

EXECUTIVE SUMMARY AND SUMMARIZED ACTION PLAN

EXECUTIVE SUMMARY

Objective

This Export Development Plan is intended to assist the Canadian business community to expand its economic relations with France, in terms of both exports and industrial co-operation. This plan is one of a series that is being prepared as part of the federal government policy to better focus and co-ordinate Canada's export marketing efforts.

The detailed goals of this plan are:

1. to provide a framework for federal government action and resource allocation in establishing an effective program of assistance to exporters and in fostering an environment conducive to the expansion of economic relations between Canada and France;
2. to design a marketing plan that takes advantage of the market opportunities and overcomes the constraints affecting Canadian exports to France;
3. to identify opportunities for export development and to stimulate and assist the private sector to pursue them;
4. to establish a focal point for co-ordinating the marketing efforts of the federal government, provincial governments and the private sector.

The latter goal reflects the recognition by the federal government of the critical role of the private sector and the valuable contribution of the provincial governments in meeting the objective of expanding Canada's share of the French market.

Introduction

The primary fact of trade between Canada and France is its relative low volume. The two countries provide less than 1 per cent of each other's trade, a proportion that has hardly fluctuated over the years. While France is Canada's eighth largest trading partner (1982), Canada ranks twenty-second among France's trading partners (1981). Traditionally, Canada has registered yearly trade deficits with France, but this trend reversed itself in 1980 and 1981 and surpluses were recorded for both years. In 1982, Canada had a trade deficit of \$167 million.

French businessmen are becoming bolder and are looking at this continent as a large market for their products, an economically and politically stable area attractive to investors, and a good provider of natural resources. Canadians, who traditionally preferred the closer and more open market south of the border, are now directing their efforts toward other potentially profitable markets.

Recent Canadian Trade Facilitation Efforts

Being the undisputed commercial and financial centre of France, Paris hosts one of Canada's most important trade delegations. Trade officials at the Canadian Embassy have been very much involved in promoting Canadian trade to France and making Canadian and French businessmen aware of investment opportunities.

One of Canada's major promotional efforts has centred on participation in key international fairs held in Paris and other major European cities. These fairs afford Canadian exporters the opportunity to present their products, find suitable agents/representatives and, in some cases, partners for joint ventures.

In addition to trade fairs, a steady flow of business visitors from Canada to France has taken place, either as individuals or in the form of multi-company missions organized by the federal and provincial governments. Also, individual firms have used extensively the Program for Export Market Development (PEMD) to support market identification or to sustain their marketing effort.

The provinces have taken an active part in establishing durable trade relations as well as promoting investment opportunities. Notably, the provinces of Québec and Ontario have permanent representatives in Paris while Nova Scotia, Saskatchewan, British Columbia and Alberta have offices in London with easy and frequent access to France.

A large number of high-level government meetings and visits, a variety of trade and industrial co-operation missions and one bilateral economic consultation occurred in the last two years. Recently, the formation of a high-level businessmen's group was announced by Prime Minister Trudeau during his visit to France in November 1982.

Non-governmental organizations, such as the Canada-France Chamber of Commerce in Paris and the French Chamber of Commerce in Canada, have helped create an environment where expanded trade links can flourish. In addition, four Canadian commercial banks have offices in Paris while a number of French banks are operating in Canada.

Future Market Opportunities

The government of President François Mitterrand has admittedly launched a program to reconquer the domestic market. Trade opportunities, however, will continue to exist in sectors where French capabilities and natural resources are lacking or where complementarity or compatibility exist.

Canada and France should be able to profit from industrial co-operation opportunities in the form of direct investments and transfer of technology through licensing or joint ventures. The main reasons for the French turn towards Canada are that Canada has the resources and stability required for sound business development. Also, energy, skilled labour and proximity to the largest market in the world attract direct investments; finally, appealing Cana-