

# Facts and figures on France's investment attractiveness

In the competition with other European countries to attract inward investment projects, France boasts a number of key strengths underpinning its investment attractiveness.

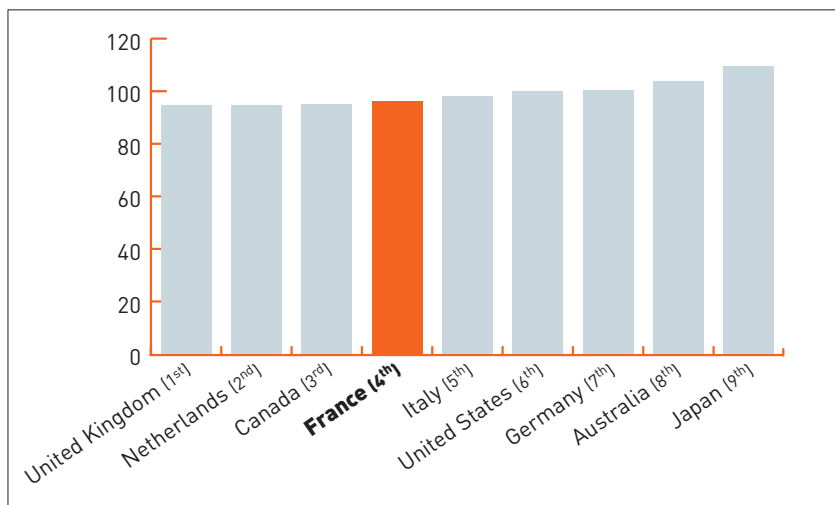
These advantages include:

- A large, dynamic market in Europe.
- A skilled, productive workforce.
- Recognized support to foster innovation.
- A plentiful supply of commercial real estate.
- Dense, high-quality transport infrastructure.
- High-quality energy and telecommunications at competitive rates.
- Renowned quality of life.

According to KPMG's "Competitive Alternatives" biennial guide to business costs in over 100 cities in nine different countries, France stands out for having particularly attractive business setup costs, comprising labor costs, facility costs, transport, utility costs (electricity, natural gas, telecommunications) and corporate tax. In the 2012 edition, France was ranked fourth among the countries compared, up two places from sixth in the previous rankings (2010).

## BUSINESS SETUP COSTS

Base United States = 100

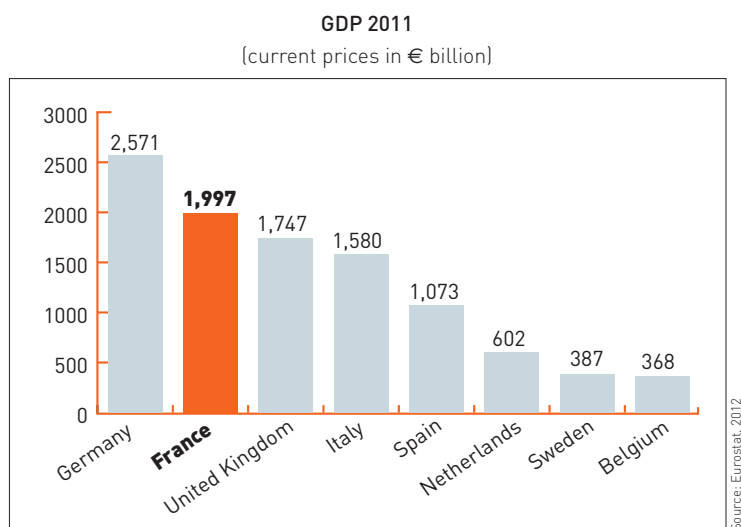


Source: KPMG, Competitive Alternatives, March 2012

## 1. A LARGE, DYNAMIC MARKET IN EUROPE

→ France is the second largest market in Europe by GDP per capita.

### 1.1. GDP



### 1.2. POPULATION

→ France has more than 65 million inhabitants.

Country	Population as of January 1, 2011 <i>Eurostat, 2012</i>
Germany	81,751,602
<b>France</b>	<b>65,048,412</b>
United Kingdom	62,435,709
Italy	60,626,442
Spain	46,152,926
Netherlands	16,655,799
Belgium	10,951,266
Sweden	9,415,570

### 1.3. DEMOGRAPHICS

📌 France has the second highest birth rate in Europe after Ireland.

