

Legends Consulting Country Fact Sheet



FRANCE

CURRENCY: EURO

Introduction

The U.S. and France have a long history as friends and allies, even if, as Nicholas Sarkozy so aptly put it, “allied do not always mean aligned”. At best, both countries have sought to have a relationship “without complacency or taboo”¹ with the other. Today France is one of the most modern countries in the world, in possession of some of the leading world technologies, including nuclear reactor and high-speed train technologies. With a robust economy, it is the second largest receiver of foreign direct investment in the world, after the United States². France is an important player in different world organizations and one of the indispensable players in the world order. French people live on all continents and French is the official language in 29 countries³ - a result of its colonial past. French people living in the U.S. are drawn by the comfortable living, higher salaries and the personal liberties granted by one of the most democratic societies in the world. On the other hand, Americans that settle in the “Hexagon” are drawn to “finer things” in life: food, culture, history and long vacations afforded by a deep-seated social democracy.



Business

The French, like most of Europe, have adopted an American-style model for business. France currently possesses top-tier business schools (modeled after American business schools, but with French and European influence as well) that attract the best students and professors from all over the world. These schools generate one of the most highly qualified, elite work forces in the world⁴.

France is one of the more progressive countries for business in Europe, adopting more informal American-style in many aspects, like working on a first-name basis in many companies. The informal *vousis* also often replaced by a friendlier *tu* – but not all the time, and this exception is usually not extended to visitors. In most sectors the average workday begins at 9/9:30 over an espresso and ends between 7 and 9pm. An hour to hour and a half lunch break is the norm – even if, sadly, sandwiches have made their way into French offices. Most lunches are taken in a restaurant with a reduced price menu for lunch and the entrees are generally hot, unless you’re eating *tartare du saumon*. It is common to drink wine or beer with lunch and to order dessert and coffee (espresso).

Presentation is very important to the French and something that is not to be compromised. Dress is critical; it is not uncommon to see French businessmen in suits and cufflinks. Although casual Friday is becoming increasingly *à la mode*, a suit is replaced by designer jeans and attire remains professional and chic. The French are very professional and formal in deliverables as well. They expect documents and presentations to be clean, well thought-out and well-presented. The French work hard, and play well. Despite a 35-hour work week, which translates to 10 extra days of paid vacation in most sectors, France remains one of the most

productive countries in the world; in fact the International Labor Organization ranks it just after the U.S. and Norway for hourly labor productivity.⁵

Travel

As the most visited country in the world⁶ France has built and maintains an extensive internal transit system. The SNCF operates all trains within the country, including one of the world's fastest trains⁷, the *Train à grande vitesse*, more commonly known as the TGV. Operating to and from Paris, the TGV is the best way to travel in France. Local trains can be taken to locations that are not serviced by the TGV. Most French cities possess extensive transit systems, including metros, buses and tramways. Having a car in Paris is very costly and many people rely exclusively on public transportation. Renting a car is generally easy and affordable, but only recommended for travel outside of Paris. Public transportation being the best option in most cases, keep in mind that it can get very crowded during rush hour, public holidays and vacation times.

Paris has two major airports, *Aéroport de Paris-Orly* (ORY) and *Aéroport Paris-Charles de Gaulle* (CDG) which is also referred to as *Roissy* – this can cause confusion if you're not careful. Both airports are serviced by inner city trains, buses and Air France Shuttles. The Eurostar links Paris to London by train, although it can be unreliable.

Demographics

Modern France speaks to an integrated French society composed of diverse backgrounds and origins. Although, also like any other modern country, France is not without internal cultural, economic and racial divides, it is adamant about its culture of integration. It was the first country to grant equal status to Jewish peoples in 1791 and has long maintained a status in the world as *terre d'asile*, offering refuge to the world's peoples who are persecuted in their own countries. For this reason, French society is home to people from all over the world and owes much to their influence, in particular to the cultures of ex-colonies in Maghreb. Indigenous minority cultures included in France and also contributing to its extensive cultural heritage include Provençal, Breton, Alsatian, Corsican, Catalan, Basque and Flemish.

France is adamant about maintaining a truly laic society, and thereby creating a society where religious involvement is absent from all government institutions – including schools. The most daring and controversial manifestation of this was the interdiction of the headscarf in public buildings.

France currently has one of the highest fertility rates in Europe at 1.98⁸, thanks to government subsidies and tax breaks for families, maternity and paternity leaves and free, quality childcare (even though space is sometimes limited and you have to get on a waitlist). Like other developed countries, France will soon face the challenge of dealing with an aging population demographic and its ramifications on various social structures.

Views toward foreigners

The war in Iraq notwithstanding, the French have become progressively more receptive to American cultural and business influences. You can get an American style burger in most restaurants now – it's actually pretty chic (but to be eaten with a fork and a knife). French people want to speak English and most people, especially young people, will be thrilled to practice their English with you – in fact don't be surprised if they answer in English to a question asked in French. Don't be put-off, in most cases they're just excited and proud to know English. Like all foreign countries, the French struggle with certain elements of American politics, and sometimes they have poignant feedback that might be well heeded.

