

HF
3228
.F7A4



Report of the
Canada

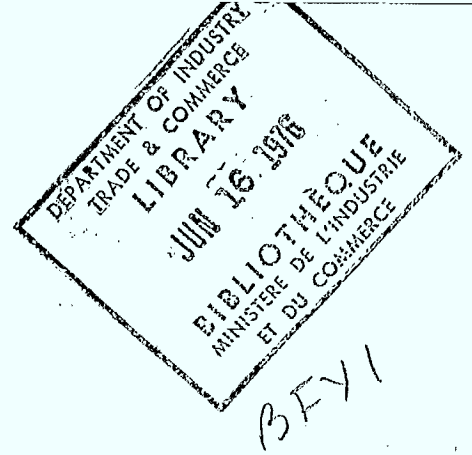
MINISTERIAL TRADE AND INDUSTRIAL DEVELOPMENT MISSION TO FRANCE

November 29 to December 5, 1975



Industry, Trade
and Commerce

Industrie
et Commerce



REPORT OF THE
MINISTERIAL TRADE AND INDUSTRIAL DEVELOPMENT MISSION TO FRANCE
LED BY
THE HONOURABLE DON C. JAMIESON
MINISTER OF INDUSTRY, TRADE AND COMMERCE
NOVEMBER 29 - DECEMBER 5, 1975

TABLE OF CONTENTS

BACKGROUND	1
MISSION OBJECTIVES	2
MISSION MEMBERSHIP	3
MISSION ITINERARY	8
MISSION REPORT	9
SUMMARY OF BUSINESS OPPORTUNITIES DISCUSSED	11
CONCLUSIONS AND FOLLOW-UP	14
ANNEX I - ECONOMIC SITUATION IN FRANCE	15
ANNEX II - CANADA/FRANCE INDUSTRY WORKING GROUP	21
ANNEX III - PARIS BUYERS FOR EXPORT MARKET	23

BACKGROUND

During Prime Minister Trudeau's visit to France in October 1974, he and Mr. Chirac, the French Prime Minister, agreed that the level of commercial activity between the two countries was not sufficiently large or diverse. Agreement was reached, among other things, to establish an ad hoc joint working group to study the potential for bilateral trade and co-operation in industrial sectors.

The Canada/France Industry Working Group met twice, in February and June 1975, and reported to the Canada/France Economic Commission, which met in June 1975 at the Ministerial level. Major opportunities identified were in the following sectors: marine exploration, seabed exploitation, naval and marine construction, urban and interurban transportation, avionics and aircraft, electronics, machinery (e.g. mining, agricultural, packaging, pollution control), forestry projects and equipment and livestock.

In October 1974, the Prime Minister announced that in the fall of 1975 the Minister of Industry, Trade and Commerce would head a mission of businessmen to France. This was confirmed at the Canada/France Economic Commission meeting in June 1975. The mission would be able to follow up on opportunities identified by that time.

MISSION OBJECTIVES

The mission's main objectives were:

- A - To expand two-way trade between Canada and France.
- B - To encourage an increase in the number and variety of other commercial relationships between Canada and France such as joint ventures between companies of both countries in each other's market and in third markets.
- C - To investigate other ways of following up the mandates, given by Prime Ministers Trudeau and Chirac in November 1974 to ministers and officials of their respective governments, to develop and strengthen economic relationships between the two countries.

Some of the businessmen in the mission represented established Canadian exporters of raw materials, semi-processed goods and high technology manufactured goods. Others were included because of their companies' investments and operations in France. A third group represented companies whose products were considered of interest to potential French customers because of the acceptance of their technological accomplishments in other world markets.

