

FRANCE

HEAD OF STATE: President François Mitterrand (Socialist Party)

HEAD OF GOVERNMENT: Prime Minister Edouard Balladur (Republican Party)

POPULATION: 57 566 000

GROSS DOMESTIC PRODUCT (GDP): \$1.616 trillion (1993)

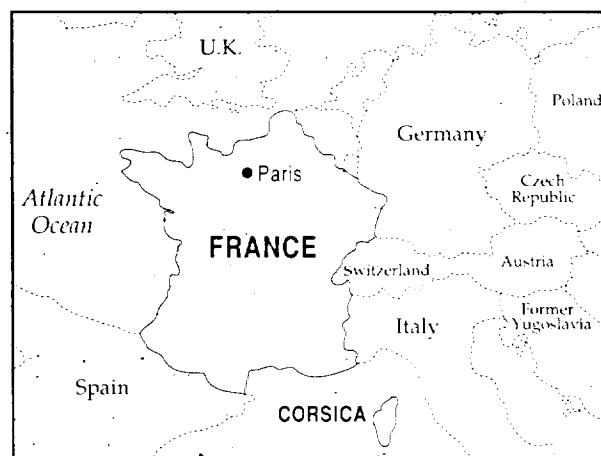
GDP GROWTH: 2.4% (1994)

PER CAPITA GDP 1993: \$27,088

UNEMPLOYMENT RATE: 12.6% (1994)

INFLATION RATE: 1.7% (1994)

EXPORTS AS A PERCENTAGE OF GDP: 27.4% (1993)



TRADE AND INVESTMENT

France is the eighth-largest consumer of Canadian merchandise exports. Two-way trade between Canada and France was valued at more than \$4 billion in 1993. Canada's 1993 trade deficit with France reached \$980 billion. Exports to France mean business for all Canadian provinces. France is the fifth-largest destination for goods produced in Quebec. In 1993, Ontario exported goods worth \$322 million to France; B.C.'s exports totalled almost \$140 million, and the Prairie provinces, almost \$100 million. From 1980 to 1990, the cumulative value of French investment in Canada increased from about \$1.3 billion to \$4.2 billion. This places France third among European Union countries with investment in Canada. Canadian investments in France have also increased significantly, reaching nearly \$2 billion in 1993. Some 350 French firms operate in Canada, including: Total Petroleum in Calgary, Rhône-Poulenc (Pharmaceutical) in Mississauga, Bull (Electronics) in Quebec, and Aerospatiale in Nova Scotia. Canadian companies such as Bombardier, McCain, and Northern Telecom are active in France.

BILATERAL RELATIONS

Relations between France and Canada are friendly. Since an agreement was signed in 1965, cultural exchanges between the two countries have been extensive, a major initiative being the TV-5 project. Through the TV-5 partnership, French-language programs are available in most parts of the world, with more than \$300 million invested in joint productions since 1986. In addition, 15 Canadian studies centres are located throughout France, which promote a greater knowledge and understanding of Canada.

Canada and France are leading members of la Francophonie, an organization that links 47 French-speaking countries or governments worldwide.

CURRENT ISSUES

The islands of Saint Pierre et Miquelon, in the Gulf of St. Lawrence, are French territory. The proximity of the islands to Canada led to numerous disputes over control of fishing in the area. In June 1993, the International Court of Arbitration settled the issue largely in Canada's favour. With the problem of jurisdiction settled, Canada and France signed a 10-year fishery agreement in November 1994. Under the deal, Canadian fishermen will get access to shellfish worth more than a \$1 million a year. In return, fishermen from Saint Pierre et Miquelon will be able to catch up to 15 per cent of the cod off Newfoundland's south coast, once the moratorium on cod fishing is lifted. The spirit of co-operation under which this agreement was signed is a far cry from the sometimes difficult relations of recent years.