



PRESS RELEASE

Foreign Investment in France in 2005: *The attractiveness of France in the thick of European competition*

Paris, 10 May 2006 – Clara Gaymard, President of the IFA, today presented the Annual Review on Foreign Investment in France 2005, in the presence of Mr Pierre Mirabaud, head of the DIACT (French territorial planning), Mr Jean-Louis Dasseux (president and CEO, Cerenis Therapeutics) and Mr Eric Petco (president and CEO, Monster Southern Europe). The review confirms France's status as a favoured European destination for foreign investment. Following these results, the Prime Minister, Mr Dominique de Villepin will gather on Thursday **May 11th** at IFA headquarters twenty international CEOs.

The number of completed inward investment projects increased by 12.4 % over 2004: a record 664 projects created or safeguarded 33,296 jobs.

As in previous years, the most important sources for investment in France were Western Europe (58.6% of jobs created) and North America (30.6%). The United States remained the most important country, ahead of Germany, these two countries together accounting for half of all jobs created (29% for the US, 20.1 % for Germany).

Asian investment remained modest, representing 7.7% of jobs created in 2005 as against 9.2% the previous year. Japan was still the most important Asian country, responsible for 1,500 jobs created (4.8%), while China retained its second place with 2 % of jobs created.

The most important host regions, the Ile de France and Rhône-Alpes, strengthened their position, accounting for 40.8% of jobs created as against 31.8% in 2004.

Historically, there has been a strong trend of growth in the share of services, which accounted for no more than 10 % of jobs created in 1994. This trend was reinforced in 2005, thanks in particular to substantial projects in distribution/logistics and retail outlet sectors. Two other tendencies were noteworthy in 2005: on the one hand, the growth in the share of high-tech sectors, and on the other, the increased share of business expansions, testimony to foreign investors' confidence in their future in France.

In a difficult and highly competitive international context, France maintained its level of employment-creating inward investment. The same is true of FDI (Foreign Direct Investment), which includes, in addition, mergers/acquisitions and financial flows.

With 40 billion euros FDI in 2005 (source: Banque de France), France comes in fourth, behind Great Britain (which enjoyed an exceptional score thanks to an important merger in the energy sector), China and the United States. Since 2002, France has positioned itself around the third rank after the United States and China. Between 2004 and 2005, the total number of IDE doubled.

According to a study by Thomson Financial, 421 French firms were taken over by foreign companies in 2005, for a total of 37 billion euros. Over five years, almost 1,900 French companies have been acquired in this way.

Commenting on the review, Clara Gaymard said: *"France remains a favoured destination, one of the great competitors in the globalised investment market, together with China, the United States and Great Britain. Foreigners have more confidence in the country than we do ourselves, and the figures reveal the reality of France's attractiveness"*.

The Invest in France Agency (IFA) is the French government agency for international investment. It promotes the image of France abroad and provides authoritative information on the attractiveness of France as an investment location. It relies on an international team of multi-disciplinary specialists, based at its Paris headquarters and at its offices abroad, who cover North America, Europe and Asia. Within France, it works in close partnership with economic development agencies to identify the best business opportunities and to offer a tailor-made service to investors. For more information visit www.afii.fr.

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