

## 2. Bilateral

Economic relations between Canada and France are expanding rapidly. With globalization, investment has become the driving forces of international business and trade. With investments amounting to \$5.7 billion, France has become the fifth-largest foreign investor in Canada. And while 50% of French companies in Canada are based in Quebec, more than 80% of the total value of those investments is located elsewhere in Canada; sizeable French investments can be found in every region of the country. In turn, Canadian investments in France increased sevenfold between 1986 and 1996, rising to C\$2.7 billion. On a per capita basis, Canadian investment in France is on a par with French investment in Canada.

Canadian exports rose 40% from 1994 to 1995, and reached \$1.67 billion in 1996. France is Canada's third-largest market in Europe and sixth most important worldwide; for finished goods, it is our third-largest customer outside the United States. Finished products account for half of our exports to France, the most successful being those in high-technology and high value-added sectors — aeronautics, transportation, and electrical and mechanical machinery. In the agri-food area, processed products, oilseeds and seafood have had great success. Exports are also growing in the service sector, where two-way trade is estimated at \$1.6 billion. Tourism is a strong performer. In 1996, 465,000 French tourists visited Canada, representing revenues of \$520 million.

