Canada

A MAJOR EUROPEAN

CROSSROAD

RHÔNE-ALPES/AUVERGNE REGIONS

FRANCE

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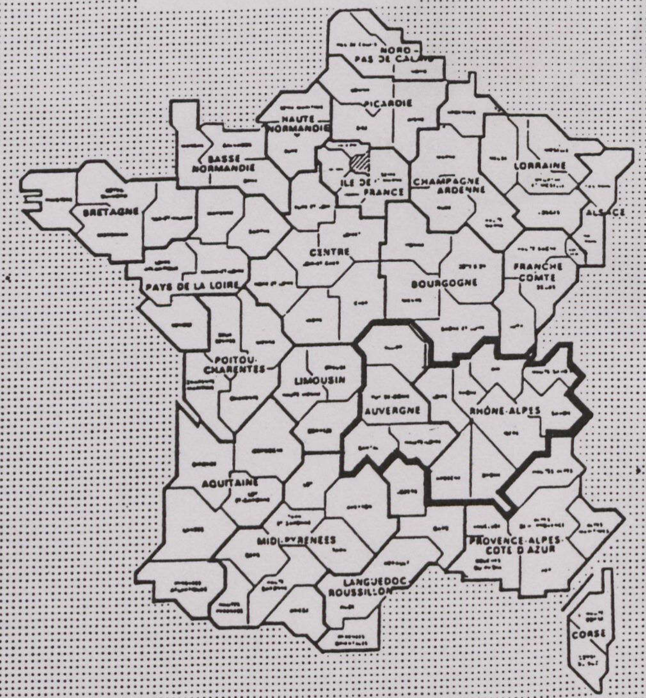
FRANCE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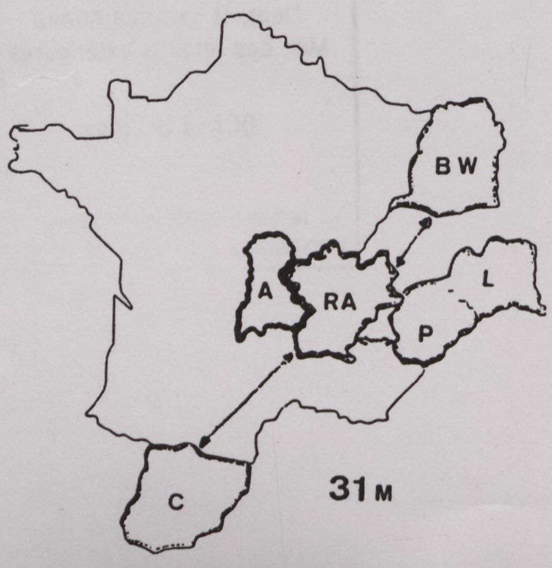
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The Canadian Consulate in Lyons is responsible for Canadian business people in the Rhône-Alpes and Auvergne areas and is also working in close collaboration with commercial service at the Embassy, in Paris.

INTRODUCTION

The aim of this document is to provide an economic outline of the Rhône-Alpes and Auvergne regions in order to inform Canadian business people wishing to explore these dynamic markets.

It situates the area geographically, identifies its principal urban centres and provides some macro-economic information. This survey also contains a brief look at the manufacturing sector, as well as a list of the main industrial parks in the area.

Part of this document underlines trade and investment between this area and Canada, as well as official agreements concluded between Rhône-Alpes and Canadian provincial organizations to facilitate business development.

Practical advice, found in the appendix, is aimed at facilitating your stay, such as addresses of organizations devoted to economic development as well as a partial list of the main convention centres.

A wide-ranging number of documents on France and the European Community is available at the Embassy.
Do not hesitate to consult us.

A - THE RHÔNE-ALPES REGION

1. AN EXCEPTIONAL GEOGRAPHICAL LOCATION

1.1. Lyons is situated some 480 km Southeast of Paris, 400 km North of the Côte d'Azur and 150 km West of Switzerland.

1.2. Rhône-Alpes is comprised of eight departments:

- Ain (01)	- Ardèche (07)
- Drôme (26)	- Isère (38)
- Loire (42)	- Rhône (69)
- Savoie (73)	- Haute-Savoie (74)

The region covers a surface area of 43,700 square kilometres, or 8% of France.

1.3. Its exceptional geographical situation makes Rhône-Alpes an important economic European crossroad. The Rhône-Alpes region forms a natural corridor within France itself connecting the north and south of the country; it is also at the centre of Europe being situated between Northwest Europe and the Mediterranean basin, and between Central Europe and the Atlantic coast.

1.4. Lyons, the regional capital, possesses an International Airport (Satolas, 30 km from downtown) an excellent highway network and fast reliable rail-links (TGV and others).

1.5. The exhibition site "EUREXPO", near Lyons Satolas Airport, is one of the most modern and large exhibition parks in Europe.

1.6. The French government decentralization policy introduced in 1982 has contributed to the dynamism of Rhône-Alpes.

2.RHÔNE-ALPES AND THE EUROPEAN UNION

2.1. In the context of the European Union, Rhône-Alpes has initiated a program of economic exchanges and agreements with three key European areas (Bade-Würtemberg in Germany; Lombardy in Italy ; Catalonia in Spain).
By so doing, Rhône-Alpes appears to be pioneering in the creation of European Regional Centres. The population of these four areas represents more than 30 million consumers (a potentially larger market than Canada) and possesses a very varied economic profile.

2.2. Rhône-Alpes should be considered as a leader in the European Market of 340 million consumers.

3.RHÔNE-ALPES: A DYNAMIC POPULATION AND A BIG MARKET

3.1. With a population of 5.5 million inhabitants (more than 9% of the population of France, equal to the population of Finland or Denmark) Rhône-Alpes represents the second largest population centre in France after Paris and its region. The region also has one of the highest purchasing powers in France.

3.2. Thanks to the high speed TGV train (300 kmph) Lyons is only two hours away from Paris. All the main towns in the region are situated less than 250 km from Lyons. Each of these towns offers a substantial market. The three major towns in this area are Lyons, Grenoble and Saint-Etienne, which together account for 37% of the total population in the Rhône-Alpes area.

Lyons	1,270,000
Valence	108,000
Grenoble	405,000
Chambéry	103,000
St-Etienne	313,000
Roanne	77,000
Annecy	126,000
St-Chamond	82,000

In addition, 36 agglomerations have between 10,000 and 50,000 inhabitants.

