

France's imports of agri-food and agricultural products from Canada grew sharply from 1992 to 1995. Between 1992 and 1995, such imports grew from \$120 million to more than \$300 million (reaching \$356 million in 1994).

investment projects as part of a strategic approach to realize the potential of both the EU and NAFTA markets; and targeting subsectors and products where Canada has a market edge.

## B. Constraints

With the entry into force of the European Union internal market rules and the WTO agreements, there has been a proliferation and tightening of health and phytosanitary regulations. This has significantly raised the degree of official negotiation at the bilateral level between France and Canada and constitutes a growing factor in the trade relationship. While some of these negotiations have been successful, a number of difficulties loom on the horizon, over such issues as the implementation of the Hilton beef quota, health labelling and animal and plant classification standards, AOCs (*appellation d'origine contrôlée*), wheat, other grains, and genetically modified organisms (GMOs). Business opportunities representing hundreds of millions of dollars will be affected by these developments.

The Canadian government will have to closely monitor market intervention by EU states, and intervene when required, if we are to secure and enhance our market access.

Finally, French consumers are intrigued by foreign products and are willing to pay for them. Canada has to be very competitive in order to succeed in this market, where other suppliers already have a high profile.

## C. Objectives

Canada's federal and provincial agriculture ministers recently set a goal of expanding the country's agri-food exports to reach or

surpass \$20 billion by the year 2000 (i.e. a 40% increase over 1994). France represents an important outlet for Canadian agri-food and agricultural exports. The French market could account for \$300 million of this targeted increase by the year 2000. Getting there will demand intensive efforts on four fronts: disseminating market intelligence, regulatory harmonization or adjustment, stepped-up product promotion, and a focus on strategic two-way alliances and/or investment projects.

## D. Activities

i) **Dissemination of market intelligence:** Prior to NAFTA and the Maastricht Treaty, requests for information to the Canadian Embassy in Paris dealt almost exclusively with product markets. Since 1995, most clients have sought advice on regulations and access, and on alliances and investments. More than 30% of our resources are now devoted to providing this advice. All of our competitors have noted the same trend: clients are looking for intelligence.

The provision of market intelligence involves the following activities:

- a) use of the existing, highly rated government networks: WIN, IBOC and AGRINET;
- b) participation in, and feedback from, targeted activities such as seminars and business missions;
- c) lobbying; and
- d) publication of market studies.

ii) **Regulatory harmonization and adjustment:**

Although tariffs are no longer a major concern, regulatory issues are assuming increasing importance. EU member states

