

# INVEST IN FRANCE



# FRANCE MEETS ALL THE REQUIREMENTS FOR THE SUCCESS OF YOUR INVESTMENT

**A preferred destination for international investors. Since 2002, more than 8,500 new investments in France have created more than 380,000 jobs.**

- ▶ The leading country in Europe for foreign investment in industry (EY, 2015)
- ▶ Over 20,000 foreign companies doing business in France, employing nearly 2 million people. (INSEE, 2014)
- ▶ More than 30% of French exports are made by foreign companies.
- ▶ Foreign investors hold approximately 47% of equity holdings in companies listed on the CAC 40. (Banque de France, 2014)
- ▶ Ranked fourth in the world for attracting foreign students. (Eurostat, 2014)

**Competitive business costs: according to the KPMG report "Competitive Alternatives", France is ranked fifth out of 10 countries in 2014.**

- ▶ France is among the most competitive countries in Europe for electricity rates, with low variability. (Eurostat, Business France, France Attractiveness Scoreboard, 2014)
- ▶ The cost of renting office space is lower in Marseille and Lyon than in Frankfurt, Amsterdam and Madrid. Costs in Paris are lower than in London's West End. (Cushman & Wakefield, 2014)

**France is the sixth largest global economy, located at the heart of Europe, the largest single market in the world: with its high-quality infrastructures, France provides an ideal base to access European markets, the Mediterranean, Africa and the Middle East. With its overseas territories, it has a presence in all the world's oceans.**

- ▶ The second largest market in Europe with a population of over 65 million. (Eurostat, 2014)
- ▶ France's population is expected to exceed that of Germany as of 2051, topping 74 million. (Eurostat, 2014)
- ▶ Paris-Le Bourget, Europe's leading business airport. (ADP, 2015)
- ▶ The largest road network in Europe. (Eurostat, 2013)
- ▶ The port of Marseille is the largest in France and in the Mediterranean by tonnage.

**Strong demographics in an attractive environment.**

- ▶ The leading fertility rate in Europe. (Eurostat 2013)
- ▶ The leading destination in the world for foreign tourists.



**8<sup>th</sup>  
best**

**INFRASTRUCTURE  
IN THE WORLD**  
(WEF, The Global  
Competitiveness Report  
2014-2015)

**19**

**FOREIGN INVESTMENT  
DECISIONS  
MADE IN FRANCE  
EVERY WEEK**



**100%**

**OF FRANCE TO  
HAVE HIGH-SPEED  
BROADBAND BY 2020**

# A RICH TALENT POOL FOR YOUR INVESTMENT

France is a hotbed for innovation and technological excellence. The presence of highly qualified researchers, the availability of expertise and a very conducive research environment have convinced large numbers of foreign companies that are responsible for 27% of all business enterprise R&D expenditure in France.

- ▶ Foreign entrepreneurs and startups are eligible for €12,500 of funding to each founder through the “French Tech Ticket” scheme.
- ▶ France is ranked second in Europe and sixth in the world for the number of international patents filed. (WIPO, 2013)
- ▶ 13 out of 56 Fields Medals awarded to French researchers..

France invests more in its education system (6% of GDP) than many of its European neighbors, including Germany, Italy and Spain.

- ▶ France is ranked third in the EU for the number of students in second-stage tertiary education leading to an advanced research qualification. (Eurostat, 2014)
- ▶ 21 French establishments in the global rankings of the 80 best Management Master’s degree programs, including two in the top three (HEC and ESSEC): France is ranked first in Europe. (Financial Times, Masters in Management, 2015)

France is not only ranked seventh in the world for hourly labor productivity, ahead of Germany and the United Kingdom (The Conference Board, 2015), it also boasts lower gross labor costs (on average per employee) than in Japan, the United States and Germany (KPMG, Competitive Alternatives, 2014). Moreover, the working week in France is comparable to the European average.

- ▶ French employees work 36.1 hours per week on average. (Eurostat, 2014)
- ▶ Managers work 44.3 hours per week on average. (Eurostat, 2014)



# 1<sup>st</sup>

**FOR NET ENTERPRISE CREATION IN EUROPE**  
(Eurostat, 2013)



# 31

**FRENCH COMPANIES AMONG THE WORLD'S TOP 500**  
(Fortune Global 500, 2015)



**PARIS SACLAY IN THE TOP**

# 8

**CLUSTERS WORLDWIDE**  
(MIT Technology Review, 2013)

# EFFECTIVE AND CUSTOMIZED SUPPORT FOR THE SUCCESS OF YOUR INVESTMENT

France's research tax credit is the best in Europe, covering 30% of all R&D costs up to €100 million, and 5% above this threshold. Since 2013, eligibility has been extended to innovation expenditure by SMEs, and to innovative new companies (JEIs) which can combine the research tax credit with other tax and social security contribution relief.

