78.9%
Other Sources (Universities, Foreign Governments, Individuals, etc.)	\$40,542,755	\$44,273,584	\$3,730,829	9.2%
Total R&D Expenditures	\$443,592,739	\$477,152,939	\$33,560,200	7.6%

Annex 11 – STEM to Employment Ratios of Defence Goods and Services Categories

Rank	Defence Goods and Services Categories	2024 STEM to Employment Ratio
1	Naval Vessel Mission Systems & Simulation Systems	50% < X ≤ 60%
2	Aircraft Mission Systems and Simulation Systems	40% < X ≤ 50%
3	Land-Based, Vehicle-Borne, Man-Portable or Non-Platform Specific Mission Systems & Simulation Systems	40% < X ≤ 50%

³¹ Firm internal R&D funds also include funds from the firm's parent, affiliates and subsidiary companies.

Rank	Defence Goods and Services Categories	2024 STEM to Employment Ratio
4	Military Training Services	40% < X ≤ 50%
5	Unmanned Aerial Systems/Vehicles and Components	40% < X ≤ 50%
6	Military Systems Deployed in Space, Space Launch Vehicles, Land-based Systems for the Operation, Command and Control of Space Launch Vehicles or Systems Deployed in Space and Related Components	40% < X ≤ 50%
7	Other Defence	40% < X ≤ 50%
8	Naval Ships' Structural Elements, Platform Systems, Parts and Components	40% < X ≤ 50%
9	Military Aircraft Maintenance, Repair Overhaul, Modernization or Upgrade Services	20% < X ≤ 30%
10	Naval Vessel Construction, Conversions, Architecture, Engineering and Related Services	20% < X ≤ 30%
11	Naval Ship Maintenance, Repair, Overhaul, Modernization or Upgrade Services	20% < X ≤ 30%
12	Combat and Other Military Ground Vehicles Maintenance, Repair, Overhaul, Modernization or Upgrade Services	20% < X ≤ 30%
13	Ammunition, Missiles, and Rockets	20% < X ≤ 30%
14	Aircraft Fabrication, Structures and Components	10% < X ≤ 20%
15	Combat and Other Military Ground Vehicles and Components	10% < X ≤ 20%
16	Firearms and Other Weapons	10% < X ≤ 20%
17	Military Personal Protective Equipment, Load Carriage Systems and Operational Clothing	0% ≤ X ≤ 10%
NA	Total Defence	30% < X ≤ 40%

Annex 12 – Share of Female Employees by Occupation (2024)

Occupation	Canadian Defence Industry	Broader Manufacturing Sector
STEM Employees	18%	22%
Production Workers	25%	23%
Corporate Functions	38%	52%
Total	27%	29%

Annex 13 – Canadian Defence Industry Exports by Destination

Destination	2022 Exports	2024 Exports	\$ Value Change, 2022–2024	% Change, 2022–2024
United States	\$4,431,692,402	\$5,005,966,280	\$574,273,878	13.0%
Europe (excludes UK)	\$750,267,518	\$1,334,435,495	\$584,167,977	77.9%
Middle East and Africa	\$864,553,528	\$691,100,459	-\$173,453,069	-20.1%
Asia and Oceania (excludes AU & NZ)	\$436,801,294	\$385,720,936	-\$51,080,358	-11.7%
United Kingdom (UK)	\$341,528,766	\$321,462,432	-\$20,066,334	-5.9%
Central America, the Caribbean, Mexico, and South America	\$163,095,058	\$167,001,286	\$3,906,228	2.4%
Australia (AU)	\$48,812,468	\$58,716,433	\$9,903,965	20.3%
New Zealand (NZ)	\$2,394,966	\$27,649,697	\$25,254,731	1054.5%
Total Exports	\$7,039,146,000	\$7,992,053,019	\$952,907,019	13.5%

