



# France

Overview

## EIB INVESTMENT SURVEY

# 2020



EIB Group survey on investment  
and investment finance 2020  
Country overview

# France

## **EIB Group survey on investment and investment finance 2020.**

### **Country overview: France**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment and Investment Finance, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

### **About this publication**

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org).

**Download the findings of the EIB Investment Survey for each EU country or explore the data portal at [www.eib.org/eibis](http://www.eib.org/eibis).**

### **About the Economics Department of the European Investment Bank**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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### **Disclaimer**

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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# EIBIS 2020 – France

## KEY RESULTS

### Investment Dynamics

With the COVID-19 crisis affecting the economy, investment in Q2 2020 is 23.5% below the pre-crisis 2019 level, a steeper decline than what was observed during the global financial crisis.

In 2019, the share of firms who increased investment was higher than the share of firms reducing investment (a positive balance of 16%). However, the investment outlook for 2020 is much more negative (-34%, on balance), which is in line with the EU average (-28%).

Due to COVID-19, almost half of firms in France (44%) plan to invest less in 2020. About a third of firms (35%) that previously had an investment plan report they will abandon or delay it due to COVID-19.

### Investment Focus

Around a third of firms in France expect that, in the long term, COVID-19 will lead to a permanent reduction in employment (34%) or have an impact on their service or product portfolio (32%).

On average, firms allocated 55% of investment to replacing capacity in the last financial year.

Out of the six investment areas considered, 49% of investment was allocated to machinery and equipment, followed by training of employees (12%) and organization/business processes (12%).

### Investment Needs and Priorities

The vast majority of firms consider that their investment over the last three years was about the right amount (79%), which is in line with the EU average (80%).

Two-thirds of firms (67%) report that they were operating at or above full capacity in 2019, which is higher than the EU average (61%).

Looking ahead to the next three years, replacing capacity is the most cited investment priority by firms in France (42%). This is higher than the EU average (34%).

### Innovation Activities

More than one-third of firms (37%) invested to develop or introduce new products, processes or services in the last financial year. 16% of firms are classified as 'active innovators' (i.e. firms that invested in R&D).

Around half of firms (52%) have implemented at least one digital technology. This is lower than the EU average (63%).

### Drivers and Constraints

On balance, more firms in France expect the business outlook to deteriorate than improve in the next 12 months. Firms are especially pessimistic about the expected overall economic climate, which is in line with the overall EU trend.

Uncertainty about the future remains the most cited long-term barrier to investment (80%), in line with France in EIBIS 2019 (75%) and the EU average (81%). This is followed by labour market regulations (68%), business regulations (67%) and availability of staff with the right skills (65%).

### Investment Finance

External funds accounted for around a half (51%) of investment finance in the past financial year, which is in line with France in EIBIS 2019 (50%), and remains well above the EU average (35%). Bank loans continued to make up the highest share of external finance (80%), which is above the EU average (59%).

Only 7% of firms report that the main reason for not seeking external finance in 2019 is because they were happy to use internal finance or did not need external finance. This is well below the EU average (17%).

### Access to Finance

Firms that used external finance in 2019 are on balance satisfied with the finance received. The highest level of dissatisfaction is with the amount of finance (3% of firms). 4% of firms could be considered finance constrained in 2019, which is in line with the EU average (6%).

### Energy Efficiency

The majority of firms (55%) were investing in measures to improve energy efficiency, a significant increase compared to EIBIS 2019 (31%). This is also above the EU average (47%). On average, firms allocated 19% of total investment in 2019 to improve energy efficiency, which is higher than the EU average (12%).

### Climate Change

A third of firms (31%) report that climate change currently has a major impact on their business, which is above the EU average (23%). On balance, firms expect the transition to a low-carbon future to have a positive impact on their business over the next five years.

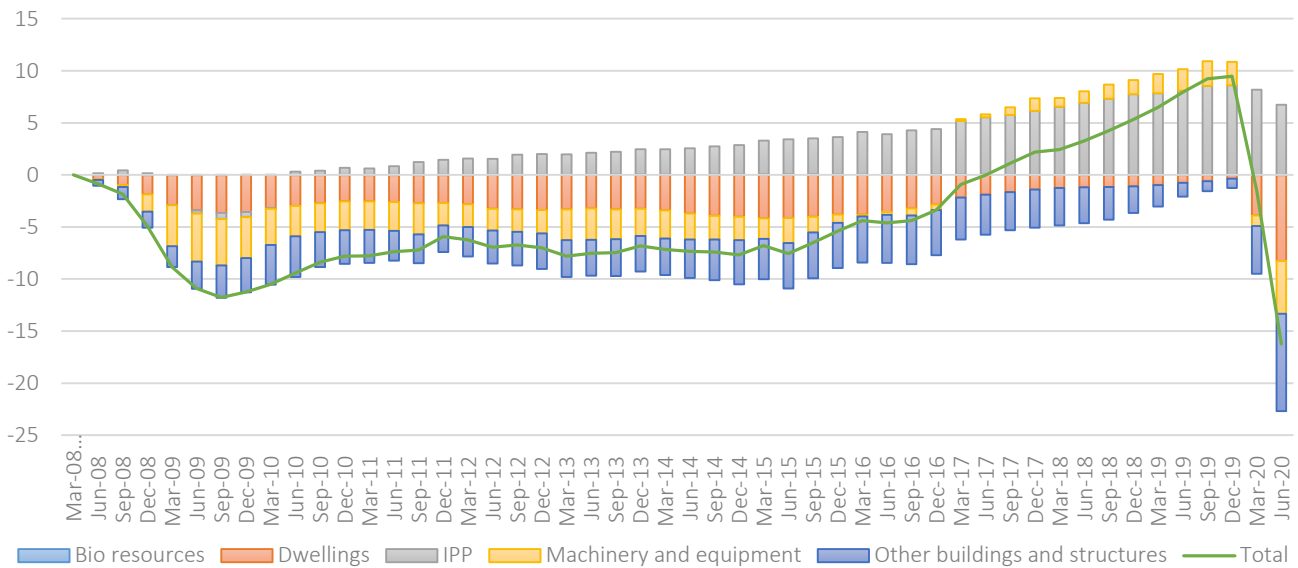
Almost three-quarters of firms (72%) report to have already invested or plan to invest to tackle the impact of climate change. This is in line with the EU average (67%).

# Investment Dynamics

## INVESTMENT DYNAMICS BY ASSET TYPE

With the COVID-19 crisis abruptly affecting the economy, investment in Q2 2020 is 23.5% below the level of Q4 2019.

This steep decline halts the positive investment dynamics of the most recent years and brings investment levels even below those observed at the trough of the global financial crisis.

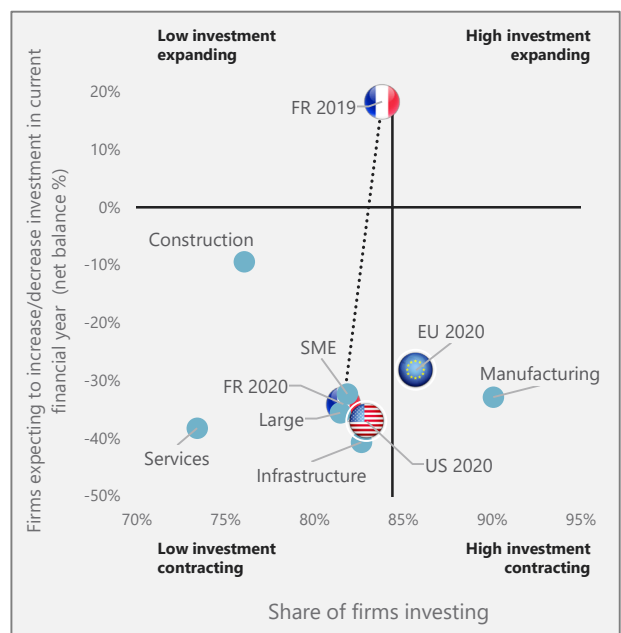


The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by asset type. The data has been indexed to equal 0 in 2008. Source: Eurostat.

## INVESTMENT CYCLE

Investment activity by non-financial corporations in EIBIS 2020 places France in the 'low investment contracting' quadrant on the investment cycle. France in EIBIS 2019 was inside the 'low investment expanding' quadrant.

For the current financial year, on balance, firms across all four sectors and size classes are more likely to plan a reduction in investment than an expansion.



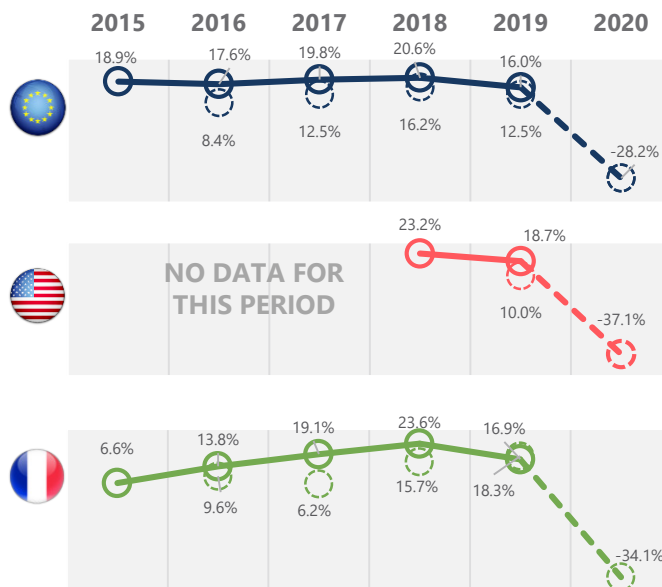
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

Base: All firms (excluding don't know/refused responses)

# Investment Dynamics

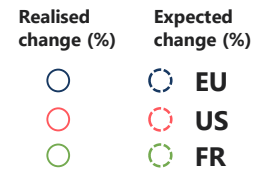
## EVOLUTION OF INVESTMENT EXPECTATIONS

### Realised/expected change in investment



In 2019, the share of firms that increased investment was higher than the share of firms that reduced investment (a positive balance of 17%). Investment activity was broadly in line with the investment expectations expressed in EIBIS 2019.

