

hat plan to expand trade and investment in Canada and France, or throughout the EU and NAFTA regions.

**A strategy for growth — key sectors:**

Canadian firms and investors interested in doing business with their French counterparts should consider the following seven sectors, which hold the greatest potential for growth and strategic partnerships over the next five years (1997-2002).

*Note: The seven sectors are described in greater detail from pages 15 to 47.*

**1. Telecommunications and information technology:**

France is a leader in liberalizing the telecommunications sector and will be among the first EU member states to meet the January 1, 1998, deadline for an open market in this field. The French market is a highly competitive, high-end market for Canadian products and services. It holds considerable investment opportunities and the potential for increased strategic partnerships, transfers of technology and co-operation in R&D. France represents 5% of the world informatics market and 25% of Europe's output of finished products with electrical components. This environment offers promising opportunities for Canadian firms in a variety of sectors: mobile communications, alternative infrastructure, computer-telephony integration, information highway infrastructure and applications, communications software, multimedia applications, Internet hardware and software, management information systems and systems integration.

**2. Agriculture and agri-food industries:**

France is the world's second-largest producer and exporter of agricultural and agri-food products (after the United States) and the global leader in food processing.

The French market provides a natural "fit" for major producers and exporters of agricultural ingredients, such as Canada. Trade in agriculture between the two countries has therefore soared in recent years. This favourable trend is expected to continue, notwithstanding the challenges of non-tariff barriers stemming from the EU's Common Agricultural Policy, and the proliferation and tightening of health and phytosanitary regulations.

French and Canadian agri-food firms are increasingly coming to appreciate the complementarity of their production systems and the attractiveness of each other's markets. This is encouraging the development of strategic alliances and joint ventures in the sector, including "promotional partnerships" with restaurant chains, hotels, catering businesses and supermarket chains.

**3. Aeronautics and defence industries:**

Major reforms under way to restructure and consolidate France's aeronautics and defence industries will offer new opportunities for Canadian firms and investors. France's aeronautics sector represents 35% of all European production, and French defence industries account for roughly 6% of total world sales in this sector. The present climate of strong competition and an emphasis on cost considerations is leading France's aeronautics and defence industries to actively seek new partners and suppliers of quality high-tech products and services in this field. Major opportunities for Canadian firms are already evident.

In the future, large-scale European projects look promising for Canadian expertise, notably with respect to super-hub airport platforms, super-jumbo aircraft projects (600 seats), simulators and aircraft control

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