



FRANCE MEANS
BUSINESS

Choose !



Choose !

"You have a lot of ambition for your business, I have a lot of ambition for my country. Let's see how we can do more together: have better innovation and do more business."



MAY 23RD 2018, TECH FOR GOOD SUMMIT

Emmanuel
MACRON

President of France

MEDIA COVERAGE #FranceisBack #ChooseFrance

Forbes THE NEW YORKER **Bloomberg** THE WALL STREET JOURNAL **The Telegraph** **DAILY NEWS**

The Guardian **Daily Mail**  **REUTERS**  **POLITICO**  **THE NEW INDIAN EXPRESS** **The New York Times**

AN OPEN ECONOMY

FOREIGN OWNED BUSINESSES IN FRANCE ACCOUNT FOR:

21% of the GDP

16% of the added value

11% of all jobs

Business France 2017 Annual Report

Choose !



*Bill
MCDERMOTT,
CEO, SAP*

“SAP announced the acquisition of a very innovative company and a bold commitment to a few billion dollars in spend in France”

JAN. 22ND 2018

In 2017, **25** foreign companies chose France for new investments **every week**

Business France 2017 Annual Report

“France surged ahead and recorded **spectacular growth of 31% year-on-year** with 1,019 FDI projects in 2017, closing the gap with both Germany and the UK.”

EY European attractiveness survey, June 2018

AN ATTRACTIVE COUNTRY



Virginia ROMETTY,
CEO, The IBM Company

“[Our announcements are] in great support for the commitment France has made about being a technology leader in AI and a great place for businesses like ours.”

MAY. 23RD 2018

Choose !



*France, 2017
Country of the Year
by The Economist*

7th largest global economy

2nd largest market in Europe
with **direct border** or less than
a day transit to all western European
economies

1st metropolitan area
in continental Europe
by population, GDP and
talent pool: **the Paris region**

*IMF, UNCTAD, INSEE, Fortune Magazine, Global 500,
July 2016, Eurostat, GDP per capita in 276 EU regions,
2018 Ranking by metropolitan regions*



A LANDMARK SUMMIT: « CHOOSE FRANCE »

January 22nd 2018 at the Versailles Palace

Choose !

A business summit with:

140 CEO of the world largest corporations
representing **29 countries** and all continents ;

The French government and **executive public
servants** from all national administrations ;

President of the French Republic,
Emmanuel Macron.

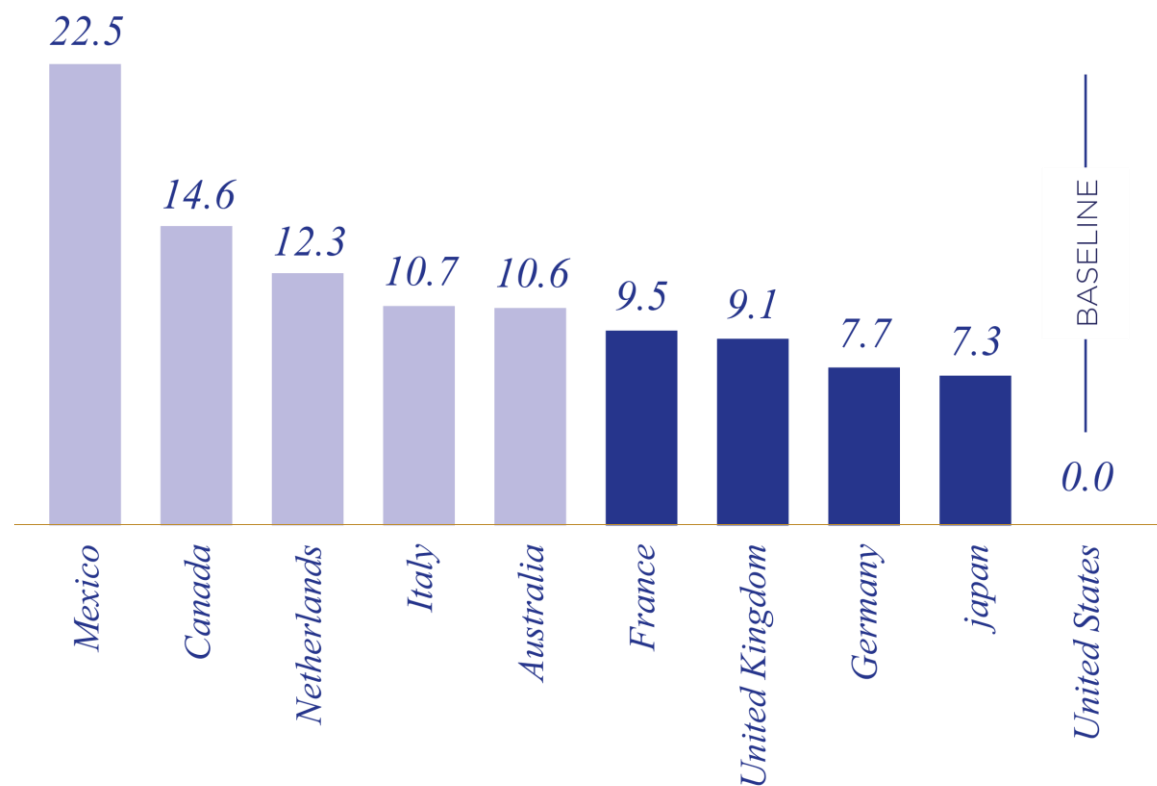
Business meetings, highest level exclusive conferences, a business lunch
with the Prime minister of France and a dinner with Emmanuel Macron.

