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TRADE AND INVESTMENT



Canada–France

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Merchandise Trade

In 2010, Canada's bilateral merchandise trade with France totalled \$7.7 billion, consisting of \$2.3 billion in Canadian exports to, and \$5.4 billion in imports from, the country.

In 2010, France was Canada's 11th largest destination for exports globally, and its fourth largest destination for exports in the European Union (EU), a region that includes 27 countries. It was also Canada's eighth largest source of imports in the world, and its third largest source of imports from the EU in that year.

The value of Canada–France trade as a share of Canada's total trade has experienced a relatively small decrease over time. As a share of Canada's global exports, the value of Canadian exports to France decreased from 0.8% in 1995 to 0.6% in 2010. Similarly, the value of Canadian imports from France as a share of Canada's total imports fell from 1.4% in 1995 to 1.3% in 2010.

Over the 2005 to 2010 period, the value of Canadian exports to France declined at an average annual rate of 1.5%, compared to an average annual rate of decrease of 1.8% to the rest of the world. Over the period, average yearly growth in the value of Canadian imports from France, at 1.7%, exceeded average yearly growth in imports from the rest of the world, at 1.2%.

At the provincial level, Quebec accounted for the majority of Canada's trade with France in 2010, with exports valued at \$1.1 billion. Ontario was the next-largest provincial exporter, with exports to the country valued at \$820.9 million in that year. Newfoundland and Labrador has been Canada's fastest-growing provincial exporter to France in recent years, with an average growth rate of 24% per year over the 2005 to 2010 period.

Figure 1



Figure 2

Importance to Canada

Average yearly growth (%): 2005–2010 Share of total trade (%):

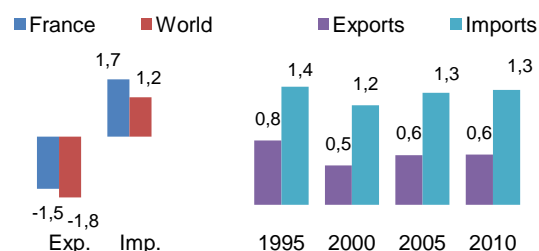
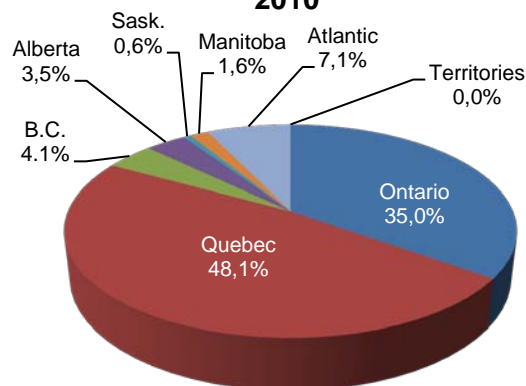


Figure 3

Exports by Province/Territory – 2010



All figures were prepared by the authors using Statistics Canada annual figures as of spring 2011.
The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Products

In 2010, manufactured goods accounted for 84% of the value of Canada's total exports to France, while resource-based products represented the remaining 16%. The composition of Canada's exports to the country has changed somewhat since 2005, when manufactured goods and resource-based products accounted for 92% and 8% respectively of the value of exports to France.

Canada's highest-valued export products to France in 2010 were aircraft turbines, iron ores, aircraft parts and vaccines. Canada has experienced strong growth in the value of exports of machinery and equipment as well as of metal ores to France in recent years. In particular, the value of Canadian exports of turbojets and turbo propellers as well as iron ores to the country rose by 44% and 951% respectively over the 2005 to 2010 period.

Canada's imports from France consist almost exclusively of manufactured goods. In 2010, manufactured goods accounted for 99.8% of the value of Canada's imports from France, which is relatively consistent with 2005, when 99.7% of the value of Canadian imports from the country was manufactured goods.

Canada's highest-valued import products from France in 2010 were pharmaceutical products, aircraft, wine and beauty products. Over the 2005 to 2010 period, the value of Canadian imports of pharmaceutical products from the country increased by 68%.

In 2010, Canada had trade deficits with France in all sectors, with the exception of metals, mines and energy.