MISSION MEMBERSHIP

The Honourable Don C. Jamieson
Minister of Industry, Trade and Commerce

D. B. MacNaughton
Executive Assistant to the Minister

Department of Industry, Trade and Commerce

C. T. Charland
Assistant Deputy Minister
Export Development

R. H. Gayner
Director
European Bureau

J. P. Reny
Director, Industry Development
Machinery Branch

B. Côté
Mission Secretary
European Bureau

J. P. Lambermont
Mission Co-ordinator
Office of Export Programs and Services

Foreign Investment Review Agency

J. Clermont
Director, Manufacturing Industry
Assessment Branch

Businessmen

V. V. R. Symonds
Vice-President, Business Development
Litton Systems Canada Ltd.
Rexdale, Ontario

A. G. B. Judd
Vice-President
Hermes Electronics Ltd.
Dartmouth, Nova Scotia

W. O. Morrow
President and Chief Executive
National Sea Products Ltd.
Halifax, Nova Scotia

J. A. McCague
Holstein-Friesian Association of Canada
Brantford, Ontario

R. E. Hatch
Chairman
Canadian Export Association
Montréal, Québec

C. F. Sayers
President
Canadian Importers Association
Toronto, Ontario

Dr. D. J. Patton
School of Business Administration
Dalhousie University
Halifax, Nova Scotia

L. Picard
President
Marine Industries Ltd.
Montréal, Québec

L. D. Clarke
Chairman of the Board
Spar Aerospace Products Ltd.
Toronto, Ontario

C. Lebon
Faculté d'administration
Université Laval
Ste-Foy, Québec

C. A. McKenzie
Vice-President of Chemicals
Polysar Ltd.
Sarnia, Ontario

F.R. Kearns
President
Canadair Ltd.
Montréal, Québec

J. Vaillancourt
Vice-President
Aluminum Company of Canada Ltd.
Montréal, Québec

A. C. Rankin
Vice-President, International Marketing
Agra Industries Ltd.
Saskatoon, Saskatchewan

B. B. Bundesman
President
The de Havilland Aircraft of Canada Ltd.
Downsview, Ontario

P. H. O'Donoghue
President
Chambre de Commerce française au Canada -
Section de l'Ontario
Toronto, Ontario

E. F. Bell
Vice-President and General Manager
Versatile Manufacturing Ltd.
Winnipeg, Manitoba

J. B. Buchanan
President
British Columbia Packers Ltd.
Richmond, British Columbia

G. L. Draeseke
President
Council of Forest Industries of B.C.
Vancouver, British Columbia

C. Leblanc
Executive Vice-President
Bombardier Ltée
Montréal, Québec

J. A. Morley
Vice-President, Simulators Marketing
CAE Electronics Ltd.
Montréal, Québec

E. B. Daubney
President
Computing Devices Company Ltd.
Ottawa, Ontario

R. A. Phillips
Executive Director
Canadian Manufacturers Association
Toronto, Ontario

R. L. McCallum
Director of Marketing
Hawker Siddeley Canada Ltd.
Toronto, Ontario

R. Pinard
Vice-President and General Manager
Domtar Ltd.
Montréal, Québec

T. E. Morimoto
Vice-President
M.H.G. International Ltd.
Calgary, Alberta

R. Amyot
President
Centre International de Recherches
et d'Etudes en Management (CIREM)
Montréal, Québec

D. L. Bumstead
Director (London, England)
Noranda Sales Corporation of Canada Ltd.
Toronto, Ontario

MISSION ITINERARY

Cities visited were Paris, Lyon and Marseille. The mission's schedule was:

Saturday	November 29	Ottawa to Paris
Tuesday	December 2	Paris to Lyon
Wednesday	December 3	Lyon to Marseille
Thursday	December 4	Marseille to Paris
Saturday	December 6	Paris to Canada

MISSION REPORT

General Impressions

Mission members were aware that they had visited one of the most advanced industrial countries in the world representing a major potential market for a wide range of Canadian goods and an important source of technology in a variety of industrial sectors.

The Canadian delegation was warmly received by French Government officials and businessmen in every instance.

Opportunities for marketing and industrial co-operation were identified by a number of mission members. They realized that such opportunities were greater and appeared easier to achieve than anticipated. A mission member said: "There seemed to be a readiness to do business with Canada that we had not expected."

Meetings with French Ministers

In Paris Mr. Jamieson was received officially by senior French Ministers and officials including Prime Minister Jacques Chirac, the Minister of Economy and Finances, the Minister of Industry and Research and the Minister of Foreign Trade. Discussions centered largely on the question of industrial development and investment and their effects on trade development between Canada and France. Noteworthy was the mutual interest in combining Canadian and French capabilities to supply needs in third markets, particularly in the developing countries.