Annex 14 – Exports to Revenues Ratios of Defence Goods and Services Categories

Rank	Defence Goods and Services Categories	2024 Exports to Revenues Ratio
1	Aircraft Fabrication, Structures and Components	60% < X ≤ 80%
2	Aircraft Mission Systems and Simulation Systems	60% < X ≤ 80%
3	Ammunition, Missiles, and Rockets	60% < X ≤ 80%
4	Combat Vehicles and Components & Combat Vehicles Maintenance, Repair and Overhaul ³²	40% < X ≤ 60%
5	Military Systems Deployed in Space, Space Launch Vehicles, Land-based Systems for the Operation, Command and Control of Space Launch Vehicles or Systems Deployed in Space and Related Components	40% < X ≤ 60%
6	Military Aircraft Maintenance, Repair Overhaul, Modernization or Upgrade Services	40% < X ≤ 60%

³² The survey's "Combat and Other Military Ground Vehicles and Components" and "Combat and Other Military Ground Vehicles Maintenance, Repair, Overhaul, Modernization and Upgrade Services" categories were merged by Statistics Canada to provide an exports to revenues ratio estimate more certain to be representative of the combined set of associated activities than individual estimates.

Rank	Defence Goods and Services Categories	2024 Exports to Revenues Ratio
7	Land-Based, Vehicle-Borne, Man-Portable or Non-Platform Specific Mission Systems & Simulation Systems	40% < X ≤ 60%
8	Naval Ships' Structural Elements, Platform Systems, Parts and Components	40% < X ≤ 60%
9	Unmanned Aerial Systems/Vehicles and Components	40% < X ≤ 60%
10	Firearms and Other Weapons	20% < X ≤ 40%
11	Other Defence	20% < X ≤ 40%
12	Military Personal Protective Equipment, Load Carriage Systems and Operational Clothing	20% < X ≤ 40%
13	Naval Vessel Mission Systems & Simulation Systems	20% < X ≤ 40%
14	Military Training Services	0% ≤ X ≤ 20%
15	Naval Ship Maintenance, Repair, Overhaul, Modernization or Upgrade Services	0% ≤ X ≤ 20%
16	Naval Vessel Construction, Conversions, Architecture, Engineering and Related Services	0% ≤ X ≤ 20%
NA	Total Defence Industry	40% < X ≤ 60%

Annex 15 – Official Definitions of Defence Goods and Services Categories by Domain

Air & Space Systems

Aircraft fabrication, structures, and components

This category includes sales related to production as well as research, development, design, engineering, testing, and evaluation services relating to: Military aircraft, and military aircraft structural elements, control surfaces, systems, sub-systems, parts and components of manned military aerial platforms, and complete manned military aerial platforms, intended for use in combat and military transport. This includes things like landing gear (e.g., wheels, shock absorbers and related parts for the retraction and extension of aircraft landing gear, helicopter pontoons); flight control actuators; and propulsion and power systems for military aircraft (e.g., aircraft gas turbine engines, compressors, fuel systems).

Excluded from this category are sales related to military aircraft maintenance, repair and overhaul (MRO) services; aircraft communication systems; navigation systems; avionics; air-borne sensors; missiles, rockets and projectiles made to be fired from aerial platforms; display units; and other electronics for manned military aerial platforms—these are to be reported under separate defence product and service categories as appropriate.

Military aircraft maintenance, repair, overhaul, modernization, or upgrade services

This category includes sales of

- maintenance, repair, and overhaul (MRO) services carried out under contract for military aircraft (including the MRO of their systems and subsystems like engines, avionics, etc.), as well as for related MRO training; examples of related activities include sales under contracts for
 - military aircraft repair, maintenance, rebuilding or overhauling on a factory basis (i.e., restoring aircraft to original design specifications)
 - basic servicing, repairing, and maintenance of military aircraft

- MRO-related military aircraft inspection and testing services
 - associated engineering support and material management
- contracts for military aircraft modernization, upgrade, conversion, or modification services (including systems and subsystems like avionics, engines, associated software, etc.).

