

CONFIDENTIAL

FM PARIS

TO IMMEDIATE FCO

TELNO 1267

OF 091356Z DECEMBER 88

INFO PRIORITY UKREP BRUSSELS, ROME, MADRID, TOKYO

FRAME EXTERNAL

NKSSAN (UK) EXPORTS TO FRANCE

SUMMARY

1. MINISTRY OF INDUSTRY OFFICIALS UNAWARE OF ASSURANCES GIVEN BY PRESIDENT MITTERRAND AND M ROCARD. THEY ARE UNABLE TO CONFIRM THAT NM(UK)'S EXPORTS WILL NO LONGER COUNT AGAINST NISSAN'S UNOFFICIAL QUOTA. THEY HAVE UNDERTAKEN TO CONSULT AND REVERT AS SOON AS POSSIBLE.

DETAIL

2. AS AGREED IN TELECON JENKINS/BOWEN (DTI), FIRST SECRETARY (ECONOMIC) CALLED ON THE HEAD OF THE VEHICLES DIVISION IN THE MINISTRY OF INDUSTRY (BUFFET) ON 9 DECEMBER TO CHECK FRENCH UNDERSTANDING AT OFFICIAL LEVEL OF THE ASSURANCES GIVEN BY PRESIDENT MITTERRAND ON 30 NOVEMBER AND M ROCARD ON 7 DECEMBER. FIRST SECRETARY (ECONOMIC) SAID THAT MINISTERS HAD BEEN PLEASED TO BE TOLD THAT OUR DIFFICULTIES OVER NM(UK)'S EXPORTS TO FRANCE WERE OVER AND THAT THERE WAS NO LONGER A PROBLEM. THEY UNDERSTOOD THIS TO MEAN NOT ONLY THAT THESE CARS WOULD CONTINUE TO BE GIVEN ACCESS TO THE FRENCH MARKET WITHOUT RESTRICTION, BUT ALSO THAT THEY WOULD BE TREATED IN ALL RESPECTS NO DIFFERENTLY FROM ANY OTHER CARS MANUFACTURED WITHIN THE COMMUNITY. IN PARTICULAR, THEIR UNDERSTANDING WAS THAT THERE WOULD BE NO CONNECTION BETWEEN SALES OF NM(UK) CARS IN FRANCE AND ANY ARRANGEMENTS FRANCE MIGHT HAVE, VOLUNTARY OR OTHERWISE, CONCERNING SALES OF CARS OF NON-EC ORIGIN.

3. FIRST SECRETARY (ECONOMIC) HANDED BUFFET AN AIDE MEMOIRE CONTAINING THESE POINTS AND ASKED FOR CONFIRMATION THAT THESE UNDERSTANDINGS WERE CORRECT. BUFFET SAID THAT HE WAS NOT IN A POSITION TO GIVE SUCH CONFIRMATION. HE WOULD NEED TO CONSULT, AND WOULD LET US HAVE A REPLY AS SOON AS POSSIBLE.

4. IN SUBSEQUENT DISCUSSION IT BECAME CLEAR THAT BUFFET WAS NOT AWARE OF ANY CHANGE IN THE LONG-ESTABLISHED FRENCH POSITON. IN HIS MIND, WHILE NM(UK)'S CARS WOULD HAVE UNRESTRICTED ACCESS TO THE

FRENCH MARKET, THEY WOULD CONTINUE TO COUNT AGAINST NISSAN'S UNOFFICIAL QUOTA UNTIL THE 80 PERCENT LOCAL CONTENT LEVEL WAS REACHED.

COMMENT

5. COMMUNICATION WITHIN THE FRENCH ADMINISTRATIVE MACHINE IS OFTEN POOR. WE ARE NOT SURPRISED THAT THE PRESIDENT'S AND PRIME MINISTER'S VIEWS HAD NOT YET FILTERED DOWN INTO THE MACHINE. BUFFET HAS BEEN GIVEN THE NAMES OF TWO OFFICIALS WHO WERE PRESENT AT THE MEETINGS ON 30 NOVEMBER AND 7 DECEMBER (MME GUIGOU AND M PERREAU). WE MUST NOW GIVE HIM TIME TO CONTACT THEM AND TO BE INSTRUCTED TO ABANDON THE PLAN TO MAKE NISSAN'S FRENCH IMPORTER COUNT NM(UK)'S BLUBIRDS AGAINST HIS QUOTA. WE SHALL CHECK THE POSITION AGAIN SHORTLY.

6. FCO PLEASE ADVANCE COCHLIN, BOWEN, BRIDGE, MS NEVILLE-ROLFE (DTI): KERR, ARTHUR (ECD(I)): ALTY (CABINET OFFICE).

FERGUSSON

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