

## Report Overview

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This report will outline the strongest industries in the France and further evaluate niches in Lyon, Marseille, Nice, Paris, and Toulouse. The research will focus on the city previously mentioned and will have a focus on the top industries in those cities as well as a focus on the college's interest in European Countries.

## France at a Glance

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France is one of the most modern countries in the world and is a leader among European nations. The main French industries include machinery, chemicals, automobiles, metallurgy, electronics, aeronautic, food and drink processing, as well as textiles and tourism. Agriculture remains one of the country's major industries, but the economy is highly dependent on service and manufacturing industries. The government has partially or fully privatized many large companies, including Air France, France Telecom, Renault, and Thales. However, the government maintains a strong presence in some sectors, particularly power, public transport, and defense industries.<sup>1</sup> According to *Universum - What do Students Say*, the 10 most attractive employers in France are Airbus, Google, Thales, Safran, Dassault Aviation, Apple, EDF Électricité de France, Vinci, Air France, and Microsoft.<sup>2</sup>

With more than 84 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 mitigate economic inequality.

- Population: 66.99 million
- GDP per capita: (EUR) 37,800 equiv. (USD) 42,503
- GDP: (EUR) 2.50 trillion equiv. (USD) 2.806 trillion
- Unemployment: 8.8% (Feb. 2019)
- Youth unemployment: 10.5%
- Inflation: 0.4%<sup>3</sup>

France's real GDP increased by 1.1% in 2015. The unemployment rate (including overseas territories) increased from 7.8% in 2008 to 9.9% in the fourth quarter of 2014. Youth unemployment in metropolitan France decreased from a high of 25.4% in the fourth quarter of 2012 to 24.3% in the fourth quarter of 2014. Lower-than-expected growth and high spending have

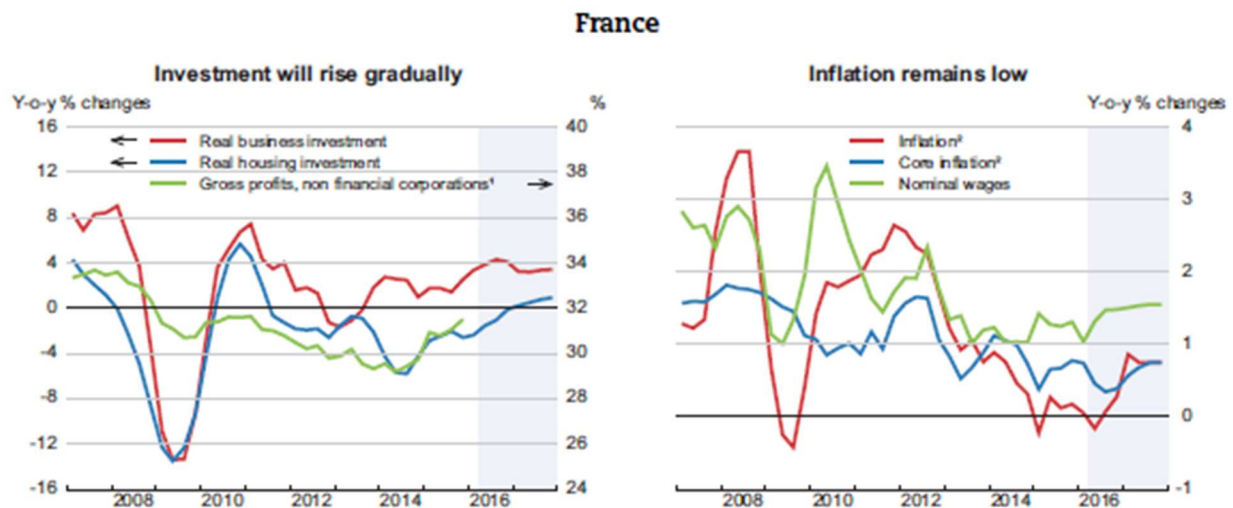
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<sup>1</sup> <http://www.france.org/economy/>

