



**Viewpoint**

# One-click report : France

March 1st 2024

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# Content

## 1. Summary

1.1 Briefing sheet

## 2. Medium-term forecast

2.1 Outlook for 2024-28: Forecast summary

2.2 Political stability

2.3 Election watch

2.4 International relations

2.5 Policy trends

2.6 Fiscal policy

2.7 Monetary policy

2.8 Global forecast data

2.9 Economic growth

2.10 Inflation

2.11 Exchange rates

2.12 External sector

## 3. Business and policy environment

3.1 Country forecast overview: Business environment rankings

3.2 Business environment at a glance

3.3 Market opportunities: Social indicators and living standards

3.4 Global position

3.5 Regulatory/market assessment

3.6 Regulatory/market watch

3.7 Long-term outlook: The long-term outlook

## 4. Industry outlook

4.1 Automotive

4.2 Consumer goods

4.3 Energy

4.4 Financial services

4.5 Healthcare

4.6 Telecommunications

## 5. Data and charts

5.1 Data and charts: Annual trends charts

5.2 Data and charts: Quarterly trends charts

5.3 Data and charts: Monthly trends charts

5.4 Data summary: Gross domestic product, current market prices

5.5 Data summary: Gross domestic product, at constant prices

5.6 Data summary: Gross domestic product by sector of origin

5.7 Data summary: Growth and productivity

5.8 Data summary: Economic structure, income and market size

5.9 Data summary: Fiscal indicators

5.10 Data summary: Monetary indicators

5.11 Data summary: Employment, wages and prices

5.12 Data summary: Current account and terms of trade

5.13 Data summary: Foreign direct investment

## 6. Basic Information

6.1 Political structure

6.2 Basic data

# One-click report : France

## Briefing sheet

[France](#) | [Summary](#) | [Briefing sheet](#)

March 1st 2024

### Political and economic outlook

- The French economy is the second largest in the EU (after Germany) and the seventh largest globally. It is highly developed and services-oriented, with strengths in aeronautics and luxury goods. Labour market and tax reforms in 2017 improved competitiveness.
- Emmanuel Macron is serving a second term as president, but his government does not have a majority, making policymaking difficult. Reform progress has been achieved by trading concessions for external support, but sentiment towards this in parliament is hardening. Recent reforms have been passed by decree, causing much controversy.
- Following the passage of an unpopular pension reform and a controversial immigration bill in 2023, the overall policy direction of the government led by the newly appointed prime minister, Gabriel Attal, will shift further towards the right. Policy priority areas will include healthcare, education, agriculture and security.
- GDP growth will remain timid in 2024. High interest rates and subdued external demand will hold back activity in early 2024. However, fiscal spending will remain supportive, unemployment low by historical comparison and the tourism sector on an upswing. Growth will pick up from mid-2024 as external demand strengthens and interest rates fall.
- The European Central Bank (ECB) has ended an aggressive tightening cycle, but interest rates will remain at a record high until at least June 2024. French households and firms will continue to face high borrowing costs for most of 2024.
- France's debt/GDP ratio, at an estimated 110.6% at end-2023, is the third highest in the euro zone (after Greece and Italy). It will remain broadly stable in 2025-28. Borrowing costs will rise as debt is rolled over, but financing will not be an issue.
- In response to the Russia-Ukraine war, France is pushing for greater "strategic autonomy" by strengthening EU collaboration on defence, energy and food. Mr Macron

## One-click report : France ,March 6th 2024

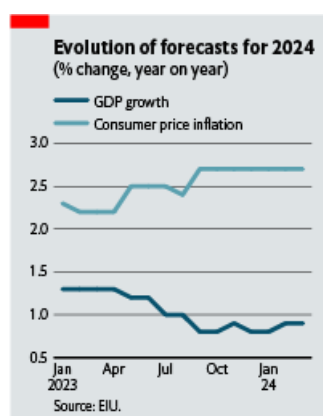
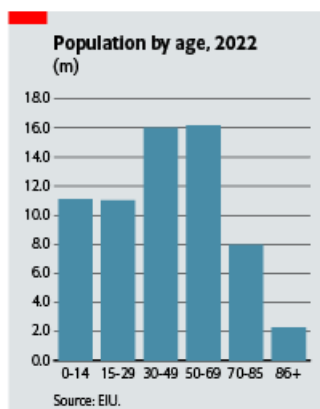
has also launched a "European political community" to complement the EU accession process.

### Key indicators

	2023 <sup>a</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>	2026 <sup>b</sup>	2027 <sup>b</sup>	2028 <sup>b</sup>
Real GDP growth (%)	0.9	0.9	1.3	1.6	1.5	1.4
Consumer price inflation (av; %)	5.7	2.7	2.1	2.0	2.0	2.0
Government balance (% of GDP)	-4.9 <sup>c</sup>	-4.6	-4.1	-3.6	-3.5	-3.0
Current-account balance (% of GDP)	-1.1 <sup>c</sup>	-0.8	-0.6	-0.5	-0.5	-0.5
Short-term interest rate (av; %)	3.4	3.6	2.5	1.8	1.8	1.8
Unemployment rate (%)	7.1	7.2	7.0	6.8	6.7	6.5
Exchange rate US\$:€ (av)	1.08	1.10	1.14	1.16	1.17	1.17

<sup>a</sup> Actual. <sup>b</sup> EIU forecasts. <sup>c</sup> EIU estimates.

### Market opportunities



### Key changes since February 5th

- In mid-February the French government signed a bilateral security agreement with Ukraine, which includes plans to supply more advanced weaponry to the country, including long-range missiles.

- Discontent surrounding agricultural policy prompted farmers to block main cross-country routes, including around the capital, Paris. The public is supportive of farmers, and the government quickly offered concessions, including tax concessions on diesel.

## The month ahead

- February 29th—Consumer price inflation (February, provisional): Inflation eased to 3.5% year on year in January, reflecting smaller increases in food and energy prices. With electricity tariffs set to rise by nearly 10% in February as the government scales back energy subsidies, EIU does not expect inflation to continue to slow sharply.
- March 5th—Industrial production (January): Industrial production (excluding construction) increased by 1.1% month on month in December 2023, accelerating from a 0.5% monthly increase in November. For the whole of 2023 industrial output increased by 0.6%. We expect industrial production growth to rebound slightly by 1% in 2024.
- March 7th—ECB rate-setting meeting: The ECB's governing council kept interest rates on hold at its January 25th meeting. We believe that policy rates will remain at their current level (with the deposit rate at 4%) until June 2024, and we forecast that the ECB will cut interests rates by a cumulative 100 basis points in the second half of 2024.

## Major risks to our forecast

Scenarios, Q4 2023	Probability	Impact	Intensity
Restrictive monetary policy triggers a hard landing for the economy in 2024	Moderate	Very high	15
EU-China ties worsen sharply	Moderate	High	12
Public protests and weakening authority of the government derail the policy agenda	Moderate	High	12
The government takes radical measures to prevent foreign takeovers	Very high	Low	10
Deindustrialisation raises the structural unemployment rate	Moderate	Moderate	9

Note. Scenarios and scores are taken from our Operational Risk product. Risk scenarios are potential developments that might substantially change the business operating environment over the coming two years. Risk intensity is a product of probability and impact, on a 25-point scale.

Source: EIU.

## Forecast summary

[France](#) | [Economy](#) | [Forecast](#) | [Forecast summary](#)

March 1st 2024

### Forecast summary

(% unless otherwise indicated)

	2023 <sup>a</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>	2026 <sup>b</sup>	2027 <sup>b</sup>	2028 <sup>b</sup>
Real GDP growth	0.9	0.9	1.3	1.6	1.5	1.4
Industrial production growth	0.6	1.0	2.0	1.9	1.7	1.6
Unemployment rate (av)	7.1	7.2	7.0	6.8	6.7	6.5
Unemployment rate (av; EU/OECD standardised measure)	7.3	7.5	7.3	7.1	7.0	6.8
Consumer price inflation (av; EU harmonised measure)	5.7	2.7	2.1	2.0	2.0	2.0
Money market rate (av)	3.4	3.6	2.5	1.8	1.8	1.8
General government balance (% of GDP)	-4.9 <sup>c</sup>	-4.6	-4.1	-3.6	-3.5	-3.0
Exports of goods fob (US\$ bn)	693.7 <sup>c</sup>	687.8	722.8	755.3	790.8	829.4
Imports of goods fob (US\$ bn)	782.2 <sup>c</sup>	767.7	809.4	840.4	872.9	909.7
Current-account balance (US\$ bn)	-34.6 <sup>c</sup>	-26.0	-21.0	-17.7	-17.7	-18.8
Current-account balance (% of GDP)	-1.1 <sup>c</sup>	-0.8	-0.6	-0.5	-0.5	-0.5
Exchange rate US\$:€ (av)	1.083	1.100	1.138	1.155	1.165	1.170
Exchange rate US\$:€ (end-period)	1.105	1.120	1.150	1.160	1.170	1.170
Exchange rate ¥100:€ (av)	1.521	1.479	1.329	1.245	1.226	1.226
Exchange rate €:£ (av)	1.150	1.161	1.152	1.147	1.163	1.190

<sup>a</sup> Actual. <sup>b</sup> EIU forecasts. <sup>c</sup> EIU estimates.

## Political stability

[France](#) | [Politics](#) | [Forecast](#) | [Political stability](#)

March 1st 2024

EIU expects Emmanuel Macron to serve out his second term as president to 2027, although further cabinet reshuffles are likely in the interim. The government is an originally centrist, currently right-leaning administration that does not have a majority. Policy progress has been made with support from other parties, and by passing bills by decree—although this is a controversial option, with protests erupting against a pension reform passed without a vote. Parliament approved a major immigration reform in December 2023, but only after major concessions to the far right. This sparked a political crisis that ended with a government reshuffle and the appointment of Gabriel Attal, a Macron loyalist who most recently served as education minister, as prime minister. As the

2027 elections approach, trading concessions for external support will become more difficult. Sentiment towards cross-party co-operation in parliament is already hardening, and the government will remain dependent on Article 49.3 of the constitution to pass some bills without a parliamentary vote. This will continue to spark public and parliamentary anger, opening the government up to accusations of being undemocratic.

Dissatisfaction with the president and the government will remain high. Renewed unrest has broken out in early 2024, with farmers unhappy with government measures to reduce their benefits (including diesel tax breaks). Social tensions were particularly high in 2023. The first half of the year was marked by intense public anger about the pension bill; the shooting of a teenager by a police officer in late June then led to a week of riots and violent protests. In late 2023 social unrest picked up again following the massive attack on Israel by Hamas and Israel's invasion of the Gaza Strip in response. France has the largest Jewish population in Europe, as well as one of the largest Muslim communities, so the potential for further clashes is high. Anti-Semitic violence has spiked, and the government has banned pro-Palestinian demonstrations. Divisions have emerged in parliament as well, with the Parti socialiste (PS) announcing a temporary break from its participation in the left-wing NUPES alliance in protest after the leader of the alliance's largest party, Jean-Luc Mélenchon, refused to describe Hamas as a terrorist group. Divisions on the left will continue, to the benefit of the far-right Rassemblement national (RN).

## Election watch

[France](#) | [Politics](#) | [Forecast](#) | [Election watch](#)

March 1st 2024

The next regional, presidential and legislative elections are scheduled for 2027. The appointment of a new and popular prime minister, Mr Attal, will not be enough to avoid a blow for the ruling Renaissance at the European Parliament elections in June. Renaissance is currently polling at 19%, in third place behind the RN (28%) and the NUPES alliance (25%).

Mr Attal could become a candidate to succeed Mr Macron at the next presidential election in 2027 (Mr Macron cannot run for re-election as he is currently serving his second term in office). Mr Attal recently overtook Édouard Philippe, a former prime minister, as the most popular French politician, with 40% of favourable votes, also ahead of the far-right leader Marine Le Pen (37%).

Early legislative elections are not out of the question if policy gridlock persists for a lengthy period, but this is highly unlikely at present, as it would result in the ruling parties losing seats, and none of the opposition parties could get close to achieving a majority.



## International relations

[France](#) | [Politics](#) | [Forecast](#) | [International relations](#)

March 1st 2024

As the second-largest economy in the EU, France will remain a major player in setting the region's agenda. Mr Macron will continue to push for greater "strategic autonomy" by strengthening EU collaboration on defence, energy and food. He has launched a "European political community" to provide benefits to Ukraine and other EU candidates in the (lengthy) run-up to their accession, with a format that also includes the UK. Ties with the UK have improved in the past year with Rishi Sunak as prime minister and an easing of frictions over Brexit.