- ▶ Foreign companies in France made 322 new R&D investments in France between 2008 and 2014. (Business France Annual Report, 2014)
- ▶ France offers the most generous R&D tax treatment in the world. (OECD, 2014)

**Tax relief: the competitiveness and employment tax credit (CICE) is boosting the competitiveness of businesses through a corporate tax saving in 2014 equivalent to 6% of gross payroll costs, excluding salaries higher than 2.5 times the statutory national minimum wage.**

The Employment Act of June 14, 2013 responds to the needs of companies to adjust output, and consolidates employment security and career paths by building upon renewed social dialogue within the corporate sphere. It demonstrates that France is capable of reform through negotiation.

**The Responsibility and Solidarity Pact will simplify paperwork and reduce labor costs.**

- ▶ €30 billion reduction in labor costs by 2016.
- ▶ Corporate tax rate to be lowered starting in 2017 down to 28% by 2020.
- ▶ 200 initial measures to simplify administrative procedures, legislative and regulatory standards have already been approved.
- ▶ Five key tax incentives for corporate investment and daily management have been fixed for a five-year period.

**The Growth and Economic Activity Bill will stimulate growth, investment and employment.**

- ▶ Easing trading restrictions on Sundays, evenings, and in tourist areas during peak periods.
- ▶ Fostering investment through a 40% additional depreciation allowance for business investments
- ▶ Reforming the employment tribunal system to make it simpler, more transparent and more efficient
- ▶ Developing employee savings schemes and employee share ownership
- ▶ Easing the rules of the "expatriate tax regime"



€30

billion

REDUCTION  
IN LABOR COSTS  
THROUGH CORPORATE  
TAX SAVINGS

€42

billion

BPIFRANCE  
LOCAL BUSINESS  
LENDING SERVICE



€47

billion

"NATIONAL  
INVESTMENT  
PROGRAM"  
FOR STRATEGIC  
SECTORS

## THEY CHOSE FRANCE

### HEXCEL

American firm Hexcel Fibers, specializing in carbon fiber and composites for the aerospace industry, sought the missing link in its high value-added field. It set up a new polyacrylonitrile plant in Roussillon (Rhône-Alpes region), hiring 120 people at the site.

### TORAY INDUSTRIES

Japanese company Toray, one of the world's leading carbon fiber manufacturers, opened an R&D technical center in Lacq (Aquitaine region) to develop carbon fibers for new applications (wind power, automotive). This €20 million investment involved the creation of 10 jobs.

### CLAAS

Claas Tractor, the leading European manufacturer of agricultural equipment (tractors, combine-harvesters, etc.) decided to increase its R&D capabilities in France by creating 51 new jobs at its sites in Vélizy in Ile de France (Paris region) and Trangé (Pays de la Loire).

### LABORATOIRE ROCHE

Through a partnership starting in July 2012, the Swiss pharmaceutical laboratory Roche and Areva Med, a subsidiary of Areva, completed the construction of a shared research laboratory in Razès (Limousin region). The ARCoLab team is expected to grow to 17 employees over the coming years.

### CARTIERA GALLIERA

This Italian company, specializing in producing wrapping paper, recently took over La Papeterie de Raon in Raon-l'Étape (Lorraine region). The site, specializing in manufacturing recycled paper for packaging purposes, filed for bankruptcy protection in 2013. This takeover ensured that the site's 72 employees would keep their jobs.

### GKN

This Birmingham-based automotive transmission specialist invested €20 million in its Arnage plant near Le Mans (Pays de la Loire region). The investment to upgrade its facilities producing spare parts for the automotive industry will also be used to fund a major training program for 520 employees and to create 25 new jobs.

### AVANTHA GROUP

Crompton-Greaves, a subsidiary of Indian group Avantha that specializes in the design and manufacture of electrical equipment, opened a unit for the manufacture of smart grids in Grenoble (Rhône-Alpes region). A research and development center is set to be built alongside the production facility. The purpose of the site is to cater for the EMEA region. The project is due to create 120 jobs.

### AMADEUS

This Spanish group is the world's leading supplier of technology management solutions for the distribution and sale of travel services. Amadeus, which already employs 4,500 people in France, expects to hire 200 additional employees specializing in research and development at its site in the Sophia Antipolis technology park (Provence-Alpes-Côte d'Azur region).

### AMPHASTAR PHARMACEUTICALS

This American pharmaceutical laboratory, specializing in injectable and inhalable medicinal products, made its first investment in France by acquiring a site formerly belonging to MSD, a subsidiary of American group Merck & Co. The site in Éragry-sur-Epte (Picardie region) specializes in producing insulin. All the former MSD employees joined the new entity and an additional 100 employees were hired to meet growing demand.

# Business France

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.

Founded on January 1, 2015 through a merger between UBIFRANCE and the Invest in France Agency, 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](http://www.businessfrance.fr)