Excluded from this category are:

- sales from the provision of systems like avionics (e.g., flight control systems, radar, electro-optical, communications, navigation, countermeasures systems), engines or other platform systems and parts
 - to be integrated into military aircraft undergoing MRO, modernization, upgrades, conversion, or modifications
 - to be integrated into new military aircraft.
- sales of such goods and services should instead be reported as most appropriate under the alternative defence goods and services categories for “Primarily airborne electro-optical, radar, sonar and other sensor and information collection systems; fire control, warning and countermeasures systems, and related components,” “Primarily airborne communications and navigation systems, and other information systems (including processing and dissemination), software, electronics and components” and “Aircraft fabrication, structures and components.”
- sales from the provision of aircraft (re)fuelling services, aircraft cleaning, and fumigation services at airports; such sales should not be reported under any of the defence goods and services categories.

Military systems deployed in space, space launch vehicles, land-based systems for the operation, command and control of space launch vehicles or systems deployed in space, and related components

This category includes sales related to production as well as research, development, design, engineering, testing, and evaluation services:

- relating to primarily military systems deployed in space (e.g., satellites, spacecraft, and space robotic systems) and their sub-systems and components; as well as space launch vehicles.
- related design, engineering, and production of earth-based systems *used for the operation*, Command & Control of military systems deployed in space and space launch vehicles (e.g., ground stations, satellite tracking systems, and launch facilities).

Primarily airborne communications and navigation systems; and other information systems (including processing and dissemination), software, electronics and components

This category includes sales related to production as well as research, development, design, engineering, testing, and evaluation services relating to primarily airborne:

- military communications systems, secure cyber/information systems, and other military Information Technologies (including software);
- navigation and guidance systems (e.g., Global Positioning System [GPS] based systems, gyroscopes, accelerometers) and other geomatics related systems and services (e.g., geographic information system (GIS) products and services for military applications, remote sensing services for military applications);
- other technologies for the receipt, exchange/disseminating, processing, synthesizing, analysis, and integration of multiple types of data;
- display technologies, digital control systems, and other avionics; Other mission system avionics, computers and electronics;
- other aircraft avionics for military aircraft not elsewhere specified.

Note: sales relating to similar systems, but which are integrated into naval vessels should be reported under the category for “Naval Ship-Borne Mission Systems and Components.”

Primarily airborne electro-optical, radar, sonar, and other sensor / information collection systems; fire control, warning and countermeasures systems, and related components

This category includes sales related to production as well as research, development, design, engineering, testing, and evaluation services relating to primarily airborne:

- electro-optical systems (e.g., image intensification night-vision systems, thermal imaging systems, lasers), radars, dipping sonar, other sensors, and fire-control systems used to aid weapons in target acquisition, tracking and engagement;
- warning systems (e.g., technologies that detect enemy radars, enemy laser targeting systems, and approaching threats such as missiles);
- countermeasures (e.g., electronic jamming equipment, smoke screens, flares to counter heat-seeking missiles);
- other related aircraft avionics systems.

Note: sales relating to similar systems, parts, and components but which are integrated into naval vessels should be reported under the category for “Naval Ship-Borne Mission Systems and Components.”

Simulation systems for aircraft

This category includes sales related to production as well as research, development, design, engineering, testing and evaluation services for the hardware and software technologies used by military and security forces to develop, experiment and test operational doctrines and to train personnel using situational scenarios (e.g., intelligent software, visual systems, network simulations, real-time simulators) as primarily related to aircraft and operations in the air-domain.

Unmanned aerial systems and vehicles and components

This category includes sales related to production, research, development, design, engineering, testing, and evaluation services relating to: Military unmanned aerial vehicles/systems and drones, and related sub-systems, parts, components, and accessories (including related ground control systems and launchers).

Excluded are sales relating to missiles; or to weapon systems (e.g., guns, missile launchers) and ammunition, munitions, and missiles carried on/delivered by unmanned aerial systems or vehicles. Such sales should be reported under either the category for “Firearms and other weapons” or under the category for “Missiles & rockets.”

