

**F**rance, which is the second-largest automotive after-market in Europe, accounting for 17.5 per cent of the European market, can provide Canadian companies with a wealth of opportunities.

automotive manufacturers led to an increase in demand for imported equipment last year, resulting in an 18.5-per-cent growth in volume in one year. Exports of French equipment also grew, by 11.2 per cent in the same period.

braking systems, emission control systems, and so on).

**Canadian exports on the rise**

The quality and innovativeness of Canadian products make it easier to import these products into France, although Canadian companies encounter some difficulties related to European tariff barriers and transportation costs.

In 1998, Canadian exports of spare parts (primarily car body parts, brakes and electronic components) to France totalled some \$12 million. Canadian exports grew by 92 per cent between 1996 and 1998. This gives an indication of the potential that exists.

**An advanced distribution system**

The distribution system in France is very sophisticated. It basically comprises two networks: one for the independent sector and another for the so-called "captive" sector, i.e. run by the manufacturers themselves. The latter, which is represented mainly by franchises, accounted for 33 per cent of the market in 1998, while the independent sector controlled the remaining 67 per cent.

As a result of the ever-growing popularity of superstores and automotive centres, the portion of the market controlled by the "captive" sector has been declining yearly in favour of the independent sector.

**Canadian presence necessary**

Canadian companies wishing to break into the French market should join a trade mission to France or attend or take part in trade shows. This is the surest path to success.

As a first step, they can meet French buyers and those from around the world at the **Canadian International**

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# The Automotive Industry in France:

## A Market Going into High Gear

The automotive industry in France is growing. Vehicle registrations rose by 14.8 per cent over the first eight months of 1999. The Comité des constructeurs français d'automobiles (French automotive manufacturers committee) expects sales of over 2.1 million units in 1999, compared with 1.9 million units in 1998.

French automotive manufacturers (Renault and PSA Peugeot Citroën) accounted for 57 per cent of new vehicle registrations in France in 1998.

**A record equipment market**

Motor vehicle equipment manufacturers are also riding this wave. When it comes to selling prices, however, the pressure on automotive manufacturers remains steady. This good year should translate into record sales for French motor vehicle equipment manufacturers.

Indeed, Valéo sales have risen by 33 per cent following the integration of ITT electrical systems activity, Faurecia by 7.4 per cent, and MGI by 11.7 per cent, to name a few. The high production levels of French

**After-market opportunities**

The French automotive after-market is valued at more than \$6 billion. Given the ever-increasing number of cars and car models, as well as new technology, this market is wide open.

Even with strong competition, there are still many opportunities for Canadian companies in this market, especially since French distributors and importers are making increasing use of foreign suppliers. With more than 26.3 million cars and more than 4.6 million light-duty vehicles on the roads, the future for importers of parts and accessories looks bright.

Although the traditional market (brakes, gears, filters, batteries, and so on) should not be overlooked, the most promising opportunities lie in electronic and communications equipment (navigation systems, telephones and electronic maps, as well as CD players and, on the horizon, back-seat video games for children).

Other growth markets are those related to safety and "green" products (seatbelts for back seats, ABS anti-skid

### Looking for Export Opportunities?

Make sure you are registered in the WIN Exports database, which is used by trade commissioners abroad to promote your company's capabilities to foreign buyers. Fax your request for a registration form to **1-800-667-3802** or **(613) 944-1078**. Or call **1-800-551-4946 (613-944-4946)**, from the National Capital Region.