Relations with Germany, the bloc's largest economy, are typically close but marked by notable disagreements; difficulties in agreeing common positions with the German chancellor, Olaf Scholz, will continue, which will constrain EU policy progress more broadly. China is currently a major source of tension, with France pushing for a more hawkish stance while Germany is more circumspect (reflecting greater economic dependence). Reform of the EU's electricity market is another point of contention, with Germany considering subsidising industrial electricity prices, and France keen to support its large nuclear sector. We do not expect an agreement until late 2024 at the earliest.

In response to the US Inflation Reduction Act (IRA), which provides subsidies for green industry, the EU has adopted a Green Deal Industrial Plan and relaxed state aid rules. The bloc has also reached a provisional agreement on a Critical Raw Materials Act, aiming to reduce reliance on China for minerals needed in the energy transition. France is the first EU member state to have taken advantage of the new rules, with a plan that is expected to generate €20bn in new investment in sectors from electric vehicles to renewable energy. France and Germany have greater scope than smaller countries to support domestic industries, so are set to gain the most from this, raising criticism that the plan distorts the EU's single market.

The EU, in close co-ordination with the US and other Western allies, has imposed financial, sectoral and individual sanctions on Russia since the invasion of Ukraine. The sanctions will remain in place throughout our forecast period and probably beyond. We expect the war in Ukraine to be a protracted conflict with no clear-cut resolution. As the war persists and the costs to Ukraine's Western backers increase, public support may start to decline, and deliveries of military support will become less generous. However, official positions of support for Ukraine will continue.

## Policy trends

[France](#) | [Economy](#) | [Forecast](#) | [Policy trends](#)

March 1st 2024

We expect policy to shift further towards the right under Mr Attal as Mr Macron tries to counter the popularity of the far-right RN by appealing to traditionalist right-wing voters. Policy priority areas will include healthcare, education and security issues. Despite lacking a parliamentary majority, Mr Macron has already pushed through two flagship laws (an unpopular pension reform and a recent, controversial immigration bill) alongside more than 50 other pieces of legislation. To do so, however, the government has had to rely on a combination of force and compromise. The use of force, primarily through the constitutional Article 49.3 that allows legislation to be pushed through without a vote, has angered the electorate. The use of compromise, most notably in making many concessions to the (far) right to get the immigration bill passed, has left many within Mr Macron's own Renaissance party questioning their positions. Given that the policy priorities are in less controversial areas, the government may be able to avoid using Article 49.3 so frequently during the remainder of its term in office. As the 2027 election approaches, the government will want to avoid anything that provokes significant public opposition.

Investment plans now under way include a €30bn programme to boost local industry and green initiatives, and a €100bn medium-term recovery and stimulus plan (partly financed by EU funds). As across Europe, defence spending is being raised, with the defence budget rising by a third in 2024-30 to €413bn. This should help France to reach NATO's 2% of GDP spending target (from 1.9% in 2022)—although Europe will remain heavily dependent on US security guarantees. France will also increase investment in the nuclear sector, which already accounts for 70% of domestic electricity production.

Attempts to reduce public debt and slim down the substantial public sector have so far made no progress, given generous pandemic-related spending and more recent efforts to tackle soaring energy prices. The fiscal adjustment path looks decidedly slow, and financial markets and the European Commission will closely watch budgetary developments in 2024-25.

## Fiscal policy

[France](#) | [Economy](#) | [Forecast](#) | [Fiscal policy outlook](#)

March 1st 2024

We forecast that the deficit will narrow to 4.6% of GDP in 2024, from an estimated 4.9% in 2023, with the government's budget plans still fairly expansionary. The green transition will entail €10bn in extra investment, including funding for heat pumps, housing improvements and greener transport. This is expected to be offset by savings from the

phasing-out of energy price subsidies by end-2024. The government has also planned extra expenditure to boost the quality of local government services and increase inflation adjustments to social spending. Defence spending will rise to 1.94% of GDP, as part of a multiannual military budget that runs to 2030, passed in June.

We do not expect the fiscal deficit to return to the EU's 3% of GDP reference value until 2028. However, a new EU methodology for calculating progress towards this goal (currently under negotiation, and likely to be imposed from 2025), combined with the EU's track record of offering flexibility for France and excessive deficits across the region, means that the government is unlikely to face punitive measures. EU state aid rules are also currently relaxed.

The public debt/GDP ratio stood at an estimated 110.6% in 2023—the third highest in the EU after Greece and Italy. As fiscal spending remains elevated, we forecast that this will remain broadly stable in 2024-28. Interest rates have risen sharply, and will remain elevated for most of 2024, but financing costs will remain manageable.

## Monetary policy

[France](#) | [Economy](#) | [Forecast](#) | [Monetary policy outlook](#)

March 1st 2024

We believe that the European Central Bank (ECB) has ended its most aggressive ever tightening cycle, but interest rates will remain at a record high until at least June 2024. At its latest monetary policy meeting, on January 25th, it kept interest rates unchanged after ten consecutive rate increases totalling 450 basis points. The ECB believes that financial conditions are currently tight enough to bring inflation back to its 2% target in the medium term, provided that interest rates remain high for a "sufficiently long" period. Euro zone inflation eased slightly to 2.8% in January, with core inflation (excluding fresh food and energy prices) declining only marginally to 3.3%. We believe that the deposit rate and the main refinancing rate will remain at 4% and 4.5% respectively until June 2024. We expect the ECB to start easing monetary policy from June 2024, with the main refinancing rate settling at about 2.3% in 2026-28 (well above the average in the 2010s).

Tight financing conditions will dampen demand in the euro zone in 2024, raising the risk of a hard landing. Households and businesses will continue to face high borrowing costs and tight credit conditions in the near term. This will dampen private consumption and push up costs for firms, in turn reducing investment and leading to an uptick in business bankruptcies. Sharp sell-offs in the sovereign bond markets as the ECB progressively reduces its balance sheet in 2024 are a risk. The reinvestment of proceeds from maturing assets under the pandemic emergency purchase programme (PEPP) has so far been the first line of defence against a widening in sovereign spreads; the winding-down of this programme risks a sharp deterioration in borrowing conditions for highly indebted southern euro zone economies.

## Global forecast data

[France](#) | [Economy](#) | [Forecast](#) | [International assumptions](#)

March 1st 2024

	2023	2024	2025	2026	2027	2028
<b>Economic growth (%)</b>						
US GDP	2.5	1.8	1.6	2.0	2.1	2.0
Developed economies GDP	1.5	1.4	1.7	1.9	1.9	1.8
EU27 GDP	0.5	1.0	1.7	1.9	1.8	1.8
World GDP	2.5	2.4	2.6	2.7	2.7	2.6
World trade	-0.3	2.4	3.3	3.5	3.5	3.4
<b>Inflation indicators (% unless otherwise indicated)</b>						
US CPI	4.1	2.5	2.1	2.3	2.3	2.4
Developed economies CPI	4.5	2.4	1.9	2.0	2.0	2.0
EU27 CPI	6.1	2.7	2.2	2.1	2.0	2.0
Manufactures (measured in US\$)	3.9	3.7	4.6	2.9	2.2	3.0
Oil (Brent; US\$/b)	82.6	79.7	75.6	71.2	67.0	63.8
Non-oil commodities (measured in US\$)	-15.1	-4.3	1.0	0.8	1.4	2.5
<b>Financial variables</b>						
US\$ 3-month commercial paper rate (av; %)	5.1	5.1	4.2	3.2	2.5	2.5
€ 3-month interbank rate (av; %)	3.4	3.6	2.5	1.8	1.8	1.8
US\$:€ (av)	1.08	1.10	1.14	1.16	1.17	1.17
¥:€ (av)	152.08	147.90	132.90	124.45	122.62	122.56

## Economic growth

[France](#) | [Economy](#) | [Forecast](#) | [Economic growth](#)

March 1st 2024

We expect full-year growth of 0.9% in 2024, unchanged from 2023, with economic activity picking up towards the end of the year. Economic activity will be held back by tight monetary policy (with interest rates in the euro zone remaining at a record high until at least mid-2024), which will slow investment activity. The external environment will also remain subdued, with global growth and demand for French exports slowing from Italy and the US, France's second- and third-largest export markets. Nonetheless, industrial output should pick up, on the back of rising demand for French exports from Germany, France's largest export market.

## One-click report : France ,March 6th 2024

Unemployment will rise only minimally, and a still-tight labour market, along with an increase in real wages, will result in a gradual recovery in domestic demand, especially once interest rates start to decline in the second half of the year. Continued fiscal support and a positive outlook for sectors like tourism, defence and energy infrastructure will all support growth next year. We forecast a gradual pick-up in economic momentum in 2025-26, in line with the global recovery, with the economy slowing towards its potential growth rate from 2027 onwards.

The main risk to this outlook in 2024 is that the French economy will enter a recession in the coming quarters. There is a risk that the pass-through of recent rate increases into the real economy will be more forceful than we currently expect, and that financial conditions will tighten too severely, resulting in a contraction in overall economic output. It is also possible that euro zone inflation will not continue its downward trend but will instead stabilise at a high level, which could delay the ECB's easing cycle. This would weigh on overall economic activity in France and the euro zone more broadly.

### Economic growth

%	2023 <sup>a</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>	2026 <sup>b</sup>	2027 <sup>b</sup>	2028 <sup>b</sup>
GDP	0.9	0.9	1.3	1.6	1.5	1.4
Private consumption	0.7	1.0	1.7	1.8	1.5	1.5
Government consumption	0.5	0.9	0.9	1.0	1.2	0.9
Gross fixed investment	1.2	0.7	1.5	1.8	1.7	1.4
Exports of goods & services	1.5	1.8	2.6	2.9	2.9	2.8
Imports of goods & services	-0.3	2.2	3.2	2.8	2.5	2.5
Domestic demand	0.3 <sup>c</sup>	1.1	1.6	1.6	1.4	1.3
Agriculture	4.1	4.3	1.3	1.6	1.5	1.4
Industry	1.0	7.7	1.3	1.6	1.5	1.4
Services	1.0	-0.6	1.3	1.6	1.5	1.4

<sup>a</sup> Actual. <sup>b</sup> EIU forecasts. <sup>c</sup> EIU estimates.

## Inflation

[France](#) | [Economy](#) | [Forecast](#) | [Inflation](#)

March 1st 2024

We expect headline inflation to slow to an average of 2.7% in 2024, from 5.7% in 2023. In 2024 services prices will be the main driver of inflation. Falling energy and other commodity prices will combine with tighter monetary policy to slow price growth. We expect the ongoing spike in global shipping costs as a result of a flare-up in trade tensions in the Red Sea in January to be temporary. However, there is a risk of a rebound in supply-side inflation, which would complicate monetary policy easing by the ECB. In 2025-28 we

expect consumer price growth in France to stabilise at an annual average of 2%, in line with the euro zone average.

## Exchange rates

[France](#) | [Economy](#) | [Forecast](#) | [Exchange rates](#)

March 1st 2024

The euro will remain broadly stable against the US dollar until mid-2024, as we expect both the ECB and the Federal Reserve (Fed, the US central bank) to have concluded their tightening cycle and that interest rates will remain at their current levels until mid-next year. This will keep the Fed-ECB interest-rate differential at its narrowest since mid-2022. The euro appreciated against the dollar in the first half of 2023, reaching a 16-month high of US\$1.11:€1 in mid-July, before easing in the second half of 2023. The appreciation was the result of an improvement in the region's terms of trade, but market concerns about the economic outlook in 2024 have prompted the depreciation in recent months. We expect a gradual appreciation of the euro against the dollar from mid-2024 as the euro zone's current-account surplus supports the currency's value.

## External sector

[France](#) | [Economy](#) | [Forecast](#) | [External sector](#)

March 1st 2024

The bulk of the variation on France's current account usually comes from the goods deficit and the services surplus, which mostly depend on deliveries of aircraft and large cruise ships, as well as tourism trends. Over the past 15 years the current-account deficit has averaged a fairly stable 0.8% of GDP, but the suppression of demand caused by the pandemic and the surge in energy prices caused by Russia's invasion of Ukraine have resulted in greater volatility since 2020. Trends on the external balance have now mostly normalised again, and we forecast a current-account deficit equivalent to 0.8% of GDP in 2024, narrowing from an estimated 1.1% in 2023. As energy prices continue to fall over our forecast period, and France's nuclear and renewable electricity generation increases, we expect the trade deficit to shrink further as a share of GDP, resulting in a narrowing current-account deficit by the end of our forecast period.

# Country forecast overview: Business environment rankings

[France](#) | [Business](#) | [Business environment](#) | [Rankings overview](#)

January 18th 2024

Value of index <sup>a</sup>		Global rank <sup>b</sup>		Regional rank <sup>c</sup>	
2019-23	2024-28	2019-23	2024-28	2019-23	2024-28
7.65	7.90	16	17	10	9

<sup>a</sup> Out of 10. <sup>b</sup> Out of 82 countries. <sup>c</sup> Out of 18 countries: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the UK.

