

enterprise europe

Factsheet on FRANCE



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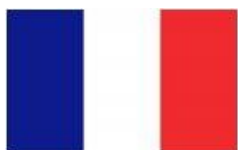
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Basic Data

Official name:

République Française - French Republic

Population: 62.1 million, with an additional 2.5 million living in overseas territories

Population Density:

115 (residents per km²). In comparison: Ireland has a population density of 59 residents per km² and Germany: 232/ km².

Capital: Paris

Population of Paris:

2,167 994; Paris metropolitan area: 12 million approx.

Head of State: Nicolas Sarkozy, UMP (Centre-right)

Political Structure:

France is governed under the constitution of the Fifth Republic (1958), the fifth constitution since the revolution. The electoral system is one of universal suffrage, with two rounds of voting for the President and National Assembly. The constitution allows for a strong executive headed by the President.

Religion:

France is a secular country. A 1905 law instituted the separation of Church and State and prohibited the government from recognizing or subsidising any religion. In a poll released in December 2004, 64.3 % of the respondents indicated they were Catholic and 27% that they had no religious affiliation.

Membership in international organisations:

EU (founding member), WTO, OECD, UN, NATO, G8.



Economy

France is the world's fifth largest economic power in terms of GDP. French public spending in 2007 was forecast to be 53% of GDP, against an OECD average of around 40%.

France is in the midst of transition from a modern economy that has featured extensive government ownership and intervention to one that relies more on market mechanisms. The French government has partially or fully privatised many large companies, banks, and insurers, and has ceded stakes in firms such as Air France, France Telecom, Renault, and Thales.

France has 4 companies, Total, AXA, Crédit Agricole and BNP Paribas amongst the World's Largest 25 Companies by revenue. Only the US and Japan have more companies in the top 500.

GDP per capita in 2008: €30,413

GDP Growth: 0.7% (2008 est.)

Unemployment rate: 9.4% (June 2009)

Inflation rate: 1% (2008 est.)

Net average annual earnings (2007): €21,480

Gross average household savings: 15.3% of disposable income

The French tax system

The French tax system has often been cited as being one of France weaknesses. It is considered as too weighty and too complex. But the system has been considerably reformed over the past several years: corporate tax has been capped at 3.5% of added value, a range of tax relief measures has been introduced in favour of new innovative companies, etc.

In addition taxes, in France are used for example to finance a free high quality educational system, one of the best healthcare system in the world, dense and highly efficient transport and telecommunications networks and public financial support for R&D activities.

Value Added Tax (VAT)

The standard VAT rate in France is 19.6%.

Certain rates are subject to a reduced rate of 5.5% these include food and drinks, some agricultural products, books, passenger transport, etc.

A special rate of 2.1% is levied on newspapers and pharmaceutical products.

There are many variations to the rates above, including exempt taxable supplies. For further information please contact [Marion](#)

Income tax (Rates - 2008):

0%	Below an annual income of €5.852
5.5%	€5.853 - €11.673
14%	€11.674 - €25.926
30%	€25.927 - €69.505
40%	Above €69.505

Corporate tax

Any foreign entity doing business for profit in France is liable for French tax on its earnings in France.

- The standard rate of corporate income tax is 33.33%.

- Small businesses pay a reduced rate of 15% on the first €38,112 of profits and the standard rate thereafter.

- If taxable profits exceed €2,289,000 then an additional social security levy of 3.3% is also applied.

Local tax on business is paid on the rental value of professional fixed assets. It varies according to the place but cannot exceed 3.5% of added value produced by the company. No tax is due in the year the business is set up.

In the second year, tax is levied on only half the normally taxable amount.

For further information on the French tax system please contact [Marion](#).

Foreign trade

Foreign Direct Investment (FDI):

- FDI into France: €115 billion in 2007

- FDI from France: €164 billion in 2007

French-Irish trade

French exports totalled €481.2 billion in 2006 whereas imports amounted to €507 billion. France does 66% of its trade with its EU partners (50% within the euro area).

