



Is France a good country to do business in now?

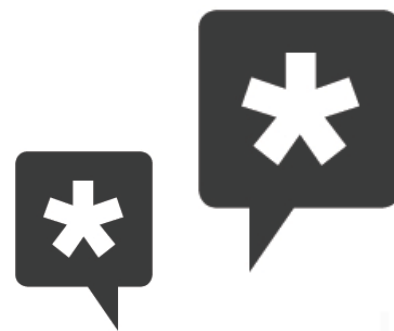
Yes, we believe it is.

Here's why.

France is one of the world's leading industrialised nations and plays a leading role in world politics. It belongs to the economic group, the G7, has a permanent seat on the United Nations Security Council and is the world's eighth largest economy by purchasing power parity.

France was instrumental in the creation of the European Union and continues to play a major role in its development. France managed to avoid the worst of the recession that has plagued its Western neighbours and its economy returned to growth in the second quarter of 2009 - one of only three industrialised economies to do so at that time. Growth has continued at a mild but steady pace and business confidence is strong after a swathe of unpopular pension reforms were passed in 2010.

Fast Facts



Population: 64,057,792

Language/s: French

Religion/s: Secular; Roman Catholic 83-88%; Muslim 5-10%

Land area: 643,427 square km

Currency: Euro

Capital: Paris

Internet domain: .fr

International dialing code: +33

Innovation ranking¹: 13 (out of 82 countries)

Digital economy ranking¹: 20 (out of 70 countries)

Macroeconomic indicators:¹

	2010	2011	2012
GDP (US\$)	\$2.5 trillion	\$2.6 trillion	\$2.7 trillion
GDP per capita (US\$)	\$40,169.53	\$41,317.25	\$42,784.76
Real GDP growth (per cent change)	1.6	1.6	2.0
Consumer price index (per cent change)	1.6	1.1	1.1

Economy

France was among the first world economies to emerge from recession in 2009. Despite a mild slowing towards the end of 2010, growth is expected to continue at a mild pace, led by business investment and exports, according to the OECD. The unemployment rate has peaked but will decline slowly in 2011, while price pressures will remain subdued.



Fast Facts



Politics

France is a Republic, with its 1958 Constitution defining the government structure in place today. There is a clear separation of executive and legislative power. The President is elected by the people for a five-year term and serves as head of state. The Prime Minister is appointed by the President to be head of government and must obtain the support of a majority of parliament, which contains two chambers. The Senate forms the upper chamber, with members elected by an electoral college for nine-year terms. Members of the larger and more important National Assembly are elected in districts for five-year terms. Nicolas Sarkozy, a centre-right former interior minister, is currently President and his ally Francois Fillon is Prime Minister. Sarkozy was elected to power with a mandate to introduce a swathe of pro-market reforms.

Doing business

- Arriving for business appointments 10-15 minutes after the appointed time is not considered late and is therefore acceptable. Business meetings typically begin and end with brisk handshakes accompanied by an appropriate greeting and the exchange of business cards.
- Business is conducted with formality in France and it is customary to use first names only after being invited to do so. Use people's titles wherever possible and at all levels within the business.
- It is acceptable to make direct but moderate eye contact with French business colleagues.
- Using a few basic French words and phrases wherever possible creates a favourable impression.



Doing business (continued)

- During negotiations, visitors should expect rigorous debate and be willing to join in as the French appreciate hearing a position defended.
- Do not rush the French or appear to be impatient. The French take their time before arriving at a decision.
- Business organisations are highly organised with a strong, vertical hierarchy. In French business culture, only senior management can make the final decision.
- The French are very private and keep their business and personal lives separate.

References

¹ Taken from the Economist Intelligence Unit's report: 'A new ranking of the world's most innovative countries' that ranks innovation in 82 countries. Innovation is defined as the application of knowledge in a novel way, primarily for economic benefit. Companies deem it vitally important as a competitive tool. Government policymakers see it as essential for economic growth.

¹ Digital economy ranking is the Economist Intelligence Unit's measure of the quality of a country's information and communications technology (ICT) infrastructure and the ability of its consumers, businesses and governments to use ICT to their benefit. When a country uses ICT to conduct more of its activities, the economy can become more transparent and efficient.

¹ Source: Organisation for Economic Co-operation and Development, www.oecd.org (Real GDP growth and inflation), and International Monetary Fund, www.imf.org (GDP and GDP per capita). 2009 and 2010 figures are OECD and IMF staff predictions. Real GDP growth and inflation are defined in percentage change from previous period.



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