3.3. In 1992, the growth rate of the Rhône-Alpes population was 1% compared with only 0.6% for the whole of France.

3.4. Rhône-Alpes represents 9.4% of the total population of France but has 8.8% of the national workforce.

3.5. The working population of Rhône-Alpes in 1992 rose to a little more than 1,9 million and is divided as follows :

Agriculture	12,332 (6.6%)
Industry	673,689 (35.5%)
Tertiary Sector	213,686 (63.9%)

3.6. The rate of job creation in the tertiary sector (more than 22,000 jobs a year, during the past years) shows that Rhône-Alpes is making a successful transition into the post-industrial era.

3.7. In December 1993, unemployment rate in Rhône-Alpes was 11.4%, lower than that of France with 11.8%.

4. AGRICULTURE

4.1. Agriculture in Rhône-Alpes only represents 6.5% of French agriculture, both in cultivated land and in the final value of the produce. Agricultural activities are undertaken in conditions which are often difficult: mountainous areas, hazardous climate, difficult access, small size of farms, urban pressure, etc.

Mixed farming is widely practiced. Wine-making (in Beaujolais and Côte du Rhône), fruit-farming (peaches, apricots, apples, pears, nuts, small red fruits), market-gardening and horticulture are the main activities. The mountainous areas are rapidly expanding dairy farming geared towards cheese. Corn, wheat, barley and rape-seed are grown on the plains.

This area also produces beef and pork. Finally, forests cover 30% of the region's surface and supply about 2.1 million cubic metres of timber a year (particularly coniferous trees).

4.2. In 1992, total agricultural production in Rhône-Alpes was estimated at 3.8 billion Canadian dollars.

5. MANUFACTURING INDUSTRY

5.1. As the second industrial centre of France, Rhône-Alpes employs more than 520,000 workers (38.4% of total number in France). This work-force produced an output equivalent to 30% of French value-added industrial production.

5.2. The area has witnessed the establishment and development of a certain number of firms which have become multi-national concerns (**Péchiney, Ugine-Kuhlmann, Rhône-Poulenc, Thompson-**

Brandt, CGE, Saint-Gobain). Several large industrial groups which are present in the area have decentralised their decision-making power in Rhône-Alpes.

5.3. The tables accompanying this overview effectively demonstrate the strengths of manufacturing activity in the region namely :

- Mechanical Construction	- Metal work
- Electric/Electronic Construct.	- Automobile
- Plastics, composites	- Textiles, Clothing
-Agri-food	- Chemicals

5.4. In Rhône-Alpes is located France's most important **plastics industry** activity, with 918 companies which employ 28,300, representing a third of French processing industry. Known as the French "Plastic Valley", the region of Oyonnax (Ain), is home to 40% of those plants processing plastics and should become the backbone of the plastics industry in Europe. Oyonnax just opened the "**Pôle Européen de la Plasturgie**", a European centre of excellence in plastics higher education.

5.5. In addition, the balance and dynamism of the regional economy is based on the existence of a large structure of **small and medium sized firms** (more than 80% of the 37,000 firms are SMEs) which are increasingly productive. Their ability to adapt technology and innovate represents one of Rhône-Alpes best assets in this period of great economic change.

6. RESEARCH IN RHÔNE-ALPES

6.1. With more than 14,200 employees, of which 4,650 are research workers and engineers, Rhône-Alpes occupies the **second place** in French scientific and technical research with 9.8% of jobs and 25% of research facilities in France, excluding the Paris area.

Public research relies on the universities and laboratories annexed to the **"Grandes Ecoles"** in the area. Rhône-Alpes has eight universities and 240 laboratories and research centres (of which many are concentrated around Grenoble, the second largest city in the region).

Industrial research is dominated by large business in **chemistry and pharmacy,** for a total of 3,600 employees. **Chemistry** alone accounts for 18% of the national work force in that sector, **electronics** 3,000 and **mechanical engineering** 1,200, 24% of national capability.

6.2. **The National Centre for Scientific Research (C.N.R.S.)** has 140 laboratories in Rhône-Alpes. The **National Institute of Health and Medical Research** counts 23 laboratories. In Grenoble, there is an important **Centre for Nuclear Studies** at the Board of Atomic Energy (1,900 employees).

There are also large organizations for international research. Rhône-Alpes has 18 technical and professional centres such as the **Textile Institute of France** (Lyons) and the **Leather Institute.** In addition, over a thousand firms are engaged in private research.

6.3. Fields of study are very diversified and available skills are internationally recognized in:

- Solid state physics
- Magnetism
- Bio-medical engineering
- Pharmacology
- Agro-chemistry
- Instrumentation
- Automation
- Micro-mechanics
- Micro-mechanics
- Signals treatment
- Composite materials
- Lasers applications
- Nuclear physics and physics of particles

6.4. In order to bring together training efforts of research centres and firms, regional economic decision-makers are developing a dozen technopoles or centres for technological innovation. **The Zone for Innovation, Scientific and Technical Research** (ZIRST) of Meylan (near Grenoble), founded in 1972, is a model for other centres.

6.5. The region potential in this area helps to make it an attractive focal point. This is why firms which specialise in computer science, such as **Hewlett Packard, Digital Equipment, Control Data and Schering Plough** (research into immunology) have chosen Rhône-Alpes as a European centre of research for development and production.

The appendix provides a list of the main research centres and of the main technopoles (Technology parks) in Rhône-Alpes. The Consulate has addresses of research centres in your specific field of interest.

7. THE TERTIARY SECTOR IN RHÔNE ALPES

7.1. In contrast to the industrial sector, the tertiary Sector has witnessed a **clear increase** in jobs since 1990; with an annual growth of 20,000 jobs, it represents 64% of Rhône-Alpes total employment. Activities contributing to this growth include: **services to firms** (study, management, etc.), **services to individuals** (health care, leisure, private education...), rental, credit and insurance, banking companies, non-trade services, car sales and repairs, hotel/catering industry and transport and tourism.

7.2. The Lyons area is an important centre for **finance and banking.** Lyons possesses its own stock-exchange used by numerous small firms as a base before they launch themselves into the main international markets.

7.3. **Tourism** is an other important economic activity, Rhône-Alpes being the second largest tourist area in France after Paris. Rhône-Alpes has the world's greatest concentration of ski-resorts. More than 8,000 Canadians visit these resorts every year.

