

Canada-France Trade Relations

In 1990 the value of bilateral trade between Canada and France rose to more than \$4 billion. In the same year, the trade deficit on the Canadian side increased slightly to \$525 million.

Canada's main exports to France are, in order of importance, wood pulp, machinery, ores, wood and wood products, and fish products. On its part, France exports to Canada, in order of importance, aircraft and aircraft parts, machinery, alcoholic and other beverages, electrical equipment, and printed matter.

Bilateral Trade Development, 1980-1990

During this period there was notable increase in Canada-France trade, from about \$2 billion in 1980 to over \$4 billion in 1990.

On the whole, development in Canadian exports signifies definite growth, with strength and particular promise in the sectors of pulp and paper, ores, and electrical and transportation equipment. However, it should be noted that appreciable decreases have occurred in chemical, agricultural and agri-food products.

In fact, more than half of Canada's exports to France fall into five categories: pulp, 15%; electrical and mechanical equipment, 14%; ores, 12%; wood, 7%; and fish products, 5%.

Canada's imports from France are generally more diversified and have shown slow but steady growth. The categories of agri-food (wine, cheese, etc.), electrical equipment, and transportation equipment (aircraft, helicopters, etc.) account for more than half of the volume and clearly attest to the success of French exports to Canada.

Investment Growth

It is in this area that a significant strengthening of economic cooperation between the two countries is particularly noticeable. During the 1980s, the cumulative value of French investment in Canada rose from about \$1.3 billion to \$4 billion, placing France fourth among our sources of investment.

More than 300 French companies are now established in Canada. The most remarkable interventions of late are the purchase of Connaught Biosciences by the Institut Mérieux (\$850 million), the purchase of Federal Pioneer by the Groupe Schneider (\$300 million), the diversified acquisitions of the Groupe Victoire in the insurance sector, and the participation of l'Entreprise minière et chimique in potash mining in Manitoba, a project valued at over \$700 million.

Canadian investment in France, though lesser in comparison, consistently accounts for 5-7% of that country's foreign capital. Among the major Canadian interventions are Bombardier's purchase of ANF Industries, France's main builder of railway rolling stock; Northern Telecom's construction of a plant in Verdun and establishment of a research centre in Paris; and the success of Cascades Paper. In all, approximately 100 French companies depend to some extent on Canadian capital.

Tourism and Air Transport

Nearly 450,000 Canadian tourists travel to France each year. Moreover, the number of French tourists visiting Canada is increasing remarkably: almost 300,000 visitors from France spent an estimated \$160 million in Canada in 1990. The renegotiation, in January 1991, of the Canada-France air transport agreements should serve to reinforce this trend, particularly by further facilitating charter flights.