A global economic power

France:
- The world’s 6th largest exporter of goods and 4th largest exporter of services. Source: WTO, 2011
- 35 French companies among the world’s leading 500 (Germany: 34, United Kingdom: 30) Source: Fortune Global 500, 2011

A diversified, advanced industrial base:
- Pharmaceutical industry: Largest in Europe and 3rd largest in the world
  Source: LEEM (Association of French Pharmaceutical Companies), 2010
- Aerospace industry: Largest in Europe
  Source: GIFAS (French Aerospace Association), 2010
- Chemicals industry: 2nd largest in Europe
  Source: INSEE (French National Institute for Statistics and Economic Studies), 2010
- Agri-food industry: 3rd largest in Europe and 4th largest in the world
  Source: French Agriculture Ministry, 2010
- IT industry: 3rd largest in Europe
  Source: EITO (European Information Technology Observatory), 2010
- Nuclear industry: Largest in Europe
  Source: CEA (French Atomic and Alternative Energies Commission), 2009

Top 5 economic powers in the European Union
GDP 2011 (current prices, US$ billion)

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP 2011 (US$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>3518</td>
</tr>
<tr>
<td>France</td>
<td>2751</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2472</td>
</tr>
<tr>
<td>Italy</td>
<td>2181</td>
</tr>
<tr>
<td>Spain</td>
<td>1484</td>
</tr>
</tbody>
</table>

Source: IMF, “World Economic Outlook” database estimates, April 2011
A country open to inward investment

- The 4th leading recipient of FDI inflows in the EU: US$34 billion of inflows in 2010
  Source: UNCTAD, World Investment Report, 2011

- The 2nd leading recipient in Europe for the number of job-creating foreign investments and the leading recipient of projects in industry and renewable energy. Source: Ernst & Young, 2011

- Over 20,000 foreign companies already profiting from doing business in France: they employ over 2 million people and account for 22% of all corporate R&D in France, one-third of all French exports and 42.4% of holdings in the market capitalization of CAC 40 companies (amounting to €404.5 billion).
  Sources: ORBIS, 2010; IFA, France Attractiveness Scoreboard, 2010; Banque de France, 2010

Key figures:

15: the number of foreign companies who decide to invest in France every week, on average.

74: the number of source countries of foreign companies doing business in France.

6,690: the number of job-creating foreign investments in France in the last 10 years.

Source: IFA 2010 Report

Top 5 source countries of foreign companies in France

Source: Orbis, 2011
A dynamic market, a gateway to Europe, the Middle East & Africa

- France is at the heart of the European Single Market of over 500 million consumers.
  
  **Source:** IMF - April 2010

- **2nd largest market in Europe:** 64.7 million inhabitants

- **The world’s leading tourist destination:** 76.8 million foreign tourists

- **2nd highest birth rate in Europe,** after Ireland. In 2010, France accounted for 55.2% of the natural population increase in the EU.

  **Sources:** INSEE, 2011; French Ministry for the Economy, Finance and Industry, July 2011; Eurostat, July 2011

- **A high household saving rate:** 16% of gross disposable income compared with an EU-27 average of 13.2%.

  **Source:** Eurostat, 2011

- **Three French banks and two French insurance companies among the 10 largest in the world.**

  **Source:** Paris Europlace, December 2010

- **Paris is the 2nd most popular location in Europe for foreign financial firms** (500 banks and financial institutions).