- Reform progress under the previous administration brought a broad-based improvement in the business environment, but the coronavirus crisis and the Ukraine war have damaged the macroeconomic environment. The tax regime and the over-regulated labour market will remain weak points in 2024-28.

## Business environment at a glance

[France](#) | [Business](#) | [Business environment](#) | [Business environment at a glance](#)

January 18th 2024

### Policy towards private enterprise and competition

2024-25: Government takes a more defensive role to protect domestic interests in disputes with foreign companies (especially non-European ones). Privatisations remain off the agenda.

2026-28: Greater funding for competitiveness clusters, and tax breaks and subsidies for research and development projects.

### Policy towards foreign investment

2024-25: Favourable policy towards foreign direct investment is qualified by support for "national champions" and protection of struggling firms in strategic sectors, with stronger measures to prevent predatory foreign takeovers.

2026-28: Possible erosion of barriers against foreign takeovers as a result of commercial pressures and EU law.

### Foreign trade and exchange controls

2024-25: Foreign trade remains governed by EU rules. Export and import volumes recover slowly, with supply-chain disruptions dating back to the pandemic easing and energy trade adjusting to Europe's pivot away from Russian energy.

2026-28: Qualified support for further trade liberalisation, except in agriculture, defence and cultural services.

## Taxes

2024-25: Fiscal support measures to mitigate the surge in energy prices are phased out over 2024 as prices moderate.

2026-28: Plans to ease the labour tax burden are constrained by the need for fiscal consolidation after the energy crisis.

## Financing

2024-25: Cost of borrowing starts to ease from mid-2024 following an aggressive period of monetary policy tightening by the European Central Bank (ECB). Nonetheless, interest rates remain higher than in the decade to 2022.

2026-28: Borrowing trends start to normalise. Venture capital availability remains limited.

## The labour market

2024-25: The government maintains financial incentives for firms to create jobs and expands apprenticeship schemes. A wide-ranging pension reform is implemented, but remains highly controversial.

2026-28: The bounce-back in the economy and private-sector investment provides more incentives for firms to hire.

## Infrastructure

2024-25: More cities install electric-vehicle charging points. 5G mobile broadband is expanded. The government enables an accelerated permissions process for renewable energy and invests further in the nuclear sector.

2026-28: After initial lines open in 2024, construction of the Grand Paris Express suburban rail project continues, with a target completion date of 2030.

## Technological readiness

2024-25: The government's €30bn France 2030 plan provides support for innovation, especially in clean energy. Tech start-ups with a focus on robotics, semiconductors, artificial intelligence and virtual reality are prioritised.



## One-click report : France ,March 6th 2024

2026-28: Accelerating shift to e-government to reduce red tape and streamline public services. Rising levels of mobile (including 5G) and broadband penetration, and a rapid shift towards electric and hybrid vehicles.

## Market opportunities: Social indicators and living standards

[France](#) | [Business](#) | [Market opportunities](#) | [Social indicators and living standards](#)

July 18th 2023

### Social indicators and living standards

	2022		2027	
	France	Europe (av) <sup>a</sup>	France	Europe (av) <sup>a</sup>
<b>Health</b>				
Healthcare spending (% of GDP)	12.4	10.0	11.1	9.7
Healthcare spending (US\$ per head)	5,663	3,004	6,195	3,976
Infant mortality rate (per 1,000 live births)	3.2	6.2	2.9	5.6
Physicians (per 1,000 population)	3.4	3.7	3.4	3.8
<b>Food and beverages</b>				
Food, beverages & tobacco (% of household spending)	20.0	21.2	19.3	20.3
Meat consumption (kg per person)	84.9	70.2	87.9	71.2
Milk consumption (litres per person)	266.0	227.0	279.0	234.0
Coffee & tea consumption (kg per person)	6.1	4.5	6.4	4.8
<b>Consumer goods in use (per 1,000 population)</b>				
Passenger cars	597	438	599	444
Telephone main lines	584	281	574	260
Mobile phone subscribers	1,130	1,280	1,150	1,280
Television sets	983	903	1,148	1,020
Personal computers	798	775	807	826
<b>Households</b>				
No. of households (m)	34.9	340.8	39.4	354.1
No. of people per household (av)	1.9	2.4	1.7	2.3
<b>Income and income distribution</b>				
Median household income (US\$)	43,420	39,420	48,880	51,380
Average monthly wage (US\$)	3,660	2,450	5,020	3,220
Gini index	30.7 <sup>b</sup>	-	-	-

## One-click report : France ,March 6th 2024

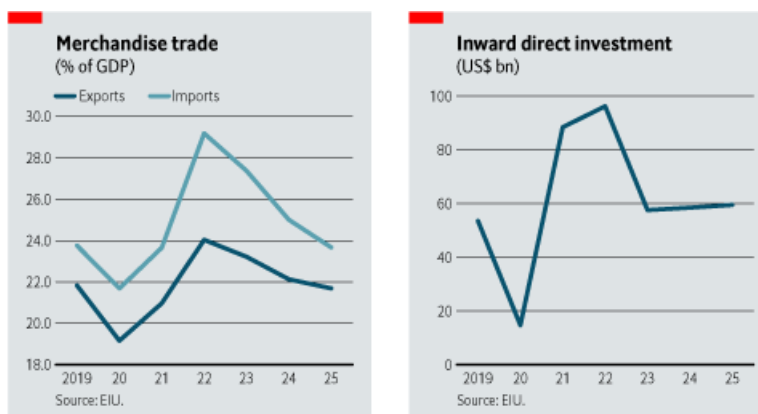
<sup>a</sup> Austria, Azerbaijan, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Kazakhstan, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and United Kingdom. <sup>b</sup> Latest available year.

Sources: UN Statistical Office; World Bank; Food and Agriculture Organisation (FAO); Euromonitor; World Health Organisation (WHO); national statistical offices; International Telecommunication Union (ITU); EIU estimates and forecasts.

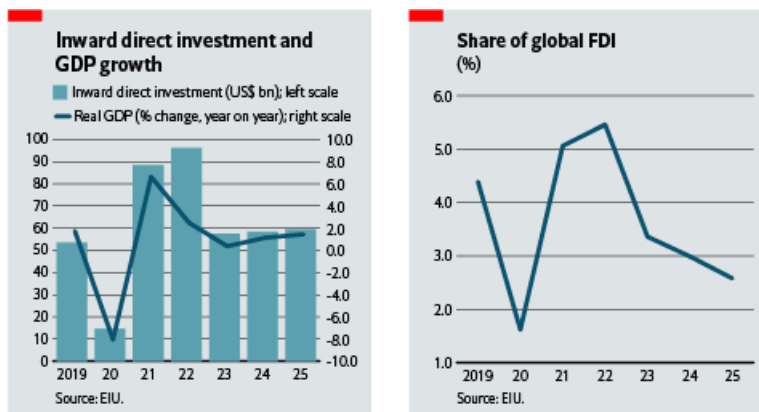
## Global position

[France](#) | [Regulation](#) | [Global position](#)

May 1st 2023



Several features of the French economy have helped it remain a key destination for foreign direct investment in the EU; a prime example is the country's world-renowned expertise in aerospace, agro-foods, healthcare, luxury goods and utilities. The pro-business policy agenda of President Emmanuel Macron, who was re-elected for a second five-year term in April 2022, also has taken aim at traditionally weaker components of the business climate, such as a relatively high tax burden and excessively regulated labour market, paving the way for incremental improvements. Most recently, Mr Macron has pushed through an increase in the legal retirement age despite fierce opposition in Parliament and intense street protests and strike action. The squeeze on purchasing power prompted by the coronavirus (COVID-19) pandemic was followed by a particularly sharp surge in energy costs in France as a result of Russia's invasion of Ukraine. Reflecting energy security concerns, the French government has not just paused its privatisation programme but, in the case of the national electricity company EDF, reversed it, taking the group back into public ownership. The government plans to increase investment in the nuclear sector, which accounts for 70% of domestic electricity production.



## Regulatory/market assessment

France | Regulation | Regulatory/market assessment

May 1st 2023

- In response to the Europe-wide energy crisis prompted by Russia's invasion of Ukraine, in July 2022 the French government announced plans to fully renationalise electricity company EDF by purchasing its remaining 16% stake. The government also announced a €52bn programme for EDF to build at least six new nuclear power stations by 2050.
- In April 2023 the European Parliament adopted key legislative elements of the EU's "Fit for 55" climate package, which outlines measures to reach the bloc's goal of reducing greenhouse-gas emissions by at least 55% by 2030 compared with 1990 levels. The Parliament also agreed to reform the EU emissions-trading system and establish a carbon border adjustment mechanism.
- In April 2023 President Emmanuel Macron signed his widely unpopular pension reform into law. The retirement age will increase gradually from 62 years to 63 by end-2027 and to 64 by 2030. The reform also brings forward an increase in the minimum contribution period, from 2035 to 2027.
- In November 2022 the EU's Digital Markets Act, which focuses on antitrust and competition in digital markets, came into force. The act creates the concept of "gatekeepers", with the rules applying only for a specific number of companies, as opposed to the market itself. The European Commission is expected to designate gatekeeper platforms in September 2023, with enforcement beginning in 2024.
- In December 2022 the EU reached an internal agreement on a 15% minimum corporate tax, the so-called second pillar of the 2021 OECD global tax deal, with member states now required to enact the provision by end-2023. However, the prospects for fully implementing the global tax deal remain shrouded in doubt, as major signatories (particularly the US) continue to disagree over the arrangement.

## Regulatory/market watch

[France](#) | [Regulation](#) | [Regulatory/market watch](#)

May 1st 2023

- With the ruling Renaissance party lacking a parliamentary majority, in March 2023 President Emmanuel Macron used Article 49.3 of the constitution to force an unpopular pension reform bill through Parliament without a vote. The move, which provoked street protests and widespread opposition within Parliament, has hardened other parties against co-operating with Mr Macron, making parliamentary gridlock more likely.
- The government has introduced a series of measures to cushion workers and businesses against the ongoing cost-of-living crisis. These have included increased pension payments, caps on housing rents and public-sector wages, a one-off cash transfer to help with rising food costs, and a provision for companies to make higher tax-free bonus payments to workers, among other measures.
- Mr Macron is wary of aligning too closely with the hawkish stance of the US towards China, and in April 2023 he met directly with China's President, Xi Jinping, with the aim of securing China's agreement to avoid supplying arms to Russia. Mr Macron's approach could ignite concerns, particularly in the US, over the West's unity on a co-ordinated diplomatic approach towards China.
- The EU response to Russia's invasion of Ukraine has been unprecedented and closely co-ordinated with the US and other Western allies. As of end-April 2023, the EU has imposed ten packages of financial and individual sanctions on Russia. We expect the sanctions to remain in place throughout medium term, if not longer.
- EU-US trade relations have soured following US approval of US\$369bn in tax credits and subsidies for green products, such as electric vehicles whose key components are made in the US. Talks are ongoing over how to prevent transatlantic tensions from escalating. However, major concessions from the US are unlikely, dragging the EU into a US-China subsidy race.
- Mr Macron is looking to reshape France's relations with Africa, in part to counteract China's expanding influence in the region and recent re-engagement efforts by the US. Challenges will include tough international competition for access to African markets, and higher demand for political and economic autonomy from African countries.

## Long-term outlook: The long-term outlook

[France](#) | [Economy](#) | [Long-term outlook](#) | [Long-term outlook](#)

July 18th 2023

	2023-30	2031-50	2023-50
<b>Population and labour force (% change; annual av)</b>			
Total population	0.18	0.02	0.07
Working-age population	-0.12	-0.29	-0.24
Working-age minus total population	-0.30	-0.31	-0.31
Labour force	-0.71	-0.35	-0.45
<b>Growth and productivity (% change; annual av)</b>			
Growth of real GDP per head	1.1	1.3	1.2
Growth of real GDP	1.3	1.3	1.3
Labour productivity growth	2.0	1.7	1.8
Growth of capital stock	1.9	1.4	1.5
Total factor productivity growth	1.1	1.0	1.0

Initial conditions: France has unusually high productivity by international standards, with output per hour worked only marginally below that in the US. However, this is in part the result of underutilisation of labour. Structural unemployment is high, the employment rate is among the lowest in the EU and working hours are comparatively short (reflecting in part the 35-hour week, introduced in 2000). Foreign investment has been held back in recent years by negative perceptions of the labour market and tax system. Moreover, after a sharp rise in unit labour costs in the early 2000s, French exporters have been at a disadvantage, with cost-competitiveness remaining an area of weakness. Successive governments have struggled to implement reforms, owing to the effectiveness of trade unions and civil society in blocking proposals that threaten workers' rights. Since the June 2022 legislative election, Mr Macron commands a minority government, and will have to build ad hoc external support policy by policy. As a result, we now expect much slower progress in policymaking.

