



France



Did you know...?

History The French 'Declaration of the Rights of Man and of the Citizen' of 1789 is the world's first universal declaration of human rights, applying not only to French citizens or "free men", but to all people in the world.

Culture France is famous for its literature. Notable authors include Honoré de Balzac, Alexandre Dumas, Jules Verne, Marcel Proust, Jean-Paul Sartre, and Antoine de Saint-Exupéry.

Architecture Named after its designer, the Eiffel Tower was built as the entrance arch for the 1889 World's Fair in Paris. Much criticized by the public when it was built, the tower has become the most prominent symbol of Paris.

Sport The Tour de France is one of the most popular bicycle races in the world, with competitors covering more than 2,200 miles of road.

Fun Fact French was the official language of England for over 300 years (from 1066 until the early 15th century).

An overview of France's economy

The French economy managed to stave off a more severe recession than other advanced economies, but the recovery is fragile and the economy is in need of growth-enhancing and deficit-reducing reforms

France has long supported European economic integration. The country was one of the first six member states to join the European Economic Community (EEC), one of the predecessors of the EU. France was a founding member of the euro area and was among the first group of countries to introduce the euro on 1 January 1999. Euro notes and coins entered general use on January 1, 2002, replacing the French Franc.

France's economy is in the midst of shifting from extensive government ownership and intervention to relying more on market mechanisms. The government has already fully or partially privatized many large companies, banks, and insurers. France's leaders pursue policies that seek to maintain social equality through laws, tax policies, and social spending that aim to reduce income disparity and mitigate the sometimes socially dislocating effects of economic globalization. Calibrating these policies to have their intended effect can be challenging.

Recent weak productivity growth and low employment levels left France trailing behind the top economic performers on a GDP per capita basis. During the crisis, a decline in exports constituted a significant drag on growth, but domestic demand remained robust.

France's comparatively lower reliance on trade, its large social safety net, and timely and decisive government intervention help to explain why France outperformed its peers in 2009, with real GDP contracting by only 2.5% compared to a downturn of 4% in the euro area as a whole, but economic growth is slow.

GDP grew an estimated 1.6% in 2010, and is forecast to grow by 1.8% this year, as such the policy focus is shifting from crisis management to strengthening the foundations of the economy. One problem is to strengthening the banking sector, which has come under sustained pressure recently as a result of loans to troubled euro area countries such as Greece. To support long term growth, France needs to increase flexibility in labor markets and to raise labor force participation, to further enhance domestic competition, and to eliminate market rigidities that constrain





France's Economy – Key Facts

- The Republic of France has a population of more than 64 million people. It includes four overseas departments in Martinique, Guadeloupe, Reunion and French Guiana.
- France is the second-largest trading nation in Western Europe (after Germany). The rest of the European Union is France's most important trading partner, importing 62% of France's exports and supplying 59% of its imports.
- The World Economic Forum (WEF) Global Competitiveness Report for 2011/2012 ranked France 18th out of 139 countries in terms of competitiveness. The country's infrastructure is among the best in the world (ranked 4th). Health, education and innovation are other clear strengths. On the other hand, France's labor market efficiency continues to be ranked low (60th) because of the rigidity of wage determination and the strict rules on firing and hiring, as well as poor industrial relations in the country.
- The World Bank's Doing Business Report ranked France 26th out of 183 countries.
- According to the European Commission's Spring 2011 forecast, for 2011 real GDP will grow by 1.8%. In 2012, GDP is expected to grow by 2.0%, supported by domestic demand. Macroeconomic stability still raises alarm bells for the future: The deficit reached
- 4.9% of GDP in 2010, but is expected to decrease in 2012. While the deficit is set to improve in 2011, government debt is 84.7% of GDP.
- France has committed in its 2010-2013 Stability Program, presented to the European Commission on 1 February 2010, to reduce its national deficit to 3% of GDP by 2013.

References

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Economy The French economy is the 8th largest in the world in terms of PPP.

Agriculture Although France is the world's second-largest agricultural producer and contains about 17% of all agricultural land within the EU-27, agriculture accounts for only 1.8% of GDP.

Demographics Though France's demographic profile continues to age, its fertility rate has been rising since the 1990s and is now close to replacement level.

Pension In 2010, the French government said it plans to increase the retirement age from 60 to 62 by 2018.

Labor Market While the French labor market has undergone some significant reforms, it is still highly rigid with a low participation rate and a high minimum wage.

Unemployment France has been struggling with high unemployment rates for decades. After reaching a low of 7.2% in June 2008, the unemployment rate has risen steeply and stood at 9.5% as of May 2010.

Tourism With at least 75 million foreign tourists a year, France is the most visited country in the world and maintains the third largest income in the world from tourism.