

FRANCE: SEPARATING FACT FROM FICTION

KEY INFO IN

10

POINTS

1

▶ “FRANCE IS ON THE DECLINE”

France is the fifth largest economy in the world by GDP, and the second largest in Europe, with more than 65 million consumers. (IMF 2014, Eurostat 2014)

France has the second highest fertility rate in Europe (Eurostat, 2014), with a birth rate that has remained constant for 40 years, unlike in Germany, Italy, or Spain. (INED, 2014)

2

▶ “THE FRENCH DON’T WORK HARD ENOUGH”

On average, employees in France work longer hours than in Germany: 44.3 hrs vs. 42.9 hrs for managers, and 36.2 hrs vs. 34.5 hrs for non-managers. (Eurostat, 2014)

France is ranked sixth in the world for **hourly labor productivity**, ahead of Germany (7th) and the United Kingdom (13th). (The Conference Board, 2014)

3

▶ “THE FRENCH JUST DON’T HAVE A WORD FOR ‘ENTREPRENEUR’...”

France is Europe’s number one country for newly founded businesses. (Eurostat, 2014 – data for 2011)

In 2013, more than 538,000 new businesses were founded in France, of which nearly 275,000 were established under the ‘auto-entrepreneur’ business scheme. (INSEE, 2014)

4

▶ “TOO LITTLE FLEXIBILITY IN FRANCE”

A termination agreement (*rupture conventionnelle*) is a flexible procedure enabling employers and employees to terminate a permanent contract amicably by mutual consent. Moreover, the Employment Act of June 14, 2013 passed in the wake of an agreement between employer federations and trade unions responds to the needs of companies to adjust output, while consolidating employment security and career paths. It builds upon renewed social dialogue within the corporate sphere, and demonstrates that France is capable of reform through negotiation.

5

▶ “THERE’S SO MUCH PAPERWORK IN FRANCE”

France is among the simplest countries in the G20 in which to found a company: only five administrative procedures and seven days are required, compared with a G20 average of 7.6 procedures and 22 days.

(EY, European Attractiveness Survey, 2014)

France is ranked first in Europe and fourth in the world for e-government. (E-Government survey, UN, 2014)

6

▶ “FRENCH TAXES ARE SO HIGH”

KPMG’s Competitive Alternatives report (2014) compares effective corporate tax rates in 10 different countries:

- France is ranked first for R&D services
 - France is ranked third for digital services
 - France is ranked fourth for manufacturing
-

7

▶ “FRANCE IS LAGGING BEHIND ON R&D AND INNOVATION”

France is ranked second in Europe and sixth in the world for the number of international patents filed. (WIPO, July 2013)

For the fourth year running, France was once again ranked first in 2014 by the Deloitte “Technology Fast 500 EMEA”, with 86 of the top 500 fastest growth companies based on percentage revenue growth in Europe, the Middle East and Africa.

8

▶ "FRANCE DOESN'T ATTRACT FOREIGN TALENT"

On average, 13 foreign company directors decide to invest in France every week. France is ranked third in the world for hosting foreign students. (Campus France, 2014)

Nine students in 10 who come to France recommend the country as a study destination. (Campus France survey, 2013)

9

▶ "FRANCE HASN'T EMBRACED GLOBALIZATION"

France attracted 6,660 job-creating foreign investments between 2003 and 2013. (IFA 2013 Annual Report : Job-creating foreign investment in France)

More than 20,000 foreign-owned companies do business in France, employing nearly 2 million people. (INSEE, 2014)