Economic Overview and selected data

(The information below is taken directly from the CIA World Factbook: www.cia.gov/library/publications/the-world-factbook/)

France is in the midst of transition from a well-to-do modern economy that has featured extensive government ownership and intervention to one that relies more on market mechanisms. The government has partially or fully privatized many large companies, banks, and insurers, and has ceded stakes in such leading firms as Air France, France Telecom, Renault, and Thales. It maintains a strong presence in some sectors, particularly power, public transport, and defense industries. With at least 75 million foreign

tourists per year, France is the most visited country in the world and maintains the third largest income in the world from tourism. France's leaders remain committed to a capitalism in which they maintain social equity by means of laws, tax policies, and social spending that reduce income disparity and the impact of free markets on public health and welfare. France has weathered the global economic crisis better than most other big EU economies because of the relative resilience of domestic consumer spending, a large public sector, and less exposure to the downturn in global demand than in some other countries. Nonetheless, France's real GDP contracted 2.5% in 2009, but recovered somewhat in 2010, while the unemployment rate increased from 7.4% in 2008 to 9.5% in 2010. The government pursuit of aggressive stimulus and investment measures in response to the economic crisis, however, are contributing to a deterioration of France's public finances. The government budget deficit rose sharply from 3.4% of GDP in 2008 to 6.9% of GDP in 2010, while France's public debt rose from 68% of GDP to 82% over the same period. Paris is terminating stimulus measures, eliminating tax credits, and freezing most government spending to bring the budget deficit under the 3% euro-zone ceiling by 2013, and to highlight France's commitment to fiscal discipline at a time of intense financial market scrutiny of euro zone debt levels. President SARKOZY - who secured passage of pension reform in 2010 - is expected to seek passage of some tax reforms in 2011, but he may delay additional, more costly, reforms until after the 2012 election.

Selected Statistical Data - France

GDP (purchasing power parity) - \$2.145 trillion (2010 est.) - Country comparison to the world:[10](#)

GDP (per capita) - \$33,100 (2010 est.)

GDP – composition by sector – agriculture: 2%, industry: 18.5%, services: 79.5% (2010 est.)

Labor Force – 29.32 million (2010 est.) - Country comparison to the world:[20](#)

Unemployment Rate – 9.3% (2010 est.) - Country comparison to the world:[104](#)

Inflation Rate (consumer prices) - 1.7% (2010 est.) - Country comparison to the world:[53](#)

Industries - machinery, chemicals, automobiles, metallurgy, aircraft, electronics; textiles, food processing; tourism

Exports - \$517.2 billion (2010 est.) - Country comparison to the world:[6](#)

Exports – Commodities: machinery and transportation equipment, aircraft, plastics, chemicals, pharmaceutical products, iron and steel, beverages

Exports – Partners: Germany 16.4%, Italy 8.2%, Belgium 7.7%, Spain 7.6%, UK 6.8%, US 5.1%, Netherlands 4.2% (2010)

Imports - \$588.4 billion (2010 est.) - Country comparison to the world:[6](#)

Imports – machinery and equipment, vehicles, crude oil, aircraft, plastics, chemicals

Imports – Partners: Germany 19.3%, Belgium 11.4%, Italy 8%, Netherlands 7.5%, Spain 6.8%, China 5.1%, UK 5% (2010)

Chief of state – President Nicolas SARKOZY (since 16 May 2007)

Head of government – Prime Minister Francois FILLON (since 17 May 2007)

Area – Comparative: slightly smaller than the size of Texas

Coastline - 4,853 km

Natural Resources - coal, iron ore, bauxite, zinc, uranium, antimony, arsenic, potash, feldspar, fluorspar, gypsum, timber, fish

Population - 65,312,249 (July 2011 est.) Country comparison to the world:[21](#) *note:* the above figure is for metropolitan France and five overseas regions; the metropolitan France population is 62,814,233

Median Age - 39.9 years

Urbanization - urban population: 85% of total population (2010)

Major Cities – population - PARIS (capital) 10.41 million; Marseille-Aix-en-Provence 1.457 million; Lyon 1.456 million; Lille 1.028 million; Nice-Cannes 977,000 (2009)

Ethnic Groups - Celtic and Latin with Teutonic, Slavic, North African, Indochinese, Basque minorities overseas departments: black, white, mulatto, East Indian, Chinese, Amerindian

Religions - Roman Catholic 83%-88%, Protestant 2%, Jewish 1%, Muslim 5%-10%, unaffiliated 4% overseas departments: Roman Catholic, Protestant, Hindu, Muslim, Buddhist, pagan

Literacy—99.9%

Government Type – Republic

This Country Fact Sheet is designed to provide a very general overview and a broad perspective on the country as a whole. This paper is purposed as a starting point for those interested in doing business in or with the county described. More in-depth information for specific commercial and business utilization is available to our clients and/or on request.

For more complete information or for specific questions please contact us at: inquiry@legendsconsulting.net.

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¹ Both quotes are taken from <http://www.linternaute.com/actualite/politique/president-de-la-republique/politique-etrangere/1-relation-france-etats-unis.shtml>

² CIA WorldFactbook<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2199rank.html?countryName=France&countryCode=fr®ionCode=eur&rank=2#fr>

³http://en.wikipedia.org/wiki/List_of_countries_where_French_is_an_official_language

⁴<http://online.wsj.com/ad/article/france-productivity>

⁵<http://online.wsj.com/ad/article/france-productivity>

⁶<https://www.cia.gov/library/publications/the-world-factbook/geos/fr.html>

⁷<http://en.wikipedia.org/wiki/TGV>

⁸<http://www.prb.org/Articles/2007/newfertilityrates.aspx>