At the end of the Paris visit the Canadian delegation met with the then French Minister of Foreign Trade Mr. Norbert Segard at his request. The two-hour meeting allowed the Canadian businessmen to discuss their findings with the French Minister and to exchange views with him.

During the visit Mr. Jamieson invited France's Ministers of Industry and Research and of Foreign Trade to lead a French businessmen's mission to Canada in 1976.

Meetings with Business Associations

In addition to his call on the President of the Chamber of Commerce and Industry of Paris, Mr. Jamieson delivered two major addresses to groups of French businessmen in Paris.

One was before the prestigious National Council of French Employers (C.N.P.F.) which organized a forum of more than 200 French industrialists, businessmen and financiers. Mr. Jamieson reviewed the state of the Canadian economy and explained relevant Canadian policies, including those concerning foreign investment in Canada. Some French businessmen attending the meeting expressed concern for the future of their investments in certain Canadian provinces but the majority welcomed the opportunity of doing business here.

The second occasion was during the celebration of the 20th anniversary of the France/Canada Chamber of Commerce. Mr. Jamieson reviewed the results of the mission, and mentioned a number of trade and industrial co-operation opportunities identified during the week (see next section), particularly those of co-operation between Canadian and French firms in third country markets.

Both meetings provided excellent opportunities for the Canadian businessmen to meet and exchange views with their French counterparts.

Visit to Lyon and Marseille

Mr. Jamieson led selected members of the delegation on one-day visits to Lyon and Marseille. In both cities the delegation met with local authorities and the Chambers of Commerce and Industry. Industrial visits were organized at the Alsthom plant in Lyon; in Marseille the group visited the port of Fos, the SNIAS (Aérospatiale du Sud) plant, the pilot-plant of Alcan-Péchiney and the water-bomber base of the French Protection Civile.

The delegation was particularly impressed by industrial developments in these areas of France and many contacts were established with French businessmen and industrialists.

SUMMARY OF BUSINESS OPPORTUNITIES DISCUSSED

General Comments

Mission members unanimously agreed that there are opportunities for increasing exports to France by creating a greater awareness, on the part of Canadian manufacturers and exporters, of the strength and growth of that market, and by reassuring them in their business dealings with France.

A most effective method of increasing bilateral trade is through technology exchanges between French and Canadian firms to serve the North-American market from Canada or the European market from France. Such arrangements would provide benefits to the country where the technology originates through licensing income, sale of unique and/or critical components and sale of other services.

Another method that French officials found of particular interest was the possibility of combining Canadian and French capabilities to supply third country markets, particularly in the developing nations.

Transportation, electronics (incl. telecommunications), and resource industries sectors have been identified as offering major opportunities for such co-operation.

During the mission the Canadian businessmen had more than 100 individual interviews with their French counterparts. Following is a summary of some of the trade and industrial co-operation opportunities discussed.

Livestock

During the last few years Canada has been importing many beef cattle from France. The Canadian objective is now to export more cattle and semen to France. The potential for selling Canadian Holstein-Friesian cattle to France is particularly good and has been conservatively estimated at 3,000 heads per year - valued at approximately \$5 million - over at least ten years.

Fisheries

While the Canadian fishing industry has already established a market in France, trade could be increased in certain traditional species such as gray sole and herring. Other species not traditionally fished in Canada, such as silver hake, could also be sold.

Opportunities for technology exchanges and joint ventures offer some interesting prospects, particularly in the area of St. Pierre and Miquelon where both countries will have fishing privileges in adjacent waters.

Resource Industries

A number of developing countries are trying to upgrade their resource industries and frequently call upon French firms which, because of France's historical links with many of these countries, are well known to them. Such firms often look for a foreign partner to develop opportunities. As Canada has developed major capabilities in metals, minerals and forest products industries, possibilities of co-operation with French firms would apparently exist in terms of third markets.

Machinery

While over the years France has developed top technological capabilities in the machinery sector, it still is a large importer of machinery and equipment. The markets for mining, agricultural, packaging and pollution control equipment, to mention a few, remain promising for Canadian manufacturers. A sector where co-operation with French firms in third country projects appears promising is mining and forestry.