The investment outlook for 2020 is much more negative, with 34% of firms expecting investment to fall on balance. This negative outlook is in line with the EU average (-28%).



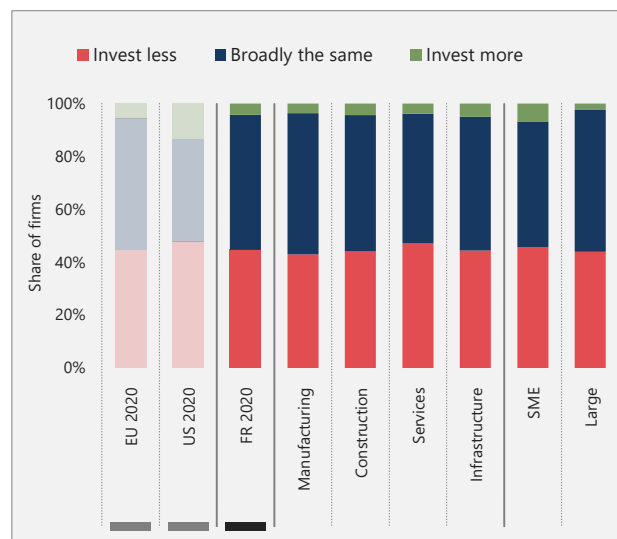
'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms

## IMPACT OF COVID-19 ON INVESTMENT

Due to COVID-19, 44% of firms plan to invest less in 2020, while only 4% of firms report they plan to invest more.

The share of firms having reduced their investment expectations is similar across all sectors of activity and firm size classes.



Q. Have your company's overall investment expectations for 2020 changed due to coronavirus?

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

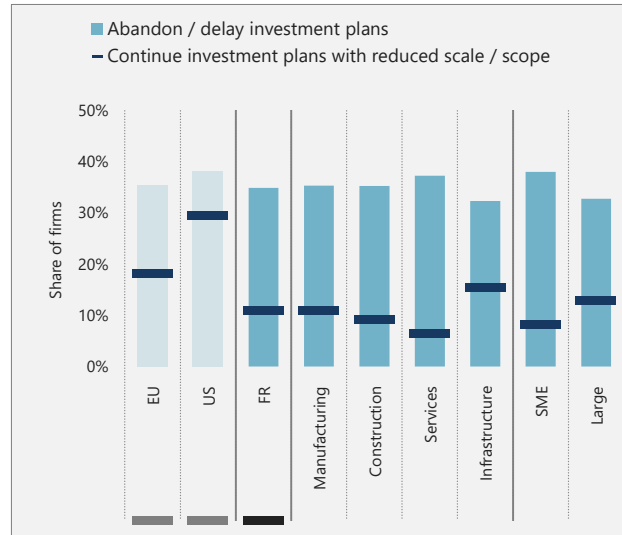
# Investment Focus

## ACTIONS AS A RESULT OF COVID-19

About a third of firms that previously had an investment plan (35%) report they will abandon or delay at least some of their investment plans due to COVID-19. This is in line with the EU average (35%).

About one in ten firms (11%) report they will continue with at least some of their investment plans, but with a reduced scale or scope.

There is no significant variation across sectors or size classes.

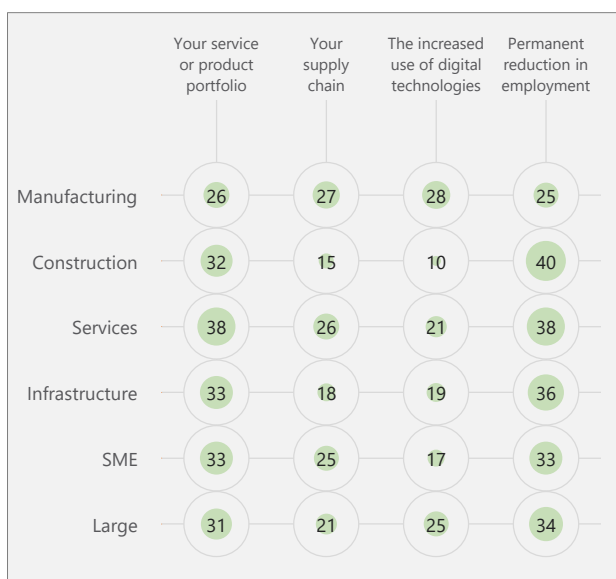


Q. You said you will invest less due to coronavirus. Can I just check which of the following actions will your company undertake?

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

Please note some firms may be taking multiple actions i.e. abandoning/delaying some investment plans whilst continuing with other plans at a reduced scale or scope.

## LONG TERM IMPACT OF COVID-19 BY SECTOR AND SIZE



Around a third of firms in France expect that, in the long term, COVID-19 will lead to a permanent reduction in employment (34%) or have an impact on their service or product portfolio (32%). This is different from EU firms, rather associating the long term impact of COVID-19 with the increased use of digital technologies.

Compared to manufacturing firms, construction firms in France are more likely to expect the coronavirus outbreak to lead to a permanent reduction in employment (25% and 40%, respectively).

At the same time, manufacturing firms are more likely to expect a long-term impact on the increased use of digital technologies than construction firms (28% and 10%, respectively).

Q. Do you expect the coronavirus outbreak to have a long-term impact on any of the following?

Base: All firms

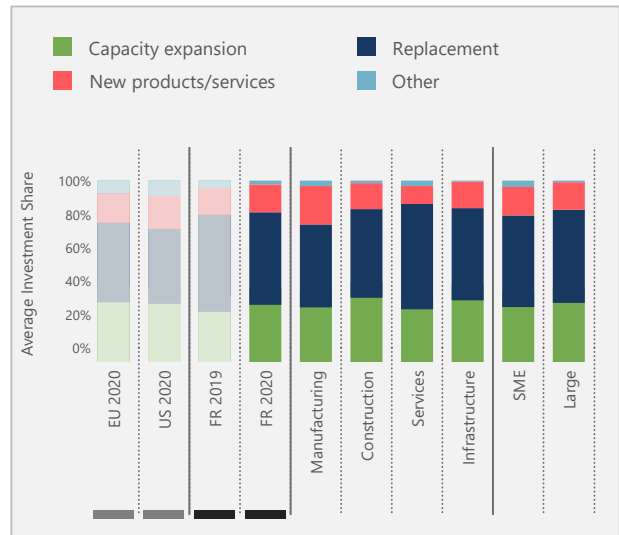


# Investment Focus

## PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

Investment in the last financial year was mainly driven by the need to replace existing building, machinery, equipment and IT (with an average share of 55% of investment allocated to capacity replacement). This is in line with the results for France in EIBIS 2019 (58%) and remains higher than the EU average (47%).

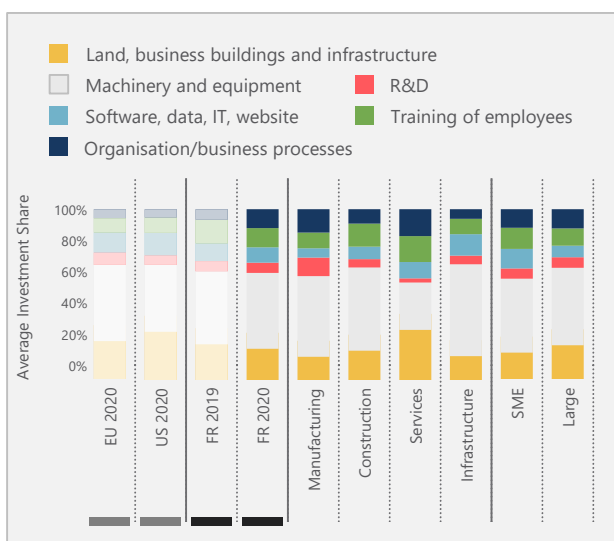
Comparing firms across different sectors, the average share of investment allocated to replacement is higher in services (63%) than manufacturing (50%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

## INVESTMENT AREAS



Out of the six investment areas considered, about half of investment in the last financial year went into machinery and equipment (49%), followed by training of employees (12%) and organisation/business processes (12%).

On average, firms allocated 41% of total investment to intangible assets (R&D, software, training of employees, and organisation/business processes).

Compared to firms in the manufacturing and infrastructure sectors, firms in the services sector allocated a lower share of investment to machinery and equipment (30%), but a higher share to land, business buildings and infrastructure (23%).