Demographic trends: France has one of the highest birth rates in Europe, partly owing to generous family allowances, relatively long maternity leave, excellent healthcare infrastructure and strong nursery facilities. Even so, the fertility rate will remain below the replacement rate of 2.1, as a result of sociological trends (such as the rising length of time spent in education and growing female participation in the labour force). France has one of Europe's largest immigrant populations, but net migration into France is now relatively low. With the fertility rate remaining below the replacement rate, and with social resistance to immigration set to persist, much of the increase in the French population over the long term will come from rising life expectancy. This pattern of growth will result in a change in the age structure of the population, with a rising share being accounted for

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**One-click report : France ,March 6th 2024**

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by the over-60s. EIU expects the working-age population to decline by an annual average of about 0.2% in 2023-50 (our long-term forecast period). Incentives to encourage older workers to remain in the labour market, a gradual increase in the retirement age and other efforts to raise the participation rate—for example via improved education and training—will limit the decline in the labour force. Although this demographic outlook will not support long-term growth, it is less negative than those of many regional peers.

**External conditions:** France is a founding member of the EU, the world's largest and most integrated regional market. Under pressure from the pandemic in 2020, and driven by France and Germany, the EU is gaining some common fiscal capacity financed by common debt issuance—a step-change in the degree of integration in the bloc, made more possible by the departure of the UK. With exports of goods and services equivalent to slightly more than 30% of GDP, France is an open economy for its size. It is therefore reliant on demand trends elsewhere in the EU, but is also exposed to global trends in trade, including the cooling effects of a more protectionist trade stance and any moves to constrain free trade over the long term. EU regulations regarding investment and competition have been tightened to protect EU firms from the growing clout of Chinese rivals, with China now viewed as a "systemic competitor". A gradual bifurcation in the global economy between trading blocs aligned with the US versus with China is a major risk over the long term, potentially affecting financing, technology and supply chains. France will continue to defend "national champions", resist foreign investment into industries that it deems strategic and bail out ailing domestic companies.

**Institutions and policy trends:** France's policy environment has long been marked by the state's prominent role in directing economic development (a feature known as dirigisme). A sustained programme of privatisation since the late 1980s has significantly reduced the state's direct role in the economy, but the current energy crisis means that state intervention in the economy will probably increase in coming years, especially in the energy sector (the French government raised its stake in EDF, the state-owned electricity firm, from 84% to 100% in June). The state's remaining property holdings are likely to be reduced even further in order to raise revenue for the public coffers, but the government will seek to retain shareholdings in important strategic firms and increase stakes in ailing ones if this is deemed necessary to protect the national interest. The policy environment will continue to be marked by greater state activism than in many other countries, as well as by the belief that France should follow its own distinctive model and remain wary of "Anglo-Saxon" neo-liberalism.

**Long-term performance:** We expect France's trend rate of GDP growth to average 1.3% in 2023-50. This reflects the fact that France is a mature economy, so growth on the scale expected in some emerging markets is unlikely. By 2050 we expect China to be the largest economy in the world, followed by the US and India. France is forecast to be the ninth largest. Real GDP per head will rise by a forecast annual average of 1.2% in 2023-50.

Our long-term forecast model uses a production formula, with the drivers of growth being the demographic outlook, rate of investment in the capital stock and total factor

## One-click report : France ,March 6th 2024

productivity growth. For France, as for most countries in Europe, capital investment and productivity growth will support the rate of economic growth in the long term, but the shrinking working-age population will constrain this (albeit less so than in many other regional peers). The reforms to the French business environment passed by the current administration—especially to the labour market and tax system—will provide a modest positive impetus to hiring, investment and total factor productivity growth in the long-term forecast period.

### Income and market size

	2022	2030	2050
<b>Income and market size</b>			
Population (m)	64.6	65.5	65.8
GDP (US\$ bn at market exchange rates)	2,780.1	4,268.9	8,124.4
GDP per head (US\$ at market exchange rates)	43,020	65,130	123,420
Private consumption (US\$ bn)	1,483.9	2,201.6	4,212.2
Private consumption per head (US\$)	22,960	33,590	63,990
GDP (US\$ bn at PPP)	3,807.7	5,067.1	9,841.1
GDP per head (US\$ at PPP)	58,920	77,310	149,500
Exports of goods & services (US\$ bn)	964.1	1,544.4	4,147.5
Imports of goods & services (US\$ bn)	1,071.9	1,523.2	4,129.9
<b>Memorandum items</b>			
GDP per head (at PPP; index, US=100)	78.3	78.2	79.7
Share of world population (%)	0.8	0.8	0.7
Share of world GDP (% at market exchange rates)	2.8	2.9	2.1
Share of world GDP (% at PPP)	2.4	2.1	1.7
Share of world exports of goods & services (%)	3.1	3.3	2.9

## Automotive

[France](#) | [Automotive](#) | [Overview](#)

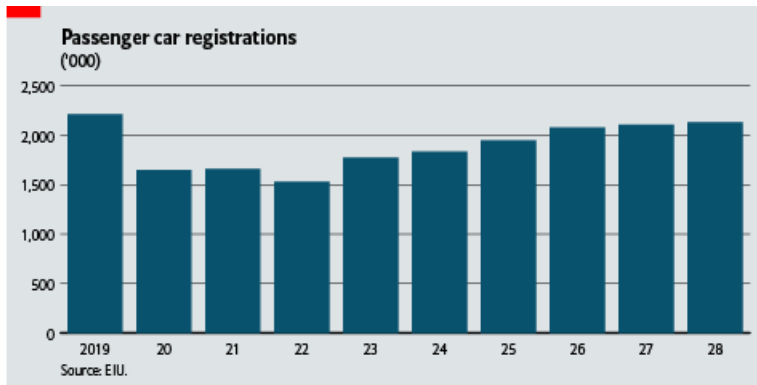
February 22nd 2024

- In 2022 France's motor-vehicle market (comprising new cars and commercial vehicles—CVs) suffered its second contraction in three years as GDP growth slowed to 2.5%. Sales in the EU's second-largest vehicle market fell by 7.8%.
- However, despite slower real GDP growth, new-car sales rebounded strongly in 2023, expanding by 16%, according to data from the European Automobile Manufacturers' Association (ACEA). Continued demand for electric vehicles (EVs, comprising battery EVs and plug-in hybrids) and pent-up demand will continue to support new-vehicle

## One-click report : France ,March 6th 2024

demand. EIU expects new-car sales to expand at a compound annual growth rate (CAGR) of 3.8% over our forecast period (2024-28).

- Meanwhile, battery EV sales jumped by an estimated 47% in 2023, overtaking diesel cars in market-share terms. Total EV sales (including battery EVs and plug-ins), totalling more than 461,000 units, accounted for about one-quarter of all car sales in 2023. We expect annual EV sales to surpass 1m units by 2028, or nearly 53% of the total new-passenger-car market. This implies a CAGR of 25% over the forecast period.
- France is the EU's largest market for new CVs, sales of which have declined steeply in recent years. On the back of supply-chain issues and low business and consumer confidence, the new-CV market declined by 17.7% in 2022. However, CV sales grew by about 9% in 2023 to 433,778 units, and will continue to recover over the forecast period.
- In our five-year forecast period as a whole, new-CV sales will expand at a CAGR of 4.5%, also owing to strong demand for EVs and pent-up demand for vans. This headline growth figure partly reflects a low base for comparison. New-vehicle sales will remain short of their 2019 levels until 2028.
- France is the third-largest vehicle manufacturer in the EU. In 2020 the pandemic led to an unprecedented 39% drop in French vehicle output to 1.3m units, according to the International Organisation of Motor Vehicle Manufacturers (OICA). Production increased in 2021, but only by about 3%, and by another 2% in 2022.



- The French government is trying to support investment into EV production, in part by targeting purchase subsidies towards EU producers. Even so, we expect the French automotive industry to need to reduce and rationalise its production capacity over the forecast period, with resulting job cuts.

## Consumer goods

[France](#) | [Consumer goods](#) | [Overview](#)

February 20th 2024

- France is Europe's third-largest consumer market by annual retail expenditure and population, after Germany and the UK. Household consumption accounts for just over



50% of GDP, similar to the share in Germany. The food retail sector is competitive and dominated by large domestic players.

- Owing to fiscal support measures and structural factors (such as less reliance on energy-intensive sectors), the French economy has shown slightly firmer resilience than many regional peers, although full-year GDP growth of 0.9% in 2023 was fairly modest. EIU forecasts a similar pace of expansion in 2024, with a gradual improvement in economic conditions expected from mid-year. Inflationary pressures are moderating, and consumer confidence is slowly recovering from recent lows, but consumer demand and purchasing power will remain constrained by relatively high price levels and interest rates.
- Retail sales volumes have weakened since mid-2022 as inflation has eroded real purchasing power and amid a shift in spending patterns towards services consumption. We estimate a 1.5% fall in volume sales in 2023, driven by lower grocery sales due to sharply increased food prices. Non-food volume sales have been more resilient. An improvement in consumers' purchasing power is expected to boost real retail sales by 1.2% in 2024, while sales will grow at an annual average of 1.1% in 2024-28.
- Online volume sales continued to fall in 2023, but we expect a return to growth in 2024 and forecast that the online share of retail sales will rise gradually to 17.8% by 2028 (up from 11% in 2019). Online retail revenue is the third highest in Europe, after the UK and Germany. Total e-commerce penetration is slightly higher than in Germany.
- France has extensive agricultural resources that support one of Europe's largest food-processing sectors. The retail industry—and the grocery and foodservice sectors in particular—will face ongoing pressure (and costs) to adapt to tighter environmental regulations and a growing consumer focus on sustainability. New EU packaging laws are phasing out single-use plastics in favour of more recyclable materials.

## Energy

[France](#) | [Energy](#) | [Overview](#)

December 15th 2023

- EIU estimates that France's total primary energy consumption declined in 2023 as economic activity slowed while energy-saving measures established in the wake of the energy crisis remained in place. This follows a steep fall in 2022, when energy consumption was pulled down by a plunge in natural gas consumption and nuclear and hydropower electricity generation.
- We expect that energy consumption in France will start recovering in 2024 and continue to expand until late in the decade as it recovers from the declines in 2022 and 2023. It will then ease in 2029-33 as efficiency gains offset the support given by economic growth. Energy demand in France has been on a declining trend for the past

## One-click report : France ,March 6th 2024

20 years; we do not expect it to reach pre-Ukraine-war levels, let alone pre-coronavirus levels, during our forecast period.

- Demand for fossil fuels fell further in 2023 against a backdrop of elevated prices and concerns over their supply. We expect the decline to continue in 2024, albeit at a slower pace.
- Imports of Russian crude oil and oil products have been banned since December 2022 and February 2023 respectively, and we expect that imports of natural gas from Russia will be close to zero during the next few years.
- We expect coal use to plummet over the forecast period, as the government's policy is to phase out coal usage for domestic power generation, with the two remaining plants to be closed by 2026.
- France's electricity supply will continue to have one of the lowest carbon intensities in Europe, with the majority of generation coming from nuclear power and renewables. By 2033 combustible fuels (including biomass) will account for about 4.5% of total generation, down from about 13% in 2023. The share of non-hydro renewables in total generation will grow from an estimate of about 13% in 2023 to about 24% in 2033, and hydropower generation will account for about 8.3% of the total in 2033, slightly lower than currently.

**Energy: key indicators**

	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>	2033 <sup>c</sup>
GDP (US\$ bn at market exchange rates)	2,780	2,997	3,162	3,439	3,629	3,793	3,927	4,527
Real GDP (% change, year on year)	2.5	0.9	0.8	1.3	1.6	1.5	1.4	1.1
Population (m)	64.6	64.8	64.9	65.0	65.1	65.2	65.3	65.8
Population (% change, year on year)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1
Gross domestic energy consumption (ktoe)	211,712	209,524	211,112	214,413	217,908	218,151	219,486	211,324
Gross domestic energy consumption (% change, year on year)	-10.1	-1.0	0.8	1.6	1.6	0.1	0.6	-1.4

Note. Forecasts for all dates are available via EIU's data tool.

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

Sources: EIU; © OECD/IEA 2024 IEA statistics, [www.iea.org/data-and-statistics](http://www.iea.org/data-and-statistics), licence: [www.iea.org/t&c](http://www.iea.org/t&c).