Land and Other Defence

Ammunition and other munitions

This category includes sales related to production as well as research, development, design, engineering, testing and evaluation services, and disposal activities such as relating to:

- conventional ammunition in small/medium/large calibers, artillery and mortar rounds, bombs, grenades, torpedoes, mines, other munitions, and related precision manufacturing;
- related propellants and explosives like explosive plastics, gels, liquids, and powders; and,
- nuclear, biological, and chemical warheads.

Excluded are sales of missiles, rockets and other related parts and components which should be reported under the category for “Missiles and Rockets.”

Combat and other military ground vehicles and components

This category includes sales related to production as well as research, development, design, engineering, testing and evaluation services relating to: Land-based vehicles specifically designed for military use in combat and to transport and protect soldiers and materials, and the basic platform systems, sub-systems and components of such vehicles (e.g., vehicle structures, electrical systems, armour, engines, transmission systems, heating/cooling systems, engineering).

Excluded are sales such as of:

- Combat vehicle-based weapons systems like guns and missile launchers as such sales should be reported under the “Firearms and other weapons” category.
- Sales relating to associated projectiles like tank gun rounds or missiles should be reported separately under the “Ammunition and other munitions” or “Missiles and rockets” categories as appropriate.

- Combat vehicle communication systems, electronics, sensors, fire-control and navigation systems sales should instead be reported under either the appropriate categories for: “[Primarily land-based, ground vehicle-borne, man-portable or non-platform specific] electro-optical, radar, sonar and other sensor/information collection systems; fire control, warning and countermeasures systems; and related components” and “[Primarily land-based, ground vehicle-borne, man-portable or non-platform specific] communications and navigation systems; and other information systems (including processing and dissemination), software, electronics, and components”.
- Relating to maintenance, Repair, overhaul (MRO), and/or training services relating to combat vehicles should also be reported separately in the category for: “Combat and other military ground vehicles maintenance, repair, overhaul, modernization and upgrade services.”

Excluded entirely from the survey are any sales relating to consumer, commercial or industrial vehicles sold to militaries.

Combat and other military ground vehicles maintenance, repair, overhaul, modernization, and upgrade services

This category includes sales of

- maintenance, repair, and overhaul (MRO) services carried out under contract for combat and other military ground vehicles, as well as for MRO-related training; examples of related activities include sales under contracts for
 - military vehicle repair, maintenance, or overhaul to original design specifications
 - basic servicing, repairing, and maintenance of military vehicles
 - MRO-related military vehicle inspection and testing services
 - associated engineering support, material management
- contracts for vehicle modernization, upgrade, conversion, or modification services.

Excluded from this category are sales relating to

- associated projectiles like tank gun rounds or missiles, sales of which should be reported separately under the “Ammunition and other munitions” or “Missiles and rockets” categories as most appropriate;
- the sale of items such as vehicle-mounted guns or missile launchers, which should be reported separately under the “Firearms and other weapons” goods and services sales category;
- vehicle-based mission systems like communication systems, sensors, fire-control and navigation systems, countermeasures, and other electronics and software, which should be reported under the appropriate categories for the following “[Primarily land-based, ground vehicle-borne, man-portable or non-platform specific] electro-optical, radar, sonar and other sensor and information collection systems; fire control, warning and countermeasures systems; and related components” and “[Primarily land-based, ground vehicle-borne, man-portable or non-platform specific] communications and navigation systems; and other information systems (including processing and dissemination), software, electronics and components.”

Exclude entirely from the survey any sales relating to consumer, commercial or industrial vehicles that happen to be sold to militaries.

Firearms and other weapons

This category includes military sales related to production as well as research, development, design, engineering, testing, and evaluation services relating to technologies aggressively used to gain or defend a tactical advantage over an adversary; to attack, defend and protect assets and personnel. This includes lethal and non-lethal kinetic and non-kinetic weapon systems like:

- light/medium/heavy firearms;
- vehicle-based or mobile weapons like tank guns, howitzers, mortars, and missile launchers;
- acoustic, laser, and other electromagnetic based weapon systems.