Electronics

Canada's share of the French market for electronics has been growing consistently. This sector has expanded steadily over the last five years and this upward trend is expected to continue. One of the most promising areas is telecommunications. French imports in this area are projected to increase at 25 per cent per annum over the next half-decade. Detection and navigation instruments are particularly promising. Solid opportunities for licensing and joint ventures in France, in Canada and/or in third markets exist.

Transportation

The transportation sector offers a number of trade and industrial co-operation opportunities, some of which are;

- Aircraft: Sale prospects for water-bomber CL-215, DHC-6 Twin Otter aircraft and DASH-7, flight simulator, and industrial co-operation opportunities for Canada in the French helicopter industry.
- Urban and interurban transportation: Major opportunities for technology exchanges and joint ventures in Canada, in France and/or in third countries.
- Marine industries: Opportunities for licensing agreements.

Academic Sector

The mission was a success for the representatives of the academic community who established links with French business schools for sharing information and documentation. Student and faculty exchange opportunities with these schools were examined. This form of exchange between representatives of the academic communities was particularly welcomed by several French Government officials.

CONCLUSIONS AND FOLLOW-UP

This is not an exhaustive report of the business opportunities identified or discussed during the mission, nor does it include many other business opportunities that exist in France. Its purpose is to demonstrate that there is room for Canadians on the French industrial scene. Members of the mission were unanimous in their opinion that Canadian industry is not exploiting the potential of the fast growing market that France represents. Several members have already followed up openings established by the mission.

The Department of Industry, Trade and Commerce will continue its exploration of the market through further meetings of the Canada/France Industry Working Group and discussions with French Government officials. However, there are only a certain number of steps that the government can take to improve trade and industrial co-operation. The long-term success of the mission depends on the response and direct action of the Canadian business community.

ECONOMIC SITUATION IN FRANCE

F.I. Wood
Minister-Counsellor
(Commercial)
Canadian Embassy, Paris

The New Year will not heal all the wounds of 1975 and one widely-read French economic publication has said that 1976 will be a year of "wavering" recovery. Despite a steep plunge in industrial production -- the first and most drastic since the Depression of the 1930's, and which slowed the annual growth rate to 1952-3 levels -- France, by the fourth quarter of 1975, had begun sweeping away the ashes of a weak performance and was rekindling its economy.

Consumer demand, stimulated by \$1.2 billion in extra social welfare benefits, better credit terms and delayed purchasing, underwrote the last quarter turnaround. Moreover, industrial goods were being bought up at pre-crisis levels and two major government goals were achieved: (1) the \$3.6 billion trade deficit of 1974 was reversed and a billion-dollar surplus rung up, and (2) the annual inflation rate was held to 9.6 per cent (15.2 per cent in 1974), just under the 10 per cent limit set earlier in the year by the government.

A massive reflationary injection of nearly \$6 billion in September, directed at public and private investment, boosted activity in both sectors although the full effect of the "relance" won't be felt until mid-year. However, heads of firms have ordered 10 per cent more capital goods than initially projected, an encouraging sign after a year that saw an estimated 8,000 companies go to the wall.

How long the recovery?

Events in 1975 pounded economic forecasts unmercifully. Even though leading economic indicators disclosed a net upswing as France greeted the New Year, and the government happily announced that France's GNP was growing at a rate of 7 per cent at the close of 1975, predictions for this year are universally sober. "Uncertain", "disquieting" and "hesitant", even "stop-go", are favourite sophisms.

The consensus suggests a continuing strengthening until at least Easter, when production is expected to catch up with demand and refill inventories. At present the consumer goods industry is enjoying a mini-boom thanks to higher salaries, welfare payments and a reduced savings rate, all resulting in more disposable income.

The automobile industry (a key producer and employer) is in a recovery phase. Intermediary activity, such as steels and chemicals production, is gaining strength after a severe bout of economic flu and a long convalescence. Spurred by favourable tax provisions, capital goods production should eventually show significant improvement but immediate visible impact has been slight, despite a surge in orders.

Remarkable comeback

All eyes are on trade because the whole economy hinges on its performance. After registering a trade surplus of \$800 million in 1973, France nose-dived to a deficit of \$3.6 million in the following year. Last year witnessed a remarkable comeback (plus \$1.3 billion) which independent observers recognized as an achievement produced by depressed imports (especially oil and raw materials), an appreciated franc and stagnation on the domestic scene.