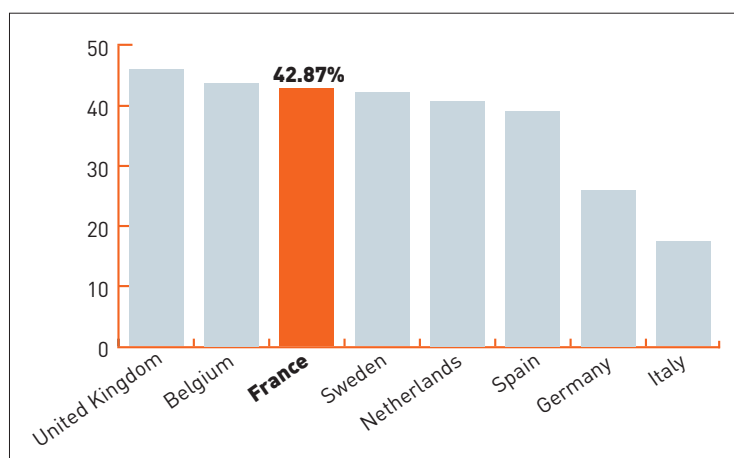
Country	Birth rate (2009) <i>Eurostat, 2012</i>
<b>France</b>	<b>2.00</b>
Sweden	1.94
United Kingdom	1.94
Belgium	1.84
Netherlands	1.79
Italy	1.41
Spain	1.39
Germany	1.36

## 2. A SKILLED, PRODUCTIVE WORKFORCE

### 2.1. A WELL-EDUCATED WORKFORCE

📌 A high standard of education

PERCENTAGE OF 25- TO 34-YEAR-OLDS EDUCATED  
TO DEGREE LEVEL (2010)



Source: OECD, Education at a Glance 2012

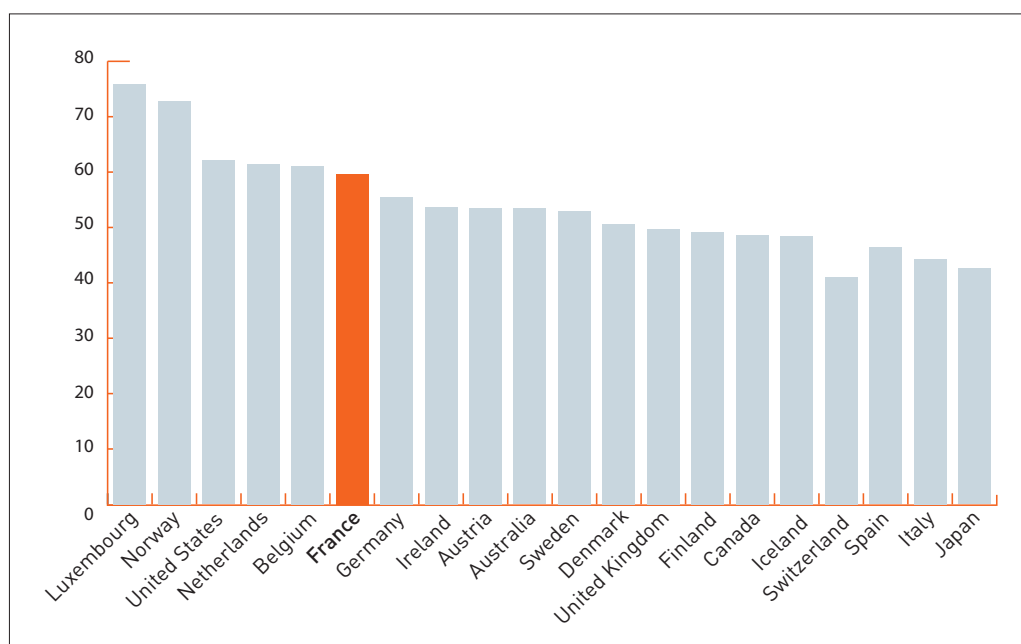
Country	Percentage of tertiary graduates in science and technology (2009) (per 1,000 population aged 20-29 years) <i>Eurostat, 2012</i>
<b>France</b>	<b>20.2</b>
United Kingdom	17.5
Germany	13.5
Sweden	13
Spain	12.5
Belgium	12
Italy	11.3*
Netherlands	8.9

\* Data for 2008

France also has renowned business schools, including four which are among the top 10 in Europe: ESCP Europe, HEC Paris and ESSEC Business School are ranked second, fourth and fifth respectively while EM Lyon is ninth in the *Financial Times* "European Business Schools Rankings 2012".

## 2.2. HIGH PRODUCTIVITY

According to "The Conference Board" research group, France was ranked fourth in the European Union in 2011, after Luxembourg, the Netherlands and Belgium, but ahead of Germany and the UK, for hourly productivity (GDP per hour worked).