Military personal protective equipment, load carriage systems, and operational clothing

This category includes sales related to production, research, development, design, engineering, testing, and evaluation services; as well as to the maintenance and repair of soldiers’ personal protective equipment (PPE) including:

- ballistic/blast protection and related military body armor, helmets, eyewear, and related accessories; as well as soldier flame/thermal protection;
- chemical, biological, radiological & nuclear (CBRN) military protective suits, as well as military respirators and associated;
- soldier load carriage systems (includes exoskeletons and other personal equipment designed specifically to help soldiers carry their respective fighting, battle, and sustainment loads);
- other personal military items designed for use by individual soldiers to aid in their concealment from enemy detection;
- other operational military clothing and footwear.

Excluded from this category are sales relating to:

- Ceremonial uniforms, as well as commercial/civil market items purchased for soldiers. Nor are these to be reported as defence goods and services sales under any of the other defence sales categories.
- Sensors/electronics designed for military use in the detection and identification of CBRN and explosives related threats. Sales of goods and services relating to such sensors/electronics should instead be reported under the most appropriate category relating to: “Electro-optical, radar, sonar and other sensor / information collection systems; fire control, warning and countermeasures systems, and related components.”

Military training services

This category includes sales related to the provision and development (by operations in Canada) of:

- live military training services to military personnel such as in relation to combat training exercises, including military airborne training services and any similar land or maritime training services; military marksmen and sniper training, etc.
- relevant activities are those that occur in real/natural physical environments mirroring expected operational environments/ conditions to the extent possible, using actual platforms and/or other systems and equipment.
- training services involving individuals/trainees operating simulated platforms and/or other warfighting systems/equipment in simulated/synthetic environments mirroring expected operational environments/scenarios.
- such activities may relate to training of specific military personnel in isolation, or to training of multiple individuals. For example, multiple individuals simultaneously operating separate but networked military aircraft simulators.
- training and simulation-based services involving simulated actors/ forces operating simulated systems/equipment in simulated/ synthetic environments and scenarios, based at least in part on inputs entered into simulations prior to the running of simulations (e.g., war-gaming models).

Excluded are sales:

- of actual simulation system hardware and associated software—which should instead be reported under the three categories relating to “Simulation Systems” as appropriate.
- for training services related to the maintenance, repair, and overhaul (MRO) of military platforms and systems—as these should be reported under appropriate MRO categories under the survey.

Missiles and Rockets

This category includes sales related to production as well as research, development, design, engineering, testing, and evaluation services relating to military missiles and rockets, including advanced missiles used by anti-ballistic missile (ABM) systems.

Excluded here are sales relating to:

- space launch vehicles;
- munitions/sub-munitions and other types of warheads carried on or delivered by missiles and rockets.

Those are to be reported under either the categories for “Ammunition and Other Munitions” or for military space systems as appropriate.

Primarily land-based, ground vehicle-borne, man-portable, or non-platform specific communications and navigation systems; and other Information systems (including processing and dissemination), software, electronics, and components

This category includes sales related to production as well as research, development, design, engineering, testing, and evaluation services relating to land-based, ground vehicle-borne, man-portable, or non-platform specific:

- military communications systems, secure cyber/information systems, and other military Information Technologies (including software);
- navigation and guidance systems (e.g., Global Positioning System [GPS] based systems, gyroscopes, accelerometers) and other geomatics related systems and services (e.g., geographic information system (GIS) products and services for military applications, remote sensing services for military applications);
- other technologies for the receipt, exchange/disseminating, processing, synthesizing, analysis, and integration of multiple types of data;
- display technologies and digital control systems;
- other defence computer and electronics related products not elsewhere specified.

Note: sales relating to similar systems, but which are integrated into naval vessels should be reported under the category for “Naval Ship-Borne Mission Systems and Components.”