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

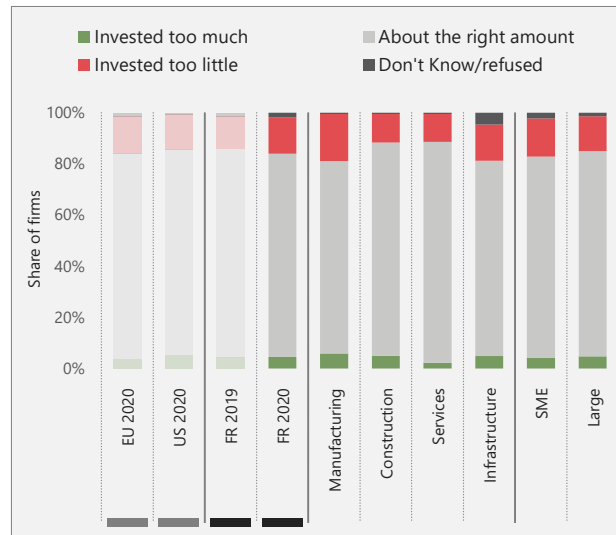
# Investment Needs and Priorities

## PERCEIVED INVESTMENT GAP

Four out of five firms consider that their investment over the last three years was about the right amount (79%). This is in line with France in EIBIS 2019 (81%) and the EU average (80%).

Around one in seven firms (14% of firms) report having invested too little, while 5% report they invested too much.

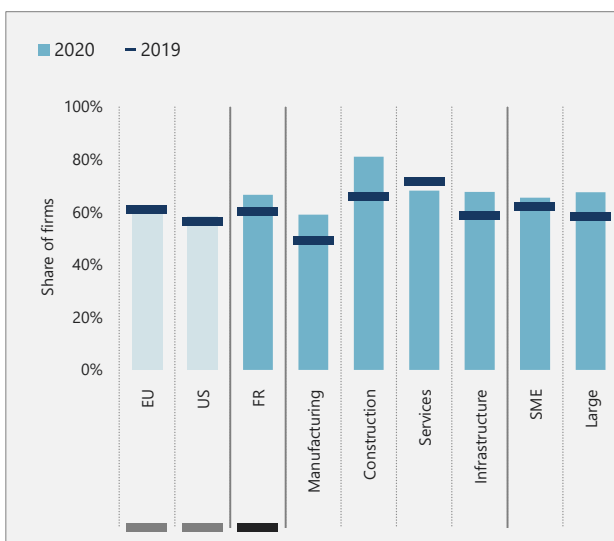
The perceived investment gap is similar across all sectors and size classes.



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

## SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Full capacity is the maximum capacity attainable under normal conditions e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

Two-thirds of firms (67%) report operating at or above full capacity in the past financial year. This is higher than the EU average (61%) and in line with France in EIBIS 2019 (60%).

Comparing firms across sectors, a relatively high share of firms in construction (81%) report operating at or above full capacity, as opposed to a relatively lower share for firms in manufacturing (59%).

# Investment Needs and Priorities

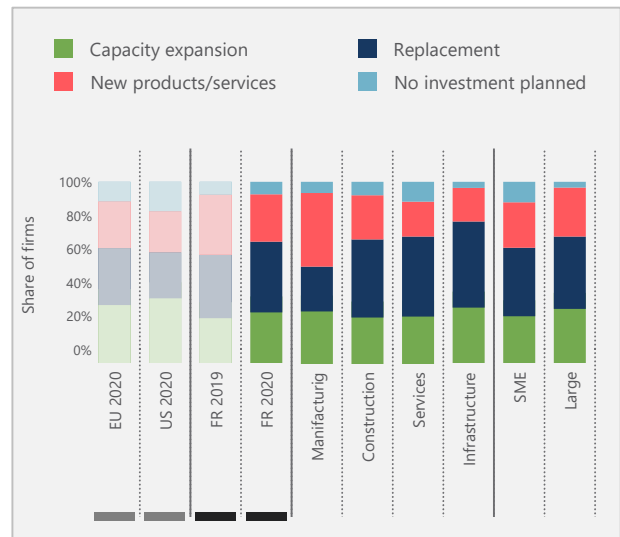
## FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, replacing capacity is the most cited investment priority by firms in France (42%). This is similar to the level in France in EIBIS 2019 (38%) and remains higher than the EU average (34%).

Developing new products or services is cited as an investment priority by 28% of firms. Fewer firms report to have no investment planned in France (7%) than the EU average (12%).

Looking at sectoral differences, investment in new products or services is more likely to be an investment priority in the manufacturing sector (44%). Conversely, firms in manufacturing are less likely to cite replacing capacity as a priority (27%).

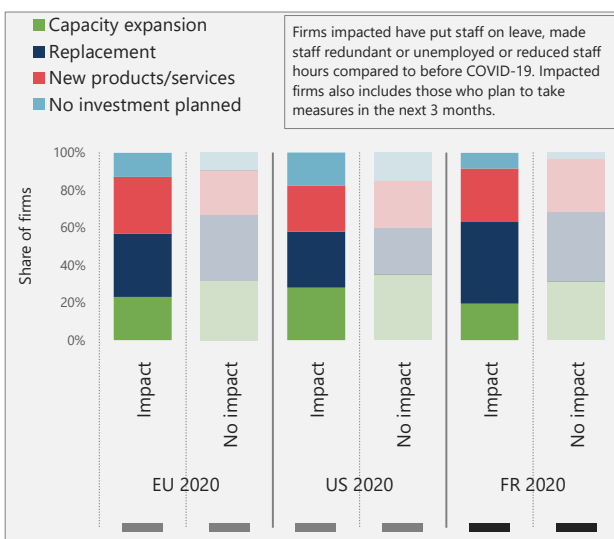
Small firms are more likely than large firms to have no investment planned (12% and 3%, respectively).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/ refused responses)

## COVID-19 IMPACT ON PRIORITIES



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Q. Thinking about the impact of coronavirus, have you had to put staff temporarily on leave, make staff redundant or unemployed or reduce the number of hours they work compared to before the coronavirus pandemic?

Base: All firms (excluding don't know/ refused responses)

Among firms impacted by COVID-19, replacing capacity is the most cited investment priority (44%), which is higher than the EU average (34%), followed by the development of new products or services (29%).

Among firms reporting no impact from COVID-19, replacing capacity is the most cited investment priority (37%), followed by expanding capacity (31%).

# Innovation Activities

## INNOVATION ACTIVITY

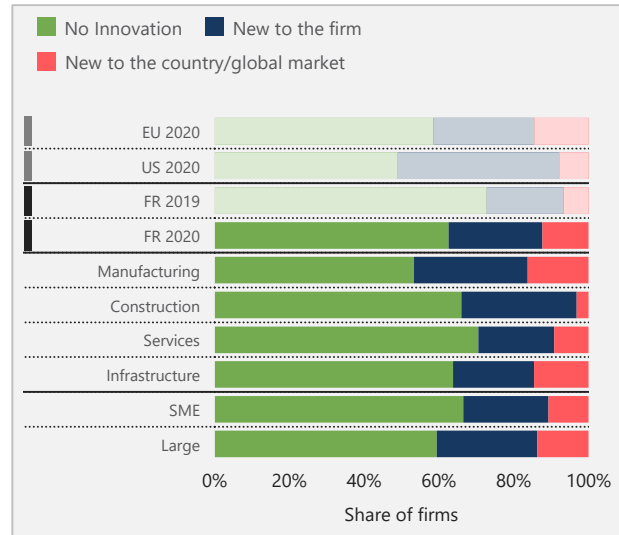
More than one-third of all firms (37%) invested to develop or introduce new products, processes or services in the previous financial year. This includes 15% of firms reporting innovations that were new to the country or the global market.

Zooming in on different sectors, manufacturing firms are most likely to innovate (47%). Among these, 30% reported the products, processes or services were new to the firm and 16% reported they were new to the country or the global market. Firms in the service industry were the least likely to innovate (29%).

Four in ten large firms (41%) reported they had invested to develop or introduce new products, processes or services, but only a third of SMEs (34%) did so.

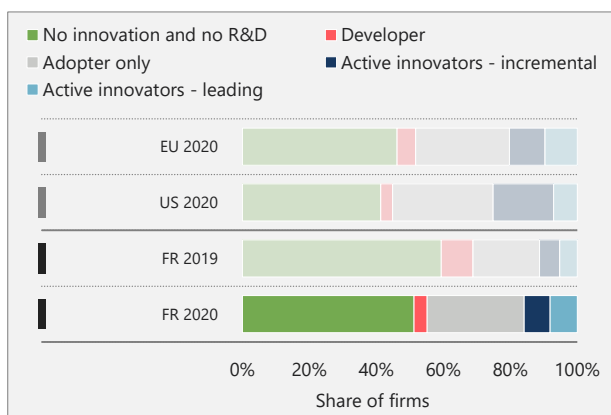
Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?



Base: All firms (excluding don't know/ refused responses)

## INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

When firms' innovation and research and development behaviour is profiled more widely, 16% of firms in France are classified as 'active innovators' (i.e. firms that invested in R&D). However, the proportion of 'adopters' has increased to 29% from 20% in EIBIS 2019.

Innovation profiles in France are broadly in line with the EU average.

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are 'new to the country/world'.