### 2.3. EQUIVALENT OR LONGER WORKING HOURS THAN THE AVERAGE IN EUROPE

Skilled employees in France work longer hours than most of their European counterparts.

The number of hours worked by French employees is slightly higher than the average in Europe.

AVERAGE NUMBER OF HOURS WORKED PER WEEK (2011)

Country	Average number of hours worked per week by employees (2011) <i>Eurostat, 2012</i>
Spain	37.1
<b>France</b>	<b>36.6</b>
EU-27	36.4
United Kingdom	36.2
Italy	36.1
Sweden	35.9
Belgium	35.1
Germany	34.6
Netherlands	29.3

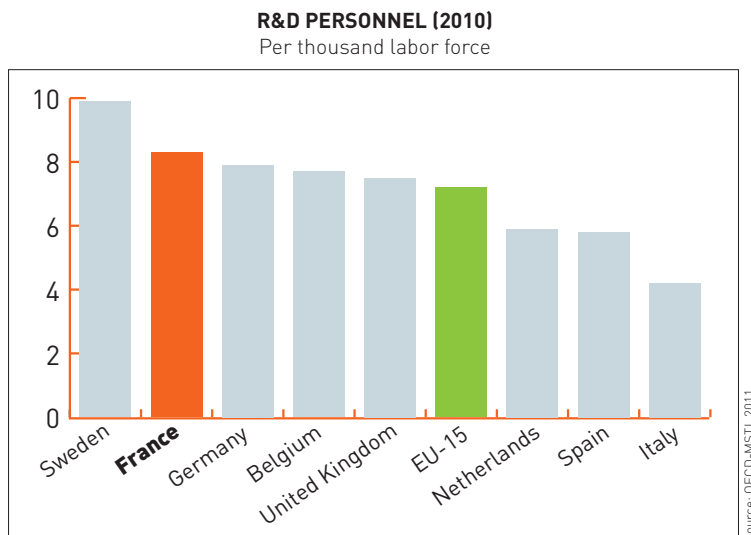
Country	Average number of hours worked per week by skilled employees (2011) <i>Eurostat, 2012</i>
<b>France</b>	<b>44.6</b>
United Kingdom	43.8
Spain	43.2
Germany	43.0
Italy	42.9
EU-27	42.8
Belgium	42.6
Sweden	39.7
Netherlands	36.4

### 3. RECOGNIZED SUPPORT TO FOSTER INNOVATION

➡ France's support for R&D (2.26% of GDP) is currently higher than the average in European countries (1.92%).

Country	Gross domestic expenditure on R&D (% of GDP, 2009) <i>OECD, 2011</i>
Sweden	3.62
Germany	2.82
<b>France</b>	<b>2.26</b>
Belgium	1.96
United Kingdom	1.87
Netherlands	1.84
Spain	1.38
Italy	1.27

↪ France has a high proportion of researchers in its active population: with 8.3 researchers for every 1,000 employees in 2010, France is second in Europe, ahead of Germany (7.9), Belgium (7.7) and the United Kingdom (7.5).



↪ The latest list of the world's "Top 100 Global Innovators" published by Thomson Reuters included more innovators from France than any other European country, ahead of Sweden, the Netherlands, Germany, Switzerland and the United Kingdom.

#### 4. A PLENTIFUL SUPPLY OF COMMERCIAL REAL ESTATE

↪ Île-de-France (Paris region) has Europe's largest portfolio of commercial real estate: 51.5 million sq. m. in 2010 (Jones Lang Lasalle).

↪ Comparisons are often made between Paris and London, which are popular locations for foreign companies seeking to set up headquarters. At present there are 19 headquarters in Paris and 16 in London.

Country	Cities	Prime rents, Q4 2011 (€/sq. m./year) <i>DTZ, 2012</i>
United Kingdom	London (West End)	1,221
<b>France</b>	<b>Paris (Central business district)</b>	<b>800</b>
Italy	Milan (Central business district)	520
Sweden	Stockholm (Central business district)	516
Germany	Frankfurt (Central business district)	414
Netherlands	Amsterdam (Central business district)	400
Spain	Madrid (Central business district)	280
Belgium	Brussels (Central business district)	270

↪ Warehouse rent levels are extremely competitive.