## Financial services

[France](#) | [Finance](#) | [Overview](#) | [Financial services](#) | [Overview](#)

January 29th 2024

- France has a vibrant financial sector with well-developed activities in banking, insurance, asset management and capital markets. The economic recovery from the pandemic-driven recession, which started in 2021, boosted the industry, but these tailwinds ebbed in 2022-23 as a result of higher overall prices and interest rates, a European economic slowdown related to Russia's war in Ukraine, and the loss of the centrist ruling coalition's legislative majority in June 2022. EIU expects the industry to remain resilient, despite difficult economic conditions at home and abroad in the early part of the forecast period until 2028.
- France is home to global financial companies such as BNP Paribas and Société Générale (banking and markets), AXA (insurance) and Amundi (fund management). However, these high-profile corporations are not dominant in all the country's domestic financial markets, as they face strong competition from private, mutual and state-owned companies. French firms and households already make heavy use of banking, insurance and investment services, and as a result the markets offer limited scope for expansion across the forecast period.
- France has a modest-sized financial sector, despite the sophistication of its overall economy. The financial services sector accounted for 3.3% of annual GDP in 2022, according to Eurostat, which is less than the 3.9% average for the EU as a whole. About 837,000 people (2.8% of the employed workforce) worked in financial services in France at end-2022, just above the EU average of 2.3%. In the past decade France's financial sector has lost some importance in the national economy (it accounted for 3.8% of GDP and 2.9% of employment in 2012).
- France is a member of the EU and the euro zone. It uses the euro, adheres to EU rules and participates in the EU's banking union. The European Central Bank (ECB) sets monetary policy for the euro area and oversees the largest banks in France and across the economic bloc. Under the single market, French financial firms are free to offer their services across the region, and EU firms can compete for customers in France.
- Economic growth was weak in 2023, at an estimated 0.9% in real terms. It will continue to be held back in 2024, at a forecast 0.8%, by still-high energy prices and inflation, tight monetary policy and subdued external demand. However, fiscal spending remains supportive, unemployment is low and the tourism sector is doing well. We expect growth to pick up modestly from 2025 as external demand strengthens and interest rates fall. Growth will average 1.5% per year in 2025-28.
- In April 2022 Emmanuel Macron became the first president in 20 years to win a second term, and we expect him to serve out his term to 2026. Mr Macron reshuffled his government in January 2024, appointing Gabriel Attal as prime minister, in a bid to give

his administration new momentum. His party and its allies have lost their parliamentary majority this term.

- The government has demonstrated a willingness to seek alliances, and the centre right and centre left have been pragmatic enough to work with the government, which has enabled it to make some progress on its policy agenda. However, this is now set to change; Mr Macron's decision to push through a hugely unpopular pension reform bill that will increase the retirement age from 62 to 64, using Article 49.3 of the constitution (which allows the passage of bills without a vote), has hardened the stance of other parties against co-operating with him.
- France's debt/GDP ratio, at 111.8% at end-2022, is the fifth highest in the euro zone (after Greece, Italy, Portugal and Spain). It will decline slowly between 2024 and 2028 as fiscal consolidation remains limited. Borrowing costs will rise, but debt financing will remain manageable.
- The ECB raised its policy rates by 450 basis points between July 2022 and September 2023, but has since kept them unchanged. We expect rates to remain at their current record-high levels until at least mid-2024, and then to fall only slowly. A sharp rise in borrowing costs is constraining profit margins and sentiment for French households and firms.
- Following the UK's exit from the EU in 2020, a number of major banks and asset managers have announced plans to expand their operations in Paris, the French capital and financial centre. In 2019 the European Banking Authority's headquarters moved from London to Paris. Paris hosts the European Securities and Markets Authority, the bloc's securities supervisor.

## Healthcare

[France](#) | [Healthcare](#) | [Spending](#)

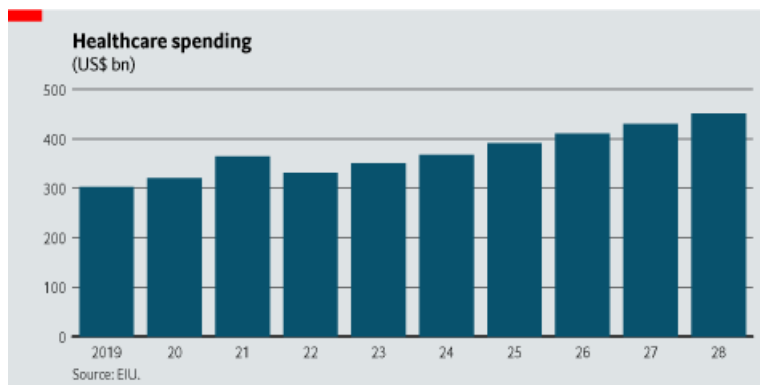
December 15th 2023

### Overview

- In 2022 France's total healthcare expenditure accounted for an estimated 11.9% of GDP, according to data from the OECD. This was a drop from 12.3% in 2021, as rising inflation and a waning pandemic led to reduced public health spending in 2022. Nevertheless, these high shares—the second highest in the EU after Germany—reflect high levels of reimbursement under the French healthcare system. EIU estimates that health spending dipped slightly to 11.7% of GDP in 2023 and forecasts that it will fall to 11.5% by the end of the forecast period, in 2028, but that it will remain above 2019 levels.

## One-click report : France ,March 6th 2024

- Emmanuel Macron was re-elected president in April 2022 but lost his parliamentary majority in June of that year. The resulting political deadlock has made policymaking harder. However, expanding access to healthcare services remains a policy priority. Proposed reforms include an overhaul of the emergency services, which have been strained since the pandemic. The government also wants to put more emphasis on prevention, proposing, for example, free medical check-ups at key stages of life.



- In July 2023 Mr Macron dismissed the health minister, François Braun, during a cabinet reshuffle prompted by public protests about pension reform and the killing of a teenager by police. Mr Braun was replaced by Aurelien Rousseau, who had been the director of the regional health authority in Paris during the pandemic. We expect Mr Rousseau to continue efforts to expand access to healthcare in France, as outlined in the "My Health 2022" plan. However, healthcare spending will be held back by efforts to cut public spending and reduce the budget deficit.
- We expect total healthcare spending to grow at a compound annual growth rate (CAGR) of 3% in nominal, local-currency terms over our forecast period (2024-28). This equates to 5.2% in US dollar terms. Pharmaceutical spending will rise at a slower rate, growing by 1.7% in euro terms, as demand for covid-19 vaccines wanes and non-covid treatment backlogs are cleared up.
- As voter discontent with the healthcare system is putting pressure on the government, we expect public health spending to continue outpacing private expenditure, rising at a CAGR of 3.3% in euro terms over our forecast period. Private spending will grow at a compound annual rate of just 1.7%.

### Funding sources

- The Ministry of Social Affairs and Health manages France's universal public healthcare system through non-competitive statutory health insurance (SHI), which is universal and compulsory. SHI is funded by payroll taxes (50%), income tax (35%), tobacco and alcohol taxes, the pharmaceutical industry, voluntary health insurance (VHI) companies (13%) and state subsidies (2%).
- Public spending accounted for an estimated 85% of total healthcare expenditure in 2023. This share has been boosted by the pandemic and by France's decision in 2016 to

## One-click report : France ,March 6th 2024

make mandatory the former system of complementary VHI, which used to cover treatment not reimbursed by the SHI. Under the French universal health protection law of 2016 (PUMa), VHI was replaced by supplementary health insurance (assurance complémentaire), which is classified as public expenditure but provided by non-profit mutual insurers (mutuelles) or private insurers.

- About 35m people are now insured via mutual insurers, which cover non-reimbursable treatment costs and prescription charges. The government pays for the supplementary health insurance of those living below the poverty line, as well as for children and students. This coverage is called complémentaire santé solidaire (subsidised supplementary health insurance).

### Healthcare expenditure

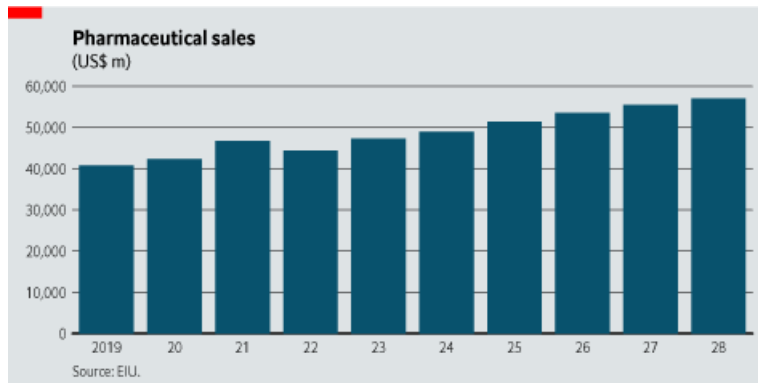
	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>b</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
Healthcare spending (US\$ bn)	303.0	320.7	364.2 <sup>b</sup>	330.8	350.6	367.8	391.2	410.9	430.5	451.2
Healthcare spending (€ bn)	270.6	281.0	307.7 <sup>b</sup>	313.9	323.8	333.6	338.7	348.2	360.2	376.0
Healthcare spending (% of GDP)	11.1	12.1 <sup>b</sup>	12.3 <sup>b</sup>	11.9	11.7	11.6	11.4	11.3	11.4	11.5
<b>Spending by source</b>										
Public/compulsory spending (US\$ bn)	253.2	272.0	308.9	279.8 <sup>a</sup>	297.7	312.1	332.8	350.0	367.6	387.5
Public/compulsory spending (% of total)	83.6	84.8	84.8	84.6 <sup>a</sup>	84.9	84.8	85.1	85.2	85.4	85.9
Government schemes (% of public spending)	6.3	6.5	5.0	8.0	6.5	6.5	7.0	6.7	6.7	6.8
Social security funds (% of public spending)	93.6	93.5	95.0	92.0	93.5	93.5	93.0	93.3	93.3	93.2
Private healthcare spending (US\$ bn)	49.8	48.8	55.3	51.1 <sup>a</sup>	52.8	55.7	58.4	60.9	62.9	63.7
Private healthcare spending (% of total)	16.4	15.2	15.2	15.4 <sup>a</sup>	15.1	15.2	14.9	14.8	14.6	14.1
Out of pocket (% of private spending)	57.5	58.2	58.8	58.1	58.4	58.4	58.3	58.4	58.4	58.4
Voluntary insurance (% of private spending)	42.5	41.8	41.3	41.9	41.6	41.6	41.7	41.6	41.6	41.6
External healthcare spending (US\$ bn)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

Sources: US Bureau of the Census; UN; OECD; World Bank; EIU.

- According to the sécurité sociale (the French health insurance system), the target under the National Objective for Healthcare Spending (ONDAM) for 2022 was set 1% lower than in 2021. However, an upsurge in covid-19 cases in early 2022 contributed to an

overspending. ONDAM is projected to fall by 0.8% year on year in 2023, when all spending is taken into account, but to rise by 3.7%, if pandemic-related spending is excluded. However, we expect another overspend, given still-high inflation. The government expects ONDAM to rise by 3.2% in 2024.



## Private health insurance

- In France out-of-pocket healthcare spending accounted for 8.9% of health spending in 2021, which is the second-lowest share among OECD countries after Luxembourg (8.8% in 2022). We forecast that this share will drop further over our forecast period as SHI coverage expands.
- The introduction of supplementary health insurance in January 2016 also reduced the role of VHI, which accounted for just 6.3% of total current health spending in 2021. About 9.2m people have health insurance plans underwritten by their employer, but the private health insurance market is fragmented. The market leader in 2020 was Harmonie Mutuelle, with just about 3m people insured. Other leading players included MGEN (2m) and Malakoff-Médéric (1.8m).
- We estimate that consumer expenditure on healthcare, which includes after-tax spending on health insurance, rebounded strongly in euro terms in 2022 and will have remained robust in 2023, owing partly to inflation. We forecast that growth of consumer expenditure will moderate in 2024 but will remain positive in real terms.

## Telecommunications

[France](#) | [Telecommunications](#) | [Overview](#)

January 17th 2024

- The French telecommunications market is mature, with four fully convergent players. Capital expenditure in the forecast period (2024-28) will be split between the expansion of 5G mobile networks and fibre networks as companies work to meet the coverage targets set by the government for mobile and internet connectivity.