7.4. The region also hosts numerous fairs and specialized exhibitions.

7.5. Over the past 15 years, the region has made a great effort to develop the quality of its tertiary sector. The objective of these efforts is to make the region an alternative to Paris on a national level and to place it squarely on the scene of European affairs.

7.6. The availability and production of **hydro-electric power** have contributed to the establishment of big consumer industries such as electro-metallurgical or electro-chemical industries in the alpine valleys.

7.7. Established in 1964, the **ELF refinery** at Feyzin (a suburb of Lyons) occupies a prime position in the centre of an important regional petro-chemical complex.

7.8. While coal-mining is declining in the region, electro-nuclear programs place Rhône-Alpes in a position of energy abundance. Rhône-Alpes area produces 25% of French electricity, 75% of which comes from nuclear power. Hydro-power in the region is 42% of French hydro production.

8.RHÔNE-ALPES AND INTERNATIONAL TRADE

8.1. In 1992, import stabilization and export growth allowed a trade surplus of **CDN $4.42 billion** in Rhône-Alpes, contrary to France where a deficit occurred.

8.2. **Professional equipment goods** represent close to 30% of the region while **chemicals and consumer goods** accounted for 18% and **metal work and smeltering** 20%.

8.3.While the European market ran into trouble, German demand weakened and exports turned to the benefit of South East Asia, the region traded half of its goods and services with the European Union.

The appendix includes tables which demonstrate the commercial dynamism of Rhône-Alpes exports.

9.RELATIONSHIP RHÔNE-ALPES CANADA

9.1. Rhône-Alpes intends to play an international role in which Canada will play its own part. With this objective in mind, various economic agreements have been or are in the process of being concluded between Canada and the region:

*REGIONAL COUNCIL RHÔNE-ALPES versus ONTARIO PROVINCE
-an agreement of cooperation between Chairman Charles Millon and Ontario Prime Minister David Peterson, signed on 4th April 1989.

*COOPERATION AGREEMENTS BETWEEN LYONS AND MONTREAL
- Tourism bureaus and airports

*RHÔNE-ALPES REGIONAL CHAMBER OF COMMERCE AND INDUSTRY, versus ASSOCIATION OF INDUSTRIAL COMMISSIONERS OF QUEBEC
-an agreement for reciprocal promotion, has been in force since 1989.

*SIPAREX versus CAISSE DE DÉPÔTS ET PLACEMENTS DU QUEBEC et MOUVEMENT DESJARDINS
-agreements to facilitate relationships in the business world

*FONDS DE SOLIDARITE (FIQ) et BANQUE DE VIZILLE

*PERMANENT RHÔNE-ALPES BUREAUS IN TORONTO AND MONTREAL
-permanent offices of the Rhône-Alpes Regional "Chambre de Commerce et d'industrie", Montreal 1988 and Toronto 1990.

*CENTRE JACQUES CARTIER
-university exchanges and academic relationships; yearly seminars (290 Canadian participants in 1993 in Lyons)

*TWINNING OF CITIES:

MONTREAL AND LYONS
GRANBY AND SAINT-ETIENNE
MARKHAM AND GRENOBLE
WINDSOR AND SAINT-ETIENNE

*COOPERATIVE AGREEMENTS

G3F/ Centre des Matériaux Composites
Pharmacy Institutes: Lyons and Laval
French Plastics Federation/ SPI Québec
French Textile Institute/ Centre for textile technologies Quebec.

9.2. The Canadian groups **Cascades** and **Warrington** are established in Rhône-Alpes and many firms from the area have invested in Canada.

9.3. In 1992, Canadian **exports** to Rhône-Alpes were worth more than CDN **$144 million**. These exports represented 0.57% of Rhône-Alpes imports and 7.62% of Canadian exports to France. Canada is Rhône-Alpes' 25th most important export market, leaving lots of room for expansion.

9.4. The main **purchases** made by **Rhône-Alpes** in Canada are :

-unfinished non-ferrous products
-paper pulp
-paper & cardboard
-sawmills products
-tinned foods
-machine tools
-pharmaceuticals

9.5. In 1992, **Rhône-Alpes exported CDN $229 million to Canada** which represents 0.77% of exports from the Rhône-Alpes region and 8.30% of French exports to Canada. Canada is placed eighteenth on the consumer countries' exports list for Rhône-Alpes.

9.6. The main **purchases made by Canada in** Rhône-Alpes are :

- electrical material
- organic chemical products
- industrial equipment
- rubber and plastics
- textiles
- shoes
- warehouse materials for mining, iron and steel
- metallurgy and civil engineering
- precision instruments and materials

10. RHÔNE-ALPES, THE FRONT DOOR TO THE EUROPEAN MARKET

10.1. In France, Canada is often presented, in particular the Province of Quebec, mainly for linguistic reasons, as an ideal base for penetration not only of the Canadian market, but also of the North American market, mostly through NAFTA. With the Unified European Market, the reverse is becoming an interesting proposition, worth studying.

10.2. With its fortunate geographical location, the dynamism and the qualifications of its active population, the variety of its industries and research centres, Rhône-Alpes deserves serious consideration in the Canadian expansion plans for Europe.

10.3. The “local content” requirements could constitute a drawback for products manufactured “outside the European Community”. It would be wise to examine the position of your firm on this market (320 million consumers).

10.4. With the disappearance of borders between the 12 countries in the European Union in 1992 (soon to be 16), we can compare this new market of 350 million inhabitants with the North American market (Canada: 26 million, USA: 250 million). A comparison of the density of population reveals the concentration of potential :

Average density for Canada: 3 inhabitants per km-
USA: 24, United Europe: 143.

Nevertheless these figures must be qualified with the fact that the average income of European consumers is 25% lower than that of the North American consumer.