Country	Cities	Prime rents for warehouses, Q4 2011 (€/sq. m./year) <i>DTZ, 2012</i>
United Kingdom	London (Heathrow)	154
Sweden	Stockholm	81
Germany	Frankfurt	72
Netherlands	Amsterdam	70
Spain	Madrid	66
Belgium	Brussels	58
Italy	Milan	53
<b>France</b>	<b>Paris (including Ile-de-France region)</b>	<b>51</b>

## 5. DENSE, HIGH-QUALITY TRANSPORT INFRASTRUCTURE

↪ France has the largest road network in Europe (more than 1 million km / 620,000 miles) and the third largest motorway network after Spain and Germany, providing connections between the north and the south of Europe.

Country	Length of motorway network ('000 km, 2009) <i>Eurostat, 2012</i>
Spain	14,021
Germany	12,813
<b>France</b>	<b>11,163</b>
Italy	6,661
United Kingdom	3,674
Netherlands	2,631
Sweden	1,891
Belgium	1,763

↪ France has the second largest high-speed rail network in Europe:

Country	High-speed rail network (km of high-speed rail lines) <i>International Union of Railways, November 2011</i>		
	In operation	Under construction	Planned
Spain	2,056	1,767	1,702
<b>France</b>	<b>1,896</b>	<b>210</b>	<b>2,616</b>
Germany	1,285	378	670
Italy	923	/	395
Sweden	/	/	750
Belgium	209	/	/
Netherlands	120	/	/
United Kingdom	113	/	204

✈ Paris Charles-de-Gaulle airport is the second largest in Europe by cargo traffic after Frankfurt and by passenger numbers after London Heathrow.

Country	Airport	Cargo (tonnes, 2011) <i>Airport Council International, 2012</i>
Germany	Frankfurt	2,215,181
<b>France</b>	<b>Paris - CDG</b>	<b>2,095,773</b>
United Kingdom	London - Heathrow	1,569,450
Netherlands	Amsterdam - Schiphol	1,549,686

Country	Airport	Air traffic (millions of passengers, 2011) <i>Airport Council International, 2012</i>
United Kingdom	London - Heathrow	69,433
<b>France</b>	<b>Paris - CDG</b>	<b>60,970</b>
Germany	Frankfurt	56,436
Netherlands	Amsterdam - Schiphol	49,754
Spain	Madrid - Barajas	49,644
Italy	Rome - Fiumicino	37,651

✈ Flight time from Paris

🚆 Train time from Paris





## 6. HIGH-QUALITY ENERGY AND TELECOMMUNICATIONS AT COMPETITIVE RATES

### 6.1. ENERGY

🔗 Electricity rates in France are the most competitive in Western Europe.

Country	Electricity rates (€/kWh exc. VAT)
	Second semester 2011 for industrial consumers (500 MWh to 2,000 MWh) <i>Eurostat, 2012</i>
<b>France</b>	<b>0.0667</b>
Sweden	0.0823
Netherlands	0.0829
Germany	0.0899
EU-27	0.0935
United Kingdom	0.0998
Belgium	0.1014
Spain	0.1100
Italy	0.1195

🔗 Natural gas rates in France are in line with the EU average.

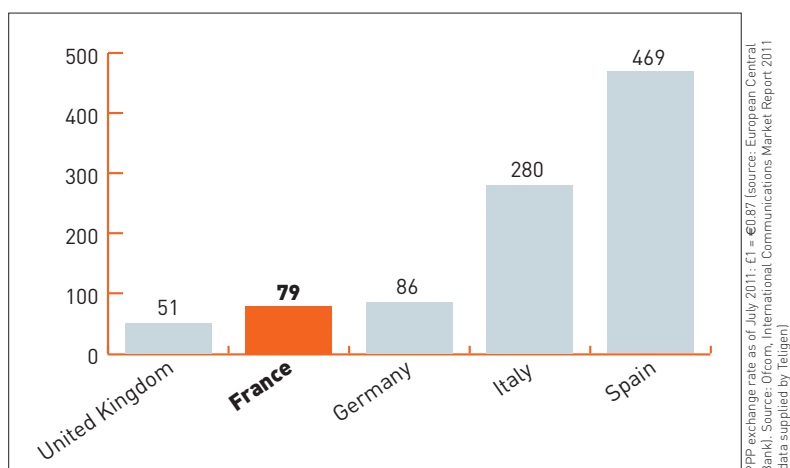
Country	Natural gas rates (€/gigajoule exc. VAT)
	Second semester 2011 for industrial consumers (10,000 to 100,000 GJ) <i>Eurostat, 2012</i>
United Kingdom	0.0264
Netherlands	0.0289
Belgium	0.0317
Italy	0.0323
Spain	0.0332
<b>France</b>	<b>0.0366</b>
EU-27	0.0352
Germany	0.0457
Sweden	0.0471

France has a much lower carbon footprint than Germany, the United Kingdom and Italy.