## One-click report : France ,March 6th 2024

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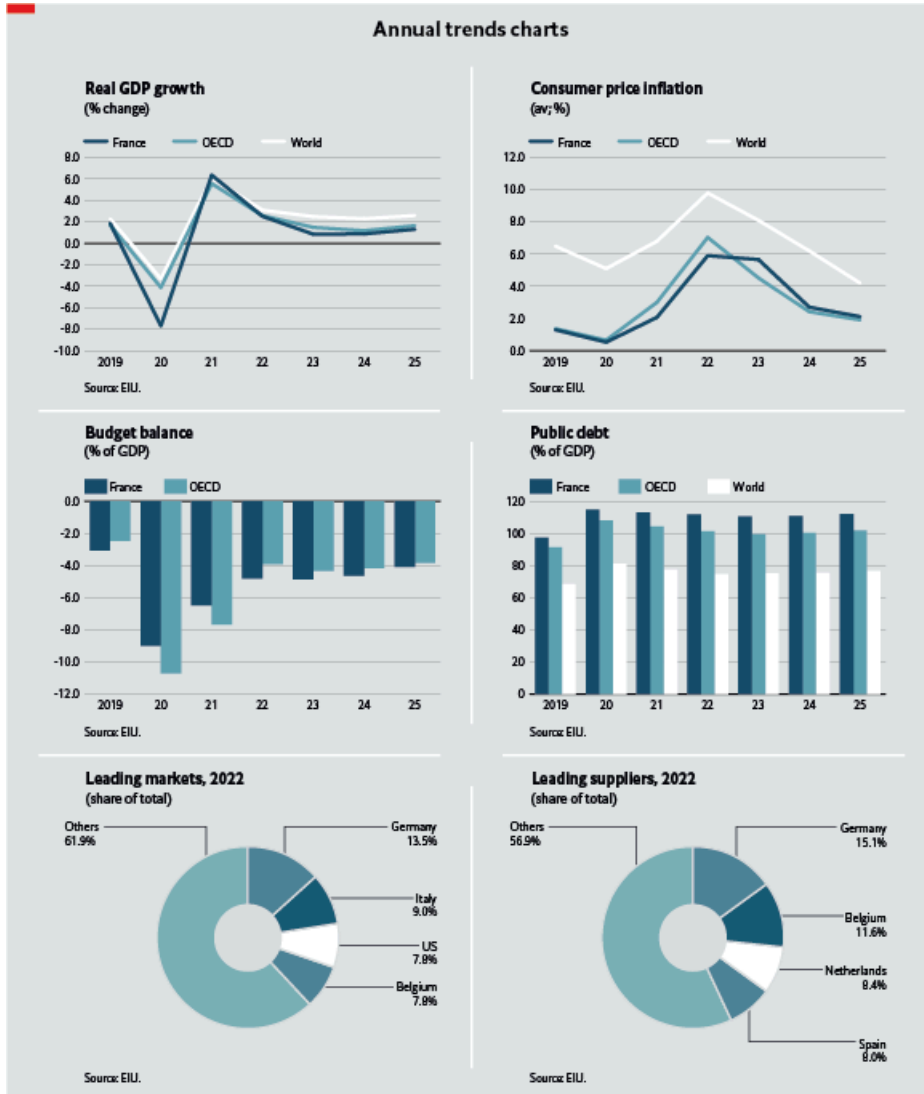
- Growth in mobile subscriptions slowed in 2020, but picked up again in 2021 before decelerating somewhat in 2022. EIU estimates that there was a further slowdown in growth in 2023 and forecasts average growth of 1.1% per year in 2024-28.
- The number of traditional fixed-line connections has been declining, as in most mature telecoms markets, where mobile phones have increasingly replaced traditional landlines. The number of fixed-line subscribers will fall slightly over the forecast period, to about 36.7m in 2028.
- At end-September 2023 Arcep, France's telecoms regulator, recorded 20.6m fibre connections, a 20% year-on-year increase. Broadband connections were estimated at 32.2m, up by 1%.



# Data and charts: Annual trends charts

France | Economy | Charts and tables | Annual trends charts

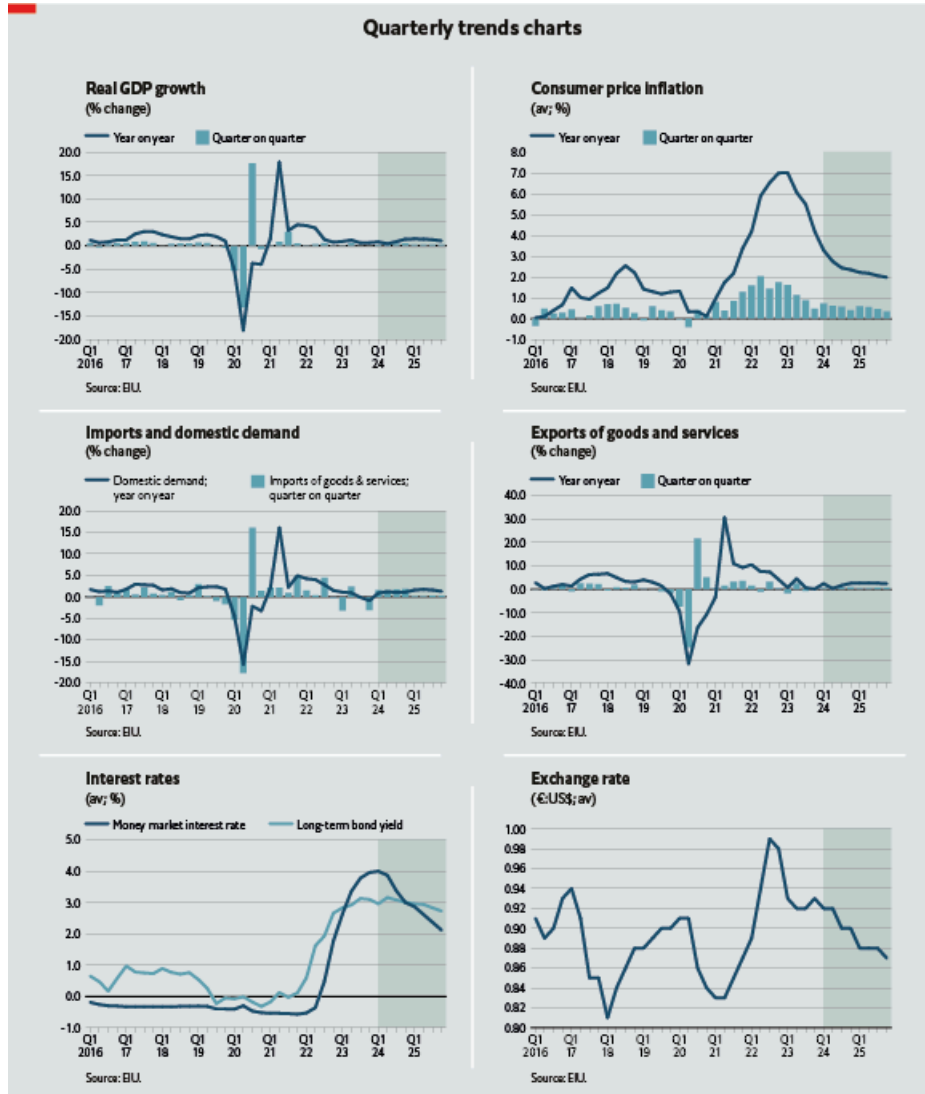
March 1st 2024



# Data and charts: Quarterly trends charts

France | Economy | Charts and tables | Quarterly trends charts

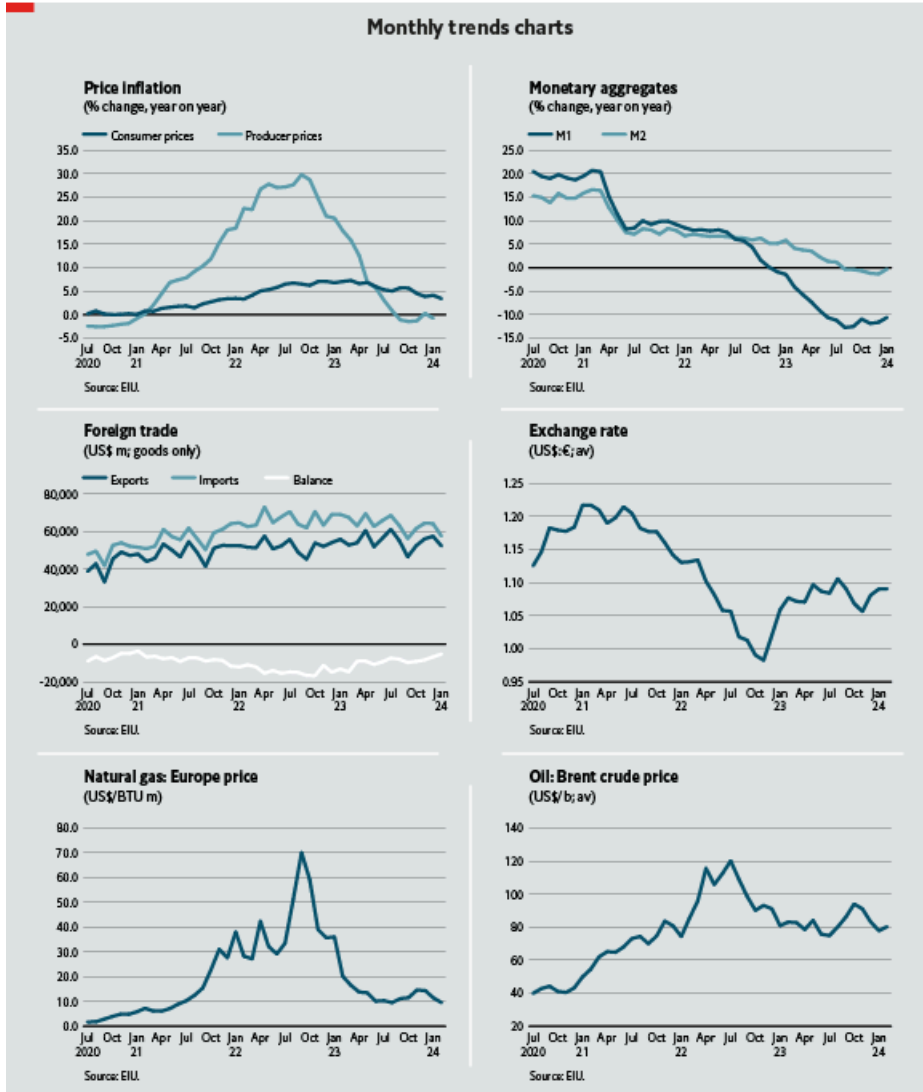
March 1st 2024



# Data and charts: Monthly trends charts

France | Economy | Charts and tables | Monthly trends charts

March 1st 2024



## Data summary: Gross domestic product, current market prices

[France](#) | [Economy](#) | [Charts and tables](#) | [GDP at current market prices](#)

January 18th 2024

### Gross domestic product, at current market prices

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>Expenditure on GDP (€ bn at current market prices)</b>										
GDP	2,440	2,317	2,500	2,638	2,749	2,856	2,957	3,061	3,159	3,256
Private consumption	1,307.5	1,232.7	1,315.0	1,408.3	1,497.4	1,554.0	1,589.8	1,625.3	1,658.8	1,691.8
Government consumption	560.6	575.7	610.4	633.5	672.8	697.2	717.3	738.9	762.8	785.0
Gross fixed investment	573.5	539.0	611.1	664.7	641.6	652.5	692.3	733.0	775.3	817.6
Exports of goods & services	771.7	633.3	748.9	914.5	916.2	919.9	933.5	964.7	1,001.6	1,044.2
Imports of goods & services	795.7	682.0	795.9	1,016.6	993.7	981.9	992.3	1,017.8	1,054.4	1,098.2
Stockbuilding	22.0	17.3	8.8	32.6	15.0	14.0	16.5	17.0	15.0	16.0
Domestic demand	2,463	2,365	2,545	2,739	2,827	2,918	3,016	3,114	3,212	3,310
<b>Expenditure on GDP (US\$ bn at current market prices)</b>										
GDP	2,732	2,644	2,958	2,780	2,976	3,148	3,415	3,612	3,775	3,908
Private consumption	1,463.8	1,406.8	1,556.4	1,484.1	1,621.1	1,713.3	1,836.2	1,917.8	1,982.3	2,030.2
Government consumption	627.6	657.1	722.5	667.7	728.4	768.7	828.5	872.0	911.5	942.0
Gross fixed investment	642.0	615.1	723.2	700.5	694.6	719.4	799.6	864.9	926.4	981.1
Exports of goods & services	864.0	722.8	886.3	963.7	991.9	1,014.2	1,078.2	1,138.4	1,196.9	1,253.0
Imports of goods & services	890.9	778.4	942.0	1,071.4	1,075.8	1,082.6	1,146.1	1,201.0	1,260.0	1,317.9
Stockbuilding	24.6	19.7	10.4	34.3	16.2	15.4	19.1	20.1	17.9	19.2
Domestic demand	2,758	2,699	3,012	2,887	3,060	3,217	3,483	3,675	3,838	3,972
<b>Economic structure (% of GDP)</b>										
Private consumption	53.6	53.2	52.6	53.4	54.5	54.4	53.8	53.1	52.5	52.0