11. RHÔNE-ALPES: A MARKET AND A PARTNER FOR THE YEAR 2000

All the essential elements for business development are found in abundance in Rhône-Alpes:

RESEARCH
- CAPITAL
- COMMUNICATIONS
- LABOUR
- NEW TECHNOLOGIES

12. STRENGTHS OF RHÔNE-ALPES

12.1 . AN INTERNATIONAL SITUATION AND VOCATION

12.2. SYNERG "EDUCATION/RESEARCH/INDUSTRY"

12.3. AN OPEN AND DYNAMIC MARKET

12.4. DYNAMIC INDUSTRIES, ACTIVE AND INNOVATIVE

**ELECTRONIC * BIOTECHNOLOGY * PHARMACEUTICALS *COMPOSITE MATERIALS * PLASTICS*

12.5. IMPORTANCE OF BASIC EQUIPMENT GOODS INDUSTRIES

** FIRST REGION FOR ENERGY*
**SECOND REGION FOR*
- CHEMICALS
- MECHANICAL CONSTRUCTION
- ELECTRICAL INDUSTRY

12.6. FLEXIBILITY AND ADAPTABILITY OF TRADITIONAL ACTIVITIES

** CLOTHING * SILK *METAL CUTTING*

12.7. SPECIALIZATION IN LUXURY AGRICULTURAL PRODUCTS

** FRUIT * VEGETABLES * WINES * CHEESES * MEAT*

12.8 - VITALITY OF TOURISM

THE LARGEST CONCENTRATION IN THE WORLD OF SKI RESORTS OF INTERNATIONAL STANDARDS

13. RHÔNE-ALPES IN A FEW FIGURES

GEOGRAPHICAL SITUATION:

480 km South East of Paris
400 km North of the Côte d'Azur
150 km West of Switzerland

SURFACE AREA :
43,700 km-(8% of France)

POPULATION :
5.2 million inhabitants (10% of France)

DENSITY: 119 inhabitants per km-

ACTIVE POPULATION: 2 million (10% of France)

10% OF THE **POPULATION** OF FRANCE
11% OF **INDUSTRIAL STRENGTH** OF FRANCE
12% OF GROSS **DOMESTIC PRODUCT**
11% OF NATIONAL **EXPORTS**
10% OF FRENCH **RESEARCH** CAPACITY

14. MAIN MANUFACTURING ACTIVITY IN RHÔNE-ALPES

- MECHANICAL ENGINEERING
- SMELTING WORKS / METALWORK
- ELECTRIC/ ELECTRONIC CONSTRUCTION
- TEXTILE AND CLOTHING
- AGRO- FOOD PRODUCTION
- WOOD, FURNITURE
- CARS, BICYCLES AND AUTO SPARE PARTS
- RUBBER, PLASTICS TRANSFORMATION
- ELECTRICITY, GAS, WATER
- CHEMICALS, WIRES, ARTIFICIAL AND SYNTHETIC FIBRES

15. RHÔNE-ALPES HUMAN RESOURCES ENORMOUS POTENTIAL

STUDENTS:

more than 85,000 IN 8 UNIVERSITIES
9,000 IN 23 "GRANDES ECOLES"

- MAJOR EDUCATION AND RESEARCH INSTITUTIONS

- NATIONAL SCHOOL OF MINING ENGINEERING (SAINT-ETIENNE)
- SCHOOL OF WEAVING (LYONS)
- SCHOOL OF PAINTING AND GRAPHIC ARTS (GRENOBLE)

- ECOLE NORMALE SUPERIEURE (TEACHERS TRAINING)
LYONS

- NATIONAL INSTITUTE OF SCIENCE (LYONS)

- INSTITUT NATIONAL POLYTECHNIQUE (GRENOBLE)

- CENTRE FOR NUCLEAR STUDIES (GRENOBLE)

- NATIONAL CENTRE OF SCIENTIFIC RESEARCH
(GRENOBLE)

- LAUE-LANGEVIN INSTITUTE (GRENOBLE)

Rhône-Alpes produces 20% of France's engineers every year.

16. RHÔNE-ALPES - TECHNOPOLES

-GRENOBLE-MEYLAN: THE "ZIRST"
*MICRO-COMPUTERS *ELECTRONIC
* ROBOTIC AUTOMATION * TELEMATICS

-LYONS:
TONY GARNIER SCIENTIFIC PARK
WEST-LYONS TECHNOPOLE
LYONS-LA DOUA TECHNOPOLE

*BIOTECHNOLOGY *MEDICAL ENGINEERING
* COMPUTER SCIENCE

-SAINT-ETIENNE:
PRODUCTION SOFTWARE CENTRE
(RHÔNE-ALPES CENTRE)

-ANNECY (and its surroundings) :
PAYS DE GEX TECHNOLOGY PARK
D'ARCHAMPS INTERNATIONAL BUSINESS PARK
COLLONGES ENTERPRISE ZONE

*COMPUTER SCIENCE AND ENGINEERING
*ENGINEERING *MANAGEMENT

-CHAMBERY/AIX-LES-BAINS:
SAVOIE TECHNOLAC

*COMPOSITE MATERIALS
*ARTIFICIAL INTELLIGENCE
*SPECIAL MACHINES FOR PAPER INDUSTRY
*PACKAGING (FILMS)
*INDUSTRIAL SOFTWARE

17. RHÔNE-ALPES: MAINSPRING OF GREATER WESTERN EUROPE

GERMANY: BADE-WÜRTEMBERG

SPAIN: CATALONIA

ITALY: LOMBARDY, PIEDMONT, AOSTE LIGURIA

SWITZERLAND: GENEVA, VAUD, VALAIS

Rhône-Alpes is a member of the European Regions Council.

18. DEVELOPMENTS UNDERWAY TO REINFORCE RHÔNE-ALPES AS THE EUROPEAN HUB:

18.1. RESUMPTION OF WORK ON RHINE-RHÔNE CANAL

18.2. SUPER HIGHWAY PLAN:

*DIRECT LINK TO MARSEILLES
*OPENING THE LYONS-BORDEAUX SUPER HIGHWAY

*FOUR LANE ROAD THROUGH FREJUS TUNNEL TO ITALY

*LYONS BYPASS

18.3. RAIL PLAN:

TGV LINKS TO ITALIAN AND SPANISH NETWORKS

19. RHÔNE-ALPES-CANADA: EXPORTS

19.1. CANADIAN EXPORTS TO RHÔNE-ALPES:

1989: 180 million CDN $
1990: 174 million
1991: 1,190 million
1992: 145 million

19.2. MAIN CANADIAN EXPORTS TO RHÔNE-ALPES:

- METALS AND UNFINISHED NON-FERROUS PRODUCTS

- PAPER, CARDBOARD

- NON-FERROUS MINERALS

- ARTIFICIAL AND SYNTHETIC THREADS AND FIBRES

- MACHINE TOOLS

- FISH PRODUCTS

- IRON AND STEEL PRODUCTS

- AGRICULTURAL PRODUCTS

- PRODUCTS FROM WOOD (MECHANICAL WORK)