Primarily land-based ground vehicle borne, man-portable or non-platform specific electro-optical, radar, sonar, and other sensor/information collection systems; fire control, warning, and countermeasures systems, and related components

This category includes sales related to production as well as research, development, design, engineering, testing, and evaluation services relating to primarily land-based, ground vehicle-borne, man-portable, or non-platform specific:

- electro-optical systems (e.g., image intensification night-vision systems, thermal imaging systems, lasers), radars, sonar, other sensors, and fire-control systems used to aid weapons in target acquisition, tracking and engagement;
- warning systems (e.g., technologies that detect enemy radars, enemy laser targeting systems, and approaching threats such as missiles), and countermeasures (e.g., electronic jamming equipment, smoke screens, flares to counter heat-seeking missiles).

Note: sales relating to similar systems, parts, and components but which are integrated into naval vessels should be reported under the category for “Naval Ship-Borne Mission Systems and Components.”

Simulation systems for land vehicles or other applications

This category includes sales related to production as well as research, development, design, engineering, testing and evaluation services for the hardware and software technologies used by military and security forces to develop, experiment and test operational doctrines and to train personnel using situational scenarios (e.g., intelligent software, visual systems, network simulations, real-time simulators) as primarily related to naval vessels and operations in the maritime-domain.

All other defence (specify)

This category includes sales that could not otherwise be captured under other specified defence goods and services categories, and which are earned from designing, engineering, testing, evaluating, producing, providing, maintaining, upgrading, modernizing or performing research and development for systems and services specifically designed or adapted for (and generally restricted to) use by militaries to conduct operations, and that perform military functions or missions; and related subsystems, components or parts limited in use or specific to such military systems or services and the performance of military specific functions. To be in-scope, the industrial activities of businesses must also involve actual production and provision of such goods and services by their employees located in Canada.

Excluded are sales of:

- goods and services that were produced, rendered, or provided by facilities and employees located outside of Canada, and then just delivered or sold “as-is” by a business located in Canada;

- goods sold by wholesaler, distributor, or retailer operations located in Canada that were not actually produced by those businesses in Canada (but that were produced by other businesses located in Canada or abroad);
- cleaning services provided to military facilities, construction and maintenance services for basic housing and infrastructure (e.g., roads, sewers) at military bases, human resources staffing services, basic commercial transportation services to military clients (e.g., commercial trucking firms transporting goods to a base) and raw materials (e.g., chemical feedstocks, metals).

Marine

Naval ship maintenance, repair, overhaul, modernization, or upgrade services

This category includes sales of:

- maintenance, repair, and overhaul (MRO) services carried out under contract for naval surface vessels, and subsurface vessels and submarines, as well as for MRO-related training; examples of related activities include sales under contracts for:
 - naval vessel repair, maintenance, or overhaul to original design specifications
 - basic servicing, repairing, and maintenance of naval vessels
 - MRO-related naval vessel inspection and testing services
 - associated engineering support, material management
- contracts for naval vessel modernization, upgrade, conversion, or modification services.

Excluded from this category are:

- Sales of systems, like naval ship-borne mission and platform systems
 - produced for integration into vessels undergoing MRO, modernization, upgrades, conversion or modification
 - produced for integration into new naval vessels during their construction.

Sales of such goods and services should instead be reported as most appropriate under the goods and services categories for “Naval ship-borne mission systems and components” and “Naval ships structural elements, platform systems, parts and components.”

Naval ship’s structural elements, platform systems, parts & components (excluding shipborne naval mission systems)

This category includes sales for production as well as research, development, design, engineering, testing and evaluation services relating to: Platform systems, subsystems, structural parts and components intended for either existing manned naval surface ships/submarines or for use during the building of new manned naval vessels (e.g., vessels that were specifically designed or modified for use by militaries in combat or the transportation of military goods and personnel). For example, this would include sales of bulkheads, ship propulsion plant and electrical power systems, ship propellers and propeller shafts, steering mechanisms, machinery control systems, ballistic protection materials, fire extinguishing systems, climate control/ventilation and water treatment systems, plumbing, deck machinery, living spaces, and hull compartments and other hull sections, naval ships’ helicopter handling systems, etc.