## One-click report : France ,March 6th 2024

Government consumption	23.0	24.9	24.4	24.0	24.5	24.4	24.3	24.1	24.1	24.1
Gross fixed investment	23.5	23.3	24.4	25.2	23.3	22.8	23.4	23.9	24.5	25.1
Stockbuilding	0.9	0.7	0.4	1.2	0.5	0.5	0.6	0.6	0.5	0.5
Exports of goods & services	31.6	27.3	30.0	34.7	33.3	32.2	31.6	31.5	31.7	32.1
Imports of goods & services	32.6	29.4	31.8	38.5	36.1	34.4	33.6	33.3	33.4	33.7
<b>Memorandum item</b>										
National savings ratio (%)	24.9	22.4	25.1	24.4	22.7	22.5	23.4	24.0	24.6	25.2

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## Data summary: Gross domestic product, at constant prices

[France](#) | [Economy](#) | [Charts and tables](#) | [GDP at constant prices](#)

January 18th 2024

### Gross domestic product at constant prices

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>Real expenditure on GDP (€ bn at chained 2010 prices)</b>										
GDP	2,334.5	2,155.2	2,292.4	2,350.3	2,369.2	2,388.2	2,419.4	2,457.5	2,493.9	2,528.9
Household consumption	1,258.2	1,174.1	1,234.3	1,262.3	1,270.3	1,282.7	1,305.0	1,326.9	1,347.6	1,367.7
Government consumption	548.6	525.7	560.1	574.4	577.3	582.7	587.9	593.8	600.9	606.4
Gross fixed investment	548.8	510.1	562.2	575.1	584.3	588.4	597.4	608.2	618.5	627.1
Exports of goods & services	754.6	625.7	692.5	743.6	755.5	769.1	788.8	811.7	835.5	859.1
Imports of goods & services	798.1	697.1	760.9	827.8	834.2	849.7	877.3	901.1	924.7	948.5
Stockbuilding	21.6 <sup>b</sup>	15.7 <sup>b</sup>	2.8 <sup>b</sup>	21.4 <sup>b</sup>	16.0	15.0	17.5	18.0	16.0	17.0
Domestic demand	2,377.2 <sup>b</sup>	2,225.7 <sup>b</sup>	2,359.4 <sup>b</sup>	2,433.2 <sup>b</sup>	2,447.8	2,468.8	2,507.8	2,546.9	2,583.1	2,618.2
<b>Real expenditure on GDP (% change)</b>										
GDP	1.9	-7.7	6.4	2.5	0.8	0.8	1.3	1.6	1.5	1.4

## One-click report : France ,March 6th 2024

Household consumption	1.8	-6.7	5.1	2.3	0.6	1.0	1.7	1.7	1.6	1.5
Government consumption	1.0	-4.2	6.5	2.6	0.5	0.9	0.9	1.0	1.2	0.9
Gross fixed investment	4.1	-7.0	10.2	2.3	1.6	0.7	1.5	1.8	1.7	1.4
Exports of goods & services	1.6	-17.1	10.7	7.4	1.6	1.8	2.6	2.9	2.9	2.8
Imports of goods & services	2.5	-12.7	9.1	8.8	0.8	1.9	3.3	2.7	2.6	2.6
Stockbuilding (% contribution to GDP growth)	0.0 <sup>b</sup>	-0.3 <sup>b</sup>	-0.6 <sup>b</sup>	0.8 <sup>b</sup>	-0.2	0.0	0.1	0.0	-0.1	0.0
Domestic demand	2.2 <sup>b</sup>	-6.4 <sup>b</sup>	6.0 <sup>b</sup>	3.1 <sup>b</sup>	0.6	0.9	1.6	1.6	1.4	1.4
<b>Real contribution to GDP growth (% points)</b>										
Private consumption	0.9	-3.6	2.8	1.2	0.3	0.5	0.9	0.9	0.8	0.8
Government consumption	0.2	-1.0	1.6	0.6	0.1	0.2	0.2	0.2	0.3	0.2
Gross fixed investment	0.9	-1.7	2.4	0.6	0.4	0.2	0.4	0.4	0.4	0.3
External balance	-0.3	-1.2	0.1	-0.7	0.2	-0.1	-0.3	0.0	0.0	0.0
<b>Memorandum item</b>										
Real personal disposable income (% change)	2.5	0.2	2.7	0.4	-2.7	0.4	1.5	1.6	1.6	1.5

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## Data summary: Gross domestic product by sector of origin

[France](#) | [Economy](#) | [Charts and tables](#) | [GDP by sector of origin](#)

January 18th 2024

### Gross domestic product by sector of origin

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>Origin of GDP (€ bn at chained 2010 prices)</b>										
GDP at factor cost	2,085	1,926	2,043	2,099	2,116	2,133	2,161	2,195	2,227	2,259
Agriculture	32	30	29	31	33	34	34	35	35	36
Industry	403	363	380	375	403	407	412	418	425	431
Services	1,650	1,533	1,635	1,693	1,679	1,693	1,715	1,742	1,768	1,792
<b>Origin of GDP (real % change)</b>										
Agriculture	-2.3	-6.2	-4.4	7.4	7.3	0.8	1.3	1.6	1.5	1.4
Industry	2.0	-9.8	4.6	-1.2	7.5	0.8	1.3	1.6	1.5	1.4
Services	2.0	-7.1	6.6	3.6	-0.8	0.8	1.3	1.6	1.5	1.4
<b>Origin of GDP (% of factor cost GDP)</b>										
Agriculture	1.5	1.6	1.4	1.5	1.6	1.6	1.6	1.6	1.6	1.6
Industry	19.3	18.9	18.6	17.9	19.1	19.1	19.1	19.1	19.1	19.1
Services	79.2	79.6	80.0	80.6	79.4	79.4	79.4	79.4	79.4	79.4
<b>Memorandum item</b>										
Industrial production (% change)	0.6	-10.6	5.7	-0.1	0.6	1.0	2.0	1.9	1.7	1.6

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## Data summary: Growth and productivity

[France](#) | [Economy](#) | [Charts and tables](#) | [Growth and productivity](#)

January 18th 2024

### Growth and productivity

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>a</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>	2026 <sup>b</sup>	2027 <sup>b</sup>	2028 <sup>b</sup>
<b>Growth and productivity (%)</b>										
Labour productivity growth	0.7	-7.7	3.5	-0.1	-0.5	0.7	1.2	1.5	1.5	1.4
Total factor productivity growth	0.2	-7.9	3.7	0.0	-0.9	0.0	0.5	0.8	0.8	0.7
Growth of capital stock	2.5	0.8	2.4	2.4	2.3	2.0	2.0	2.0	2.0	1.9

## One-click report : France ,March 6th 2024

Growth of potential GDP	1.4	1.3	1.4	1.4	0.7	0.7	1.1	1.5	1.4	1.3
Growth of real GDP	1.9 <sup>c</sup>	-7.7 <sup>c</sup>	6.4 <sup>c</sup>	2.5 <sup>c</sup>	0.8	0.8	1.3	1.6	1.5	1.4
Growth of real GDP per head	1.7 <sup>c</sup>	-7.8 <sup>c</sup>	6.3 <sup>c</sup>	2.4 <sup>c</sup>	0.6	0.6	1.1	1.4	1.3	1.2

<sup>a</sup> EIU estimates. <sup>b</sup> EIU forecasts. <sup>c</sup> Actual.

## Data summary: Economic structure, income and market size

[France](#) | [Economy](#) | [Charts and tables](#) | [Economic structure, income and market size](#)

January 18th 2024

### Economic structure, income and market size

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>Population, income and market size</b>										
Population (m)	64.4	64.5	64.5	64.6	64.8 <sup>a</sup>	64.9	65.0	65.1	65.2	65.3
GDP (US\$ bn at market exchange rates)	2,732.1	2,644.2	2,958.3	2,780.5	2,976.4	3,148.5	3,415.5	3,612.1	3,775.0	3,907.7
GDP per head (US\$ at market exchange rates)	42,424	41,008	45,842	43,023	45,963	48,526	52,543	55,467	57,870	59,805
Private consumption (US\$ bn)	1,463.8	1,406.8	1,556.4	1,484.1	1,621.1	1,713.3	1,836.2	1,917.8	1,982.3	2,030.2
Private consumption per head (US\$)	22,730	21,818	24,118	22,965	25,034	26,406	28,248	29,450	30,388	31,071
GDP (US\$ bn at PPP)	3,456.4	3,342.8	3,644.2	3,913.8	4,114.9	4,247.5	4,393.3	4,565.0	4,743.9	4,925.9
GDP per head (US\$ at PPP)	53,671	51,842	56,471	60,560	63,544	65,465	67,586	70,100	72,723	75,388
GDP (€ bn)	2,440.2	2,316.9	2,499.5	2,638.3	2,749.2	2,855.8	2,957.1	3,061.1	3,159.0	3,256.4
Private consumption (€ bn)	1,307.5	1,232.7	1,315.0	1,408.3	1,497.4	1,554.0	1,589.8	1,625.3	1,658.8	1,691.8
Personal disposable income (€ bn)	1,532.2	1,550.9	1,616.4	1,700.0	1,747.3	1,802.8	1,840.0	1,878.9	1,917.7	1,955.9
Personal disposable income (US\$ bn)	1,715.5	1,770.0	1,913.0	1,791.6	1,891.6	1,987.5	2,125.2	2,217.1	2,291.7	2,347.0



## One-click report : France ,March 6th 2024

Growth of real disposable income (%)	2.5	0.2	2.7	0.4	-2.7	0.4	1.5	1.6	1.6	1.5
<b>Memorandum items</b>										
Share of world population (%)	0.84	0.84	0.83	0.83	0.83 <sup>a</sup>	0.83	0.83	0.81	0.80	0.80
Share of world GDP (% at market exchange rates)	3.15	3.12	3.08	2.79	2.86	2.88	2.92	2.90	2.88	2.85
Share of world GDP (% at PPP)	2.56	2.51	2.49	2.41	2.36	2.32	2.27	2.24	2.21	2.17
Share of world exports of goods (%)	3.24	2.97	2.87	2.78	3.03	2.91	2.84	2.82	2.83	2.82

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## Data summary: Fiscal indicators

[France](#) | [Economy](#) | [Charts and tables](#) | [Fiscal indicators](#)

January 18th 2024

### Fiscal indicators

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>Fiscal indicators (% of GDP)</b>										
Government expenditure	55.3	61.4	59.1	58.3	58.3	58.0	57.6	57.1	56.9	56.6
Interest	1.4	1.2	1.3	1.8	2.7	3.4	3.7	3.3	2.6	2.3
Non-interest	53.9	60.2	57.8	56.5	55.6	54.6	53.9	53.8	54.2	54.3
Government revenue	52.2	52.4	52.6	53.5	53.4	53.3	53.6	53.5	53.6	53.5
Budget balance	-3.1	-9.0	-6.5	-4.8	-4.9	-4.6	-4.1	-3.5	-3.3	-3.0
Primary balance	-1.7	-7.8	-5.2	-3.0	-2.2	-1.3	-0.4	-0.3	-0.7	-0.8
Government debt	97.3	114.7	113.0	111.8	110.8	110.7	111.0	110.8	110.7	110.4

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## One-click report : France ,March 6th 2024

## Data summary: Monetary indicators

[France](#) | [Economy](#) | [Charts and tables](#) | [Monetary indicators](#)

January 18th 2024

### Monetary indicators

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>Monetary indicators</b>										
Exchange rate US\$:€ (av)	1.12	1.14	1.18	1.05	1.08	1.10	1.16	1.18	1.20	1.20
Exchange rate US\$:€ (year-end)	1.12	1.23	1.13	1.07	1.08	1.14	1.18	1.19	1.20	1.20
Exchange rate ¥:€ (av)	122.07	121.85	129.92	138.55	153.22	154.39	134.52	127.15	125.77	125.85
Real effective exchange rate (av)	93.90 <sup>b</sup>	94.94 <sup>b</sup>	94.42 <sup>b</sup>	90.04 <sup>b</sup>	91.86	92.45	93.34	93.59	93.69	93.60
Money supply (M2) growth (%)	7.5	15.9	6.8	5.8	-2.5	5.9	5.6	6.9	6.7	6.2
Domestic credit growth (%)	4.7	11.1	5.0	5.5	-2.1	4.4	2.3	4.1	4.0	4.0
Purchasing power parity €:US\$ (av)	0.71	0.69	0.69	0.67	0.67	0.67	0.67	0.67	0.67	0.66
Short-term interest rate (av; %)	-0.4	-0.4	-0.5	0.3	3.4 <sup>a</sup>	3.8	2.9	1.9	1.8	1.7
Long-term interest rate (av; %)	0.1	-0.1	0.0	1.7	3.0 <sup>a</sup>	3.1	2.9	2.4	2.3	2.3
Lending rate (av; %)	1.1	0.9	0.9	1.2 <sup>b</sup>	3.1	3.7	2.9	2.6	2.5	2.5
Money market rate (av; %)	-0.4	-0.4	-0.5	0.3	3.4 <sup>a</sup>	3.8	2.9	1.9	1.8	1.7