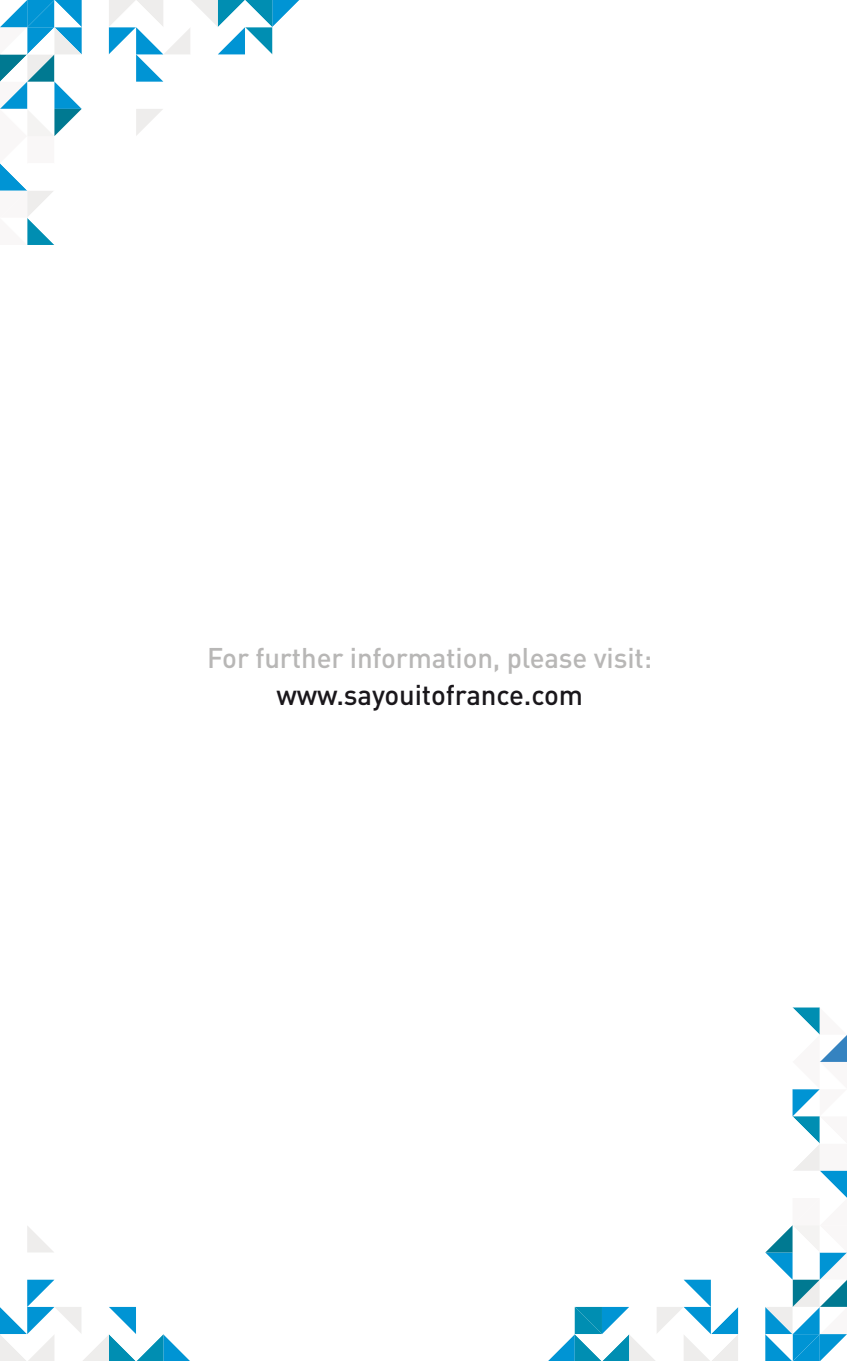
Foreign investors account for 46.7% of holdings in the market capitalization of CAC 40 companies. (Banque de France, 2014)

10

▶ "FRANCE IS GREAT... FOR LUXURY GOODS AND CHEESE"

France has no fewer than 17 major groups – excluding these two business sectors – among the 200 largest in the world (Fortune Global 500, 2014); these groups are very diverse: from energy to construction to insurance.

France is also ranked first in Europe in an index of the 100 most innovative organizations in the world that includes seven French companies or institutions. (Thomson Reuters, 2014)



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