



Press Release

German and Italian companies lead the way for making investments in France

Paris, March 21, 2017. The “2016 Annual Report: Foreign investment in France. The international development of the French economy” released today analyzes foreign investment decisions in France and their contribution to the French economy.

In 2016, a total of **1,117 investment decisions – up 16%, at an average of 21 per week, representing the best year in the last decade –** created or maintained **30,108 jobs** (versus 962 decisions and 33,682 jobs in 2015).

The number of decisions to invest at new sites in France grew 20%, accounting for a majority (51%) of all investment projects and 38% of all jobs generated (11,520 jobs).

Foreign companies invested primarily in **production/manufacturing and logistics operations**, which accounted for **31% of all foreign investments in France** (352 decisions) and **50% of the jobs generated** (15,134 jobs).

The number of projects in R&D, engineering and design accounted for 10% of all foreign investments in France, up 32% from 2015, with 115 investment decisions, including 72 in R&D alone. Also in this field, 28% of all business enterprise R&D expenditure in France was made by foreign-owned companies.

Foreign investments from European countries remained predominant, accounting for 60% of all foreign investment decisions, followed by North America (20%) and Asia (12%), the latter share remaining stable, with Japan as the leading Asian source country.

The leading source countries of investment in France were Germany (17%), which topped the list for the first time (up from 15% in 2015), mainly with investments in production/manufacturing; then the **United States**, which accounted for **more than one-quarter of all inward R&D investments**; **Italy, with 13% of all investments**, particularly in production/manufacturing; and **Japan, which remained the leading Asian investor**.

The most buoyant source countries were **Germany, with a 35% increase in investment projects from 2015, and Italy (+68%), together accounting for one-third of all foreign investment in France in 2016**.

France’s central location and high-quality transport infrastructure make it an ideal springboard into markets in other countries and continents. More than 80% of businesses see France as an export hub. (Source: Kantar Public)

Sixty percent of French exports in 2016 went to European Union countries. Germany remained France’s chief trading partner, receiving 16% of French exports, while Spain moved up to second.

In 2016, as in the previous year, 30% of French exports were made by foreign-owned subsidiaries in France.

France’s thriving regions and cities are often a decisive factor in attracting foreign investment to all of France’s regional economies. Regions that stood out in particular included the Nouvelle Aquitaine, Occitanie, and Pays de la Loire regions for research and development activities; the Grand Est, Nouvelle Aquitaine, Bourgogne-Franche-Comté, Normandie, and Hauts de France regions for production/manufacturing operations; and Ile de France (Paris region) for decision-making centers.

Business France and its regional partners played a direct role in more than half of all investment decisions in France in 2016 – 643 investment decisions out of 1,117 – which created or maintained 17,608 jobs (out of an overall total of 30,108 jobs). Business France teams in France and abroad met with 3,360 foreign companies during the course of the year.

“The contribution made by foreign investment to the French economy has been proved time and time again, particularly in the R&D and manufacturing sectors; moreover foreign-owned subsidiaries provide jobs for 21% of the manufacturing sector workforce in France. Business France works tirelessly with our regional partners on a daily basis to convince foreign investors of France’s attractiveness as a business location,” said Muriel Pénicaud, France’s Ambassador for International Investment and CEO of Business France.

Business France is the national agency supporting the international development of the French economy, responsible for fostering export growth by French businesses, as well as promoting and facilitating international investment in France.

It promotes France’s companies, business image and nationwide attractiveness as an investment location, and also runs the VIE international internship program.

Founded on January 1, 2015 through a merger between UBIFRANCE and the Invest in France Agency, Business France has 1,500 personnel, both in France and in 70 countries throughout the world, who work with a network of public- and private-sector partners.

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

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