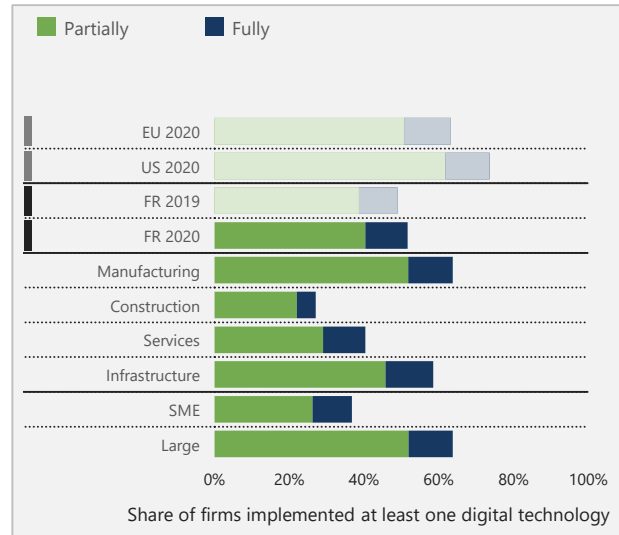
# Innovation Activities

## IMPLEMENTATION OF DIGITAL TECHNOLOGIES

Around half of firms (52%) have implemented at least one digital technology. This is lower than the EU average (63%).

Firms in the construction and services sectors (27% and 40% respectively) are less likely to have implemented digital technologies compared to firms in the manufacturing and infrastructure sectors (64% and 59% respectively).

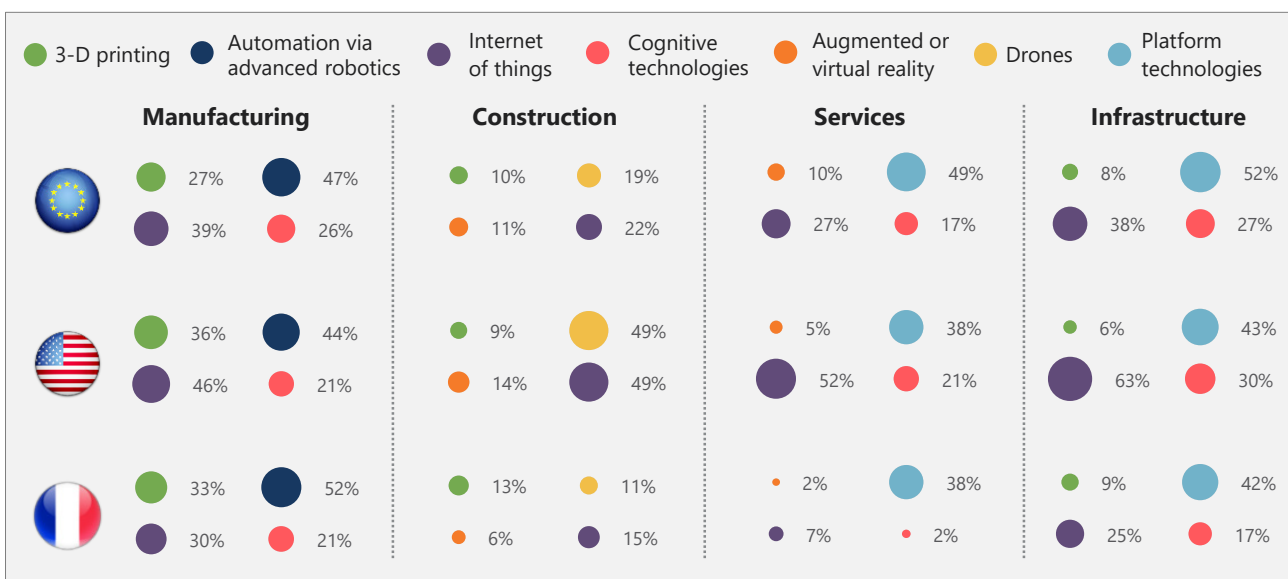
Service sector firms in France lag their EU peers in the implementation of all the digital technologies asked about.



Q, Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/ refused responses)

## DIGITAL TECHNOLOGIES BY SECTOR



Q, Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Base: All firms (excluding don't know/refused responses)

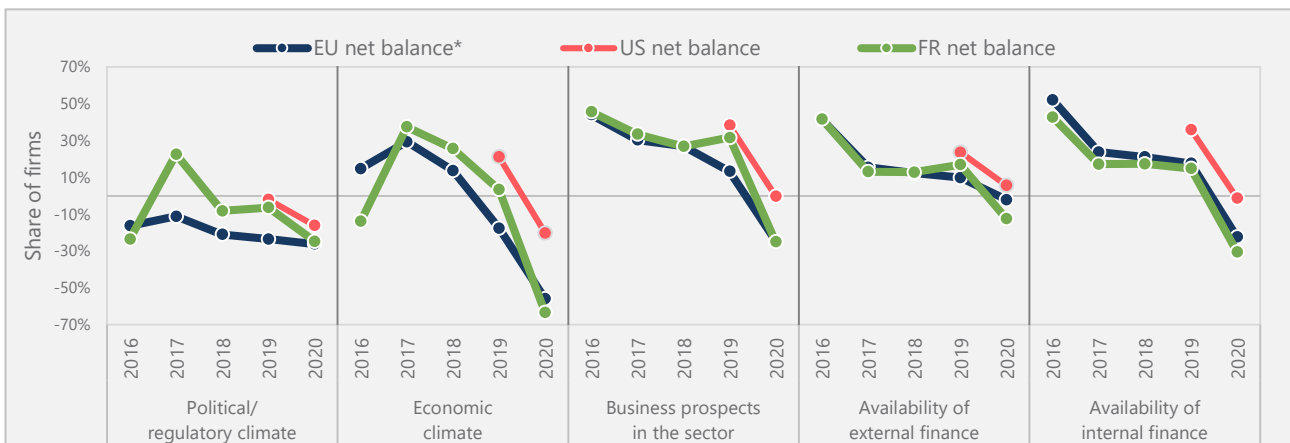
Reported shares combine implemented the technology 'in parts of business' and 'entire business organized around it'

# Drivers And Constraints

## SHORT TERM FIRM OUTLOOK

On balance, more firms expect the business outlook to deteriorate than improve in the next 12 months. Compared with EIBIS 2019, firms are much less optimistic about the expected overall economic climate (with the net balance down 67

percentage points to -64%), business prospects in the sector (down 57 percentage points to -25%) and the availability of internal finance (down 45 percentage points to -30%).

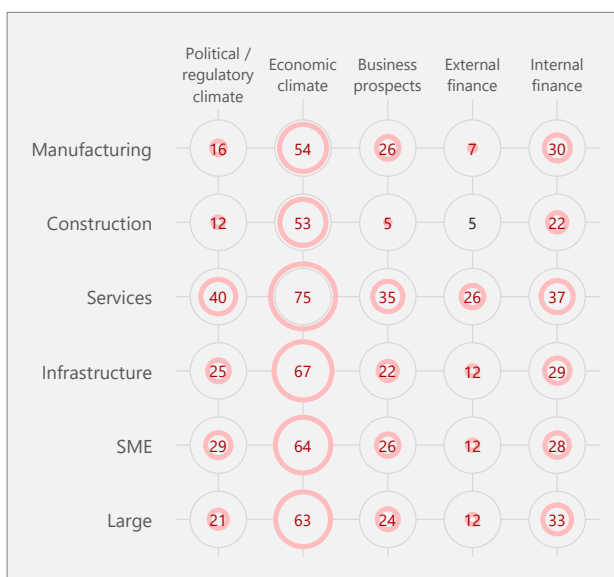


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

\*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

## SHORT TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



Please note: red figures are negative

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

On balance, firms are more negative than positive about the business outlook across all four sectors and size classes. One exception is external finance in the construction sector where firms are slightly more optimistic than pessimistic.

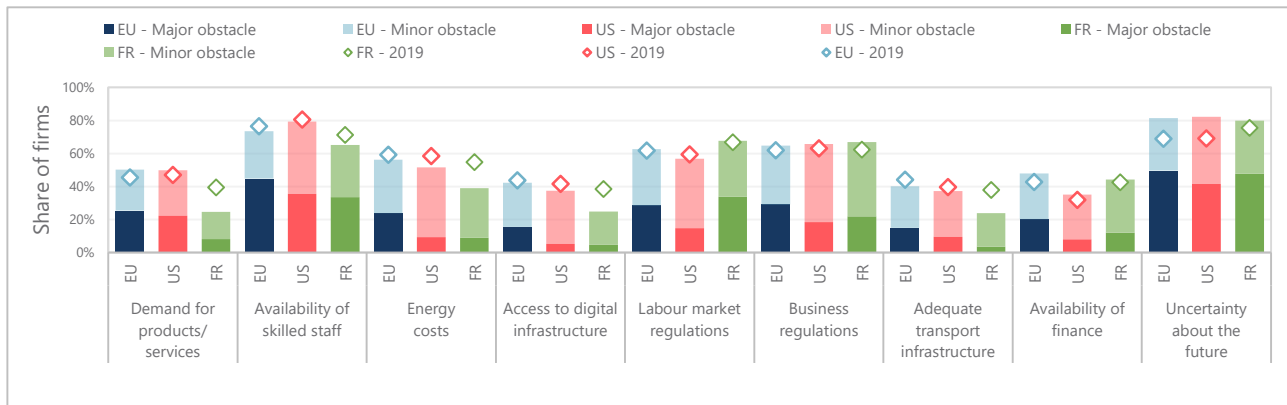
Firms are especially pessimistic about the expected overall economic climate over the next 12 months, in particular firms in the services sector (-75%).