  **Source:** Paris Europlace, December 2010

- **Paris is the 3rd most popular location in the world for Fortune Global 500 company headquarters.**

  **Source:** Fortune Global 500, 2011

- Tokyo: 47
- Beijing: 41
- Paris: 23
- London: 16
- Madrid: 5
Excellent connections throughout Europe and worldwide

- Paris-Charles de Gaulle: ranked 2nd by passenger numbers and 1st for cargo in Europe  
  Source: Airports Council International, 2010
- Paris-Le Bourget: the leading business airport in Europe  
  Source: Aéroports de Paris, 2010

- 2 French ports in the European Top 10 by tonnage in 2010: Marseille (6th) and Le Havre (9th).  
  Source: Port of Rotterdam Authority, 2011
- The 2nd largest high-speed rail network in Europe (1,896 km/1,178 miles of dedicated high-speed lines).  
  Source: International Union of Railways, 2011
- 3rd largest motorway network in Europe after Spain and Germany (over 11,000 km/6,835 miles).  
  Source: European Union Road Federation (ERF), 2011

Source: IFA, France Attractiveness Scoreboard, 2011
A very cost-effective location

Business setup and operating costs* are lower in France than in Germany, Italy, the United States and Japan. * Source: Competitive Alternatives, KPMG’s Guide to International Business Location, 2010

Cost index
(Base: 100 – United States)

* Cost components:
  - Labor
  - Facility costs
  - Transport
  - Utility costs (electricity, natural gas, telecommunications)
  - Corporate tax

- The cheapest electricity in Europe, after Estonia

Electricity rates for manufacturers
(Second semester, 2010)

UK: 0.095 (€/kWh exc. VAT)
Germany: 0.091 (€/kWh exc. VAT)
France: 0.062 (€/kWh exc. VAT)

Consumption between 500 and 2,000 MWh

- Average labor costs per employee are lower in France than in Italy, the Netherlands, the United States, Germany and Japan. * Source: KPMG, Competitive Alternatives, 2010

- France is ranked 1st among G8 countries for its low carbon emissions (tonnes of CO₂ emissions / GDP). * Source: IMD, World Competitiveness Yearbook 2010

- Water rates in France (€3.09/m³) are over 10% lower than the European average (€3.44/m³) and are lower than in Germany (€5.29/m³) and the United Kingdom (€3.79/m³). * Source: NUS Consulting 2009

Source: Eurostat, August 2011

Source: KPMG, Competitive Alternatives, 2010

Source: IMD, World Competitiveness Yearbook 2010

Source: NUS Consulting 2009
A highly qualified, highly productive workforce

- **France** is one of the countries in the world that **invests the most in its education system** (6% of GDP spent on education, higher than the OECD average of 5.7%).
  
  *Source: OECD, Education at a Glance, 2010*

- **France** is ranked **3rd in the world for hourly labor productivity** after Norway and the United States.  
  *Source: International Labour Organization, 2009*

**Graph:**

**Human resources in Science and Technology**

- Proportion of 20- to 29-year-old graduates (2009)

**Population with tertiary education**

- Proportion of 25-34 year olds (2008)

*Source: Eurostat, 2011*

*Source: OECD, Education at a Glance, 2010*
Two major initiatives:

- **Abolition of the local business tax (taxe professionnelle) on productive investments** as of January 1, 2010: tax reduction for companies of €7.3 billion in 2010 and €5 billion a year as of 2011.

- **The renewal of France’s research tax credit** means that it remains the most attractive R&D tax incentive program in Europe:
  - **Tax breaks**: 40% of all R&D costs in the 1st year, 35% in the 2nd year and 30% in subsequent years, up to €100 million, and 5% above this threshold.
  - **Tax base**: the tax credit is calculated on the annual volume of all eligible R&D expenditure (salaries, social security contributions, running costs, depreciation, patents, etc.).
  - **Further incentives**: the research tax credit rate is doubled for R&D carried out with public-sector bodies and is quadrupled for R&D undertaken by junior final-year doctoral and post-doctoral research personnel in their first two years of employment.

**Analysis by KPMG on effective* corporate tax rates ranks France:**

- **in 2nd place for R&D operations**, ahead of the United Kingdom (4th) and Germany (8th);
- **in 5th place for manufacturing operations**, ahead of Germany (8th) and Italy (9th).

