

through renewed investment, improved product lines, and international expansion. Within the EEC, France consolidated its position as the largest investor in Europe in 1991 and became the largest foreign investor, before the United States.

Generally, the spirit of Europe is progressing in French industry. This was observed in a November 1991 survey carried out by France's major polling institute (IFOP) of heads of small and medium businesses (less than 500 employees). Compared with the 1990 results of the same survey, French businessmen seem to be both better informed and much more interested in the 1993 deadline.

The competitive outlook for France's economic sectors in the Europe of 1993 appears mixed. For example:

- in the **rail transportation equipment sector**, Alsthom has emerged as top in the world, and the community policy to develop a trans-European TGV rail network will reinforce France's position in this sector;
- in **aerospace**, France's participation in the European Airbus, ATR and Arianespace programmes, and actions to increase productivity, will permit France to enter 1993 in a healthy position;
- in **steel**, where the integrated market of 1993 should increase competition among the large European conglomerates in the area of high quality steels, France appears well situated. France has the largest European conglomerate, Usinor-Sacilor, responsible for virtually all national steel production and already very international in outlook;
- French companies involved in **public works** are optimistic. The opening of the public sector markets of the "Twelve" provides good prospects for this sector which is the European leader;
- in the **banking sector**, where prevailing over increased competition will determine success in 1993, the leaders of the large French banks are generally optimistic. They have the good fortune to be situated in almost all CEE countries and possess well-developed networks. With regard to smaller banks, those that are well-established in the national market stand the best chance to survive;
- **other sectors expected to benefit** include champagne and sparkling wines which profit from their prestigious image, electrical equipment, glass where France has specialized, the beverage industry (water, lemonade, beer), rubber products which benefit from advanced technology, and telecommunications;
- French **automobile manufacturers** are mainly preoccupied with the adoption of new anti-pollution requirements (e.g. catalytic converters) and the competition from Japan. According to an agreement signed in July 1991 between the EEC and Japan, the European community's automobile market will be fully open to the Japanese from January 1, 1999. Between January 1, 1993 and that date, there will be a transitional period during which direct exports from Japan will be limited annually to their 1991 level (i.e. 1.3 million per year), thus representing 8% of the European market at the beginning of 1999. Including Japanese "transplants", i.e. Japanese cars assembled in Europe, which are unilaterally