# Drivers And Constraints

## LONG TERM BARRIERS TO INVESTMENT

The share of firms reporting uncertainty about the future (80%) as a long term barrier remains in line with France in EIBIS 2019 (75%) and the EU average (81%). Uncertainty is the most cited long-term barrier among all sectors and size classes. This is followed by labour market regulations (68%), business regulations (67%) and availability of staff with the right skills (65%).

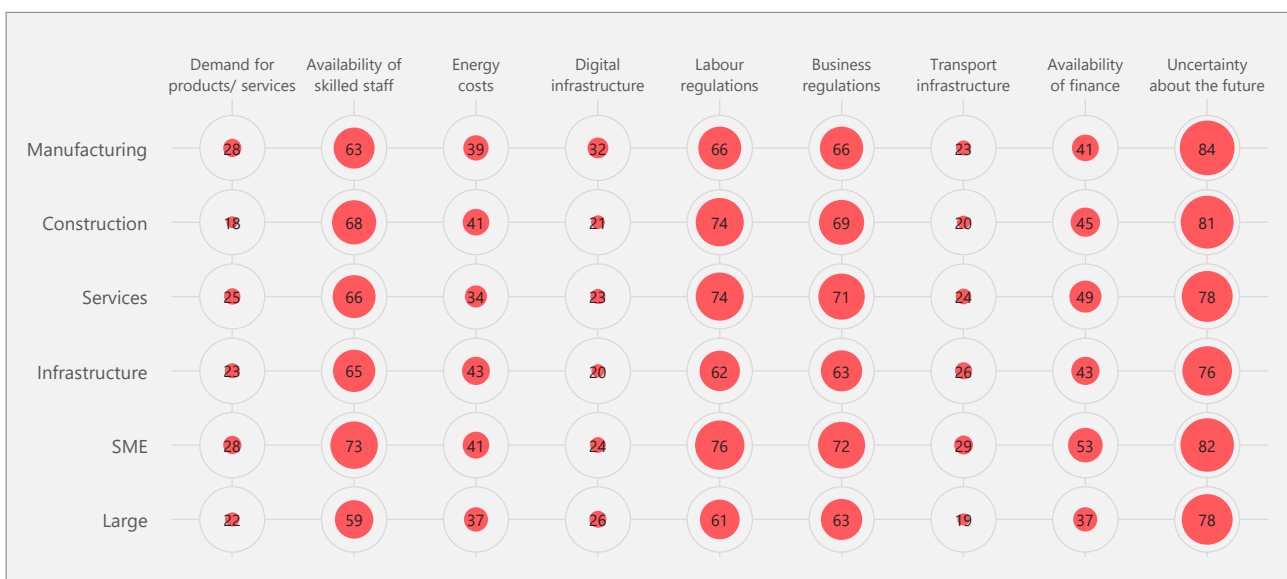
Compared with EIBIS 2019, there has been a decline in the share of firms reporting demand for products or services (25% and 39% in EIBIS 2019), access to digital infrastructure (25% and 38% in EIBIS 2019) and availability of adequate transport infrastructure (24% and 38% in EIBIS 2019) as long term barriers to investment.



Q. Thinking about your investment activities in France, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

## LONG TERM BARRIERS BY SECTOR AND SIZE



Q. Thinking about your investment activities in France, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine 'minor' and 'major' obstacles into one category

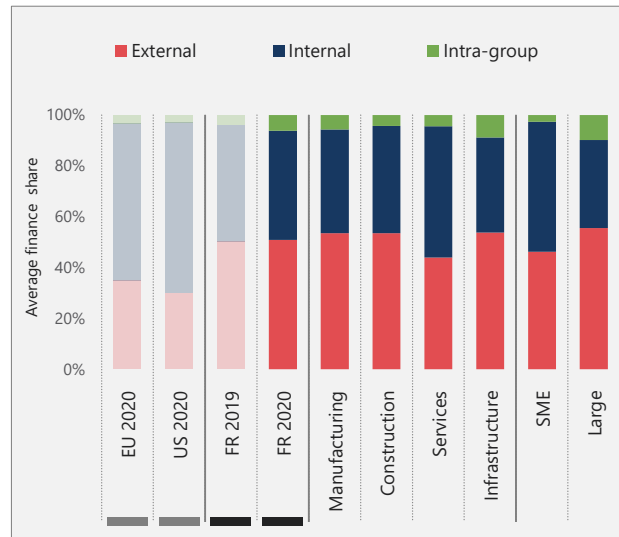
Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

# Investment Finance

## SOURCE OF INVESTMENT FINANCE

External funds accounted for around half (51%) of investment finance in France. This is in line with EIBIS 2019 (50%), and remains well above the EU average (35%).

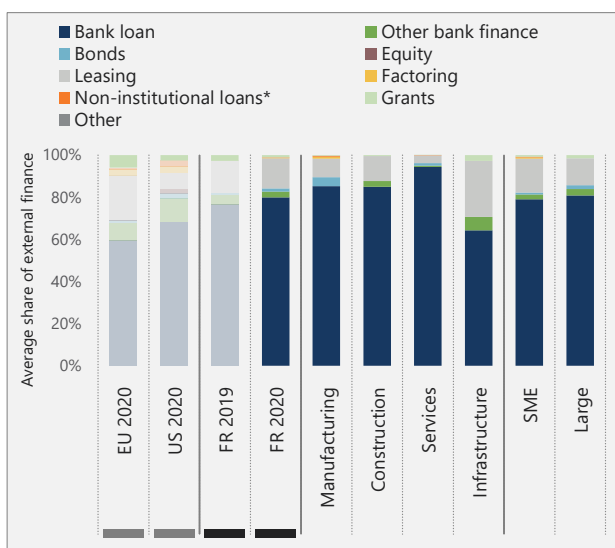
SMEs report to use a higher share of internal finance than large firms (51% and 35%, respectively). At the same time, large firms report a higher share of intra-group funding than with SMEs (10% and 3% respectively).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/ refused responses)

## TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Bank loans continued to make up the highest share of external finance (80%). This is in line with EIBIS 2019 (77%) and remains above the EU average (59%).

Focusing on other types of external finance, firms in the infrastructure sector tended to rely more on leasing (27%) compared to other sectors (ranging between 4% to 12%).

Q. Approximately what proportion of your external finance does each of the following represent?

\*Loans from family, friends or business partners

Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses)



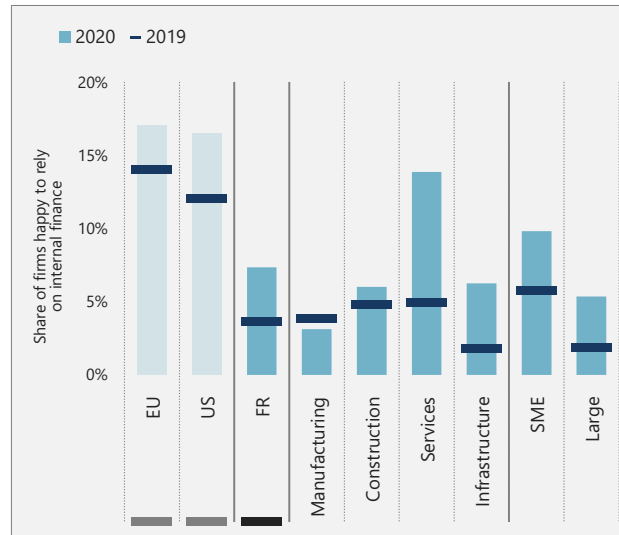
# Investment Finance

## SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

Only 7% of firms report that the main reason for not seeking external finance was because they are happy to use internal finance or did not need external finance.

This is in line with France in EIBIS 2019 (4%), but remains substantially lower than the EU average (17%).

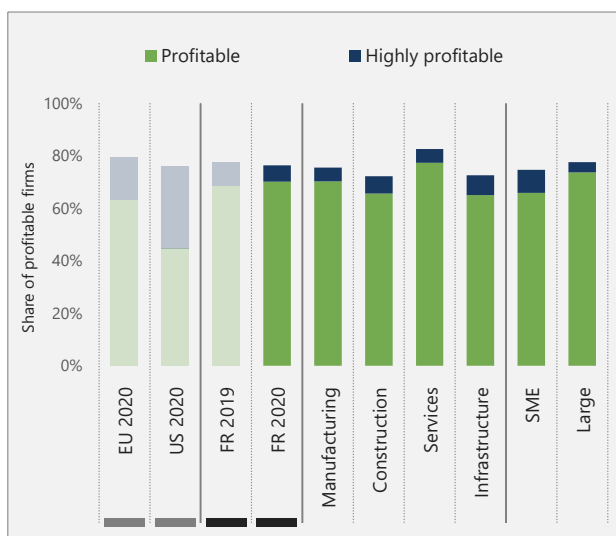
Firms in the services sector are the most likely to report being happy to use internal finance or not needing external finance (14%).



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

## SHARE OF PROFITABLE FIRMS



Around three-quarters (76%) of firms report to have made a profit in the last financial year. This is similar to France in EIBIS 2019 (78%) and the EU average (80%).

Only 6% of firms report to be highly profitable, defined as generating a profit level at least 10% of firm turnover. This is similar to France in EIBIS 2019 (9%) but remains lower than the EU average (16%).