A COST-COMPETITIVE ENVIRONMENT



France, lower cost of doing business than the US, Japan, Germany or the UK (%)

COST ADVANTAGE RELATIVE TO THE US (%)



One of the lowest effective tax rate for digital services, R&D and manufacturing

EFFECTIVE COMBINED CORPORATE INCOME TAX RATE¹

	SERVICES				MANUFACTURING ⁴			
	Digital ²		R&D ³		Corporate ²			
	%	Rank	%	Rank	%	Rank	%	Rank
NORTH AMERICA								
Canada	13.1%	1	1.4%	3	22.9%	2	21.1%	2
Mexico	31.4%	8	34.4%	10	43.4%	10	30.7%	9
United States	31.9%	10	20.0%	6	36.9%	8	29.4%	7
EUROPE								
France	25.5%	4	-38.0%	1	32.9%	6	24.6%	5
Germany	31.0%	7	31.4%	9	31.0%	5	30.2%	8
Italy	27.3%	5	24.9%	7	37.9%	9	23.4%	4
Netherlands	22.4%	3	-8.3%	2	24.9%	3	22.7%	3
United Kingdom	16.5%	2	2.3%	4	18.8%	1	15.8%	1
ASIA PACIFIC								
Australia	28.1%	6	11.5%	5	29.7%	4	28.5%	6
Japan	31.4%	9	30.4%	8	36.1%	7	32.2%	10

MAIN INVESTMENTS ANNOUNCED IN 2018

Choose !



A **€300 million investment** and **800 jobs** will be added to Toyota's northern France facility.



A **1,800 technology jobs** addition to IBM France over the next two years, along with a major expansion of IBM "new collar" training program in the country



A **€900 million investment** in Novartis' France HQ and production facility in Alsace along with the acquisition of a French growing biotech.



A **\$2,2 billion investment** over 5 years to increase headcount, real estate footprint and data center capacity



A **€2 billion investment** in new equipment and modernization of Disneyland Paris theme park



Opening of an IA research center in Paris, a 50% staff increase in the company Paris HQ and the creation of 4 new Google Hubs, each in a different region in France

THE REASONS
FOR OUR SUCCESS

Choose !

SKILLED & AVAILABLE WORKFORCE

WORKFORCE BY THE NUMBERS:

1 million engineers (largest in Europe with Germany) **75,000 PhDs (41% non-French)**

278,000 students enrolled in higher education
38,000 graduate engineers every year

#3 in Europe in R&D staff availability

France is ranked third in the EU for the number of students in second-stage tertiary education leading to an advanced research qualification. (Eurostat, 2014)

#4 in the world in R&D staff per 1,000 workers

Only behind Finland, Sweden and Austria (OECD 2014)



Vasant
NARASIMHAN,
CEO, Novartis

“We choose France because of the great talents we find in the country”

JAN. 22ND 2018

2nd in Europe and 6th in the world
for the number of international patents

3rd leading country in the Top 100
Global Innovators

25% of Fields medals since 1923

OECD, Société des ingénieurs et Scientifiques de France

THE BEST R&D INCENTIVES IN EUROPE



*Sunder
PICHAI*
CEO, GOOGLE

“We will rely on the tradition of France in mathematics, science and arts.”

JAN. 22ND 2018

Exemptions for young and innovative companies: JEI scheme

- Exemption from corporate tax for 3 years
- Exemption from local business and property taxes for 7 years
- Exemption from social security contributions for 4 years and reduced payments for 4 additional years

Choose !



30%
tax credit on R&D
up to €100 million

5%
on additional
R&D spending

100%
companies
are eligible

nearly
23 000
beneficiaries

Over
€6 billion
of public support



“Leading innovation funding measure”
by the 9th European Innovation Funding Survey

“Most generous R&D tax treatment for companies”
by the OECD Science, Technology and Industry Scoreboard, 2013

“Lowest effective corporate tax rate in the world for R&D operations”
by KPMG, Competitive Alternatives, 2014

Choose !

A VIBRANT TECH AND INNOVATION SCENE



“French Tech” Initiative: open brand of the French startup scene representing **more than 9,400 startups**, 3 billion dollars raised in 2017 in 743 deals and **300 incubators and 50 accelerators**

The world’s largest startup incubator is in Paris: Station F (1,000 start-ups and 3,000+ work stations)



*Tatsuya
TANAKA,*
President, Fujitsu

“France represents la nouvelle vague of technology.”

JAN. 29ND 2017

- OVH raised **€250 million** in 2016
- Sigfox raised **€150 million** in 2016
- French start-up Oodrive raised **€65 million** in 2017
- Vestiaire Collective raised **€58 million** in 2017

A GROWING DEALFLOW PIPELINE:

2018 projections, Bpifrance

500
SEED

100
SERIES A

70
SERIES B

10
SERIES C

A SUPPORTING GOVERNMENT



Charlotte **HOGG**,
CEO, VISA

*“France is rapidly becoming
one of the most exciting places
to work for digital”*

MAY. 23RD 2018

Choose !



€47 billion national R&D funding
decided by former Governments

€26 billion already funded

bpifrance

€10 billion fund to support
breakthrough innovation projects
in several sectors (AI, ADAS and
driverless vehicles, EV,
biomanufacturing,
nanoengineering, etc.)