<sup>2</sup> <https://universumglobal.com/rankings/france/>

<sup>3</sup> [https://www.bls.gov/cps/cps\\_htgm.htm](https://www.bls.gov/cps/cps_htgm.htm)

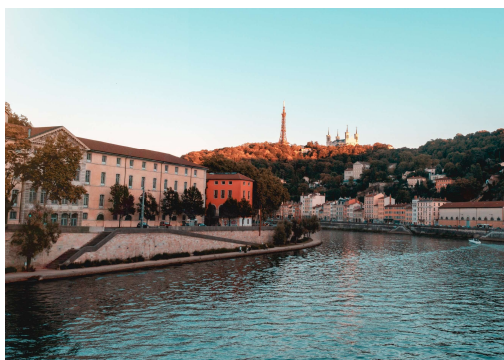
strained France's public finances. The budget deficit rose sharply from 3.3% of GDP in 2008 to 7.5% of GDP in 2009 before improving to 4% of GDP in 2014 and 2015, while France's public debt rose from 68% of GDP to more than 98% in 2015 and may hit 100% in 2016.<sup>4</sup>



*\*As a percentage of gross value added*

*\*\*Harmonized consumer price index, excluding energy, food, alcohol, and tobacco for core inflation.*

*\*\*\*Source: OECD Economic Outlook 99 database; and INSEE<sup>5</sup>*



## Lyon overview

Lyon is the third largest city in France. Lyon has sought to construct a future emphasizing new technology and in areas in which it can build on its industrial heritage and its higher education base, which has a tradition in medicine. These include the environment and energy, life sciences and chemicals, transport and communications and the movie and gaming industry. Life sciences and green technologies are the pillars of

Lyon's industrial dynamic with many leading companies. Each sector has its own international competitive clusters: Lyon Biopôle and Axelera. The city's major research and higher-education establishments testify to its innovation capabilities, with 13,300 researchers and some 600 laboratories. Not forgetting that the total sum spent on R&D in the Rhône-Alpes region is more

<sup>4</sup> <https://www.eubusiness.com/europe/france>

<sup>5</sup> <https://www.oecd.org/eco/surveys/France-2015-overview.pdf>

than the combined investments of Finland, Denmark, Madrid and Barcelona in R&D. Impressive urban projects reinforce Lyon's attractiveness on an international scale, such as the Lyon Part-Dieu project to transform this neighborhood into one of Europe's reference business districts with a diverse and comprehensive business property offer. Lyon was also ranked number 1 for France's Industrial Agglomeration.<sup>6</sup>

**Population:** 0.5 million

**Unemployment rate:** 8.9% (2016)

**GDP per capita:** (EUR) 28,674 equiv. (USD) 32,243

The Lyon-Confluence project is one of Europe's biggest urban projects to develop a city Centre. Competitive business property prices in Europe; 2<sup>nd</sup> business park in France, Lyon is an interesting alternative to Paris with prices that are 30% lower on average. International companies, such as Emirates, Renault Trucks, Sanofi Pasteur, bioMérieux, Boiron, Manitowoc, Euronew have jobs offering and offices in Lyon. The startup scene in Lyon is disrupting the market as well. One startup in particular, the NAVYA Group, a "pioneer and specialist in the autonomous vehicle market," NAVYA is all about improving what transport is on offer to cities around the world, in a sustainable, fluid manner. At present, NAVYA has two types of autonomous vehicles: the AUTONOM shuttle and the robot-taxi AUTONOM cab. The shuttles are already in service in parts of Asia, Europe and the U.S.<sup>7</sup>



### Marseille overview

Marseille is the 2nd largest city in France. The pillar sectors of Marseille's economy are situated in the cruising/shipping industry, hospitality industry, and science/technology sectors. Marseille is slowly developing its trade and business sector. Marseille also has a growing real estate industry, which is developing in most of France. Property prices are rising due to a demand of commercial and industrial buildings.<sup>8</sup>