Excluded from this category are sales:

- Related to shipborne naval mission systems/naval vessels’ combat systems like command, control, and communications systems; radars, sonar, electro-optical systems, naval countermeasures, navigation systems, displays and other sensors and electronics, naval guns, and missile launchers. Those are to be reported under the category for “Naval ship-borne mission systems and components.”
- Related to maintenance, repair and overhaul services provided for manned naval surface ships/submarines. Those sales should instead be reported under the separate category for: “Naval ship maintenance, repair and overhaul.”
- By shipyards relating to their design or construction/assembly and delivery of newly built naval ships (including submarines); and/or naval conversions. These should instead be reported under the separate category for “New naval vessels constructed by shipyards, and naval conversions.”

Naval ship-borne mission systems and components

This category includes sales related to production as well as research, development, design, engineering, testing and evaluation services relating to such systems as: Naval vessel mission/combat systems: command, control, and communications; radar, sonar, electro-optical and other sensors, navigation systems, displays, other Information Technologies (including Software) and electronics, countermeasures; guns, and missile or torpedo launchers.

Excluded from this category are sales related to the actual missiles, torpedoes and other munitions or projectiles launched or fired from/by naval vessels' weapon systems, as well as associated warheads. Such sales are to be reported under either the category for "Missiles and Rockets" or the category for "Ammunition and Other Munitions" as appropriate.

Naval vessel architecture, engineering, certification, and related professional services

This category includes sales under contracts specifically for naval architecture and engineering services relating to naval surface ships or naval submarines operated by navies (i.e., vessels specifically designed for and restricted to use by militaries in combat, their transportation of military goods and personnel, or to otherwise perform military and naval specific functions). Relevant services include:

- assessing design requirements and proposals, and determining basic vessel characteristics
- modelling related to hydrodynamics and vessel signature management (e.g., radar cross section; thermal, acoustic, and electromagnetic emissions)
- providing overall ship hull and superstructure design, and determining platform system requirements (e.g., requirements to be met by power and propulsion; steering; heating, ventilation, and air conditioning systems)
- specifying the layout of the interior space of vessels, and the physical layout of platform systems and other systems and machinery within vessels
- providing associated drawings, schematics, and job specifications
- inspecting machinery and equipment, hulls, and superstructures (including damage surveys)
- developing and conducting the testing and evaluation of machinery and equipment, and of the operational performance of platforms
- ensuring compliance with marine vessel standards and regulations, and certification of systems and vessels
- deriving vessel construction cost estimates and establishing contract specifications and vessel production schedules.

Exclude from this category

- sales under contracts specifically for the actual provision or integration of businesses' specific ship-borne mission systems, platform systems and structural elements, as well as of simulation systems for naval vessels; such sales should instead be reported under other naval goods and services categories that are in accordance with their respective definitions
- sales under contracts specifically for the provision and management of maintenance, repair, and overhaul services, or of the actual modernization or upgrade of naval vessels and their systems.

New naval vessels constructed by shipyards, and naval conversions

Only to be reported here are sales by shipyards in relation to their construction/assembly work (and/or related research, development, design, and engineering work) conducted by their operations in Canada in relation to the:

- Assembly of new manned naval surface ships or submarines at a business' shipyards in Canada (i.e., vessels that were specifically designed for use by militaries in combat, the transportation of military goods and personnel, or to otherwise perform military/naval specific functions).
- Conversion of existing vessels that were originally designed and built as commercial/civil vessels into naval vessels for future use by militaries in combat, the transportation of military goods and personnel, or to otherwise perform military/naval specific functions.