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## Data summary: Employment, wages and prices

[France](#) | [Economy](#) | [Charts and tables](#) | [Employment, wages and prices](#)

January 18th 2024

### Employment, wages and prices

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>The labour market (av)</b>										
Labour force (m)	31.0	30.9	31.7	32.3	32.7	32.7	32.6	32.6	32.6	32.6
Labour force (% change)	0.5	-0.5	2.6	2.0	1.2	0.0	-0.2	0.0	-0.1	-0.1
Employment (m)	28.5	28.5	29.3	30.1	30.5	30.5	30.5	30.5	30.5	30.5

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## One-click report : France ,March 6th 2024

Employment (% change)	1.2	0.0	2.8	2.6	1.3	0.1	0.1	0.1	0.0	0.0
Unemployment (m)	2.5	2.4	2.4	2.2	2.2	2.2	2.1	2.1	2.0	2.0
Unemployment rate (%)	8.2	7.9	7.7	7.1	7.0	7.2	7.0	6.8	6.7	6.5
Unemployment rate (%; av; EU/OECD standardised measure)	8.4	8.0	7.9	7.3	7.3	7.5	7.3	7.1	7.0	6.8
<b>Wage and price inflation (% except labour costs per hour)</b>										
Consumer prices (av; EU harmonised measure)	1.3	0.5	2.1	5.9	5.7	2.7	2.0	2.0	2.0	2.0
Producer prices (av)	0.4	-2.2	9.4	25.5	5.4	-5.1	-2.9	0.4	0.3	0.5
GDP deflator (av)	1.3	2.8	1.4	3.0	3.4	3.0	2.2	1.9	1.7	1.7
Private consumption deflator (av)	0.8	1.0	1.5	4.7	5.7	2.8	0.6	0.5	0.5	0.5
Government consumption deflator (av)	0.8	7.2	-0.5	1.2	5.7	2.7	2.0	2.0	2.0	2.0
Fixed investment deflator (av)	1.7	1.1	2.9	6.3	-5.0	1.0	4.5	4.0	4.0	4.0
Average nominal wages (av)	2.0	1.7	1.4	3.7	5.0	3.1	2.5	2.5	2.5	2.4
Average real wages (av)	0.7	1.2	-0.6	-2.1	-0.6	0.4	0.5	0.5	0.5	0.4
Unit labour costs (€-based; av)	-1.0	4.2	1.1	4.8	5.5	2.4	1.2	1.0	1.0	1.0
Unit labour costs (US\$- based)	-6.1	6.2	4.9	-6.7	8.4	4.2	6.1	3.2	2.3	1.4
Labour costs per hour (€)	34.6 <sup>b</sup>	35.1 <sup>b</sup>	35.6 <sup>b</sup>	36.9 <sup>b</sup>	38.8	40.0	41.0	42.0	43.1	44.1
Labour costs per hour (US\$)	38.7 <sup>b</sup>	40.1 <sup>b</sup>	42.2 <sup>b</sup>	38.9 <sup>b</sup>	42.0	44.1	47.3	49.6	51.5	52.9

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## Data summary: Current account and terms of trade

[France](#) | [Economy](#) | [Charts and tables](#) | [Current account and terms of trade](#)

January 18th 2024

### Current account and terms of trade

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>Current account (US\$ bn)</b>										
Current-account balance	13.7	-41.4	9.9	-56.7	-33.7	-27.1	-20.8	-16.7	-15.4	-13.8
Current-account balance (% of GDP)	0.5	-1.6	0.3	-2.0	-1.1	-0.9	-0.6	-0.5	-0.4	-0.4
Goods: exports fob	596.4	506.4	622.1	669.6	697.2	697.4	728.3	763.6	801.0	837.7
Goods: imports fob	-649.2	-572.0	-701.5	-813.9	-791.9	-776.5	-805.2	-835.3	-871.1	-908.1
Trade balance	-52.8	-65.7	-79.4	-144.3	-94.7	-79.0	-76.9	-71.7	-70.1	-70.5
Services: credit	295.6	245.9	303.5	343.4	364.0	377.8	416.2	445.8	475.5	498.9
Services: debit	-267.0	-227.1	-262.5	-288.8	-326.2	-348.5	-382.3	-408.5	-433.8	-457.0
Services balance	28.6	18.8	41.0	54.6	37.8	29.3	33.9	37.2	41.7	41.8
Primary income: credit	232.5	174.1	237.0	245.5	247.0	273.3	262.4	269.7	296.3	335.2
Primary income: debit	-146.0	-118.7	-139.9	-164.4	-178.3	-202.5	-188.0	-196.7	-223.8	-258.7
Primary income balance	86.5	55.4	97.1	81.1	68.7	70.8	74.4	73.0	72.5	76.6
Secondary income: credit	33.8	40.1	54.5	46.7	55.9	59.2	57.4	60.7	57.7	55.9
Secondary income: debit	-82.5	-90.0	-103.3	-94.8	-101.5	-107.3	-109.6	-115.9	-117.3	-117.6
Secondary income balance	-48.7	-49.9	-48.8	-48.1	-45.5	-48.2	-52.2	-55.2	-59.6	-61.7
<b>Terms of trade</b>										
Export price index (US\$-based; 2010=100)	95.2	99.9	114.9	126.6 <sup>b</sup>	123.8	121.8	124.4	126.7	128.7	130.6
Export prices (% change)	-4.6	5.0	15.0	10.2 <sup>b</sup>	-2.2	-1.6	2.1	1.8	1.6	1.5
Import price index (US\$-based; 2010=100)	78.7	80.6	96.1	103.0 <sup>b</sup>	98.6	95.1	95.9	97.0	98.7	100.5
Import prices (% change)	-5.4	2.4	19.3	7.2 <sup>b</sup>	-4.3	-3.5	0.8	1.1	1.8	1.8
Terms of trade (2010=100)	121.0	124.0	119.5	122.9 <sup>b</sup>	125.6	128.1	129.8	130.6	130.4	130.0
<b>Memorandum item</b>										
Export market growth (%)	1.2 <sup>b</sup>	-6.3 <sup>b</sup>	10.3 <sup>b</sup>	6.1 <sup>b</sup>	-0.1	1.9	3.0	3.0	2.8	2.9

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## One-click report : France ,March 6th 2024

## Data summary: Foreign direct investment

[France](#) | [Economy](#) | [Charts and tables](#) | [Foreign direct investment](#)

January 18th 2024

### Foreign direct investment

	2019 <sup>a</sup>	2020 <sup>a</sup>	2021 <sup>a</sup>	2022 <sup>a</sup>	2023 <sup>b</sup>	2024 <sup>c</sup>	2025 <sup>c</sup>	2026 <sup>c</sup>	2027 <sup>c</sup>	2028 <sup>c</sup>
<b>Foreign direct investment (US\$ bn)</b>										
Inward FDI flows	53.5	19.4	95.9	105.4	93.3	85.9	69.3	69.0	73.9	73.7
Inward FDI flows (% of GDP)	2.0	0.7	3.2	3.8	3.1	2.7	2.0	1.9	2.0	1.9
Inward FDI flows (% of gross fixed investment)	8.3	3.2	13.3	15.0	13.4	11.9	8.7	8.0	8.0	7.5
Outward FDI flows	-84.4	-28.5	-108.9	-118.8	-99.7	-99.4	-83.8	-88.4	-93.5	-94.0
Net FDI flows	-30.9	-9.1	-13.0	-13.4	-6.3	-13.5	-14.5	-19.4	-19.6	-20.2
Stock of inward FDI flows	971.7	991.1	1,087.0	1,192.4	1,285.7	1,371.7	1,440.9	1,509.9	1,583.9	1,657.6
Stock of inward FDI flows per head (US\$)	15,089	15,371	16,845	18,451	19,855	21,141	22,167	23,187	24,280	25,369
Stock of inward FDI flows (% of GDP)	35.6	37.5	36.7	42.9	43.2	43.6	42.2	41.8	42.0	42.4
<b>Memorandum items</b>										
Share of world inward FDI flows (%)	4.37	1.60	7.17	7.17	5.96	5.30	4.11	3.92	4.03	3.84
Share of world inward FDI stock (%)	2.84	2.93	2.90	2.90	2.93	3.02	3.05	3.07	3.08	3.09

<sup>a</sup> Actual. <sup>b</sup> EIU estimates. <sup>c</sup> EIU forecasts.

## Political structure

[France](#) | [Summary](#) | [Political structure](#)

March 1st 2024

### Official name

French Republic

## Legal system

Codified Roman law system; constitution of 1958

## National legislature

Bicameral: Senate of 348 members indirectly elected by local councils for a period of six years, with half retiring every three years; National Assembly (the lower house of parliament) of 577 members directly elected from individual constituencies by a two-ballot system for a period of five years; may be dissolved by the president

## Electoral system

Universal suffrage; two-round voting system for the National Assembly

## National elections

Last presidential election in April 2022; next presidential election due in April 2027. Last legislative election in June 2022; next legislative election due in June 2027

## Head of state

President, directly elected for a five-year term, currently Emmanuel Macron (Renaissance, previously La République en marche), elected in May 2017 and re-elected in April 2022

## National government

There is a clear separation of executive and legislative power; constitutionally, the locus of executive power is the Council of Ministers, which is chaired by the president. The prime minister is appointed by the president, who must consider whether the government can obtain the necessary majority in parliament; according to the constitution, the prime minister hands his or her resignation to the president, but in practice prime ministers have been dismissed by the president. Ministers are similarly appointed and dismissed, but on the prime minister's suggestion; they do not have to be members of parliament

## Main political parties

Renaissance (previously La République en marche); Mouvement démocrate (MoDem); Horizons; Les Républicains (LR); Union des démocrates et indépendants (UDI); Parti socialiste (PS); Rassemblement national (RN; previously Front national); La France insoumise; Europe écologie les verts (EELV); Parti radical de gauche (PRG); Parti communiste français (PCF)

## The government

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## One-click report : France ,March 6th 2024

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Prime minister: Gabriel Attal (Renaissance)

### Senior ministers

Agriculture & food sovereignty: Marc Fesneau (MoDem)

Armed forces: Sébastien Lecornu (Renaissance)

Culture: Rachida Dati (independent)

Ecological transition: Christophe Béchu (Horizons)

Economy, finances & industrial sovereignty: Bruno Le Maire (Renaissance)

Europe & foreign affairs: Stéphane Séjourné (Renaissance)

Higher education & research: Sylvie Retailleau (independent)

Interior & overseas: Gérald Darmanin (Renaissance)

Justice: Éric Dupond-Moretti (independent)

Labour, health & solidarity: Catherine Vautrin (independent)

National education, youth & sport: Amélie Oudéa-Casté (Renaissance)

### Central bank governor

François Villeroy de Galhau

## Basic data

[France](#) | [Summary](#) | [Basic data](#)

March 1st 2024

### Total area

Metropolitan France, 543,965 sq km; including 51.4% used for agriculture and 27% woods or forests; excludes overseas territories and departments

### Population

68m (population for metropolitan France, January 2023; INSEE)

### Main towns

Population of urban areas in '000 (2020)

Paris (capital): 2,139

Marseille: 795

## One-click report : France ,March 6th 2024

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Lyon: 472

Toulouse: 433

Nice: 339

Nantes: 277

Strasbourg: 275

Bordeaux: 232

### Climate

Temperate, oceanic in the west, continental in the east, Mediterranean in the south

### Weather

Average weather conditions at Météo France weather stations (based on 1999-2008 data): maximum average temperature, 19.8°C at Perpignan, minimum, 6.4°C at Dijon-Longvic; maximum average rainfall, 984 mm at Bordeaux-Mérignac, minimum, 547 mm at Perpignan

### Languages

French and, regionally, Alsatian, Basque, Breton, Catalan, Occitan, Provençal

### Measures

Metric system

### Currency

Euro (€) = 100 cents

### Time

One hour ahead of GMT (two hours ahead in summer)

### Public holidays

January 1st (New Year's Day), April 1st (Easter Monday), May 1st (Labour Day), May 8th (Victory in Europe Day), May 18th (Ascension), May 29th (Whit Monday), July 14th (Bastille Day), August 15th (Assumption), November 1st (All Saints' Day), November 11th (Remembrance Day), December 25th (Christmas Day)



# One-click report : France ,March 6th 2024



**One-click report : France ,March 6th 2024**

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