**Population:** 0.85 million

**Unemployment rate:** 13.0%

**GDP per capita:** (EUR) 33,012 equiv. (USD) 37,121

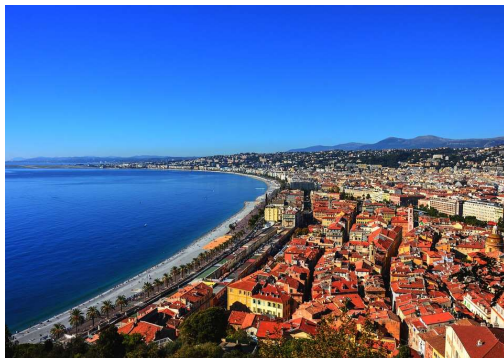
The EU is redeveloping abandoned ports here in Marseille. Due to its strategic location, near the Mediterranean Sea, the economy is dominated by the fishing sector and is one of the important contributors to the national income. In recent times, the New Port dominates the

<sup>6</sup> <https://www.metropolis.org/sites/default/files/2019-01/Lyon%20Key%20Figures%202017.pdf>

<sup>7</sup> [https://www.linkedin.com/company/navya\\_group/](https://www.linkedin.com/company/navya_group/)

<sup>8</sup> <https://www.britannica.com/place/Marseille>

economy of the city of Marseille. This new port is in the north of the old port and serves as a transport harbor and a commercial container port. Petroleum refining industry and ship building industry are the main industries in Marseille, but processed foods, olive oil, textile, plastics, sugar, building materials, glass, soap, and chemicals also account for a significant portion in Marseille's economy.<sup>9</sup>



### Nice overview

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Nice has a history of 300 years and is one of France's most popular tourist destinations. Nice owes its growth to tourism, construction, and high technology. Nice has launched a new initiative to be the first sustainable development program on the Mediterranean, which gives it the title, the "city of tomorrow". For expats, this means the creation of thousands of new jobs, new homes, and a considerable amount of private investment. The objective is to create a new international business park in Nice.<sup>10</sup>

**Population:** 0.35 million

**Unemployment rate:** 9.9%

**GDP per capita:** (EUR) 28,674 equiv. (USD) 32,243

As a center for high technology, Nice's strengths lie in telecommunications, internet, multimedia, life sciences, and biotechnology. The other secondary pillars of the local economy are the construction and public works sectors.<sup>11</sup>



### Paris overview

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Paris is both the political and economic capital of France. With a GDP of €649 billion, it accounted for 30% of the wealth generated in France in 2014 and its weighting in the overall French economy has increased in recent years. The Greater Paris Region is also the no. 1 economy in Europe and accounts for around 5% of European GDP. According to KPMG's "Global Cities Investment Monitor" in 2016, the Greater Paris Region was the 2nd largest centre for investment in Europe after London. According to this classification,

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<sup>9</sup> <http://us.meeting.france.fr/en/node/4152>

<sup>10</sup> <https://www.provenceweb.fr/e/alpmarit/nice/nice.htm>

<sup>11</sup> <https://www.internations.org/nice-expats/guide/working-in-nice-15793/economy-of-nice-2>



the region was also ranked 5th in the world as New-York and Hong Kong have rose their rank on the KPMG. According to Forbes' "Fortune Global 500" classification, 29 of the 31 largest French companies have their headquarters in the Greater Paris Region and generate an annual revenue of over \$2 billion. More widely, a third of these top 500 global companies also have a head office in the region. Globally, Paris is ranked third in terms of the number of major companies and is number 1 in Europe, placing it ahead of its main competitors such as London or New York.<sup>12</sup>

**Population:** 2.24 million

**Unemployment rate:** 11.7%

**GDP per capita:** (EUR) 62,927 equiv. (USD) 70,760

In terms of business activity, on the one hand there are the major French groups in the CAC 40, virtually all of which are located in Paris, which generate most of their turnover internationally (around 75%). On the other hand, there are around 13,000 foreign companies which account for around half a million jobs in the region (16% of employment). Amongst these foreign companies, the most common nationalities are British, German and American. The top ten startups to work for in Paris are as follows: PayFit, Snips, Qonto, Everoad, Blade Shadow, Wemanity, Aircall, Tiller Systems, and Back Market.<sup>13</sup>



