

effective market presence or representation and, in the case of electrical and electronic products, the willingness to invest the time and money required for the certification and accreditation process.

The European Commission's most recent projections for 2000 and 2001 confirm that the current economic recovery will gain steam in all EU countries. Growth is expected to increase from 2.1% in 1999 to 2.9% in 2000 and 3% in 2001. France will be part of the trend, with 2.8% growth in 1999 and 3% in 2000. It is clear that the French economy is in a period of transition. The creation of a single European market, the globalization of trade, and tax pressures are among the factors driving changes in the role of the State in the French economy, though the State continues to occupy an important place. Prime Minister Lionel Jospin's government, which has made jobs its top priority, lays heavy emphasis on the development of SMEs and new technologies.

France enjoys a favourable geographic position in Europe. It is located at the centre of the Union, at the crossroads between North and South. It has top-notch infrastructure (telecommunications, energy and transportation) and recognized technological expertise. It has a qualified labour force and among the lowest average costs in Northern Europe. With more than 70 million visitors per year, France is also the world's leading tourist destination.

Canada is well positioned to take advantage of the strength of France's economy. France is in the midst of economic recovery. Prospects for Canadian exporters and investors in France look promising. They are supported by the Declaration of Enhanced Partnership between France and Canada, signed in January 1997 during Prime Minister Jean Chrétien's visit, and the Action Program signed in December 1998 during Prime Minister Lionel Jospin's visit, both of which seek to increase trade between the two countries and to enhance bilateral and multilateral co-operation.

B. A Driving Force in the European Union

France is a leading member of the European Union. The close economic ties among the EU's member countries let Canadian exporters take advantage of the community system. Companies that do business in France have easier access to the European market and, conversely, companies carrying on activities in another EU country can more easily access the French market.

In terms of geography, France can easily be considered a gateway to Europe. It is located at the hub of European transportation networks, and its high-speed train (TGV) can reach most major European capitals in less than four hours.

Communication barriers with France are reduced since Canada is fortunate to share one of its official languages with France.

The European Union has 370 million inhabitants and a GDP equal to that of the United States. It is a market which merits attention, since customs regulations allow the free movement of goods. Common customs duties facilitate cost estimating for Canadian exporters. The Euro has simplified exchange transactions and reduced costs and uncertainty. In addition, products recognized by French authorities as complying with EU regulations need only meet any local or national regulations to be allowed entry into other EU member countries.