

Trade, investment and technology

- Over the past 10 years, France has persisted to become firmly entrenched as Canada's sixth-largest economic partner after the United States, Japan, the United Kingdom, Germany and China. Indeed, the current strength and quality of bilateral economic relations are unprecedented. They are characterized not only by increased trade in goods and a spectacular tourism boom, but also by a strong upswing in science and technology exchanges, strategic partnerships and investment, which constitute the most remarkable phenomenon. The primary sector, though still important, no longer dominates trade, giving way to the secondary and tertiary sectors. France is now one of Canada's key economic partners, and that situation should continue to evolve favourably in the coming years.
- Bilateral trade was very strong in 1995. According to Statistics Canada, Canadian exports to France increased in value by 41 per cent over 1994, while French exports to Canada were up by 24 per cent. Bilateral trade totalled \$5 billion for 1995 as a whole, up from \$3.9 billion the year before.
- The French market is offering more and more opportunities for Canadian high value-added finished products, especially in the advanced technology sector. More than a third of Canada's exports are in sectors such as aeronautics, transport, electrical and mechanical equipment, and precision instruments. There is also strong growth in other sectors, including telecommunications, environmental products, and biotechnology. In the agri-food sector, new opportunities are opening up for oilseeds, processed food products and seafood.
- France-Canada economic relations cannot, however, be defined only in terms of trade in goods. Trade in services is not only experiencing unprecedented growth, but it is now valued at over \$1.6 billion, more than 30 per cent of trade in goods. Trade in services consists mainly of transport and freight services, business services and tourism. Tourism alone brings nearly a million visitors a year, generating some \$1 billion in revenues, distributed almost evenly between the two countries. The 435 000 French tourists who visited Canada in 1995 spent approximately \$450 million and sustained 14 000 jobs, mainly in small and medium-sized businesses.
- Direct investment, strategic partnership, technology exchanges and sectoral co-operation are all stronger and show future promise.
- Canada has become well established in France through the above initiatives. Between 1985 and 1995, Canadian investment in France increased tenfold, reaching \$1.9 billion. France is now the ninth most popular destination for Canadian investment abroad, attracting 1.6 per cent of total investment and more than a hundred Canadian companies. Those companies include Northern Telecom, Alcan, Bata, Cascades, Quebecor, Tembec, McCain Foods, Newbridge, and Seagram.