

7. Space, Science and Technology:

France is home to one of Europe's most comprehensive public research structures and is among the top countries in the G-7 in terms of relative spending on R&D.

France is a world leader in such strategic sectors as telecommunications, medical research, biotechnology, agriculture and space, and it continues to offer Canadian firms real opportunities to acquire key technologies in these areas. France has adopted a series of incentive measures to encourage the private sector to make R&D expenditures to support SMEs. The French government has introduced a number of strategic directives encompassing government-owned research services and identifying information technologies and health-related research as future economic drivers. Priority is also being placed on such sectors as transport, food, chemistry, innovation, medicine and the environment.

France's pivotal role in the European Union's R&D programs should also be noted, because French researchers can play a key role in facilitating the entry of their Canadian counterparts into European research consortia, with potential commercial applications.

Canadian and French space companies have worked together on several government and commercial projects; in many cases, strategic alliances and supplier relationships have been formed, resulting in significant technology development and export opportunities. This process has been facilitated by Canada's participation in European Space Agency (ESA) programs and activities, in which France also participates, and by bilateral projects and other efforts undertaken by the Canadian and French space agencies.

Figure 7. Sectors offering the best potential for growth and strategic alliances, 1997-2002

Sector	Canada's objective
Telecommunications and information technology	To assist in doubling the value of Canadian exports of telecommunications products (currently at \$30 million annually), in increasing our share of the software market from 1% to roughly 5%, and in encouraging strategic partnerships between Canadian and French firms, particularly in the development of new products and services.
Agriculture and agri-food industries	To double Canada's agri-food exports to \$300 million per annum by the year 2002.
Aeronautics and defence industries	To increase annual sales by 15% or \$50 million. Emphasis will be placed on expanding the Canadian equipment and service content in French aeronautics and defence industry programs, including those involving "third country" projects.
Environment	To encourage an increase in Canada's market share from 1% to 5%, with particular emphasis on promoting Canada's expertise in waste management, site rehabilitation and soil decontamination. As well, we aim to increase market share to 5% for equipment suppliers in the field of water and waste treatment (up from the current level of roughly 1% of the market).
Consumer Products	To assist in almost doubling the value of our consumer goods exports to France, from current levels of \$80 million to \$150 million per annum.
Tourism	To increase the annual number of French tourists to Canada to 750,000, thereby generating \$850 million in revenues, 23,000 jobs and \$195 million in tax revenues for the Canadian economy.
Space, Science and Technology	a) To establish new bilateral R&D collaboration between our public sector researchers; b) To promote the establishment of 20 bilateral research partnerships within the context of the EU's R&D programs; c) To help develop 10 technology partnerships between Canadian firms (notably SMEs) and French firms; d) To significantly strengthen the co-operative and supplier relationships linking Canadian space companies with large French prime contractors and subcontractors, especially on major European and global commercial projects.