France is Ireland's fifth trading partner after the USA, Belgium, the UK and Germany. The trade between the two countries amounts to €9.4 million, representing a 3.5% increase from 2006.

While the French market absorbs 6% of Irish exports, Ireland represents 0.74% of all French exports.

French imports of Irish goods and services are mostly concentrated in the ICT and pharmaceutical sectors (74%), followed by the financial services sector. French exports to Ireland are most strongly in transport equipments, pharmaceutical and IT products, and household goods.

Ireland is the third largest importer of French goods per inhabitants - after Belgium and Switzerland.

Irish Investment in France

Irish FDI into France:

€10.7 million in 2007

French FDI into Ireland:

€19.6 million

Number of Irish companies based in France: 30 (approx.)

Examples of Irish companies in France:

Kerry Group, the International Building Materials Group CRH and Jefferson Smurfit (Smurfit Kappa since 2006) for some time. More recently: IAWS, Experian and Ryanair.

In 2007, a large percentage of Irish investment in France was concentrated in industry (particularly the agro-food industry), while the service industry is growing consistently.

Sectors in which most jobs were created (2007):

Metals, metalworking and recycling (73.3% of jobs created), commercial and financial services (16.75), electric electronic, IT and medical equipment (10%).

FOCUS ON... Renewable energies

Supplying 77% of the nation's electricity, nuclear power has long been the focus of France's energy strategy. However global warming and changing priorities have given growth to new sectors ripe for investment with renewable energies being in the lead.

Sector turnover: €33 billion in 2007

Renewable sources of energy represent 6% of primary energy consumption.

France's electricity production from sustainable sources was estimated at 14.1% of total domestic consumption in 2008 (12.9% in 2007).

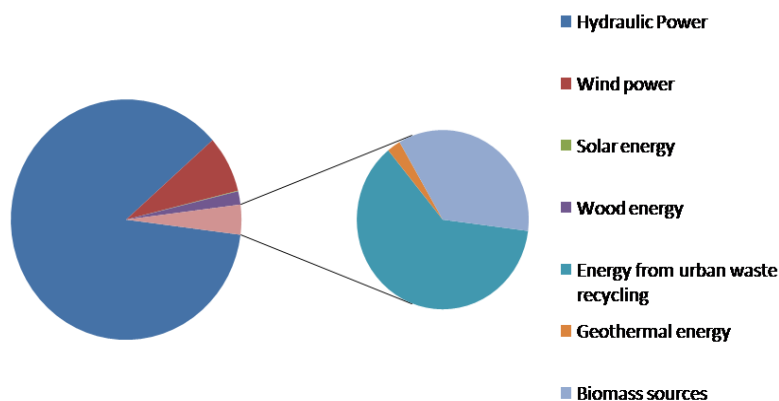
Almost 90% of renewable energy production is generated by wood (60%) and hydro (30%). Yet new sources of energy are developing consistently.

- Hydraulic power remained the leading source, accounting for approximately 88% of total electricity production
- Electricity produced by wind power (6%), solar photovoltaic and thermal energy are also increasing rapidly.
- Production from geothermal and biomass sources is due to develop. France is ranked the world's 4th most attractive market for biofuel investment by Ernst & Young Biofuels Country Attractiveness Indices 2007 and ranks second highest in the EU when it comes to biofuel production and use (consumption up by 63% in 2006).

Main companies active in this sector in France:

EDF Energies Nouvelles (France), Gamesa (Spain), Vestas (Denmark), General Electric (USA), and for wind energy and photovoltaic systems: AS Solar (Germany), SMA (Germany), HaWi Energies Renouvelables (Germany), Silpro (Netherlands), Photowatt (Canada), and Apex BP Solar (United Kingdom)

Electricity generation from renewable energy sources by type in 2007 - Source: Observatoire de l'énergie



Key reasons to invest in Renewables in France

- Developed natural resources

The climate and rich natural landscape range offer great potential: abundant forests for biomass energy, open spaces and sea coasts for wind power, ocean and rivers for hydraulic power, and agricultural assets like wheat and rapeseeds for biofuel production.