- PHARMACEUTICAL PRODUCTS

- CHEMICAL-BASED PRODUCTS

- INDUSTRIAL EQUIPMENT

- TINNED GOODS

20. RHÔNE-ALPES/CANADA: IMPORTS

20.1. IMPORTS INTO CANADA FROM RHÔNE-ALPES:

1989	245 million CDN$
1990	265
1991	256
1992	229

20.2. MAIN IMPORTS INTO CANADA FROM RHÔNE-ALPES:

- BASIC CHEMICAL PRODUCTS

- ELECTRICAL APPLIANCES

- INDUSTRIAL EQUIPMENT

- SHOES

- NATURAL AND ARTIFICIAL TEXTILES

- THREADS, KNITS, TEXTILES

- METALS AND UNFINISHED NON-FERROUS PRODUCTS

- MACHINE TOOLS

-PRECISION INSTRUMENTS AND MATERIALS

- PLASTICS PROCESSING PRODUCTS

- PROFESSIONAL AND HOUSEHOLD ELECTRONIC MATERIALS

- CLOTHING

- CASTINGS

21.EXHIBITION PARKS IN RHÔNE-ALPES

LYONS:

EUREXPO-BP 87
69683 CHASSIEU CEDEX
Tel : (33) 72 22 33 44-Fax : (33) 72 22 32 70

GRENOBLE:

ALPEXPO
Avenue d'Insbrück-38034 GRENOBLE
Tel: (33) 76 39 66 00-Fax: (33) 76 09 36 48

OYONNAX:

SOGEXPO
BP 219-Place Pompidou
01106 OYONNAX CEDEX
Tel : (33) 74 73 45 33-Fax : (33) 74 73 45 22

B - THE AUVERGNE REGION

1. GEOGRAPHY AND POPULATION

1.1. Auvergne, situated west of Rhône-Alpes, spans 4 departments :

- Allier (03)
- Cantal (15)
- Haute-Loire (43)
- Puy-de-Dôme (63)

1.2. With a population of only 1.3 million inhabitants (2.5% of the population of France), Auvergne is one of the areas where the density (inhabitants per km_) is the lowest in France. Auvergne is traditionally a land of emigration and its population still remains slightly aged.

2. A REGION WITH A TRADITION OF INDUSTRY

Contrary to what is often thought, Auvergne is a rather industrialized region, to wit an **industrial employment percentage** of 23.9%, greater than the national average of 22.9% in January 1991.
The geographical dispersion of industry stems from ancient history.

2.1. Major industrial poles see the predominance of large enterprises: Clermont-Ferrand is home to **rubber** with **Michelin**; Montluçon is **metallurgy with Dunlop**; Issoire is **aluminium smelters** with **Pechiney**. This is why Auvergne remains the French region boasting the largest share of industrial employment concentrated in sizeable industrial establishments.

2.2. Nevertheless, the reality is often in contrast to this situation. Several employment regions consist of a large number of long-time established SMEs, for example Thiers (Puy-de-Dôme) which developed around traditional **cutlery** industry, or Issingeaux (Haute-Loire) where **textile** industry successfully converted into plastic extrusion.

Further, although certain employment poles are highly industrialized (50% of employment in Thiers, 43% in Issingeaux, 34% in Issoire, 27% in Montluçon, 26% in Clermont-Ferrand), others are quite weak, such as the departments of Cantal and Allier.

3. MAIN FEATURES OF AUVERGNE'S INDUSTRIES

Auvergne's industrial structure features:

3.1. prevalent **intermediary goods**, i.e. 46.1% of industrial employment against 32.1% in France, created by the location of:

-**rubber industry** (**Michelin, Dunlop**) employing close to one third of its national workforce in Auvergne;

-**plastics processin**g, mostly in Sainte-Sigolène and Thiers, 3.5% of national workforce;

-**cutlery**, in Thiers (25% of national workforce);

-**basic chemistry** (2% of national workforce);

-**smeltering** (3.4% of national workforce).

3.2. A struggling **equipment good**s industry provides 16.9% of industrial employment in Auvergne against 32.1% in France, although some niches are stronger, such as **weapon systems (Matra and Sagem)**, **glass insulators** (15%), **measurement electronics** (15.6%) or **car manufacturing.**

3.3. **Consumer goods** show a weak performance with 20.8% of industrial employment versus 24.3% in France, while there are strong performers in **parachemicals and pharmaceuticals** even though most of these establishments are research centres, or printing.
Further, although Auvergne's industrial fabric is made up of a **few very large national or multinational firms** as well as a very **large number of very small ones,** few establishments are mid-size (50 to 500 employees), a weakness if one compares with national averages. Unfortunately, nowadays, those mid-size plants are the engines of local industrial development and job creation.

Other characteristics of Auvergne's industries are worrisome:

3.4. Its per-employee value-added is 12.3% lower than that of France. This situation stems less from an industrial structure more dependant on low value-added production than on a relative weakness of local business as compared with national competitors. This remark stands for most sectors.

3.5. **Professional jobs** account only for 22% of the workforce, against 25% in France. There are less engineers and executives in Auvergne than at the national level (2.3% against 4%).

3.6. **Investment per worker** remains lower than the national average (CDN $7,286 against $8,953 in 88/89).

3.7. In 1991, the **business creation index** was much lower than the French one, at 57 against 100 for France and 166.5 in Ile-de-France. A major concern is that **durable employment creation**, 5 years or more, is the weakest in France at 1.1% against 1.6%.

4. A CONTINUING CHALLENGE

4.1. During the past 20 years, industrial evolution seems to show a lag behind the rest of France. Thus, only in the beginning of 1980's did Auvergne show signs of industrial crisis. Indeed, while it seemed to have missed the 75-80 crisis with only 2% industrial job loss against 8% in France, permanent job losses climbed to 18% between 1981 and 1986 against 12% in France.
Similarly, the recovery came late: +1% in 1989 against +1.2% in France. Two plans for job reduction in Michelin at Clermont-Ferrand have widened the gap: 4,500 jobs lost out of a total of 22, 000.

4.2. Today, employment in Clermont-Ferrand seems deeply in jeopardy while the impact of preceding shocks in other locations, particularly in Montluçon and Val d'Allier, both classified conversion poles in 1987, are not over.

