

# France

## An overview of the economy and of the business environment



The Cannes festival has just ended and this year's festival has been the 76th edition of cinema's biggest showcase, made up of screenings, press conferences and glamorous parties. It has been held annually since 1946 except in 1948 and 1950, when it was cancelled due to lack of funds. Every year, the Cannes Film Festival attracts thousands of tourists who visit the French Riviera. Tourism is one of the main sector of France.

France is one of the major economic powers of the world. Its financial position reflects an extended period of unequalled growth that lasted for much of the post-war period until the mid-1970s. By the end of the 1980s, however, strong expansion was consolidated. This growing trend continued, although at a lower rate, into the 21st century.



During the same post-war period, the structure of the economy changed significantly. While in the 1950s agriculture and industry were the dominant sectors, in the following decades the tertiary activities have become the principal employer and generator of national wealth.

Despite the dominance of the private sector, the tradition of a mixed economy in France is well consolidated. Government has often intervened to protect or promote different types of economic activity with special national plans and nationalized industries.

France has an ample land area, more than half is arable or pastoral land and another quarter is wooded. That entails huge opportunities for agriculture and forestry. Despite agriculture employs only 3% of the labour force and makes only a small contribution to GDP, France remains the EU's leading agricultural nation and alone the country is responsible for more than one-third of the EU's production of oilseeds, cereals, and wine. France also is a major exporter of agricultural products.



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More than half of the country's cultivable land is cultivated with cereals, which provide about one-sixth of the total value of agricultural production. Wheat, corn, barley and oats are the main grains. Vines, fruits, and vegetables cover only a limited area but represent more than one-fourth of the total value of agricultural output. Viticulture and wine making are concentrated principally in Languedoc-Roussillon and in the Bordeaux area, but production also occurs in Provence, Alsace, the Rhône and Loire valleys, Poitou-Charentes, and the Champagne region.

FFruit production, mostly apples, pears, and peaches, is largely concentrated in the Rhône and Garonne valleys and in the Mediterranean region. Vegetables are also grown in the lower Rhône and Mediterranean areas, but the largest part comes from Brittany and the region Hauts-de-France, where sugar beets and potatoes are cultivated.

Cattle farming occurs throughout the country, especially in the more humid regions of western France. Animal-related production accounts for more than one-third of the total value of agricultural output. However, overall, the number of cattle has decreased since the early 1980s, as a result of the EU milk quotas affected major production areas. Therefore, some cattle farms have moved towards beef rather than dairy breeds.

France also possesses one of the largest forest areas in Western Europe. This huge resource, however, is underexploited, partly because of the vast number private owners, many of whom are not interested in the commercial management of their properties. The National Office of Forests controls less than one-fourth of the forest area.

Despite the extent of France's coasts and its several ports, the French fishing industry remains relatively small. The industry's problems are mainly due to its fragmentation and to poor modernization of boats and port facilities, but also to overfishing and pollution. France is also popular for its aquaculture, with activity increasing over recent years along the coastal waters of western France.

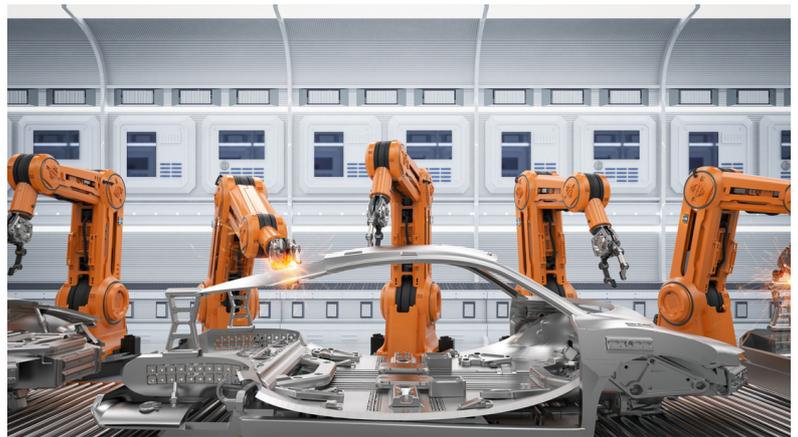
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The French manufacturing industry was the driving sector of the country's post-war economic recovery. However, in the last decades this sector has been overtaken by the tertiary sector. French industry now employs only about one-fourth of the country's workforce, but still contributing to the same proportion of GDP.