WORLD CLASS INFRASTRUCTURES

Choose 

Paris-Charles de Gaulle, **second airport in Europe** by passenger number and for cargo

Port du Havre, 1st EU port on the North Atlantic coast

Europe's **2nd largest** optical fiber market with 4 million users *IDATE 2018 for FTTH Council Europe*

77% of the territory and **96% of the population** have stable 4G coverage *ARCEP, 2017*

Best European energy network for heavy users in quality (lowest rate of power cuts and blackouts) and among the lowest price per KWh in Europe. *Eurostat, 2018*

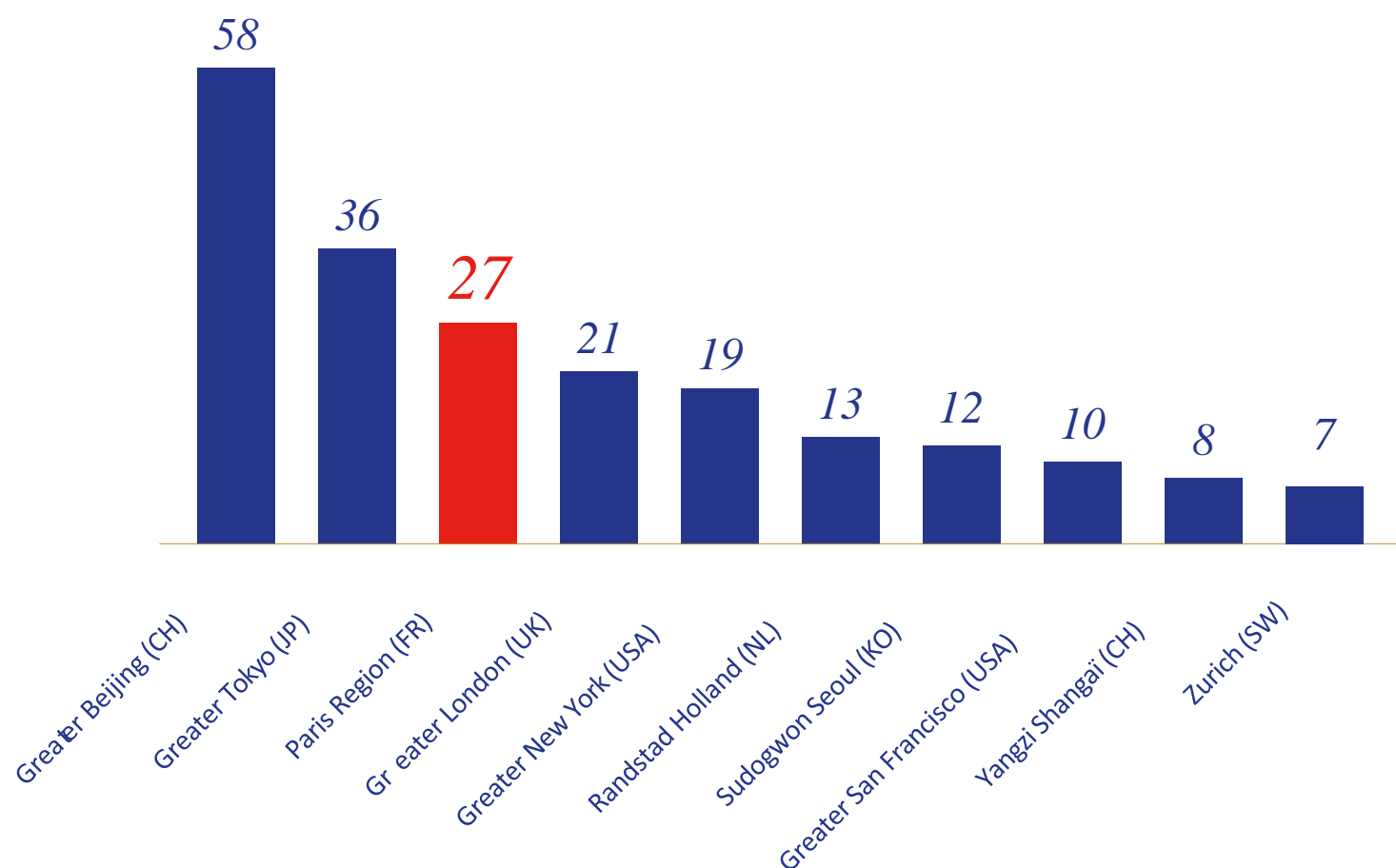


France, directly connected to all major metropolitan areas

THE LARGEST CONCENTRATION OF HEADQUARTERS IN EUROPE

Choose !

The Paris region **n°1** in Europe and **n°3** worldwide
for hosting the world's Top 500 corporate headquarters



Fortune Magazine, Global 500, July 2016 Ranking by metropolitan regions



Sheryl SANDBERG,
COO, FACEBOOK

*“Paris has been
the center of our
AI research hub
in Europe for
a while.”*

JAN. 22ND 2018

PARIS, A GLOBAL FINANCIAL PLACE

Choose !

1st financial market in continental Europe (Euronext, 2017)

1st asset management market in continental Europe with
€4,000bn in asset under management

More than **500 banking institutions** in Paris and
Global HQ of **4 of the world top 20 banks**

