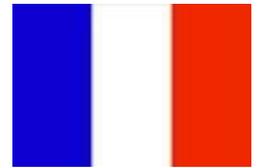




France



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 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 on January 1, 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.

Although France was not hit as hard as some other EU countries during the recent crisis, its economy has struggled with slow growth and has endured three recessions within the past few years. French industry is suffering from declining competitiveness and structural reforms, particularly in the labor market, are a priority.

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 early on. As policy focus is shifting from crisis management to strengthening the foundations of the economy, GDP is forecast to grow by 1.6% in 2017, ceasing a previous streak of weaker numbers.

President Macron's reform agenda could help boost economic growth in France. Furthermore, increased external demand should help net exports. Strong private investment and a housing market recovery are helping economic and employment prospects. Current tax reform measures are set to increase the deficit, but be partially offset by environmental taxes. Public expenditure is set to increase, with the expectation of necessary increases in healthcare expenditure.





France's Economy – Key Facts

- The Republic of France has a population of more than 66 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). Germany is France's largest export and import partner.
- The World Economic Forum (WEF) Global Competitiveness Report for 2017/2018 ranked France 22nd out of 137 countries in terms of competitiveness. The country's infrastructure is among the best in the world (ranked 7th). France's labor market efficiency continues to be ranked low (56th) because of the rigidity of wages and strict rules on firing and hiring.
- The World Bank's Doing Business Report for 2017 ranked France 31st out of 190 countries. France is strong in contract enforcement but weak in property registration (100th).
- According to the European Commission's Autumn 2017 forecast French economy is expected to grow stronger, with GDP growth reaching 1.6% in 2017 and 1.7% in 2018. Inflation is projected to be 1.1% in 2017, and gradually increase and hit 1.5% in 2018.
- The budget deficit is forecast to come in at 2.9% of GDP in 2017. Government debt is forecasted at 96.9% of GDP in 2017, and is expected to remain stable.

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Economy The French economy is the 6th largest in the world in terms of GDP in current USD.

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 1.5% 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.

Trade France is currently running small deficits in its trade and current accounts. Exports are projected to increase faster than imports, causing an equalization 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 and is shown as 9.5% in 2017 and 9.3% in 2018.

Tourism With at least 75 million foreign tourists a year, France is the most visited country in the world.