



Press Release

2017 France Attractiveness Scoreboard

*The French economy is a natural home for innovation,
open to global talent and investment in industry*

Paris, December 6, 2017 – Business France and Les États de la France are proud to present the “France Attractiveness Scoreboard”, along with an Ipsos/États de la France survey, during the 12th meeting of the États de la France, an annual forum for foreign business leaders in France.

The France Attractiveness Scoreboard – published for the eighth year in a row in conjunction with the French Treasury Directorate (DG Trésor) at the Ministry for the Economy and Finance, and the French Commission for Regional Equality (CGET) – will be unveiled by Mr. Christophe Lecourtier, CEO of Business France. The Ipsos/États de la France survey will be commented upon by Mr. Pascal Cagni, France’s Ambassador for International Investment, and Mr. Brice Teinturier, Executive Director at Ipsos.

The Scoreboard brings together a wide array of economic data, compiled as indicators into the attractiveness of different nations as investment locations, and uses them to compare France’s performances with 13 other countries. The Ipsos survey analyzes the perceptions of investment attractiveness held by 200 leaders of foreign businesses operating in France.

“This is the first time that international investors have painted a positive, encouraging image of France. Upbeat views on the ground about France’s attractiveness to business have shot up 24% from 2016 and are now shared by 60% of respondents,” said Brice Teinturier.

France’s structural advantages include a large domestic market and central location, a well qualified workforce, the world’s seventh highest hourly labor productivity, along with leading airports and the second highest broadband penetration rate among the countries examined by the Scoreboard.

France remains as open as ever to inward investment as Europe’s third leading recipient of job-creating foreign investment (EY 2016; second leading recipient according to Business France Europe Observatory figures). There was also a 14% increase in foreign researchers coming to work in France in 2015.

Analysis of economic indicators highlights a number of the French economy’s key strengths, including:

- Innovation capacity: France’s cost competitiveness as a location for R&D operations has remained high since 2008. France’s research tax credit has ensured that it offers more generous R&D tax treatment than any other country (ranked first among the sample countries compared by the Scoreboard). Human resources in science and technology (HRST) accounted for 50.5% of the active population in 2016. The Deloitte Technology Fast 500 EMEA rankings saw France outstrip all its European counterparts, while the Clarivate Analytics Top 100 Global Innovators also ranked France first in Europe and the third most innovative country in the world.

- **A growing, thriving enterprise culture:** The total number of active enterprises in France grew by 2.3% in 2015, through a net increase of 77,438 businesses, compared with an increase of only 1.7% across the EU-28. This wave of new and expanding businesses is being fostered by a favorable administrative and financial environment, especially for startups. France is also making life simpler for entrepreneurs: only 3.5 days were required in 2016 to found a company in France, compared with 4.5 in the United Kingdom and 10.5 in Germany. Moreover, **record levels of venture capital (€1.216 billion)** were invested in France during the first half of 2017, the second highest sum in Europe.

- **An industrial economy** appreciated by international investors: France is Europe's leading recipient of foreign investment in industry (EY, BF 2016), and has seen a clear increase in hourly labor productivity in the manufacturing sector, up 2.8% in 2016, compared with a rise of only 0.5% across the EU-28.

Conversely, **labor costs and taxation in France** are the main areas that continue to be flagged for attention in international rankings.

"The French government is busy getting to grips with these issues. The recent overhaul of employment laws has already taken effect for businesses and employees alike. Labor costs are due to be examined closely from January 2018 by the government and the French Industry Council (CNI) to find ways to lower payroll costs for highly qualified and highly paid jobs. Measures underway to reduce taxes include the abolition of the 'wealth tax' (ISF) and the introduction of a flat tax on capital gains. The corporate tax rate is due to fall in stages from 34.4% to 25% in 2022, and this should also make France a more attractive place to do business", said Christophe Lecourtier.

"The reforms the French government has been leading over the last six months to improve France's attractiveness as an investment location are reflected in the views of foreign business leaders polled by Ipsos; the number of respondents agreeing that reforms are 'heading in the right direction' is up 39% in 2017 from last year. This is excellent news, proving that by pursuing these structural reforms France is generating a positive image for itself across the world. Other initiatives – such as the recently announced industrial strategy to underpin innovation in the sector, along with the new French Fab accreditation to promote French manufacturing – are additional attractions for foreign investors in this area," said Pascal Cagni.

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.

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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