French entities participate in **30% of all deals** in continental Europe

**45% of the French main stock market index (CAC40)
is foreign owned**

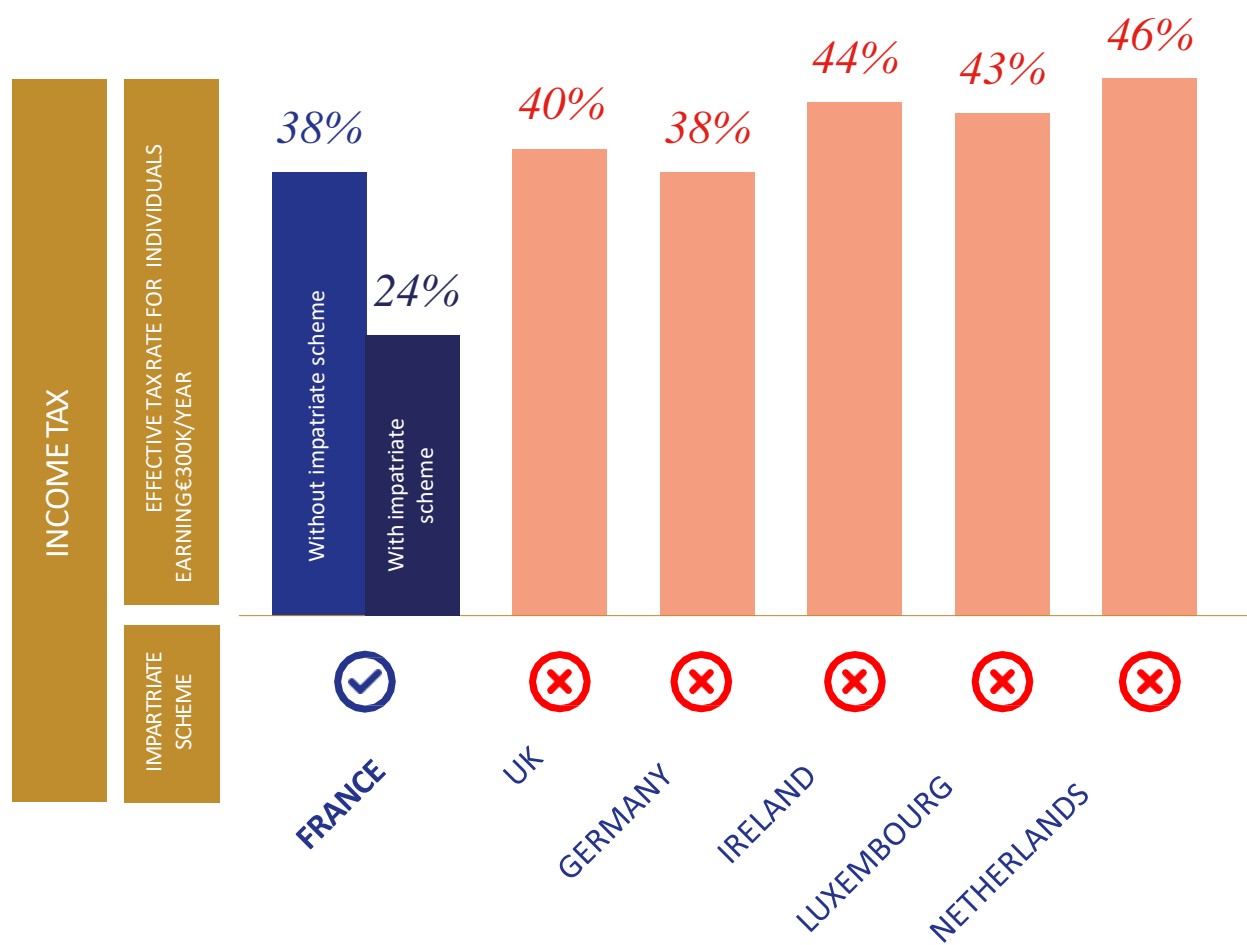
Paris Business District Skyline, La Défense



AN ATTRACTIVE LOCATION FOR EXPATRIATES

Lowest effective tax rate for expatriates thanks to a dedicated scheme

Up to 50% of the total remuneration is exempted for a maximum of 8 years



OECD, PwC Worldwide Tax Summaries, Agefi.fr

A dedicated multiyear residence permit for investors, CEO, start-ups, employees and their families

AND ALSO:

41 bilateral agreements of social security

478 international programs taught in 16 different languages in schools across France

Choose !

A LEADING INDUSTRIAL POWER



AERONAUTICS:

#1 in Europe,
#2 global exporter

Deloitte, 2017



NUCLEAR:

#1 in Europe

CEA, 2016



PHARMACEUTICALS:

#4 in Europe,
#3 global exporter

LEEM, 2017



LUXURY:

#1 globally

Deloitte, 2016



CHEMISTRY:

#2 in Europe,
#7 worldwide

UIC, 2016



FOOD & BEVERAGES:

#2 in Europe,
#4 global exporter

*Ministère de l'Agriculture,
2016, Douanes 2017*



*Dara **KHOSROWSHAH**I,
CEO, UBER*

“With world-class engineers, and a unique skillset in aviation, we think that Paris is the perfect place to advance our Uber elevate program.”

MAY. 23RD 2018

ACCESS THE EUROPEAN SINGLE MARKET



Bob IGER,
CEO, The Walt Disney Company

“This [\$2 billion] investment is the result of our confidence in the economy of Europe and in France in particular.”

FEB. 27TH 2018

Choose !

The European Union generates **22%** of the **global GDP** and 6,5% of the world population. *IMF 2017*

Europe's economy is **expanding at a faster rate than the United States'** (2,4% in both the EU and the Euro zone against 2,3% in the USA). *World Bank, 2017 figures*