Country	CO <sub>2</sub> emissions (millions of tonnes, 2009) <i>IMD World Competitiveness Yearbook 2012</i>	CO <sub>2</sub> emissions (tonnes per million US\$ of GDP) <i>IMD World Competitiveness Yearbook 2012</i>
Germany	750.2	227.4
United Kingdom	465.8	214.5
Italy	389.3	184.4
<b>France</b>	<b>354.3</b>	<b>135</b>
Spain	283.4	194.7
Netherlands	176.1	221.6
Belgium	100.7	213
Sweden	41.7	102.8

## 6.2. TELECOMS

According to a recent report by Ofcom, the British telecoms regulator, mobile tariffs for outbound minutes (for a basket of 4,000 minutes per month in pound sterling at purchasing power parity) in France are lower than in Germany, Italy or Spain.



### 6.3. WATER

↳ Water rates in Paris are lower than in Brussels, Amsterdam and Frankfurt.

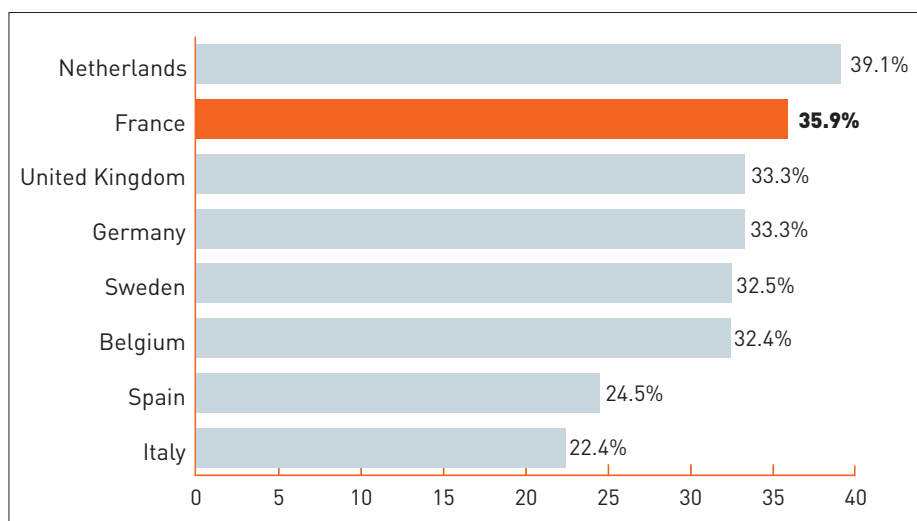
Country	City	Rate inc. VAT/m <sup>3</sup> * January 2011 <i>NUS Consulting, 2011</i>
Germany	Frankfurt	4.301 €
Netherlands	Amsterdam	4.102 €
Belgium	Brussels	3.700 €
<b>France</b>	<b>Paris</b>	<b>3.187 €</b>
United Kingdom	London	2.704 €
Spain	Madrid	2.531 €
Sweden	Stockholm	1.587 €
Italy	Milan	0.558 €

In January 2011, the exchange rate was £1 = €1.16603 for the United Kingdom and 1kr = €0.11120 for Sweden.

\*Rates inc. VAT and all charges (supply, drainage, pollution and various other charges) for annual consumption of 120 m<sup>3</sup>.

### 6.4. HIGH-SPEED INTERNET

↳ France is among the leading countries (3<sup>rd</sup> in the European Union) for high-speed or very-high-speed internet infrastructure. According to the OECD, the broadband penetration rate (number of fixed subscriptions per 100 inhabitants) in France was 35.9% in 2011.



Source : OECD, Broadband statistics, December 2011

## 7. RENOWNED QUALITY OF LIFE

↪ International Living's 2011 quality of life index ranks France and Belgium above all other large European countries, with the exception of the island state of Malta.

Nine criteria are considered to compile the index: Cost of living (15%); Culture & Leisure activities (10%); Economy (15%); Environment (10%); Freedom (10%); Health (10%); Infrastructure (10%); Security and Risks (10%); and Climate (10%).

↪ France remains the leading tourist destination in the world, (ahead of the United States, China\* and Spain by visitor numbers).

\* excluding Hong Kong and Macao  
Source: UNWTO, June 2012

**79.5**  
**million visitors\***  
**(in 2011)**

\*UNWTO estimates, June 2012