

France

Vital Statistics 1988

GDP: \$676 billion CDN

Population: 55.87 million

Per Capita GDP: \$12,098 CDN

Unemployment rate: 10.1%

Inflation rate: 2.6%

4th largest importer of Canadian exports to EC countries

Merchandise Imports

	Total Imports from Canada (millions, CDN \$)	Total Imports (millions, CDN \$)	Canada's Import Share %
1980	1,219	157,668	0.8
1981	1,146	145,020	0.8
1982	1,001	142,800	0.7
1983	913	130,520	0.7
1984	1,000	135,125	0.7
1985	1,066	147,784	0.7
1986	1,351	179,791	0.8
1987	1,447	210,139	0.7
1988	1,588	220,037	0.7

Note: import figures reported c.i.f. (i.e.: including cost, insurance, freight)

Source: International Monetary Fund

Top Ten Canadian Merchandise Exports into France (1988)

(thousands, CDN \$)

1. Wood pulp	198,786
2. Nuclear reactors, boilers, machinery, mech. appliances	141,228
3. Ores, slag and ash	136,813
4. Inorganic chemicals and compounds	120,834
5. Wood and wooden articles; charcoal	81,674
6. Fish and crustacean, molluscs and other aquatic invertebrate	72,360
7. Salt, sulphur, earth, stone, plastering mat, lime, cement	49,805
8. Optical equipment	38,917
9. Paper and paperboard	36,958
10. Meat	30,376

Source: Statistics Canada, Exports by Country, January-December 1988



The effect of 1992 on French Industry

Sector	High Impact	Medium Impact	Low Impact
Automobiles	✓		
Chemicals and pharmaceuticals	✓		
Industrial machinery	✓		
Aerospace	✓		
Leisure goods	✓		
Food and drink	✓		
Telecom., office, EDP equipment	✓		
Consumer durables	✓		
Metals and mineral		✓	
Glass and handicrafts		✓	
Textiles and clothing			✓
Leather			✓
Toiletries and cosmetics			✓
Domestic appliances			✓

Trade Outlook

France, the world's fourth largest industrialized nation, provides easy access to the other key industrialized areas of the EC. In addition, the quality of its infrastructure and communications systems make its firms ideal prospects for Canadian exporters seeking partners.

The direct costs of physical barriers are higher in France than in any other EC country except Italy. Administrative costs, including agents fees, are the largest direct cost to importers. Canadian business can expect lower distribution costs as French transport networks are rationalized and restructured.

Technical regulations are rated by French industrialists as the most important type of trade barrier. Industry standards and conformity testing procedures hinder imports and French marketing regulations sometimes differ from those prevalent in other EC member states. Conforming to specific French rules and approval procedures is time-consuming and puts exporters at a cost disadvantage relative to domestic competitors.

The 1992 program will lead to further changes in the French banking sector; some banks will be returned to private ownership, capital liberalization will take place and as of January 1, 1987, quantitative credit controls have been abolished, as have virtually all restrictions on foreign exchange transactions.

Public procurement represents 9.3% of France's GDP and liberalization in this area could benefit Canadian companies active in the construction, telecommunications, chemical goods and industrial machinery sectors.

In the area of fiscal barriers, the most important change will be the elimination of the higher VAT rate, 33.3%; France's reduced and standard rates are already close to the Commission's proposals. French excise duties are relatively low.