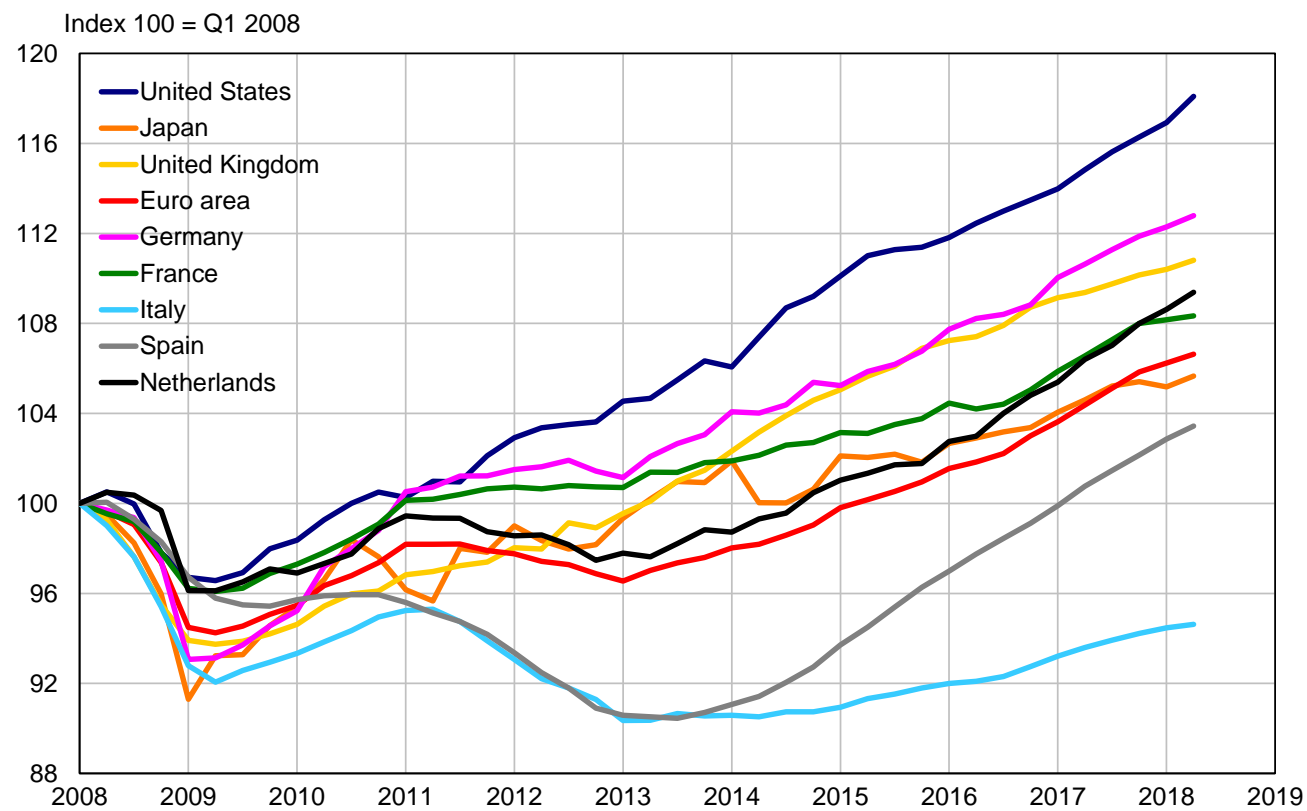
Western Europe ranked the world's **most attractive region to invest.** *EY Attractiveness Survey Europe 2018*

A POSITIVE ECONOMIC OUTLOOK FOR FOREIGN INVESTORS

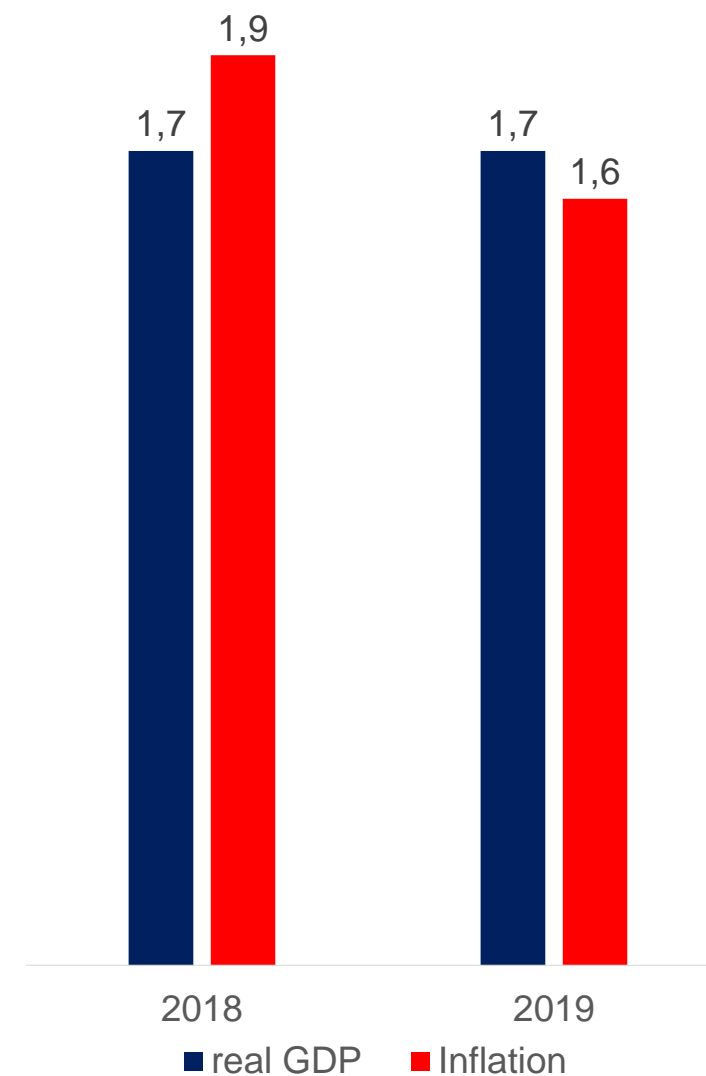
Choose !

France has fully recovered from the crisis

Real GDP in OECD countries, Index 100 = Q1 2008



... reinforced by a favorable economic outlook



+1.7%: 2018 & 2019 growth forecast

STRONG CONFIDENCE IN THE FRENCH ECONOMY

Choose !

