

Telecommunications

IMPORTANCE OF THE SECTOR

Policies of the French Government in the telecommunications sector over the past ten years have had a direct effect on both its market and industry; domestic consumption has tripled, while Alcatel NV has become a world leader in both size and technology. During 1991 and 1992, the restructuring of the industry, guided by the requirements of the EC directives on telecommunications, went into high gear. These changes should result in a more competitive sector, stronger, while more open to imports.

MARKET TRENDS

By the end of 1991, the number of phone lines in France had increased to approximately 28,150,000 - France has the same number of phone lines per 100 people as Canada. 97% of households are equipped with telephones. While the telephone accounts for 70% of the entire telecommunications market, other services are becoming increasingly important, including:

- the **"Minitel" network**, the most widely distributed videotex system in the world, with 5,900,000 terminals installed by the end of 1991. The terminals are provided to households free-of-charge to replace the telephone book. In 1991, 23 million hours of Minitel traffic was generated using this electronic phonebook, and 92 million hours for other videotex applications. (The Embassy has prepared a report on Computer Communications covering Videotex, X.25 packet switching, and Computer Networks.);
- **Transpac**, the world's largest packet-switched public data network, providing transmission network for telecommunications services with 84,000 direct access ports and a monthly traffic of a trillion characters. Plans are afoot to introduce 2 Mbits/s access to Transpac in 1992;
- **broadcast satellites**, higher powered, and covering a smaller area than Canadian satellites thus permitting direct satellite to home transmission with 40-60cm dishes. However, several channels of the principal French broadcast satellite have burnt out, reducing significantly its capacity. VSAT (point-to-point data communication using satellites) usage is very low in Europe compared to North America, due to restrictions on its use. France has begun to liberalize the market before the recommendations of the recently released Green Paper come into force;
- **telex services**, with over 146,000 subscribers at the end of 1991;
- **facsimile services**, with more than 610,000 terminals at the end of 1991 averaging 17 pages daily per machine;