

FRANCE: SEPARATING FACT FROM FICTION

KEY INFO IN

10

POINTS

1

▶ ISN'T THE FRENCH ECONOMY QUITE SMALL?

France is the world's fifth largest economy, with a GDP of US\$2,575 billion in 2017 (IMF), and the second largest in Europe, with more than 66 million consumers. France plays a major role in international trade, and was the world's seventh largest exporter of goods and the fourth largest exporter of services in 2016. (UNCTAD, 2017)

2

▶ AREN'T THE FRENCH ALWAYS ON HOLIDAY?

On average, employees in France work longer hours than in Germany and the United Kingdom – 37.3 hours vs. 35.1 and 36.6 hours, respectively – and are more productive. France is ranked seventh in the world for hourly labor productivity, ahead of Germany (9th) and the United Kingdom (17th). (The Conference Board, 2017)

3

▶ ISN'T IT DIFFICULT TO DO BUSINESS IN FRANCE?

France has a thriving enterprise culture, with more than 553,000 companies founded in 2016. Paris is ranked third among European cities for crowdfunding and fourth for raising seed capital. (European Digital City Index, 2016)

4

▶ ISN'T THERE TOO MUCH RED TAPE?

France is one of the easiest countries in which to found a business: only 3.5 days are required, compared with 4.5 in the United Kingdom and 10.5 in Germany (World Bank, Doing Business 2018). France is ranked 10th in the world for e-government. (UN E-Government Survey, 2016)

5

▶ BUT WHAT ABOUT TAXES?

In 2017, the competitiveness and employment tax credit (CICE) provided businesses with tax relief worth 7% of gross payroll for employees with salaries up to 2.5 times the minimum wage. France offers attractive tax rates in various fields: R&D, digital services, SMEs and innovative new companies, intellectual property income, special expatriate tax system, etc.

6

▶ AND COST COMPETITIVENESS?

In 2016, hourly labor productivity in the manufacturing sector was up 2.8%, rising at a faster rate than the European Union average (0.5%). (The Conference Board, 2017)

7

▶ AREN'T THE FRENCH A BIT BEHIND THE TIMES?

In July 2017, 92% of the French population had access to 4G internet (ARCEP, 2017). With 23 million WiFi hotspots, France has more than any other country in Europe. (iPass, 2017)



8

▶ ISN'T FRANCE RATHER UNWELCOMING?

France is home to more than 22,000 foreign companies, the world's 10th highest cumulative FDI stock, 21 new foreign investment decisions every week, and 310,000 foreign students enrolled in tertiary education, whose numbers include 40% of all PhD students in France. (Business France; OECD, 2017)

9


▶ ISN'T FRENCH INDUSTRY ON THE DECLINE?

France remains Europe's leading recipient of foreign investment in industry. Hourly labor costs in the French manufacturing sector are competitive: €38.50 in the second quarter of 2017 compared with €41.10 in Germany, while electricity rates are half as expensive as in the United Kingdom. (OECD; Coe-Rexecode, 2017)


10

▶ LUXURY GOODS, CHEESES, BUT WHAT ELSE?

In 2016, France was ranked first in Europe in the Clarivate Analytics index of the 100 most innovative organizations in the world. It also outstripped all its European counterparts in the Deloitte Technology Fast 500 EMEA – for the seventh year in a row – and brought the largest foreign delegation of startups to Eureka Park at the Las Vegas Consumer Electronics Show in 2018.



For further information, please visit:
www.businessfrance.fr





**FOREIGN
INVESTMENT
DECISIONS
PER WEEK**

(BUSINESS FRANCE, 2017)



**FRANCE:
THE WORLD'S
5th
LARGEST ECONOMY**

(IMF, 2017)

ACCESS TO A MARKET OF
66
MILLION CONSUMERS
AND GATEWAY TO THE EMEA



(INSEE, 2017)



22,000
FOREIGN COMPANIES
OPERATING IN FRANCE

(INSEE, 2017)



Business France
77, boulevard Saint-Jacques
75680 Paris Cedex 14 - France
Tel.: +33 1 40 73 30 00