Confidence is soaring for businesses

Business climate for industry and services



...as well as for households

Monthly households goods consumption (volume, in € Bn)



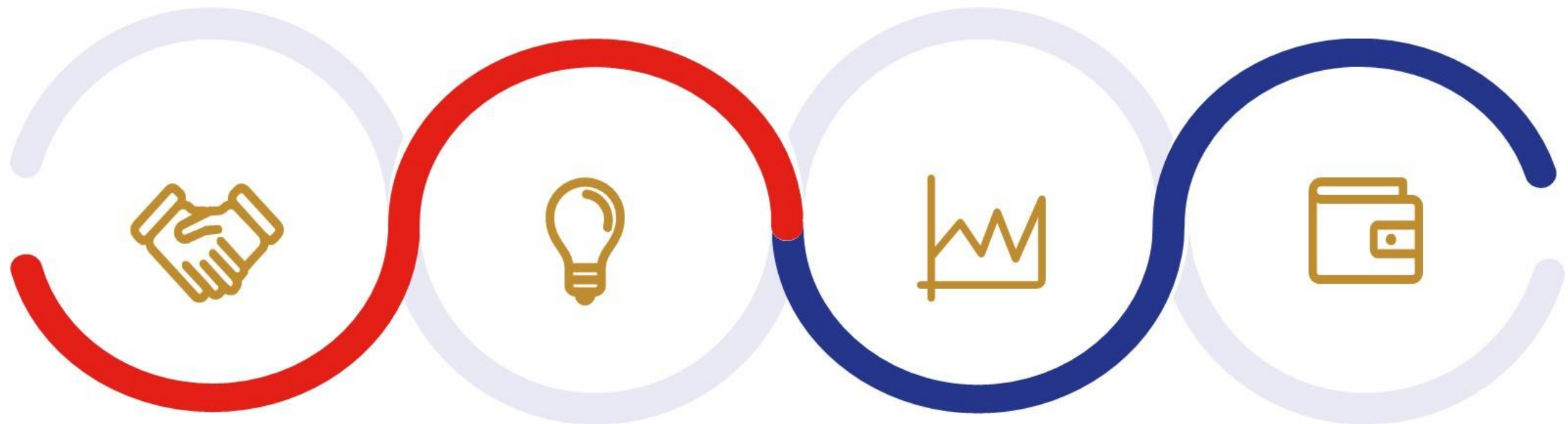
THE ONGOING *REFORM AGENDA*

A STRAIGHTFORWARD PRO-BUSINESS AGENDA

Choose !

“France is witnessing reform at a rate never seen before”

FINANCIAL TIMES – MAY 17, 2018



GREATER FLEXIBILITY AND PREDICTABILITY

Flexible legal
framework to
**make businesses more
agile and resilient**
to economic change

FOSTERING HUMAN CAPITAL

**Better education
and training**
to prepare the workforce
for technological
breakthroughs

PROMOTING INVESTMENT

**Reduced taxation
on businesses
and capital** to
promote job creation

INVESTING IN FUTURE INDUSTRIES

**Regulations in favor of
small businesses
and innovation,**
and public funding

TRANSFORMING FRANCE'S SOCIAL MODEL: GREATER FLEXIBILITY AND PREDICTABILITY

LABOR MARKET REFORM

Executive orders of September 2017

More flexible rules adapted to
the size and diversity of companies

Enhanced social dialogue
within companies

More flexible and legally
secure framework for
recruitment and
redundancies

Simpler framework for restructuring



Rules defined at the company level



**A single employee consultation committee:
the Social and Economic committee.**

**In SMEs with no trade union: possible direct negotiation
with employees**



**A mandatory scale of damages to limit the impact of
potential disputes**

Facilitating voluntary departure plans

Reducing the time limit for appeals to 12 months



**Dismissals on economic grounds: evaluation of the
financial difficulties of the company on national scope**

TRANSFORMING OUR SOCIAL MODEL: HUMAN CAPITAL

Choose !

INVEST IN HUMAN CAPITAL

APPRENTICESHIP & VOCATIONAL TRAINING REFORM

Investment in education through the “Skills Investment Plan”:
€15 billion

Two million people to be trained within five years

Adapting the workforce’s training to the needs of companies

Reforming the unemployment insurance scheme:
new scope, stricter controls, stronger incentives

Simpler procedures for companies to hire apprentices

Encouraging students to choose this path

BUSINESS TAX STRATEGY

Decreased nominal corporate
tax rate

**From 33% in 2017
to 25% by 2022**

Lower cost of employment

Reduced employer social security
contributions, with no impact on
coverage for employees

Business-friendly tax authorities with the
new “right to amend errors”

Support takes precedence over penalties,
as part of a relationship between the State
and users built on trust

PERSONAL TAX STRATEGY

A single tax rate on capital gains

MORE COMPETITIVE
PERSONAL TAXES

30%

flat tax on all
capital income
from 2018

Abolition of the wealth tax for all
non-real estate assets

Individuals are now only liable for their
real estate properties.

All other investments are exempt from the
wealth tax.

BUSINESS ENVIRONMENT: COMPANY GROWTH ACT (PACTE) BILL

**A ROUND OF ECONOMIC
LIBERALIZATION MEASURES
AIMING TO BOOST THE
PERFORMANCES OF
COMPANIES BASED IN FRANCE.**



Boost growth by

- Cutting red tape
- Simplifying tax rates and employment rules
- Easing acquisitions
- Creating incentives for export and facilitating financing
- Cutting taxes on incentive and profit-sharing schemes for small and medium-sized businesses
- Measures that temporarily exempt expatriate employees from having to join the national retirement plan

Boost disruptive innovation by

Facilitating the testing of autonomous vehicles, financing deep tech startups and R&D projects in AI or nanotechs.

The new measures are currently being discussed in Parliament, and will enter into force in 2019

BUSINESS ENVIRONMENT: BETTING ON AI

Choose !