5. MAIN INDUSTRIAL SECTORS

5.1. Rubber

This activity remains the most important one, despite constant job losses since 1983, about 20% of salaried workers. The greatest number of jobs are concentrated in two enterprises:

- **Michelin** (about 19,000 salaried workers). first world manufacturer of tires, with headquarters in Clermont-Ferrand where the main Research and Development Centre is also located with 3,000 researchers.
- **Dunlop**, bought in 1984 by the Japanese group **Sumitomo,** with 1,290 employees in Montluçon.

5.2. Metal transformation

17,100 employees strong, this sector is divided into three sub-sectors:

A) *METAL-WORK (7,900 jobs) AND METAL TRANSFORMATION (4,030 jobs),*

-light aluminium smeltering, **Pechiney, Gegedur-Rhenalu, Fortech and Interforge** in Issoire, **SMG** near Clermont-Ferrand, European leader;

-steel mills,:

-Aubert and Duval (1,680 employees) and **Commentryenne des Aciers Fins**, producing specialized steel;

-JPM Chauvat Sofranq, first European producer of anti-panic systems;

-Dapta Mallinjoud, European leader of precision screw cutting;

-Wichard, European leader of nautical fittings.

B) *CUTLERY (3,320 jobs)*:
First industry in Thiers, (3,000 employees and 45% of industrial jobs), scattered among various size units; Thiers accounts for 70% of French cutlery production.

C) *SMELTERING (1,850 jobs):*
-Sept Fons Smelter, which belongs to the PSA Group, was established in Dompierre sur Besbre in 1978. With its 990 workers, it is the most important establishment of the sub-sector, together with **BREA** in Montluçon and **Fonlem** near Brioude, and a multitude of other small smelters.

5.3. Plastics transformation

Two main poles:

-Saint Sigolène (Yssingeaux) produces 30% of French extruded polyethylene for packaging. 2,500 employees are distributed among mostly medium size establishments, among them **Barbier, Fayard, and Ravel VD Packaging.**

-Thiers, where plastics are used today for cutlery handles, allowing for a new plastic transformation industry.

5.4. Automotive equipment

This sector still employs more than 3,600 despite the grave crisis in the 80's at **Ducellier** where several thousand jobs disappeared. The most important establishments are **Sagem Allumage** in Haute Loire, **Bendix** in Allier, and **Valéo** in Puy de Dôme.

5.5 Chemistry, Pharmacy and Parachemistry

Two main poles employing near 5,300:

Organic chemistry
-**Rhône-Poulenc Animal Nutrition,** in Commentry, world leader for methiome production,
-**Roussel Uclaf**, in Vertolaye, where corticosteroids are produced.

Pharmacy and parachemistry
-**MSD Chibret,** a subsidiary of the Deutch **AKZO,** has many locations, laboratories and production centres,
-In Vichy, **LIDV** labs belong to the **L'Oréal Group.**

5.6.Electricity and electronics

This sector is concentrated around very large establishments such as **Sagem** in Montluçon, **Landis & Gyr, Sat Cables and CSEE.** It employs 7,300 in the region.

5.7.Printing

Of note in this sector is the **Imprimerie de La Banque de France** at Chamalières, 1,850 strong, which is the second largest establishment of the region after **Michelin** in Clermont-Ferrand.

5.8. Agro-food Industries

This sector accounts for more than 15,350 jobs among three groups:

a)-*MILK INDUSTRY,* 2,990 strong, mainly cheese production with two cooperative groupings,

Richmonts and Alliance Agro-Alimentaire (3A);

*b)-MEAT INDUSTRY (*2,750 workers), centred around beef, poultry and preserved meat;

c)-*MINERAL WATER* (1,480 jobs) dominated by Volvic and Vichy.

Although one usually accounts seeds with agricultural products, one should note the importance of **Limagrain,** first european seed production group, and **Delbard.**

6. AGRICULTURE

In agriculture, one notices that the active farming population of the area represents nearly **twice the national average**. Founded during the second world war, the **Seed Cooperative of Limagne** now plays host to more than forty companies both French and foreign. This group produces and supplies seeds, exports its production, under the name of **LIMAGRAIN**, throughout the world.

7. THE TERTIARY SECTOR

The tertiary sector in Auvergne accounts for almost **half the number of jobs**, with the most important area being in *hotels and restaurant*. which shows the considerable importance of the tourist industry in a region which is rich in unspoilt nature and offers picturesque landscapes.

8. AUVERGNE AND CANADA: IMPORTS/ EXPORTS

8.1. In 1991, **Canadian exports to Auvergne** represented the sum of 20 million Canadian dollars, the main sales being in :
- agricultural products
- metal and unfinished non-ferrous products
- wood mechanical products
- textiles
- machine-tools
- tires and other rubber products
- paper and cardboard
- iron and steel products

8.2. In 1991, **Canadian imports from Auvergne** represented a value of 55 million Canadian dollars for the purchase of :
- metal and unfinished non-ferrous products
- basic chemical products
- industrial equipment
- metal products
- textiles
- tires and other rubber products
- electrical equipment
- drinks and alcohol

9. AUVERGNE: ECONOMIC STRENGTHS

AGRICULTURE : SEEDS, CORN *(LIMAGRAIN)*

ART AND CRAFTS:
CUTLERY INDUSTRY *(THIERS)*
LACE MAKING *(LE PUY)*

INDUSTRY :
TIRE PRODUCTION *(CLERMONT-FERRAND, MONTLUCON)*

PLASTIC PACKAGING (*SAINTE SIGOLENE)*

PERFORATED RODS (*COMMENTRY*)

OPHTHALMOLOGICAL/PHARMACEUTICAL INDUSTRIES*(CLERMONT-FERRAND, RIOM, ST-GERMAIN LAPRADE*)

ELECTRONICS *(BRASSAC LES MINES)*

NOTE : 20% OF FIRMS IN AUVERGNE EXPORT GOODS

10. AUVERGNE - RESEARCH AND TRAINING CENTRES

UNIVERSITY OF CLERMONT FERRAND:

-CENTRE OF STUDY AND RESEARCH INTO MARKETING **(CEREM)**

-NATIONAL CENTRE FOR EVALUATION AND PHOTO-PROTECTION**(POLYMER)**

-LABORATORY OF MOLECULAR BIOLOGY **(BIOSEM)**

-COMPUTER-ASSISTED ENGINEERING **(EDF ATOMIC ENERGY)**

-CENTRE FOR ENTERPRISE AND INNOVATION

-RESEARCH (in liaison with the national institute of Health and Medical Research)

