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## IV. Promoting Investment and Partnerships

### Promising Areas

Information and telecommunication technologies  
Life sciences (pharmaceutical products and biotechnology)  
Chemicals, fine chemicals, petrochemicals  
Agri-food  
Financial partnerships (risk capital)  
Transportation (aerospace, trains, automobiles)  
Service providers in other sectors  
Natural resources

### A. The Potential Market

France is now the fifth largest foreign investor in Canada. Persuading companies already established in Canada to re-invest and attracting new direct investment are among the Canadian government's priorities.

The Department of Foreign Affairs and International Trade (DFAIT), in co-operation with Industry Canada, is working to attract foreign direct investment that creates jobs or helps develop Canada's technological potential. In 1998, France was the world's fifth largest investor and ranked third among European investors in Canada, after Great Britain and the Netherlands. French investment in Canada rose from \$2.21 billion to \$6.14 billion in 10 years, a 178% increase. During that period, French investment in Canada grew faster than investment by the United States, Great Britain and Germany. The 400 French companies established in Canada include a number of industry leaders, such as Air Liquide, Cogema, Framatome Connectors International, Rhône-Poulenc, Aérospatiale-Matra, Suez-Lyonnaise, GEC-ALSTHOM, Michelin, Pasteur-Mérieux-Connaught, Ubisoft, and Vivendi. They account for 3% of foreign investment in Canada, generate over 40,000 jobs and pay out \$1.5 billion a year in salaries in Canada.

With economic globalization, French companies are seeking to rapidly position themselves in major foreign markets, particularly the NAFTA market. To ensure their growth abroad, many French companies have been setting up subsidiaries outside the European Union.

The challenge for Canada is to counter the natural tendency of French companies to focus primarily on the U.S. market or on the advantages of cheap Mexican labour.

Canada, unlike most European countries, offers France a unique advantage: the French language. This is a major asset in dealing with French SMEs and small and medium-sized institutions, many of which still have difficulty recruiting bilingual employees in France. This advantage is clearly much less decisive in the case of large multinationals, which base their