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Franco-Canadian Economic Relations Flourishing

Franco-Canadian economic relations are showing unprecedented dynamism and, while trade in goods has increased in quality and tourism is experiencing a spectacular boom, the most remarkable phenomenon is the formidable growth of scientific and technological exchanges, strategic alliances, and investment.

Bilateral Trade

Bilateral trade between France and Canada totalled \$5 billion in 1995, with Canadian statistics showing that Canadian exports to France increased in value by 41 per cent over 1994; French exports to Canada rose 24 per cent.

The French market is an increasingly important outlet for Canadian high value-added finished goods, particularly in the high-tech sector.

Over one-third of Canadian exports are generated by aeronautics, transport, electrical and mechanical equipment, and precision instruments. Also registering strong growth are telecom-

munications, the environment and biotechnology. In agri-food, new niches are developing for oilseeds, processed food products



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and seafood.

New Growth Areas

Franco-Canadian economic relations cannot, however, be reduc-

ed to trade in goods alone.

The services sector is experiencing unprecedented growth — particularly tourism, which is approaching one million trips per year and generating total revenues of approximately \$1 billion — equally divided between the two countries.

Displaying the greatest vigour and the most promise for the future are direct investment, strategic alliances, technology exchanges, and sectoral co-operation.

Investment

Canadian investment in France has grown substantially. Between 1985 and 1995, it increased tenfold, to \$2 billion. France became the ninth-largest destination for Canadian foreign investment,

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Canada, Ecuador Sign Pact

An agreement that fosters increased bilateral investment flows between Canada and Ecuador was signed April 29, 1996 in Quito by Canadian Ambassador David Adam and Ecuadoran Minister of Foreign Affairs Galo Leoro.

Once the **Foreign Investment Promotion and Protection Agreement (FIPA)**, the first signed in Latin America since 1991, is in force, Canadian business can pursue with greater confidence investment opportunities in Ecuador and rely on the FIPA's en-

hanced investment protection.

This agreement should reduce the non-commercial risk of Canadian companies investing in Ecuador, where they are active in metals exploration; at least \$60 million will be invested in the mining sector over the next two years.

FIPAs are bilateral, reciprocal agreements to promote and protect foreign investment through legally-binding rights and obligations concerning inter alia national treatment, most-favoured-nation treat-

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