There is little variation across sectors or firm size classes in the share of firms reporting to have made a profit in the last financial year.

Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

Base: All firms (excluding don't know/refused)

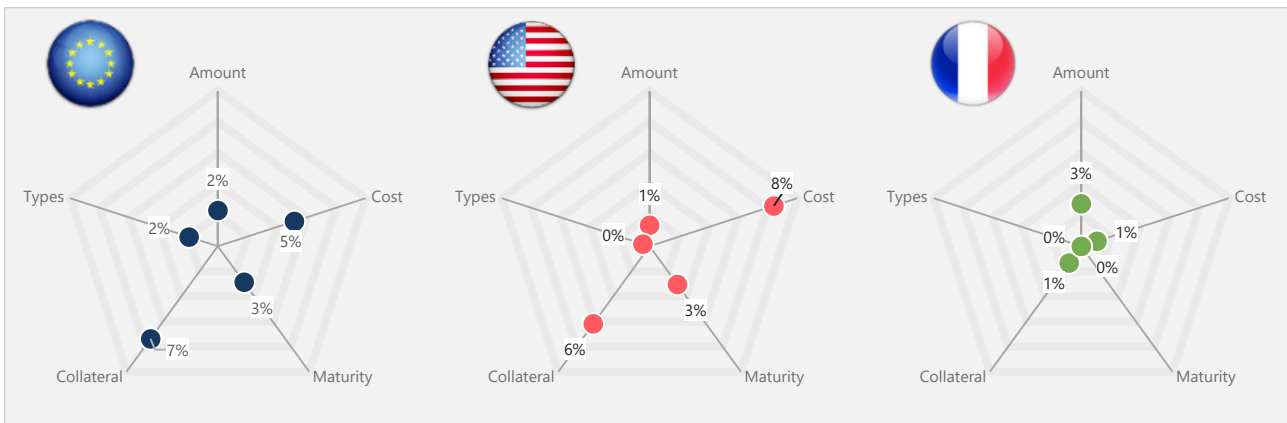
# Access To Finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms that used external finance in 2019 are on balance satisfied with the amount, cost, maturity, collateral and type of finance they have received. The element where firms most frequently report dissatisfaction is the amount of finance (3%).

The share of firms dissatisfied with collateral (1%) and cost of external finance (1%) is lower than the EU average (7% and 5%, respectively).

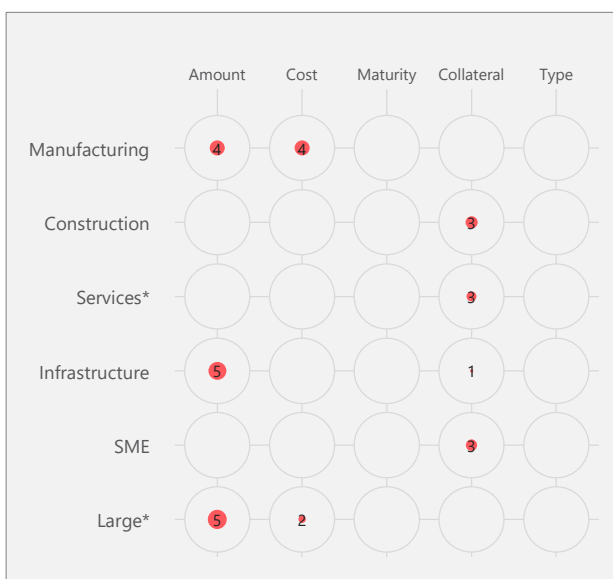
### Share of dissatisfied firms



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

## DISSATISFACTION BY SECTOR AND SIZE (%)



The levels of dissatisfaction with external finance in France remain very low.

There is no significant difference across sectors or firm size classes.

Q. How satisfied or dissatisfied are you with ...?

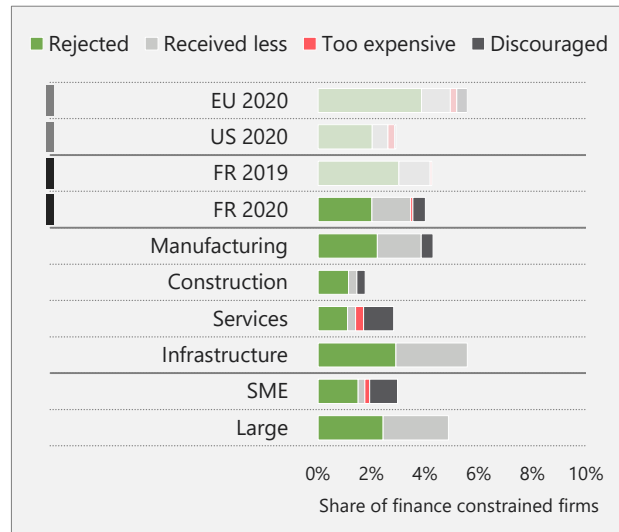
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses) \* Caution very small base less than 30

# Access To Finance

## SHARE OF FINANCE CONSTRAINED FIRMS

Four per cent of all firms in France could be considered finance constrained in 2019, which is similar to the EU average (6%) and France in EIBIS 2019 (4%).

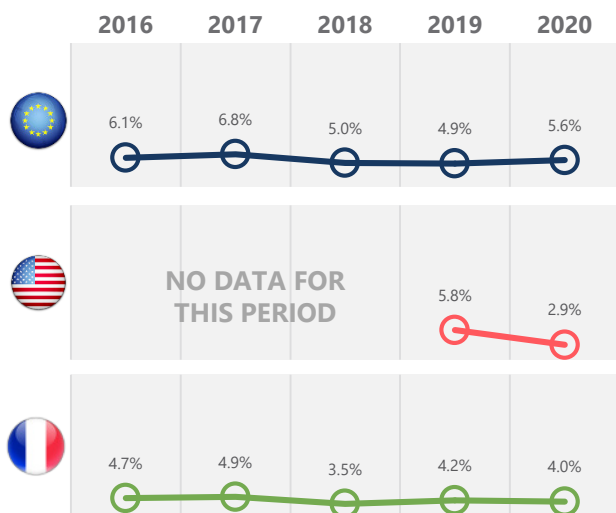
Comparing firms across sectors, the share of finance constrained firms in France is slightly higher in the infrastructure sector (6%).



*Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)*

Base: All firms

## FINANCING CONSTRAINTS OVER TIME



The share of firms considered to be financially constrained has been stable over the past five years. This is similar to the trend for the EU average.

Base: All firms

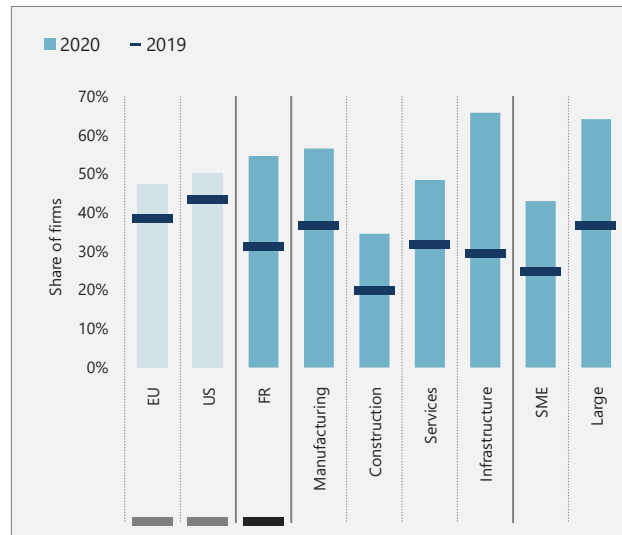
# Energy Efficiency

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

The majority of firms (55%) were investing in measures to improve energy efficiency, a significant increase compared to France in EIBIS 2019 (31%). This is also above the EU average (47%).

There are some significant disparities across sectors. The share of firms investing in measures to improve energy efficiency was highest in the infrastructure sector (66%) and lowest in the construction sector (35%).

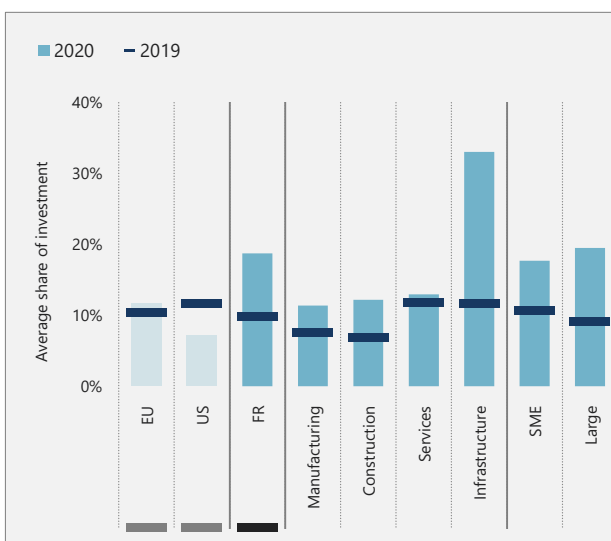
Large firms were more likely to be investing in energy efficiency improvements (64%) than SMEs (43%).



Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

## AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



On average, firms in France allocated 19% of total investment in the last financial year to improve energy efficiency, a significant increase compared to France in EIBIS 2019 (10%). This is also above the EU average (12%).

