

COMMERCIAL RELATIONS BETWEEN FRANCE AND CANADA

Commercial trade between France and Canada is better known for the quality of the goods exchanged than for their quantity. Today, the energy and manufacturing sectors are the main money-makers in international trade. Since neither of these two sectors figures prominently in Franco-Canada trade, statistics do not give an impression of length or breadth in the relationship although the trade levels are quite respectable.

Bilateral trade amounted to \$100 million in 1959. In 1977 the figure stood at \$882 million and in 1978 it was more than a billion dollars. Trade grew at an average annual rate of 12 per cent from 1960-1969, 22 per cent from 1969-1973 and approximately 15 per cent from 1973-1978. Even after considering inflation, there has been a steady increase.

While France has normally ranked between sixth and ninth on the list of countries supplying Canada with goods, Canada slumped from 14th to 23rd place between 1967 and 1977 on France's list of states receiving French exports. This decline is attributed to changes in France's trading patterns and the very competitive nature of the Canadian market (like that of most industrialized countries).

Canada has been slow to penetrate the French market, and, for that matter, the European market. Canada has so far not been able to diversify its trade as much as it would have liked. The proximity and ease of access to the American market has had a decisive influence on Canada's imports and exports. Thus, for the last ten years France and Canada have accounted for approximately one per cent of the other's total trade. Obviously, given the importance of the two countries in the world economic system, this volume of trade is too low.

By and large, Canada imports finished products from France. These items are often favored brand names with traditions of high quality (e.g. clothing, alcohol, automobiles, perfumes). Some imports are products of what has been termed France's "new technology"--chemicals, petrochemicals, durable goods, transport equipment.

While most Canadian exports to France have been semi-finished or primary products (e.g. wood pulp, copper, asbestos, lumber, fish, paper), Canada has nonetheless exported a higher percentage of finished products to France than to other European countries. Among these high technology exports have been ships and ship parts, aircraft and aircraft parts, office machines and equipment, telecommunications equipment, tools, electrical supplies and handling machinery.

In the investment field, France is the third largest foreign investor in Canada. All the great names of French industry are present in Canada and for the last 20 years they have directed their efforts towards specific economic sectors. French financiers have concentrated on energy, primary products and transport. France is the third most popular country in the world for Canadian investors, and many of Canada's largest manufacturing industries can be found there.