- Research in Renewable Energies is a priority: Innovative energy clusters

In 2004, the French Government introduced the 'Competitiveness Cluster' initiative that aims to achieve collaboration between companies, public and private research units within a common sector and defined geographical area. Twelve regions in France have clusters dedicated to energy sources which offers investors direct access to specialized energy-industry networks.

- High-skilled labour force

France has strong technical skills in the electricity sector and ranks 2nd worldwide for the number of Graduates in Science and Technology. French universities also offer degrees dedicated to energy studies, e.g. the European Masters in Renewable Energy from engineering school "Ecole des Mines".

- Attractive research tax credits

Companies that launch state-of-the-art R&D projects in France can take advantage of a wide range of research tax credit.

- Private and public sectors measures

France actively supports this sector by encouraging households and companies to install energy saving equipment and use energy from renewable sources.

This policy includes tax credit enabling up to 50% of the equipment investment to be recovered; a 5.5% reduced VAT on energy equipment using renewable energy sources; a tender system for large renewable projects and grant of up to 40% for biomass heating plants.

Business Opportunities

Are you looking for new business opportunities in Renewables in France? Here is a sample of French companies who are looking for Irish business partners. For further information on any of these companies or to submit your own company profile please contact [Marion](#).

20090723032

French company, specialised in renewable electricity and photovoltaic systems, is searching for joint venture, subcontracting and outsourcing activities with Irish companies specialised in construction and hydraulic infrastructures.

20090227022

A French company involved in construction and development of bio fireplaces and chimneys is seeking for Irish distributors.

20090518064

French company specialised in photovoltaic solar panels and renewable energies, is looking for partners of production and maintenance in Ireland.

20090505006

French company specialized in wood boilers with window glass is looking for partnership contracts to develop their activity in Ireland: Franchise - joint Venture

Useful contacts

Invest in France Agency

77 Boulevard Saint-Jacques
75680 cedex Paris
Tel.: +33 1 44871717
Email: Info@investinfrance.org
Web: www.invest-in-france.org

Enterprise Ireland Office in Paris

33 Rue De Miromesnil
75008 Paris
Tel.: +33 1 53431200
Email: [Gary Fallon](mailto:Gary.Fallon@enterpriseireland.com)
Web: www.enterprise-ireland.com

French Embassy in Dublin Economic and Commercial Section

Marine House
Clanwilliam Place
Dublin 2
Tel.: 01 668 0777
Email: Dublin@missioneco.org
Web: www.missioneco.org/irlande

Ireland France Chamber of Commerce

7 Clare Street
Dublin 2
Tel.: 01 6449760
Web: www.IrelandFrance.com
Email: info@irelandfrance.com

Chambre de Commerce et d'Industrie de Paris

27, Avenue de Friedland
75382 Paris Cedex 08
Tel.: +33 1 55657313
Email: cpdp@ccip.fr
Web: www.ccip.fr
Contact Enterprise Europe Network:
Email: europe@ccip.fr
Web: www.eic.ccip.fr

French Embassy in Ireland

36 Ailesbury Road
Ballsbridge
Dublin 4
Tel.: 01 2775000
Email: Template to submit query on website
Web: www.ambafrance.ie

Irish Embassy in France

4 Rue Rude
75116 Paris
Tel.: +33 1 44176700
Email: Template to submit query on website
Web: www.embassyofireland.fr

French Environment and Energy Management

Agency - ADEME
27 rue Louis Vicat
75737 PARIS Cedex 15
Tel : +33 1 47 65 20 00
Email: Template to submit query on website
Web : www.ademe.fr

Main Sources

- [Eurostat](#)
- [INSEE, National Institute for Statistics and Economic Studies](#)
- [Invest in France Agency](#)
- [OECD, Info on France by OECD](#)
- [The CIA World factbook: France](#)

=> For further information on business opportunities in France or to source new business partners over there please contact [Marion](#)

The information contained in this document aims to give an overview of the general situation in France. Its account may thus omit some feature in the interest of brevity. No liability is accepted for any decision taken on foot of this document.

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