The most important industries are vehicles, chemicals, metallurgy, mechanical engineering, electronics, food, and textiles. Car and vehicle production generates a considerable number of jobs. In addition, the industry for the manufacture of railway locomotives and rolling stock is well developed and important in the Fresh industry sector.



The chemical manufacturing industry includes basic organic and inorganic products, fine chemicals, pharmaceuticals, and other parachemical items, including perfumes. Extensive research is carried out in this field.

The metallurgical industry is dominated by the production of steel and aluminium.



France is also a major manufacturer of professional electronics, such as radar equipment, but in the field of consumer electronics France depends strongly on imports. The country also has a number of high-tech aerospace industries, which manufacture aircraft, missiles, satellites, and related launch systems. These industries are concentrated in the Paris region and in the southwest around Toulouse and Bordeaux.

In addition, food and beverage industries represent a large portion of French manufacturing. The beverage sector is dominant in the main wine-growing areas of northern and north eastern France; it represents an important source of exports.

Textile and clothing industries have experienced a long period of decline and these activities remain characterized by small firms.

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Construction and civil engineering industries employ about one-fourth of the labour in the industrial sector which is characterized by the coexistence of a large number of small firms with a limited number of large companies, many of which work on civil engineering contracts outside France.

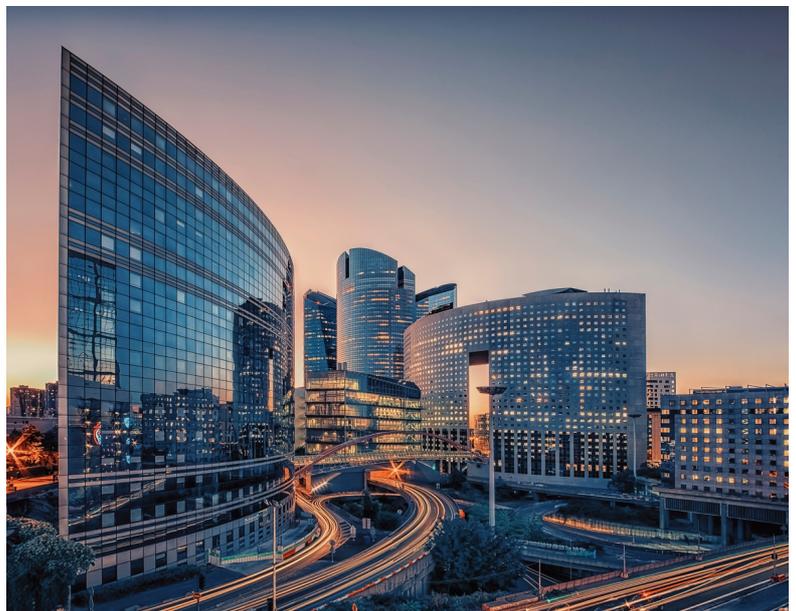
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The tertiary sector in France employs about two-thirds of the country's manpower and of the GDP. This sector covers a highly diverse range of activities, including social and administrative services, such as local government, health, and education; wholesaling, distribution, and transport and communication services; consumer services, such as retailing and the hotel and catering trades; and producer or business services, including banking, financial, legal, advertising, computing, and data-handling services.

The French financial sector is very important for the country because even if it employs less than 13 percent of the labour force it accounts for approximately one-third of the country's total GDP.

The banking sector is one of the largest ones in western Europe, and its three major institutions, Crédit Agricole, BNP Paribas, and Société Générale, rank among the top banks on the continent. Also the insurance industry is very developed and dominated by major companies such as Axa, CNP, and AGF



Tertiary activities are located predominantly in urban areas, especially the larger cities. Such concentration is most evident in relation to the capital. The Île-de-France region (Paris region) alone accounts for nearly one-fourth of all tertiary employment while containing less than one-fifth of the population. In Paris the sector's importance is qualitative as well as quantitative.