MULTIPLE PUBLIC AND PRIVATE INITIATIVES TO BRING TOGETHER CORPORATIONS, STARTUPS, INVESTORS, RESEARCHERS AND PUBLIC AUTHORITIES AROUND THE DEVELOPMENT OF AI IN FRANCE



Publication of a report by Field medalist and Member of Parliament Cédric Villani, with seven strategic propositions to boost the French AI sector



Creation of a dedicated platform: "France is AI" to bring together AI startups and initiatives, and participate in creating a vibrant AI scene in France

GROWTH FOR ALL SHARED OPPORTUNITIES

To keep everybody's on board

Equality between territories: high speed and very high speed Internet all over France in 2020, promoting mobility of people

Helping young people: easy access to housing (Housing Bill)

Exemptions for housing tax

Choose !

More over, on December 10, 2018, the President of France announced exceptional measures to be introduced immediately to boost power purchase:

Tax exemption for supplementary hours which will be paid free of taxes and social security contributions from 2019

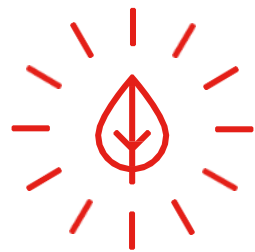
A review of the work bonus (additional monthly allowance for low-income workers) to increase purchasing power without increasing labor costs for companies.

Encouragement to businesses to pay a **one-off bonus at the end of the year**, by providing a scheme exempting the bonus from taxation and social security contributions.

A MAJOR PUBLIC INVESTMENT PLAN TO SUPPORT THE GOVERNMENT'S STRATEGY

Choose !

€57 BILLION – THE MAJOR INVESTMENT PLAN 2018-2022



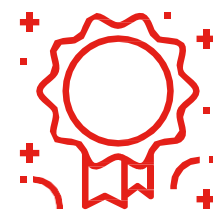
€20 bn

Accelerating
ecological
transition



€15 bn

Building a
skilled
society



€9 bn

Creating the
Digital State



€13 bn

Consolidating
innovation and
competitiveness

“ACTION PUBLIQUE 2022” PLAN

Choose !

AN AMBITIOUS PROGRAM TO RETHINK THE ROLE OF THE PUBLIC SECTOR:

- For users: Improving public service quality
- For public servants: Providing a modernized working environment
- For taxpayers: Decreasing public expenditure.



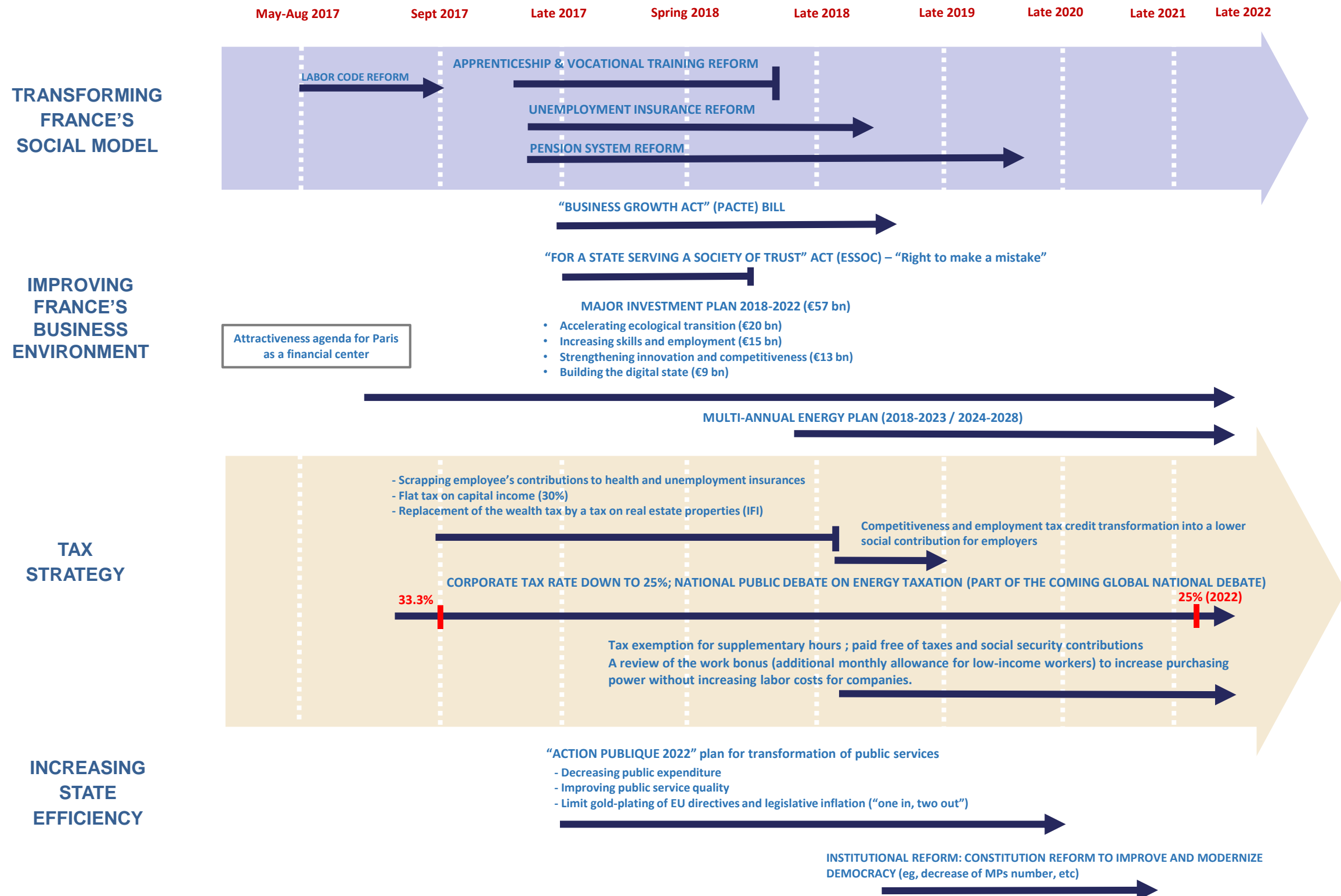
*With the launch of the “Action publique 2022” program in October 2017, the Government aims to build **a new model for carrying out public policies**, which takes full account of the digital revolution and new uses of digital technology.*

