

German investment in France



Germany is France's leading economic partner. It is France's leading client but also its leading supplier with commercial transactions totaling €125 billion.

Over 13 million German tourists regularly visit France and spend approximately €3.8 billion per year. Approximately 150,000 Germans reside in France, attracted by the high quality of life.

The data used in the present document in terms of the number of projects and jobs created, comes from reports on international investment in France edited by the IFA since 1993.

German companies based in France

General characteristics

Germany is the leading European investor in France and the second leading investor in France worldwide behind the U.S, accounting for a global market share of 20%. It is estimated that there are currently over 2,700 German companies based in France, which represents more than 300,000 jobs and a total investment of approximately €40 billion.

This German presence mainly developed during the 1960's with investment in the industrial sector. It continues today in the business and personal services sectors. The major German groups are all operating and expanding their business activities in France, and the "Mittelstand" (family run groups) are increasingly active.

Statistics 2007

Stocks :

- > Number of companies based in France: 2,700
- > Number of employees: 300,000
- > FDI stocks in France as at 31/12/2005¹ : €57.7 billion

Flows :

- > Number of projects concerned: 106
- > Number of jobs concerned: 3848

Sectors

In 2007, the following four sectors attracted the highest levels of German investment in France: the automotive manufacturing and equipment sector (18.2% of total jobs created); the metals, metalworking and recycling sector (10.6% of jobs created); the energy and machinery and mechanical equipment sectors (each accounting for approximately 10.4% of jobs created).

Over the 2000-2007 period, the automotive sector created the most employment in France with 19.5% of total jobs created as a result of German investment.

Type of investment

German investment is mainly concentrated in business creations and extensions. In 2007, business extensions (including takeover-extensions) accounted for 46% of investment projects and ?? of jobs created as a result of German investment in France; business creations accounted for 50% of projects and over 30% of jobs created. Over the 2000-2007 period, this trend is also confirmed: over 50% of jobs are created as a result of business extensions (including takeover-extensions). The low level of German takeovers of ailing companies should be noted.

Over the 2000-2007 period, jobs created as a result of German investment were mainly concentrated in production, manufacture and assembly (56.2%). An analysis of investment projects in 2007 shows continued investment in the industrial sector (37% of total jobs), ahead of service providers (21%) and commercial and liaison offices (16.7%).

1- Bank of France – German FDI stocks in France are given here according to the country of residence of the direct investor, defined as being the entity at the source of the chain of financial links (more than 50%) that constitute a group.

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Regional investment locations

Although there is a downward trend in the proportion of cross-border investments, the Alsace and Lorraine region still accounts for approximately 20% of total jobs created as a result of German investment in 2007. This is followed by (in order): Ile-de-France (16.7% of jobs created), Nord-Pas-de-Calais (14.4%) and Lorraine (13.10%).

German investment flows since 2000

From 2000 to 2007

Since 2000, some 819 German investment projects have led to 40,484 jobs being created or maintained in France.

In 2007

106 investment projects led to 38,48 jobs being created or maintained in France.

Major German investments in France in 2007 included:

- > January 2007:
Fritzmeier Systems GmbH - agricultural machinery - 100 jobs - Quaedypre, Northern France
- > April 2007:
ThyssenKrupp AG - metalworking - 140 jobs - Florange, Moselle
- > September 2007:
Robert Bosch GmbH - automotive - 1,700 jobs - Onet-le-Château, Aveyron
- > October 2007:
Johann Hay GmbH - automotive - 300 jobs - Hagondange, Moselle
- > November 2007:
Bertrandt AG - automotive engineering - 150 jobs - Bièvres, Essonne
- > December 2007:
Rewe AG - agro-food - 80 jobs - Saint Omer, Pas-de-Calais