Figure 4

Major Export Products

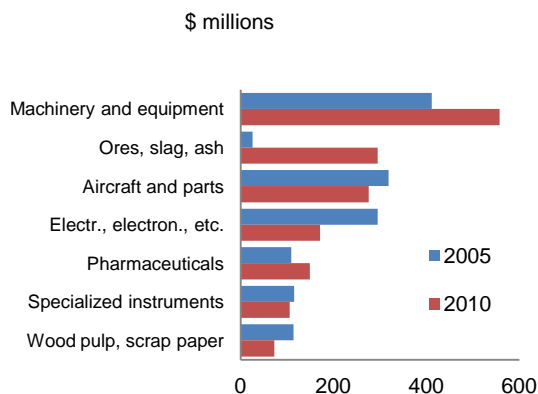


Figure 5

Major Import Products

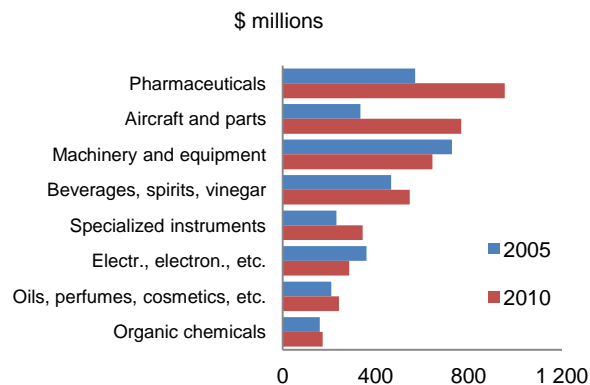
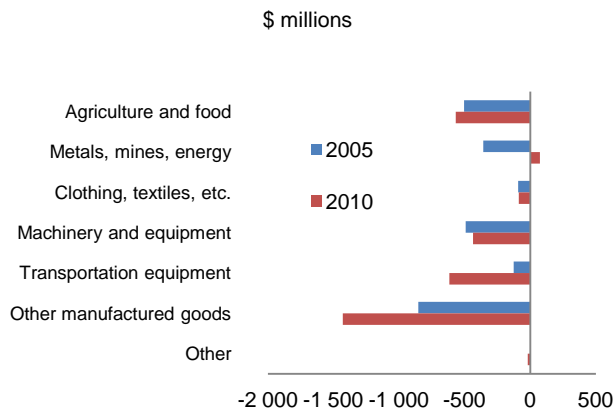


Figure 6

Balance by Category



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Services and Investment

In 2009, the most recent year for which data are available, the value of Canadian services exports to France totalled \$1.9 billion, while services imports from the country were valued at \$2.2 billion. These values represented an increase of 1% and a decrease of 12% respectively from 2008 levels.

Canada's deficit in services trade with France in 2009 can be accounted for by travel services as well as transportation and government services. In these services categories, Canada had a deficit of \$230.0 million and \$184.0 million respectively in that year. The value of Canadian imports of French travel services almost doubled between 2000 and 2009. In 2009, Canada had a trade surplus with France of \$129.0 million in the commercial services category.

Canada has a relatively significant investment presence in France, with the stock of direct investment in the country reaching \$8.8 billion in 2010. In that year, France was Canada's 12th largest foreign destination for investors and its fourth largest foreign investment destination in the EU. While it remains relatively significant, the stock of Canadian direct investment in France decreased by 44% from 2009 to 2010.

France is a significant source of foreign investment in Canada, with a stock of direct investment of \$19.0 billion in 2010. France is the fifth largest source of foreign investment in Canada, and its fourth largest foreign investment source in the EU. The increase in French direct investment in Canada in 2000 was the result of the acquisitions of Newbridge Networks and the Seagram Company Limited by French companies in that year.

Figure 7

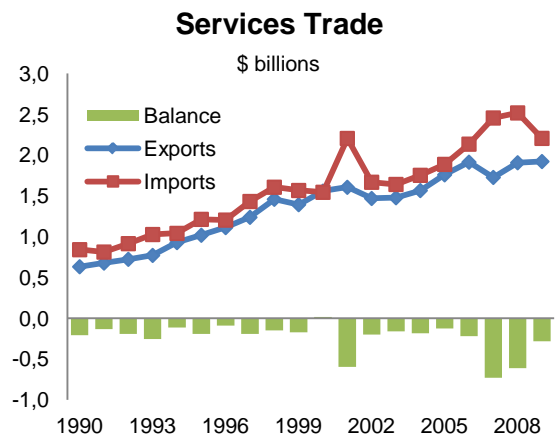


Figure 8

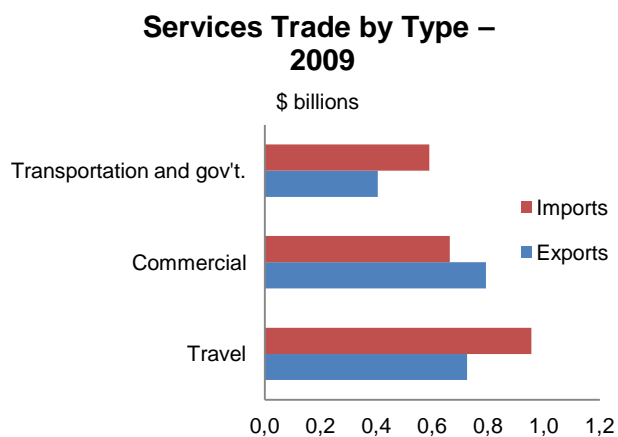
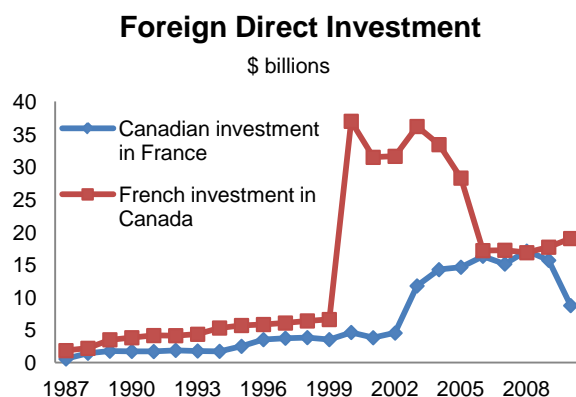


Figure 9



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