Nevertheless, by almost maintaining the 1974 level in exports through intensive efforts to develop "neglected" markets, France managed to significantly re-structure both its geographical and sectoral patterns of trade. Dependence on the EEC and Western European outlets dropped for the first time below 50 per cent. Sales to OPEC countries and the socialist bloc increased markedly, and manufactured products accounted for 60 per cent of total offshore sales. Cost of oil imports (by volume second behind Japan) were almost covered by exports of capital and consumer goods.

Imbalance in '76?

The revival of French industrial activity, first evident in October, triggered a strong import demand for key raw materials, which led to France's first trade deficit in months. With its own recovery sucking in imports of costlier raw materials, exports to traditional markets (many of which are deeper in the recessionary trough) are gaining at a snail's pace. French agricultural exports will be poor this year and the appreciated franc has removed the competitive edge France enjoyed last year. Export sales, it is conservatively estimated, should rise by 3 to 4 per cent this year compared with a 10 per cent increase in imports. Opinions vary as to the size of a predicted deficit (from \$1.3 - \$3.3 billion) and the effect of debt financing on the franc and expansion in general.

Industry trends

After a GNP drop of 2.5 per cent in real terms in 1975, the government is calling for 3.5 to 4.5 per cent more output this year. French industry is urging a growth rate of 5 or 6 per cent but officials fear the consequences of resurgent inflation, and an import deluge which would undermine an already vulnerable trade balance, not to mention the additional pressure that would be exerted on the franc.

The debate continues between the government, with its social reform program for industry, and the powerful Employers' Association (Le Conseil National du Patronat), over the whole sweep of French economic and social policy, particularly as it affects unemployment.

Growth sectors

France combines the most modern and highly-diversified industrial base in Western Europe with a strong domestic raw material resources base. Added to this is an important agricultural sector which contributes 7 per cent of GNP (industry 40 per cent, construction 11 per cent, services 42 per cent).

The industrial revolution of the past 12 or 20 years has transformed what was essentially an artisan economy into one boasting the most rapid industrial growth and modernization rate in Western Europe. Huge steel and related industrial projects such as those at Fos (near Marseille) and Dunkerque, and petrochemical centres at Le Havre and Bordeaux, reflect the government's policy of relocating and restructuring industry on world transportation lanes. Confirmed orders for installation of 13,000 MW of nuclear power by 1978/79 (France is the third largest nuclear power producer in the world), with a further 14,000 MW to be supplied by the mid-Eighties, has given industry a much-needed shot in the arm. Government decisions, and financial assistance, favouring Europe's largest aerospace industry, and an electronics sector in which telecommunications and data processing technology are being given a push, have given rise to optimism in other industries as well.

Agriculture

There should be an increase in production of 5 per cent over a mediocre 1975 but little or no rise in real income over last year. Compensatory arrangements may be in the offing. However, purchases of new equipment should continue under fiscal aids which saw record sales of tractors last year.

Iron and steel

Slight recovery from a disastrous 1975 is foreseen if automotive and public works activity continues to rise. Last year witnessed a 20 per cent drop in production and a sectoral debt of nearly \$7 billion which exceeded total industry sales. No resurgence is expected without more stimulus from the public sector.

Non-ferrous metals

The French processing industry expects a 5 to 6 per cent improvement after a year which saw decreases in production of semi-manufactures of nickel (-13 per cent), aluminum (-16 per cent), copper (-23 per cent), and lead (-31 per cent) as industry worked at only 60 per cent of capacity. Recovery and renewed import activity depend on inventory reduction.

Paperboard

Production fell to 1970 levels last year, with the industry working at 65 per cent of capacity. Foreign competition and union difficulties are considered obstacles to registering a 10 per cent improvement in 1976.

Chemicals

Chemicals and petrochemicals are France's second largest industry. Imports from Eastern Europe and uncertainties regarding farm income offer little prospect for improved fertilizer sales. Synthetic fibre manufacturers will be watching the cotton crop before predicting recovery. Plastics production and sales are out of the tunnel, thanks to a revived automobile industry, and pharmaceuticals, industrial gas and insecticides are other favorites.