Excluded from this category are sales:

- Of goods and services related to shipborne naval mission systems such as naval radars, battle management command and control systems, mine detection and naval countermeasures, naval guns, and missile launchers etc. Those are to be reported under a preceding category for: "Naval ship-borne mission systems and components."

- Related to maintenance, repair, and overhaul services (MRO) for manned naval surface ships and submarines. Those sales should instead be reported under a separate category for: “Naval ship maintenance, repair and overhaul.”
- Of goods and services relating to structural elements, other platform systems, subsystems, parts, and components of naval vessels not elsewhere reported. Such sales should instead be reported under the separate preceding category for: “Naval ships’ structural elements, platform systems, parts, & components (excludes shipborne naval mission systems).”

Further exclusions or guidance: if the business is not a shipyard in Canada but was nonetheless responsible for, (and paid by a government/military for progress on) the eventual delivery of naval vessels being assembled by a shipyard in Canada that is not its subsidiary, or otherwise owned by the business or by a common parent company—then, such a business should not report sales figures which include the amount of associated sales made by the shipyard(s). For such businesses, they should only report any relevant sales relating to work done by their respective operations’ employees in Canada, which exclude the sales value of work the businesses contracted/subcontracted or passed through to shipyards in Canada. This is necessary to prevent potential large scale double counting of the actual value of naval vessels being delivered by shipyards in Canada, and hence overestimation of the actual volume of associated industrial activity at shipyards in Canada.

Simulation systems for naval vessels

This category includes sales related to production as well as research, development, design, engineering, testing and evaluation services for the hardware and software technologies used by military and security forces to develop, experiment and test operational doctrines and to train personnel using situational scenarios (e.g., intelligent software, visual systems, network simulations, real-time simulators) as primarily related to naval vessels and operations in the maritime-domain.

DATA SOURCES

1. Defence Industrial Base

- a. *State of the Canadian Space Sector Report 2024*
- b. Statistics Canada's *Canadian Defence, Aerospace, Marine and Cybersecurity Industries (CDAMCI) Survey (2024)*, released in 2026
- c. Statistics Canada Table [16-10-0047-01](#) (2024)

2. Revenues, 2014–2024

- a. Statistics Canada's *CDAMCI Survey (2014, 2016, 2018, 2020, 2022 and 2024)*, 2024 survey released in 2026

3. Economic Impact

- a. ISED economic model estimates based on Statistics Canada's 2022 Input-Output multipliers (Tables [36-10-0013-01](#) and [36-10-0594-01](#))
- b. Statistics Canada's *CDAMCI Survey (2022 and 2024)*, 2024 survey released in 2026

4. Key Industrial Indicators by Firm Size

- a. See 3(b)

5. Key Industrial Indicators by Domain

- a. See 3(b)

6. Domestic Supply Chains by Domain

- a. See 1(b)

7. Regional Breakdown

- a. See 1(b)

8. Innovation

- a. See 3(b)
- b. Statistics Canada Tables [27-10-0333-01](#), [27-10-0344-01](#), [36-10-0223-01](#), [36-10-0434-03](#) and [36-10-0434-06](#) (2024)

9. STEM & Workforce Characteristics

- a. ISED custom tabulations based on Statistics Canada's *Labour Force Survey (2024)*
- b. See 1(b)

10. Exports

- a. See 3(b)

11. Annex 2

- a. See 3(b)

12. Annex 3

- a. See 3(b)

13. Annex 4

- a. Statistics Canada's *CDAMCI Survey (2014, 2016 and 2024)*, 2024 survey released in 2026

14. Annex 5

- a. See 3(a) and 3(b)

15. Annex 6

- a. See 3(b)

16. Annex 7

- a. See 3(b)

17. Annex 8

- a. See 1(b)

18. Annex 9

- a. See 1(b)

19. Annex 10

- a. See 3(b)

20. Annex 11

- a. See 1(b)

21. Annex 12

- a. See 1(b) and 9(a)

22. Annex 13

- a. See 3(b)

23. Annex 14

- a. See 1(b)

24. Annex 15

- a. See 1(b)