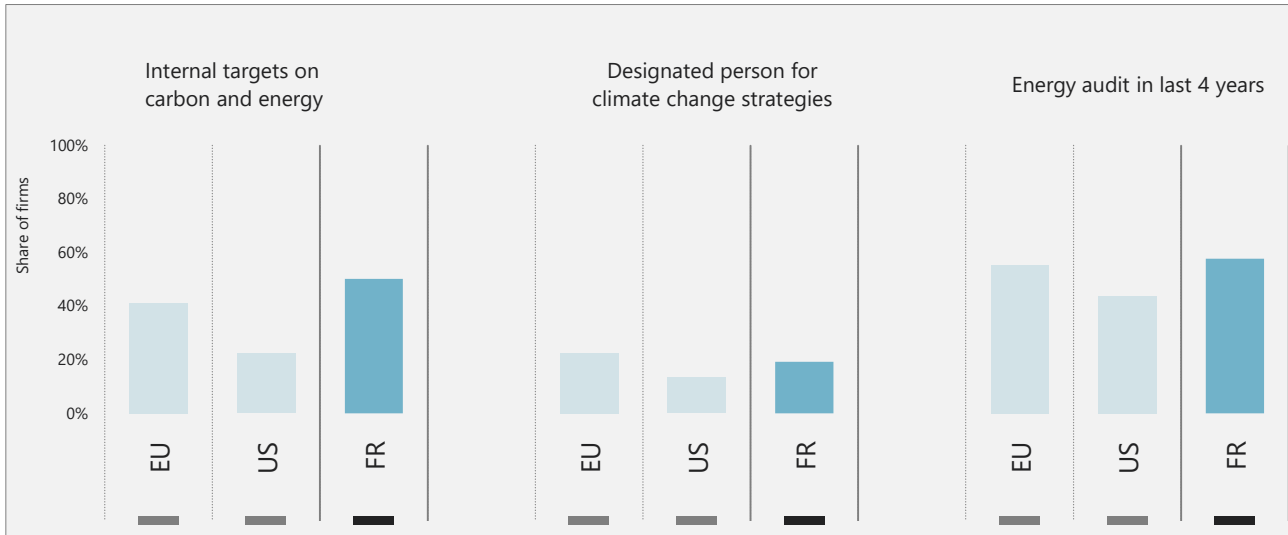
Zooming in on different sectors, firms in the infrastructure sector allocated a higher share of total investment (33%) to improve energy efficiency than firms in manufacturing (11%), construction (12%) and services (13%).

Q. What proportion of total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who had invested in the last financial year (excluding don't know/refused responses)

# Energy Efficiency

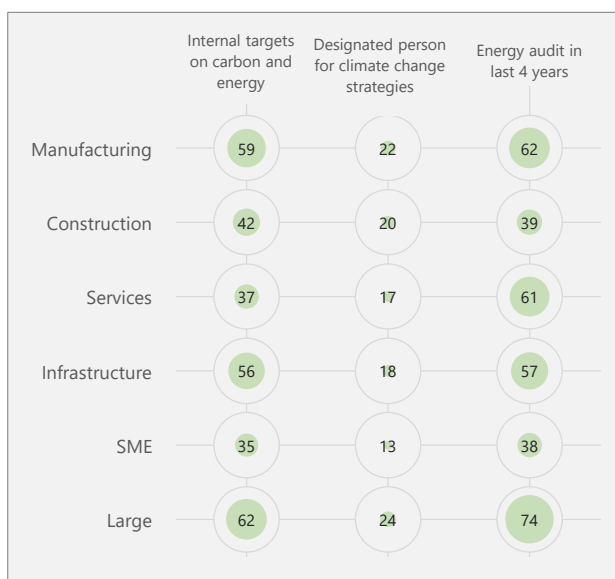
## ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT



Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?  
 Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?  
 Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

Base: All firms

## ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT BY SECTOR AND SIZE



Half of the firms (50%) report to have internal targets on carbon and energy, which is higher than the EU average (41%). Firms in the services sector are less likely to have internal targets on carbon and energy (37%).

Almost six in ten firms have had an energy audit in the last four years (58%), which is in line with the EU average (55%). Firms in the construction sector are less likely to have had an energy audit (39%) than firms in other sectors. Large firms are more likely to have had it than SMEs (74% and 38%, respectively).

One in five firms (19%) report to have a designated person for climate change strategies, which is in line with the EU average (23%).

Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?  
 Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?  
 Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

Base: All firms

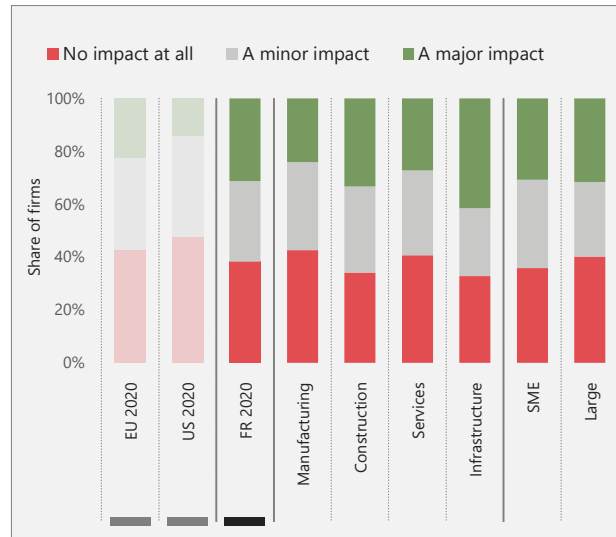
# Climate Change

## CLIMATE CHANGE IMPACT

Around six in ten firms (62%) report that climate change currently has an impact on their business. This is in line with the EU average (58%).

The proportion of firms reporting that climate change has a major impact on their business is higher in France (31%) than the EU average (23%).

Firms in the infrastructure sector are more likely to report a major impact on their business than manufacturing firms (41% versus 24%).



Q, Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

Base: All firms (excluding don't know / refused responses)

## REDUCTION IN CARBON EMISSIONS OVER NEXT FIVE YEARS BY SECTOR AND SIZE (NET IMPACT %)



Please note: green figures are positive, red figures are negative

Q. What impact will the transition to a reduction of carbon emissions have on the following aspects of your business over the next five years?

Base: All firms

The share of firms reporting that the transition to a reduction of carbon emissions will have a positive impact on their business over the next five years is higher than the share of firms reporting a negative impact (i.e. a positive balance), with respect to the three main channels of impact considered.

Large firms are more positive than SMEs about the impact on market demand (52% and 31%, respectively) and the impact on their reputation (49% and 37%, respectively).

The share of firms reporting a positive impact of the transition to a low-carbon economy on their supply chain is (on balance) higher in the infrastructure sector (30%) than in manufacturing (7%) and services (8%) over the next five years. Firms in the infrastructure sector were also more positive about the impact on their reputation (55%), especially compared to firms in services (33%).

\*Net balance is the share of firms seeing positive impact minus the share of firms seeing a negative impact

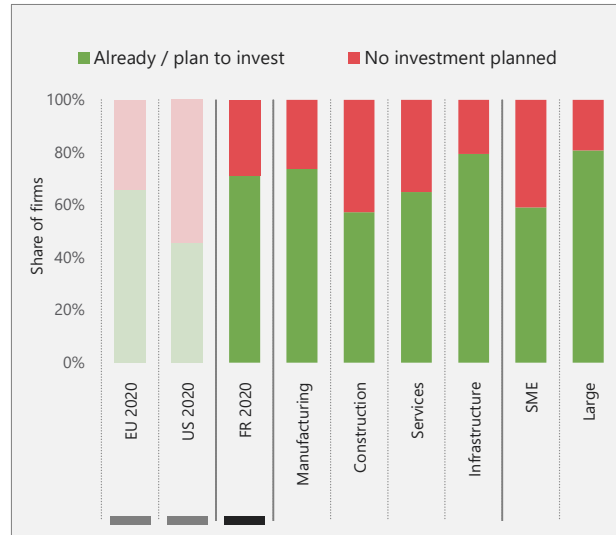
# Climate Change

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

Almost three-quarters of firms (72%) report to have already invested or plan to invest to tackle the impact of climate change. This is in line with the EU average (67%).

Firms in the construction sector are less likely to have already invested or plan to invest to tackle the impact of climate change (57%) than firms in manufacturing and infrastructure sectors (75% and 80%, respectively). Compared to large firms, SMEs are less likely to have invested or plan to invest to tackle climate change (81% and 59%, respectively).