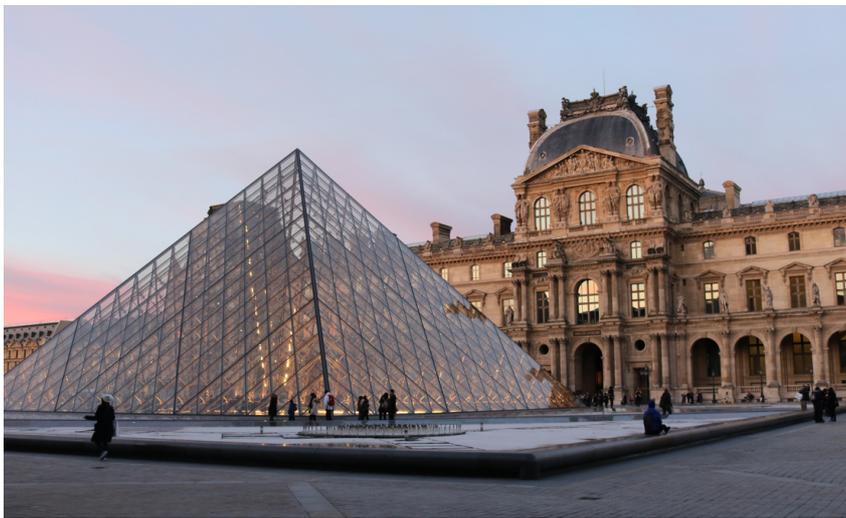
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Paris houses more than two-thirds of the headquarters of the country's major companies and a disproportionately large share of senior management and research staff. This attraction to the capital is influenced by a number of factors, including the size and diversity of the labour market, the high level of accessibility to other French and international business centres, prestige, and the presence of numerous specialized services.

The largest groups of employees are those in national education and the postal system.



Tourism is a major industry and employs about 10 percent of the workforce contributing to approximately 9 percent of GDP. France is one of the world's most visited countries. This sector was strongly affected by the covid 19 pandemic, but in 2022 came back to normal even if not at the same levels of 2019. However, 2023 is expected to reach the pre-pandemic levels.

France exports mostly raw agricultural products such as grains, agro industrial products such as food and beverage (including dairy and wines), vehicles, aircraft, professional electronics, pharmaceuticals and parachmical products.

In 2022 the top export countries were 2022 Germany, Italy, Belgium, Spain, US, Netherlands, China, Switzerland, Poland, Turkey and Singapore.

The country is also a major importer, especially of petroleum gases, cars, refined petroleum oils, crude oil, and automobile parts or accessories. They mostly import from Germany, mainland China, Belgium, USA, Spain, Italy, Netherlands, United Kingdom, Switzerland, Poland and Turkey.



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Especially today when the economic scenario changes quickly, in order to establish safe and profitable business relationships it is always necessary to count on local expert business information providers. On SkyMinder we are able to support you with the leading local provider of business information on all French companies. Thanks to the expertise and deep knowledge of our local suppliers, SkyMinder offers the most complete and updated full reports on any company registered in France.



All SkyMinder Full Reports on France are online and updated and they include the following information (if available at local sources):

- Complete company identification details: correct company name, address(es), contact details such as phone, fax, email, webs, etc.
- Company registration details: our local providers try to access local registries and to get registration number, company id, fiscal code, and any information that can be retrieved at the local registry
- Directors and company structure: board of directors, shareholders and related companies
- Financials: balance sheet and profit and loss (if companies are obliged to disclose).
- Credit rating and suggested credit limit
- Negative information on the company, probability of default, payment information
- Number of employees
- Activity details: sector and industry of the company, branches, import export situation,
- Banks

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In addition to the Full Report including all complete details on French companies, it is possible to keep them monitored thanks to the Full Monitoring service: every time a change affects a company, a detailed notification is generated, with all the specifics about the type of variation and the area interested. In addition, a new overview of the company, including changes, will be available on the platform.

On SkyMinder it is possible to order other types of reports depending on your specific needs:

- Slim Report which include synthetic information about the company credit situation.
- Compliance Check Report and Extended Check Report: Through SkyMinder you can access the Lexis Nexis Risk Solutions platform and check if a business partner is involved in financial crimes, bribery, corruption and money laundering actions.
- Patent Due Diligence Report: a report with an in-depth analysis of the patents owned by a company
- Cyber Risk Report: thanks to the test performed to a company website and related domains and emails, you can understand in advance if a partner or potential partner is vulnerable to a cyber-attack.
- Company registries and LEI documents.

Sources: [https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/france/economic-forecast-france\\_en](https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/france/economic-forecast-france_en);  
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