

Britain and Spain are in third place, each with 10 per cent of the market. Imports from Belgium (about 7 per cent) and Spain are due either to French automakers' investments in these two countries or are related to compensation agreements.

The U.S. represents about 5 per cent of the import market. Sales are made up of parts for American cars in Europe, specialized parts such as turbo-compressors and parts imported for Ford assembly lines in Europe through French ports.

The Action Plan

Emphasis will be placed on establishing a working relationship between Canadian suppliers and French automakers. This will involve continued encouragement for participation in international and regional fairs allowing exhibitors to show their goods and make initial contacts. Further, Canadian manufacturers will be encouraged to make personal visits with the assistance of PEMD to OEM's and non-branded products distributors and wholesalers.

To meet the above objectives, the following activities are planned:

- a) Trade officials in Paris will expand contacts with purchasing services of Renault Véhicules Industriels (RVI), manufacturers of trucks, buses and military vehicles to apprise them of Canadian capabilities;
- b) Trade officials in Paris will organize and participate in speaking luncheons in Lyon for purchasing executives and other senior officials of RVI in order to encourage the acceptance of Canadian imports to France;
- c) In order to build interest in Canada and in Canadian auto parts, articles will be placed in a key French automotive magazine; (Embassy, Paris)
- d) Canadian participants in key fairs in Europe will be encouraged to complement their participation by visiting France with the assistance of PEMD-B (market identification) and/or PEMD-F (sustained export market development); (FAMR)*
- e) Canadian manufacturers and exporters will again take part in the SITEV show in Geneva in 1983 and 1984; (DEW/FAMR)*
- f) Examination of the possibility for manufacturers of auto accessories to participate in Equip' Auto Fair, the Exhibition of Motor Maintenance and Car Accessories in October 1983 and 1984, with the assistance of PEMD; (Embassy, Paris/FAMR)*
- g) Evaluate the possibility of inviting a group of French buyers to the 1984 Automotive Industries Association Show in Montréal under the Incoming Buyers Program; (FAMR/Embassy, Paris)*
- h) Participation of Canadian manufacturers of after-market parts and accessories in Automechanika (Frankfurt) in 1984. Many of the 25 companies who participated in the 1982 show, plus some other promising firms, are expected to attend. (DEW/FAMR)*

* Refer to the Glossary of Abbreviations, page 42.

6. CO-OPERATION WITH FRENCH FIRMS IN THIRD COUNTRIES

This section comprises two separate approaches: (1) co-participation on third-country capital projects; and (2) participation in third-country markets through French trading companies.

I. CO-PARTICIPATION ON THIRD-COUNTRY CAPITAL PROJECTS

The Opportunity

For the past two or three years, a change of attitude has been observed on the part of French companies with respect to co-operation with foreign firms (including Canadian firms) in third-country capital projects. To date, most of the French companies, which have shown an interest, are major engineering consultants and construction companies. These firms are keen on co-operating with important Canadian engineering concerns who could also be project leaders for the supply of Canadian construction equipment and services.

The change of attitude can be explained as follows:

- There is an increasing need for risk sharing (including the provision of adequate credit) with other supplier countries.
- There is acknowledgement of the success of a number of Canadian firms in the traditional markets in francophone Africa.
- French companies have indicated an intent to be introduced to Canada and to other Western Hemisphere markets where Canadians are well entrenched.

French companies, experienced in capital projects work, have traditionally been active in third-world markets, mainly those comprising their ex-colonies, particularly French West Africa. They have been aggressive and successful in other markets of East Africa, the Middle East and Eastern Europe. More recently, they were unsuccessful bidders and lost out to Canadian companies for major projects in the U.S. and Brazil.

The primary opportunities for Canadian consulting firms and equipment manufacturers are in co-operation in Africa where the French have had a solid foothold for many years. French companies were originally concentrated in the old AOF (French West Africa) and North Africa, but, in the past few decades, they successfully moved into other markets, with the result that more than 300 French consulting and building companies are active on the continent. In most of the African markets, French companies can bring, in addition to risk sharing, invaluable knowledge of the market stemming from their permanent presence and their close and privileged ties in most francophone countries.

Canadian firms for their part can bring, in addition to risk sharing, a wide expertise in the areas of transportation, communications, hydroelectricity, forestry and mining, and some experience in third-world countries.