<https://www.gouvernement.fr/en/public-action-2022-for-transformation-of-public-services>

A DETAILED AND TRANSPARENT REFORM AGENDA

Choose !

Timing of reforms



FRANCE'S SUPPORT
**FOR INTERNATIONAL
INVESTORS**

BUSINESS FRANCE AGENCY: YOUR ONE-STOP SHOP TO START IN FRANCE

Choose !

In association with the French Treasury :

Business France **connects you to all French regions** so you can make an informed decision about the best location for your business

Business France is the national agency supporting the international development of the French economy



Business France offers **free and confidential guidance** to make your new business in France a success, regardless of your plans:

- Discovering France's key strengths and advantages,
- Planning for a new investment,
- Looking for industrial or technology partners,
- expanding existing sites,
- assessing acquisitions or financial investments.

Every year, Business France monitors 1,600 new investment projects and accompanies businesses on over 800 visits

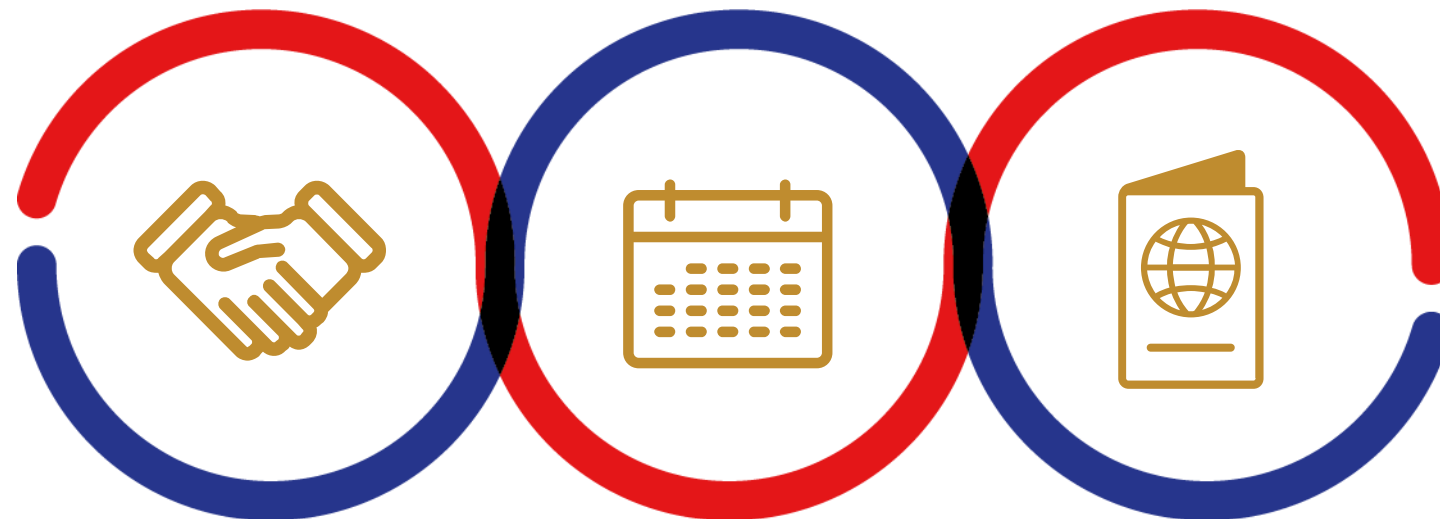
WELCOME TO FRANCE OFFICE

Choose !

www.welcometofrance.com

The Welcome to France office, a dedicated Business France service specialized in international transfers, assists you with moving you or your staff to France

Welcome
TO FRANCE
HELPING YOU TO SETTLE IN



INFORMATION

- Visas
- Residence Permits
- Work permits
- Personal Tax
- Social security
- Day-to-day life

GUIDANCE

- Personalized guide for setting in France
- Anticipate the steps with a dedicated schedule

SUPPORT

- A dedicated team in Global Mobility
- Contact via the online form
- Reply within 3 working days

TAX4BUSINESS: ONE-STOP SHOP FOR CORPORATE TAX QUESTIONS

Tax4Business is a one-stop contact point for all your tax issues in France. it accommodates your needs and guides you so you can invest within a clear and safe legal environment

Choose !



Three missions:

CLARIFYING by making information available on a dedicated website in English and giving the opportunity to make inquiries and get answers in foreign languages.

SECURING by providing, when possible, a written statement including local as well as national taxes applicable to an investment project.

MAKING IT EASIER by being a single contact point to the various French tax departments.

tax4business@dgfip.finances.gouv.fr

MANY ADDITIONAL PROGRAMS TO LEVERAGE OPPORTUNITIES IN FRANCE

Choose !



A solution for businesses, researchers, students and NGOs committed to work for a more sustainable planet.



A program designed for entrepreneurs from all over the world who want to create their startups in France.



A team fully dedicated to assisting foreign companies (and their employees) that wish to be located in Ile de France (Paris region)

Choose !