** BIOTECHNICS*
** MEDICAL AND BIOLOGICAL ENGINEERING*
**INSTRUMENTATION FOR MICROSURGERY USING LASERS*

TECHNOLOGICAL CENTRES OF AUVERGNE

*(CASIMIR) PMI/PME

*NATIONAL SCHOOL OF CHEMISTRY (ENSCC)

*INSTITUTE OF ENGINEERING SCIENCE

*INSTITUTE OF VULCANOLOGICAL RESEARCH

*NATIONAL SCHOOL OF AUTOMOBILE PROFESSIONALS

*ROBOTICS, MATERIALS FOR THE FUTURE

GUIDE TO RHÔNE-ALPES FOR CANADIAN BUSINESS PEOPLE

USEFUL ADDRESSES - PRACTICAL ADVICE

CANADIAN CONSULATE IN LYON :
74 rue de Bonnel
69428 LYONS CEDEX 03 - FRANCE

Tel : (Canada : 33) 72 61 15 25
Fax : (Canada : 33) 78 62 09 36

The Consulate is situated in the modern district of Lyons Part-Dieu, just a few minutes walk from the Part-Dieu railway station where the TGV (express trains) links with Paris, Lille, Nantes, Tours and Brest, as well as Nîmes and Marseilles.

PERSONNEL OF THE CONSULATE

Consul & Senior Trade Commissioner:
ANNE-MARIE **VIAROUGE-SAGALA**

Commercial Officers:

ROY A. **WOODROOFE**
MICHEL **P. MONTET**

Administrative Assistant:
ELISABETH **GAGET**

Secretary:
CHRYSTELLE **PERRIER**

USEFUL ADVICE AND PRACTICAL INFORMATION

TELEPHONE : (from Lyons)

TO TELEPHONE CANADA
-DIAL 19
-WAIT FOR THE CHANGE IN TONE
-DIAL 1
-DIAL THE NUMBER : (e.g., 514 456 4321)

TO TELEPHONE PARIS
-DIAL 16
-WAIT FOR THE CHANGE IN TONE
-DIAL 1
-DIAL THE NUMBER : (e.g., 47 23 01 01)

TO TELEPHONE ELSEWHERE IN FRANCE :
-DIAL THE 8 FIGURE NUMBER
(e.g., 72 61 15 25)

PUBLIC TELEPHONES:
There are very few public telephones which accept coins. It is advisable to acquire "prepaid telecards" sold in post-offices and tobacconists, or use standard credit cards.

SOME USEFUL NUMBERS :

- Canadian Embassy (Paris).......(16 1) 47 23 01 01
- **Canadian Consulate (Lyons)...........72 61 15 25**
- Air Canada (Paris) ....(16 1) 43 20 12 00
- **Air Canada (Lyons)..........................78 42 43 17**
- Hotel Concorde (Lyons).....................72 40 45 45
- Hotel Pullman (Lyons).......................78 62 94 12
- **TGV station (Lyons)**
  - Information..78 92 50 50
  - **Reservations...78 92 50 70**
- Air Inter (Lyons) 78 52 80 45
- **Taxi (Lyons).......................................78 28 23 23**

CREDIT CARDS:
Most shops accept the "CARTE BLEUE (VISA)", however, taxis have to be paid in cash.

TRAVELLING BY TRAIN:
You have to punch ("composter") your tickets before getting on the train. The automatic punching machines ("composteurs") are situated near the platforms. They are orange coloured columns.

BANKS:
In Lyons, banks close between midday and 2pm. So do most shops and commercial outlays.

NEWSPAPERS:

Paris	LE FIGARO LE MONDE
Lyons	FIGARO LYON LE PROGRES LYON MATIN

RADIOS STATIONS IN LYONS :

France Info..105.5 FM
France Musique............................92.4 FM & 98.00
Radio France Lyons ....87.7 FM
France Culture..........................88.4 FM and 94.00
France Inter........................99.8 FM and 101.3 FM

RADIO CANADA INTERNATIONAL
News: every morning, 7 to 8 am, on short waves,
49M 41M 31M 25M 16M 19M
A short wave receiver is needed.
TELEVISION CANADIAN NEWS: TV5
EVERY MORNING, in French, 8 to 8.30 am
RADIO CANADA

WHAT CAN TRADE COMMISSIONERS DO FOR EXPORTERS?

Abroad, Trade Commissioners can help you to:

-find out what potential outlets exist for your products and services;
-market your company to local clients;
-negotiate a market by recommending to you technical experts;
-find good local translators and interpreters;
-choose efficient agents;
-keep in contact with your agents and encourage them;
-organize your foreign travels by giving you practical advice.

It is recommended to prepare a precise marketing plan and strategy and only deal with trade commissioners in your chosen trade sector.

Information you should give your Trade Commissioner

When you deal with a trade commissioner for the first time, you should provide him/her with the following information:

-your name and title;
- complete records for your business (name, address, telephone and fax numbers, etc.);
-a precise description of the products or services your company offers, as well as their use (avoid abbreviations);

-your marketing plan: direct sales, agent contracts, licensed manufacture etc.;
-targeted markets;
-export trade experience: which country do you export to?;
-5 copies of your prospectus, preferably in colour and with a multilingual copy (they should be attached to your correspondence);
-a complete description of the help you will require;
-a summary of your discussions with Canadian-Based trade commissioners, and of their outcome;
-names and addresses of your agents.

