

have occurred in the areas of simulator and air traffic control systems, space and remote sensing, for which \$15 million and \$7 million contracts have been signed to supply satellite antennas and telecommunications systems.

Finally, the France-Canada Eryx anti-tank missile program is continuing its development over a 12-year life cycle, and Aérospatiale Missiles is incorporating Canadian training and fire simulation equipment in its global offer for weapons systems on the international market.

B. Constraints

The rising costs of major civilian and military programs are leading France's industry to actively seek new partners for joint projects. Since it produces and exports highly sophisticated equipment, France is looking particularly for high-technology products or services. Penetrating the French market often requires forming partnerships with local corporations by means of cross-representation, joint development or co-production agreements, or other forms of strategic alliance. Besides the need to offer a product that has relative advantages (such as new technology, superior quality or competitive price), repeated personal representation is essential to penetrate the French market; this generally requires significant time and financial resources.

In this climate, there are openings for the supply of equipment in co-operation or under subcontracts when:

- a) Canadian firms bring a specific added value in terms of technology or North American commercial presence, and have an aggressive approach upstream of the programs;
- b) Canadian firms can benefit from aggressively negotiated industrial offsets, or take over part of the general program costs of the prime manufacturer that will be spread out over the series;
- c) Canadian firms share the R&D costs or provide service and client technical assistance locally.

For the defence market, the Direction Générale de l'Armement is the government agency responsible for identifying equipment and materiel purchasing needs for the French armed forces. The procurement process, both public and private, is complicated, with specific rules to be followed, and the assistance of Canadian Embassy officials is often necessary.

C. Five-Year Objectives

The objective is to promote an increase in Canadian sales of \$50 million within five years, by expanding the content of Canadian equipment and services in the aeronautical programs of the world-class airframe manufacturers Dassault-Aérospatiale and Airbus Industrie, and by involving Canadian industry in aeronautical projects managed by firms that are open to transnational co-operation with third countries, as in the case of the Air Express AE-100 regional aircraft for China.