## Toulouse overview

Toulouse is the 4<sup>th</sup> biggest city in France. Toulouse is ranked #1 in Europe for aeronautic industry, and #2 worldwide. Toulouse is ranked #1 in Europe for the space industry. It is also known as the aeronautic capital of the world, where onboard electronic systems are developed here. The city has the 3rd largest university system in France and has 90,000 students in three universities, 3 engineering schools and 14 "Grandes Écoles". Toulouse has 3 global competitive clusters: "Cancer-Bio-Health", "Aeronautics, Space, Onboard Systems" and "Agrimp Innovation". Also, as a university town, Toulouse has a lively cultural scene. There are over 50 live performances of various types every week, including concerts in the Halle aux Grains, the Opéra du Capitoul, and the Salle Nougaro, which contribute to Toulouse's cultural diversity. The city has numerous museums, such as the Musée des Augustins, the Museum of Modern Art, the Bomberg Foundation, the Musée George Labit, and the Museum of Natural History. The Museum of Old Toulouse presents a documentary history of Toulousian life, from Antiquity to current times. Recently the City has engaged in a policy of renovation of old buildings, such as the Halles aux Grains, the Chateau d'Eau and the

<sup>12</sup> <http://www.grand-paris.jll.fr/en/paris/economy/>

<sup>13</sup> <https://www.cnn.com/2018/10/15/top-10-french-start-ups-to-work-for-in-2018-linkedln.html>

Réservoir de Périole. It is also involved in a programme aimed at creating new infrastructure, such as the Congress Centre Pierre-Baudis, the Théâtre de la Cité and the Zenith concert hall.

**Population:** 0.45 million

**Unemployment rate:** 9.3%

**GDP per capita:** (EUR) 26,679 equiv. (USD) 30,000

The aeronautic industry is Toulouse's main economic driving force. It consists, chiefly, of Aérospatiale (which produces Concorde and Airbus) and Alcatel Espace, Matra Espace (satellites), Thomson and Microturbo. Foreign businesses such as Motorola (semiconductors), sub-contractors such as Latécoère (famous for having established the first airmail service with Mermoz and Saint-Exupéry), and major companies in the space industry such as Arianespace and the CNES (Centre national d'études spatiales), further contribute to Toulouse's aeronautic and space activities. The second major sector of activity consists of the chemical and pharmaceutical industries, followed by the electronics industry (Siemens and Motorola), biotechnology and information technologies. However, only a quarter of the labor force is employed in the industrial sector. Administrative services employ over 50,000 people within the city, of which 10,000 work at the hospital and 8,000 at the City Council. New businesses have recently been created in the Toulouse agglomeration, particularly in research laboratories. There are currently over 25,000 private companies in the agglomeration.<sup>14</sup> According to Siliconrepublic, the startup scene is chock-full of new players who work closely with big players such as Airbus and Microsoft, but there are several other companies who function independently as well. Here are some of the startups in Toulouse: Adviez (IoT localization), Brico Prive (E-commerce), BuyBox (Digital gift card platform), Delair (Drone monitor system), Demooz (E-product connecting), EasyMile (IT), MyFeelBack (Smart survey tech), Sigfox (Network of IoT), Ubleam (AR-IoT), and Uwinloc (Battery-less tag manufacturer).<sup>15</sup>

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<sup>14</sup> [https://ec.europa.eu/regional\\_policy/archive/urban2/urban/audit/results/toulouse.htm](https://ec.europa.eu/regional_policy/archive/urban2/urban/audit/results/toulouse.htm)

<sup>15</sup> <https://www.siliconrepublic.com/start-ups/toulouse-france-iot-tech-entrepreneurs>