Machinery and equipment

France's largest industrial sector has 10,000 firms employing more than 700,000 people. This sector, which usually accounts for 10 per cent of total industrial sales, is looking for a modest 5 per cent improvement after a year almost wholly dependent on export sales. But desert sheikdoms can absorb only so much; moreover traditional European markets are affected by slow recovery and prices are rising faster than those of competition in overseas markets.

Electrical and electronics equipment

Accustomed to high annual growth rates since the late Sixties, the heavy electrical sector isn't looking beyond a 7 per cent increase in production, compared with a zero growth rate in 1975. Despite an excellent export track record last year, especially in the OPEC countries, as well as reduced imports, internal demand sank to new lows. Electronics fared better in 1975 (e.g. TV sales) and a fairly good 1976 is expected.

Note that the government is quite active in the electronics industry and has subsidized French manufacturers in difficulty (e.g. the computer industry). Efforts are now being made to get French-based telecommunications manufacturers to supply a billion-dollar modernization and expansion program of the public telephone network, today the least automated system in the EEC.

Motor vehicles

France is the world's third-largest producer of automobiles and trucks, with nearly 450,000 workers dependent on an industry which came through the oil crisis and a long strike at Renault with only a slight dip in production. This year will see completely re-styled cars which are expected to do especially well in foreign markets. This prompts predictions of a 5 to 10 per cent industry volume increase over the year. Bicycle and motorcycle sales are also expected to climb but the outlook is not good for heavy vehicles.

Aerospace

The French aerospace industry is the largest in Europe and is owned by a mixture of state and private enterprise. Aerospatiale's Concorde SST is now a scheduled airliner and it is hoped that at least six additional units will be sold. Helicopter sales are the mainstay of the company, for the present. Expansion in aerospace is predicated on offshore sales of military aircraft, which customarily earn three quarters of the industry's revenue.

Construction

By far the largest part of September's reflationary funds -- \$3 billion -- was allocated to build and improve roads, ports, hospitals, schools and public housing. The turndown of 1975, after a lengthy period of rapid expansion, hit the private

sector hard. A very bad year is forecast for office and industrial building while, on the other hand, private housing starts should benefit from relaxed bank credit restrictions.

Considerable construction activity is underway outside the capital, particularly in Lyon, Marseille, Lille and Bordeaux. Construction of subways in Lyon and Marseille is proceeding on schedule.

CANADA/FRANCE INDUSTRY WORKING GROUP

L.R. Kohler
Assistant Commercial
Secretary
Canadian Embassy, Paris

Trade and industrial exchanges between Canada and France are not escalating as rapidly as they might because opportunity identification and data distribution have been haphazard, and many Canadian businessmen are simply unaware of existing opportunities. Recognizing the need to bridge this information/communications gap and to shore up our respective trade performances, the Prime Ministers of Canada and France agreed in October 1974 to inject new life into an existant Canada/France Economic Commission by creating two working groups -- one to cover energy matters, the other to concentrate exclusively on combing all industry sectors for openings and chances to exploit developed technology, encourage licensing agreements, promote joint ventures, and otherwise work together to mutual benefit in third countries.

The direction was to be away from simple product exchanges and into the more sophisticated area of industrial co-operation. By co-operating on an industry working group it was hoped that Canadian and French officials would supplement existing commercial intelligence procedures and act as marriage brokers between industrial enterprises of both countries. Taking stock after only a year of operations, it appears that the exercise, to date, has been successful in its initial aims: to identify areas of industrial co-operation and encourage businessmen in Canada and France to pursue the co-operation route, whether in either country or in third markets.

The Industry Working Group is co-chaired by Canada's Industry, Trade and Commerce Assistant Deputy Minister (Export Development) and his French counterpart. Support is provided by the Trade Commissioners of both countries and other government officials. The group meets formally prior to the annual Economic Commission meeting, and frequently informally at the working level to exchange information. We see it as an effective supplement to both IT&C's on-going program of assistance in market exploration and development and to the promotion programs of our office here in Paris.

The Industry Working Group started by selecting certain industry sectors that appeared, after preliminary investigation, to hold definite promise for mutually beneficial exchange. Specific sectors now receiving detailed study include marine exploration, seabed exploitation, naval and marine construction, urban and interurban transportation, avionics and aircraft, electronics, machinery (e.g. mining, agricultural, packaging, pollution control), forestry projects and equipment, and livestock.