*rate which takes into account the tax bases in different countries

Source: KPMG, Competitive Alternatives, 2010
A country prioritizing R&D and innovation

- **France** is ranked 2nd in Europe and 6th in the world for the number of international patents filed. *Source: WIPO, January 2011*

- 71 innovation clusters (6 of which are dedicated to green technology) **stimulating R&D through public-private partnerships**. **536 foreign companies** have already joined an innovation cluster. *Source: French Ministry for the Economy, Finance and Industry, 2011*

- **France** is the 2nd leading recipient in Europe of foreign R&D investment projects. *Source: Ernst & Young, 2011*

- **21 research and higher education hubs (PRES)** enabling universities, *grandes écoles* and research bodies to share resources and launch joint initiatives. *Source: French Ministry for Higher Education and Research, 2011*

- **11 Fields Medals** awarded to French mathematicians, out of a total of 52 since 1936. *Source: International Mathematical Union (IMU), 2011*

- **8.4: the number of researchers in France per 1,000 employees**, ahead of Germany (7.2), the UK (5.6) and the Netherlands (5.1). *Source: OECD, Main Science and Technology Indicators, December 2010*
9

Promoting sustainable growth and the knowledge economy

Three symbolic initiatives:

- **Green growth**: France’s “Green New Deal”, following the “Grenelle” environment round table talks in 2007, has set targets for developing green buildings, renewable energy, clean technology and sustainable transport. (95% of the commitments made in 2008 have been completed or are underway.)


- **The “Greater Paris” project** to turn Paris and the surrounding region (Ile-de-France) into a dynamic, attractive, high-flying “world city”:
  - **€32 billion** to be invested in public transport.
  - **€2 billion** of investment for the Saclay plateau (to the south of Paris) to build the largest science and technology campus in Europe.

  *Source: [www.legrandparis.net](http://www.legrandparis.net)*

- **The “National Investment Program”**: **€35 billion of funding** for 5 strategic areas:

  ![Diagram showing the distribution of €35 billion funding for different areas](image)

  - **Higher education and training** (€11 billion)
  - **Research** (€7.9 billion)
  - **SMEs and the industrial sector** (€6.5 billion)
  - **Sustainable development** (€5.1 billion)
  - **Digital economy** (€4.5 billion)


**23% of France’s energy consumption will be met by renewable energy by 2020 (versus 10% in 2009)**

Renowned quality of life

- Joint 2\textsuperscript{nd} in Europe for quality of life, after Malta.
- The leading tourist destination in the world (ahead of the United States and Spain for visitor numbers) \textit{Source: UNWTO, 2010}
- The “French gastronomic meal” was also added to UNESCO’s Intangible Cultural Heritage list in November 2010. \textit{Source: UNESCO, 2010}

Paris, the “city of lights” is also a “world city”:

- At the heart of the leading regional economy in Europe, with a GDP of €553 billion \textit{Source: Paris Region Economic Development Agency, 2010}
- The 2\textsuperscript{nd} most innovative and creative city in the world \textit{Source: Innovation Cities TM Top 100 Index, 2thinknow, 2010}
- The 2\textsuperscript{nd} most attractive capital city in Europe for investors \textit{Source: European Cities Monitor, Cushman & Wakefield 2010}
- The 3\textsuperscript{rd} most popular venue in the world for conferences (after Vienna and Barcelona) \textit{Source: International Congress and Convention Association, 2011}

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank (Overall score)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malta</td>
<td>1</td>
</tr>
<tr>
<td>France</td>
<td>=2</td>
</tr>
<tr>
<td>Belgium</td>
<td>=2</td>
</tr>
<tr>
<td>Germany</td>
<td>=3</td>
</tr>
<tr>
<td>Austria</td>
<td>=3</td>
</tr>
</tbody>
</table>

9 criteria considered by International Living:
- Cost of living (15%)
- Culture & Leisure activities (10%)
- Economy (15%)
- Environment (10%)
- Freedom (10%)
- Health (10%)
- Infrastructure (10%)
- Security and Risks (10%)
- Climate (10%)