

In the public telephone market, 80% of equipment is supplied by Alcatel NV and much of the remaining 20% by the Compagnie Générale de Constructions (CGCT). Canada's Northern Telecom, in collaboration with two local partners, received approval from the Government in October 1987 to enter this market. More recently, Northern Telecom has taken a 20% interest in Matra Communication with the possibility of increasing its share in the future.

PRESENCE OF FOREIGN COMPANIES: REGULATIONS AND DEREGULATION

The telecommunications industry is highly protected in almost every country in the world, and France is no exception. While almost all of the major international players are active in the market including ITT, ATT, Siemens, Philips, Ericsson and Northern Telecom, they are all affiliated with French companies.

With the current rewriting of the rules of the game, France Telecom, in addition to taking on a new role as a corporate body, owned by, but operating at arm's length from the state, has had its monopoly limited, and is competing in several areas with private firms. Spurred on by the EC green paper on telecommunications, France has separated the regulatory arm (the DRG) from the service provider (FT), provided new ground rules for private companies to enter the game (provision of value-added services such as data-base access), support services such as private networks and provision of data communications services, and radio-based telecommunications such as cellular phones. Private firms can compete in each of these areas - but their participation is governed by different rules in each case.

Perhaps most important in these changes is that FT now finds that 15% of its income comes from competitive markets - up from basically nothing in 1987. Some Canadian companies have found that this need to compete has opened doors. FT, to strengthen its competitive position is more willing to consider buying clearly superior products regardless of their origin.

STANDARDS AND TYPE APPROVAL

Details on standards published by "L'Association française de normalisation" (Afnor - the French standards organization), U.T.E. (which handles standards associated with connecting equipment to the electricity lines) or the European Telecommunications Standards Institute (ETSI - which issues European-wide telecom standards or NETS which will eventually replace national standards) can be obtained from the Canadian Standards Council. Technical specifications that complement these standards are defined by, and obtainable from the Centre national d'études des télécommunications (CNET).

Any equipment that can be connected to the public telephone network in France, as well as anything using the radio waves, must be type approved by the Direction de la Réglementation Générale, with the actual testing being done by the CNET. Type approval can often be obtained more quickly if the exporter works in close collaboration with a French or EC partner, particularly if the partner is adding significant value to the product.