60984 81800

LYON AND OTHER EUROPEAN CITIES

DISTANCE BY FREEWAY (TOLL ROADS)

AMSTERDAM	995 km
ATHENS	2,774 km
BALE	350 km
BARCELONA	644 km
BELGRADE	1,585 km
BERLIN	1,289 km
BERNE	317 km
BRUSSELS	617 km
COPENHAGEN	1,586 km
FRANKFORT	700 km
GENEVA	162 km
THE HAGUE	945 km
LISBONNE	1,784 km
LUXEMBOURG	509 km
MADRID	1,272 km
MILAN	494 km
MUNICH	753 km
NAPLES	1,299 km
PARIS	481 km
PRAGUE	1,116 km
ROME	1,066 km
STUTTGART	677 km
TRIESTE	936 km
VENICE	789 km
VIENNA	1,217 km
ZURICH	404 km

LYONS AND MAJOR FRENCH CITIES

DISTANCES BY ROAD IN KM

AIX LES BAINS................112 km
AIX EN PROVENCE ....295 km
ALENÇON........................548 km
AMIENS...........................589 km
ANGERS ....538 km
ANNECY ....145 km
AURILLAC.......................305 km
AUXERRE ....301 km
BAULE..............................685 km
BEAUVAIS.......................561 km
BESANÇON ....208 km
BIARRITZ........................735 km
BORDEAUX.....................549 km
BOURBOULE la..............233 km
BOURGES ....284 km
BREST..............................989 km
CAEN ....649 km
CAHORS..........................458 km
CALAIS............................752 km
CANNES ....450 km
CARCASONNE...............448 km
CHALON/SAÔNE...........126 km
CHAMBERY ....114 km
CHAMONIX....................240 km
CHARTRES ....460 km
CHAUMONT...................297 km
CHERBOURG ....768 km
CLERMONT FD.............179 km
DEAUVILLE ....668 km
DIGNE..............................286 km
DIJON ....197 km
DINARD ....718 km
EVIAN..............................200 km
FONTAINEBLEAU.........411 km
GERARDMER.................350 km
GRENOBLE.....................104 km
LE MANS........................499 km

LE HAVRE ....697 km
LILLE ....672 km
LIMOGES ....364 km
LUCHON ....652 km
MARSEILLES ....328 km
MENDE ....226 km
METZ ....446 km
MONT DE MARSAN ....630 km
MONTPELLIER ....293 km
MONT ST MICHEL ....689 km
MOULINS ....186 km
MULHOUSE ....341 km
NANCY ....389 km
NANTES ....607 km
NICE ....483 km
NIMES ....243 km
ORLEANS ....389 km
PARIS ....481 km
PAU ....711 km
PERIGUEUX ....429 km
PERPIGNAN ....454 km
POITIERS ....428 km
QUIMPER ....833 km
REIMS ....475 km
RENNES ....645 km
ROUEN ....611 km
ROYAN ....573 km
SABLES OLONNES ....610 km
ST BRIEUC ....744 km
ST ETIENNE ....56 km
STRASBOURG ....434 km
TOULON ....375 km
TOULOUSE ....540 km
TOUQUET (le) ....695 km
TOURS ....432 km
TROYES ....348 km
VALENCE ....101 km
VERDUN ....433 km
VICHY ....162 km
VITTEL ....333 km

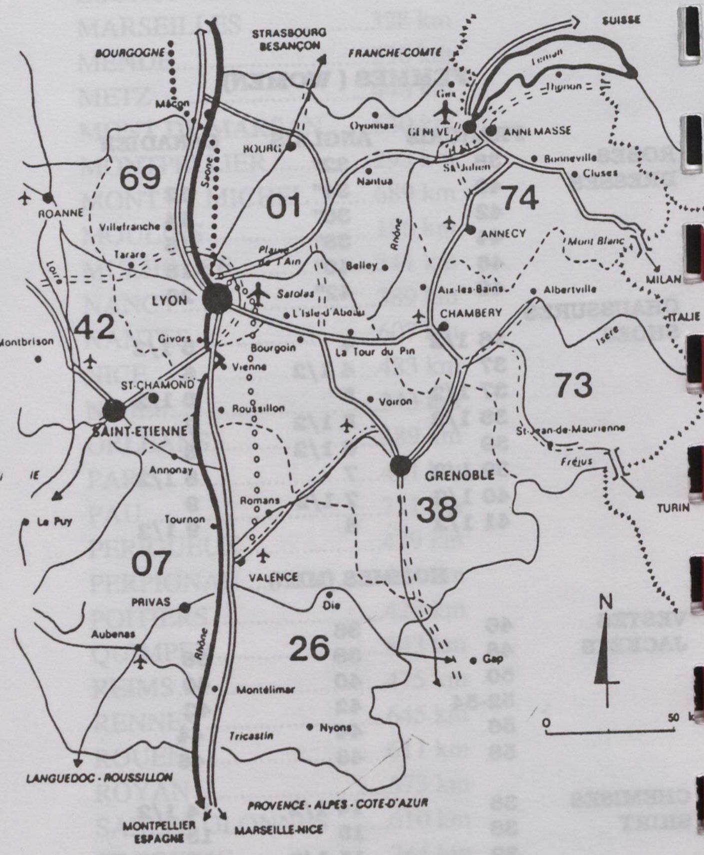
Table de Conversion
Vêtements et Chaussures
Conversion Table
Clothes and Shoes

FEMMES (WOMEN)

	FRANCAIS	ANGLAIS	CANADIEN
ROBES	38	32"	
DRESSES	40	34"	12
	42	36"	14
	44	38"	16
	46	40"	18
	48	42"	20
CHAUSSURES			
SHOES	36 1/2	4	5 1/2
	37	4 1/2	6
	37 1/2	5	6 1/2
	38 1/2	5 1/2	7
	39	6 1/2	8
	39 1/2	7	8 1/2
	40 1/2	7 1/2	9
	41 1/2	8	9 1/2

HOMMES (MEN)

VESTES	46	36	
JACKETS	48	38	38
	50	40	40
	52-54	42	42
	56	44	44
	58	46	46
CHEMISES	36	14 1/2	14 1/2
SHIRT	38	15	15
	39	15 1/2	15 1/2
	41	16	16
	42	16 1/2	16 1/2
	44	17	17
	45	17 1/2	17 1/2
CHAUSSURES			
SHOES	41	7	7 1/2
	42	8	8 1/2
	43	8 1/2	9
	43	9	9 1/2
	44	9 1/2	10
	44	10	10 1/2
	45	11	11 1/2



LA RÉGION RHÔNE-ALPES

- Métropole Régionale
- Préfecture ou agglomération > 50.000 habitants
- Autre ville moyenne
- Autoroute en service
- Autoroute en cours de réalisation
- Autoroute en projet
- Aéroport desservi régulièrement
- Voie navigable à grand gabarit
- Ligne du T.G.V. Paris / Sud-Est - o o o En projet

01	Ain
07	Ardèche
26	Drôme
38	Isère
42	Loire
69	Rhône
73	Savoie
74	Haute-Savoie

Rendez-vous

NOTES

TELEPHONE

CONSULAT DU CANADA A LYON
CANADIAN CONSULATE IN LYON