

PRESS RELEASE

France Remains Attractive To Investors: 639 New Job-Creating Foreign Investment Projects Recorded In 2009.

Paris, March 9, 2010 – Ms. Christine Lagarde, the French Minister for the Economy, Industry and Employment and Mr. Michel Mercier, the Minister for Rural and Regional Development, will today present the 2009 Report on job-creating foreign investment in France, accompanied by Mr. David Appia, Chairman and CEO of the Invest in France Agency (IFA).

Against the backdrop of a worldwide downturn in foreign direct investment flows, the IFA and French regional development agencies recorded 639 job-creating foreign investment projects in 2009, an increase on the figure in 2007 (624), and nearly as many as in 2008 (641). The results for 2009 are the fourth-best in the last 15 years.

These investments will enable 29,889 jobs to be created or maintained (versus 31,932 jobs in 2008), which is broadly in line with the annual average since 2000 (30,400).

Geographic origin. 68% of all projects originated from European companies in 2009, versus 65% in 2008. North-American companies were responsible for 19% of job-creating foreign investment decisions in 2009, versus 22% in 2008. Asian companies accounted for 10% of projects in 2009, versus 11% in 2008.

Four countries brought in 50% of all new investment projects: Germany, with 113 projects, became the leading job-creating foreign investor in France. The United States, which lost its traditional position as France's leading investor, accounted for 106 investment projects in 2009. Italian companies showed renewed interest in the French market with 56 projects, double the number of projects recorded in 2007. Finally, the United Kingdom saw its France-bound investments drop from 53 in 2008 to 39 projects in 2009.

Distribution of investment by sector. With 421 projects recorded, the manufacturing sector accounted for 66% of foreign investment projects in France in 2009. This vitality is primarily attributable to sectors with a high degree of technology and added value, as well as to a significant increase in projects in the energy sector (73 projects in 2009, versus 36 in 2007).

The share of service-sector foreign investment declined to 34% in 2009, due to a fall in the number of investment projects in the consulting, engineering and business services sectors, as well as in the telecoms and internet service providers sector.

Business activities. Investment projects in R&D activities accounted for 8% of all projects, double the share in 2008. Conversely, the share of projects in production activities declined (29% of projects, versus 34% in 2008), while the share of decision-making center projects also fell to 17% (from 26% in 2008).

Investment type. The number of projects involving the creation of a new site continued to rise, accounting for 62% of all projects in 2009, versus 56% in 2008. Site expansions or existing site investments accounted for 28% of projects in 2009, versus 34% in 2008. Takeovers of ailing sites accounted for 8% of projects, versus 9% in 2008.



Destination. Job-creating foreign investment projects were recorded throughout France's regions. However, three regions stand out for hosting more than 50% of all foreign investment projects in 2009: Ile-de-France (30%), Rhône-Alpes (14%) and Provence-Alpes-Côte d'Azur (9%).

"The fact that the number of job-creating foreign investment projects in France has remained stable at such a high level – over 620 a year – since the onset of the global economic crisis, confirms that France remains economically attractive. Despite stiff competition from other European countries, the reforms that have been led during the past three years, the bold reaction of the French authorities to the downturn and their focus on investment to support growth and prepare the country's future have all enhanced France's status as an investment location. Policies to support innovation and competitiveness, such as the research tax credit and the reform of the local business tax, have been very favorably received by foreign businesses. The sharp increase during 2009 in the number of investment decisions they have made in the renewable energies sector is indicative of the interest they have in France's commitment to sustainable growth", noted David Appia, Chairman and CEO of the Invest in France Agency.

The Invest in France Agency (IFA) is the national agency responsible for promoting and facilitating international investment in France. It also coordinates initiatives to promote France's economic attractiveness. The IFA network operates worldwide, with offices in France as well as in North and South America, Europe, the Middle East and Asia. In France, the IFA works in partnership with regional development agencies to offer international investors outstanding business opportunities and customized services. For further information, please visit www.investinfrance.org

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