There have already been some notable successes for Canadian firms. Work is continuing to further refine identification methods and broaden the scope of research.

Canadian industry is invited to explore France through the Working Group. What better way to reach the core of French officialdom, penetrate the information barrier and gain entry to industry, all with government blessing? The group acts as an initial-stage "clearing house" for potential trade and co-operation deals culled from French and Canadian industry. Once weighed and found credible these proposals are passed on to sector specialists (at IT&C in Canada's case) to companies that seem best qualified to do the job. Company management then decides whether to go ahead.

What is true for individual interests is equally true for the general goal of bridging the information gap. The recent ministerial mission to France offers an excellent example of how this new activist approach to seeking out business with France has already fostered a better Canadian understanding of French industrial technology available on co-operative terms to Canada or third countries. The Working Group is an attempt to cut through the inertia that has snagged Canada-France trade. It is a venture designed not only to promote product trade but to encourage co-operation between Canadian and French industrial interests.

PARIS BUYERS FOR EXPORT MARKET

L.R. Kohler
Assistant Commercial
Secretary
Canadian Embassy, Paris

Although many Canadian businessmen are unaware of the fact, France today ranks a strong fourth among the top trading nations of the world. Geographically central to the European Economic Community, France is also the major Western European foreign commercial power on the Mediterranean Sea. Both traditional and expanding trade links with Francophone Western and North Africa and the Middle East have resulted in a sizeable number of export houses centred in Paris, the indisputable commercial, financial and business heart of France.

These trading links have bestowed upon Paris, as an international hub, the distinction of being one of the few powerful world centres for buyers for export. Simply stated, "buyers for export" range in scale from individuals to large enterprises placing orders with manufacturers or suppliers of goods and services on behalf of overseas principals. They take several forms: export merchants, who purchase goods and re-export them to third destinations, thus assuming credit risks; commission houses, which match buyers to sellers but do not take title to goods; government purchasing offices that buy for the national account and, as such, rank high in volume and variety of needs; and other trading enterprises such as export brokers, manufacturers' agents, and the centralized buying offices of large corporations.

The official list of French buyers for export runs to more than 400 companies. These organizations work for such countries as the Ivory Coast, Senegal, the Cameroons, Nigeria, Mali, Guinea, the French Antilles and French Polynesia, to name a few. More recently, the markets of the Middle East, Southeast Asia, Japan and China have gained substantial importance as France has single-mindedly promoted capability to supply a considerable portion of the consumer, capital goods, equipment and services requirements of these countries.

The first edition of the Paris directory, published early this year, represents a modest but selective initial effort to segregate those French buyers for export prepared to consider Canadian offers when quoting to their offshore clients. Most of these firms were visited and their executives interviewed personally by an officer of our Commercial Division here in Paris. Every effort was made to include only those organizations which would be receptive to Canadian offers and which appeared reputable and commercially sound. But the Commercial Division cannot, understandably, accept any responsibility for their business integrity and financial standing. Credit and banking references have been provided for this purpose.

The directory itself lists almost 50 buyers who source commodities ranging from hair-pins to turnkey petrochemical plant projects. The cross-indexing system is easy to use; companies and commodity/services are each listed in alphabetical order. All pertinent information concerning addresses (postal, telex, cable), export correspondence officer(s), markets quotation preferences, etc., is listed under the company name. When writing to express interest in quoting on future requirements, you should include literature or data descriptive of your products or service, preferably in French, providing metric equivalents and quoting f.o.b. or c.i.f. prices (as appropriate).

The directory is available free of charge by writing: Minister-Counsellor (Commercial), Canadian Embassy, 35 Avenue Montaigne, 75008 Paris, France.

While the Canadian exporting community has become more aware of far-flung markets and has dealt direct in many cases with success, the old adage still applies: if you are having a birthday party and you do not invite anybody, nobody will come. The Paris-based buyers for export are experts in the marketplaces they cover; their clients know them and trust them. Exposing your products and services to these purchasers could enhance and complement your current and proposed export marketing strategies. But remember that these buyers are accustomed to sourcing their requirements within France or the EEC. You will be a new and un-tried supplier.