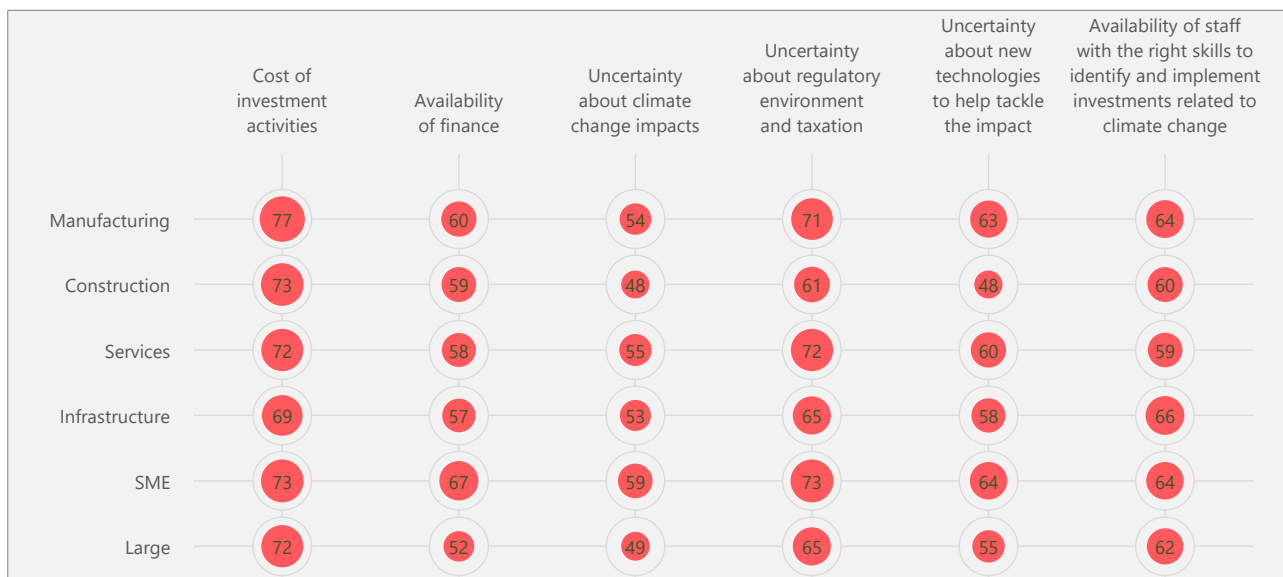
There is little variation across sectors about the barriers to investing in tackling climate change. Compared to SMEs, large firms are less likely to cite the availability of finance as a barrier (67% and 52%, respectively).



Q. Now thinking about investments to tackle the impacts of weather events and reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

## BARRIERS TO INVESTING IN ACTIVITIES TO TACKLE CLIMATE CHANGE BY SECTOR AND SIZE



Q. To what extent is the following an obstacle to investing in activities to tackle weather events and emissions reduction? Is it a major obstacle, minor obstacle or not at obstacle at all?

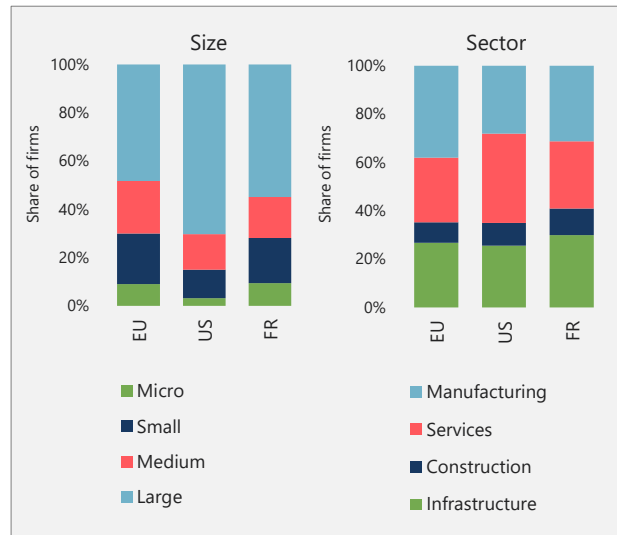
Base: All firms (data not shown for those who said not at obstacle at all / don't know / refused)

# Profile of Firms

## CONTRIBUTION TO VALUE ADDED

Large firms (250+ employees) account for 55% of value-added in France, which is higher than the EU average (48%).

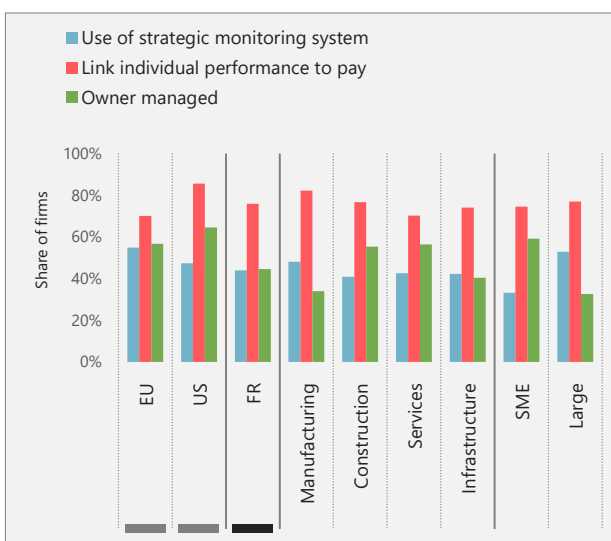
Sectoral contributions to value-added are broadly similar, with the manufacturing, services and infrastructure sectors accounting for 31%, 28% and 30%, respectively.



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

## FIRM MANAGEMENT



French firms perform better than the EU average on two key measures of management practices. Three-quarters of firms (76%) link individual performance to pay, which is above the EU average (70%). Firms are also less likely to be managed by the owner in France (45%) than the EU average (57%).

However, less than half of firms (44%) use a strategic monitoring system, which is below the EU average (55%).

There are differences across sectors and firm size classes. Large firms in France are more likely to use a strategic monitoring system than SMEs (53% and 33%, respectively). Compared to firms in manufacturing, firms in the construction and services are more likely to be managed by the owner (34%, 55% and 56%, respectively).

Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?  
Q. Does the CEO/ company head of your firm own or control the firm, or have a family member that owns/controls it?

Base: All firms (excluding don't know/refused responses)



# EIBIS 2020 – Country Technical Details

## SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in France, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	FR	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs FR	Manuf vs Constr	SME vs Large
	(12672)	(800)	(601)	(177)	(139)	(145)	(135)	(509)	(92)	(11971 vs 601)	(139 vs 177)	(509 vs 92)
10% or 90%	1.1%	3.5%	3.1%	5.3%	6.2%	6.3%	6.3%	2.4%	5.3%	3.3%	8.1%	5.8%
30% or 70%	1.7%	5.3%	4.8%	8.1%	9.5%	9.6%	9.6%	3.6%	8.2%	5.1%	12.4%	8.9%
50%	1.9%	5.8%	5.2%	8.8%	10.4%	10.5%	10.5%	3.9%	8.9%	5.5%	13.6%	9.7%

## GLOSSARY

<b>Investment</b>	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
<b>Investment cycle</b>	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities, firms in group C (manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities, firms in group F (construction).
<b>Services sector</b>	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
<b>Infrastructure sector</b>	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.
<b>EIBIS 2019</b>	The previous wave of the EIB Investment Survey, with interviews carried out between April-July 2019.
<b>EIBIS 2020</b>	The current wave of the EIB Investment Survey, with interviews carried out between May-August 2020.

*Note : the EIBIS 2020 overview refers interchangeably to 'the past/last financial year' or to '2019'. Both refer to results collected in EIBIS 2020, where the question is referring to the past financial year, with the majority of the financial year in 2019 in case the financial year is not overlapping with the calendar year 2019.*

# EIBIS 2020 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 601 firms in France (carried out between May and August 2020).

**BASE SIZES** (\*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2020/2019	US 2020/2019	FR 2020/2019	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 4, p. 6, p. 10, p.11, p. 13, p. 15, p. 16, p. 17, p. 18, p. 19, p. 20	11971/12071	800/803	601/602	177	139	145	135	509	92
All firms (excluding don't know/refused responses), p. 2	11634/11417	748/711	586/544	172	139	139	131	498	88
All firms with investment plans for the current financial year (excluding don't know/refused responses), p. 3 (bottom), p. 4 (top)	9606/NA	643/NA	482/NA	148	111	105	115	395	87
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (top)	10138/9716	682/624	517/413	155	122	123	113	433	84
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)	9874/9506	683/620	453/392	139	99	106	106	388	65
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11949/12042	799/802	599/599	177	138	144	135	507	92
All firms (excluding don't know/refused responses), p. 7 (top)	11727/11757	787/775	589/592	174	137	141	132	499	90
All firms (excluding don't know/refused responses), p. 7 (bottom)	11608/0	780/0	587/0	173	136	141	132	497	90
All firms (excluding don't know/refused responses), p. 8 (top)	11720/11770	769/772	600/593	177	139	145	134	509	91
All firms (excluding don't know/refused responses), p. 8 (bottom)	9039/8380	600/516	437/332	135	96	102	102	374	63
All firms (excluding don't know/refused responses), p. 9	11938/11937	799/800	598/595	177	138	145	134	506	92
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9255/9008	648/587	436/355	122	108	104	98	382	54
All firms who used external finance in the last financial year (excluding don't know/ refused responses), p. 12	4354/4369	314/252	273/217	87	66	54	63	231	42
All firms (excluding don't know/refused responses), p. 13	10711/10490	637/605	555/507	163	130	133	126	468	87
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4310/4292	314/245	274/214	87	67	54	63	232	42
All firms (excluding don't know/refused responses), p. 18	11898/NA	794/NA	599/NA	176	139	144	135	507	92
All firms (excluding don't know/refused responses), p. 19	11739/NA	772/NA	581/NA	170	134	141	131	490	91
All firms (excluding don't know/refused responses), p. 20*	11740/11627	777/762	593/568	174	137	143	133	503	90





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# France

Overview

## EIB INVESTMENT SURVEY

# 2020