

France The Most Attractive Country in Europe in 2018

United Arab Emirates ; November 2019 - According to [Business France's attractiveness dashboard](#), published in October 2019, France becomes more and more attractive every year. A finding that corroborates the [Kantar Public study published in January 2019](#): 88% of foreign business leaders consider France attractive (4 points more than in 2017) and 61% believe that its attractiveness has improved in the last two years.

Produced for the tenth year running, France's attractiveness dashboard - based on internationally recognized sources - draws a diagnosis of the attractiveness of France by comparing it to thirteen other member countries of the Organization for Economic Cooperation and Development (OECD) on all key economic indicators, be it the **size of the market, human capital, research and innovation, infrastructure, the administrative and financial environment, the cost of capital and labor** or the **quality of life**.

Frederic Szabo, **Managing Director, Business France Middle East** stated: *"Proof of this renewed attractiveness, France - the world's sixth-largest economy - confirms its position as the leading host country for production investment in Europe and in 2018 became the first host country for R&D activities. The German software giant SAP, for example, has announced a five-year investment of more than two billion euros for innovation in France, including the opening of an incubator at the end of 2018 in Paris"*.

France reinforces its structural assets

High quality transport and telecommunications infrastructure, hourly productivity ranked 9th in the world, one of the most competitive electricity costs in Europe, a modern e-administration ... France - the world's 4th largest exporter of services and the world's 7th

largest exporter of goods - has a very large number of structural assets.

Strengths that are also the result of a proactive public policy. The high speed broadband Plan France, launched in 2013, is based on an investment of 20 billion euros over ten years to fully connect the territory to very high speed internet (over 30 Mbp/s) by 2022. The intermediate objective to cover 50% of the territory by 2017 has been achieved by the end of 2016 (51.2%). In addition, through the new Railway Pact adopted in June 2018, the State has committed to invest 3.6 billion euros per year over ten years to modernize its rail network.

A strong entrepreneurial dynamic

The numbers bear this out year after year: France is a land of entrepreneurs. It ranks third in the business creation rate. There were almost 200,000 new business creations in 2017, an increase of more than 5%, while the business exit rate is one of the lowest in European countries. In the manufacturing industry, the number of net creations in France increased by 3.2% in 2017, or 7,999 net creations. France offers the most advantageous tax treatment in R & D for companies. According to the estimates of the national association of technology research, for the companies studied, the CIR (Research Tax Credit) and associated subsidies would decrease the cost of a researcher by 28% in France.

France is well on its way to carbon neutrality

In the European Union, France stands out through the originality of its energy mix. Electricity, largely from nuclear energy, is particularly low carbon. As for greenhouse gas emissions, they decreased by 46% in industry between 1990 and 2016. France is therefore well on track to achieve the goal of carbon neutrality by 2050 set by the climate plan. This is a factor of undoubted attractiveness at a time when ecological issues are becoming more and more pressing.

Green growth also brings economic and job opportunities, especially in green energy. According to [EurObserv'ER](#), France was the 3rd largest European employer in renewable

energies in 2017, with 140,700 jobs (0.5% of its active population). The leading country in this field is Germany with 290. 700 jobs (0.7% of its active population), followed by Spain with 168 800 jobs (0.7%).

However, France still has a way to go to be paradise for foreign companies and the Dashboard also points out a number of weaknesses, for example: taxation, labor costs or the regulatory environment. "*Weaknesses that are not, however, inevitable, as evidenced by the recent improvements achieved in these areas thanks to the reforms carried out over the last two years,*" according to Christophe Lecourtier, **General Manager** of Business France.

ABOUT BUSINESS FRANCE:

Business France is the national agency supporting the international development of the French economy, responsible for fostering export growth by French businesses, as well as promoting and facilitating international investment in France. It promotes France's companies, business image and nationwide attractiveness as an investment location, and also runs the VIE international internship program.

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