



European
Investment Bank

France

Overview

EIB INVESTMENT SURVEY

2022

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France

Overview

EIB Investment Survey Country Overview 2022: France

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in 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, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States 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

These reports provide an overview of data collected for the 27 EU Member States and the United States. They 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.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of 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. To accommodate scheduling limitations, the content of this publication has not been subject to standard EIB copyediting or proofreading.

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EIBIS 2022 – France Overview

KEY RESULTS

Investment Dynamics and Focus

EIBIS 2022 shows that on average, at the time of interviews (April-July 2022), firms in France were exiting from COVID-19 in a relatively good shape and with, on balance, a positive outlook. French firms had positive expectations on investment for the whole of 2022, with a net balance of 20% of firms expecting to increase rather than decrease investment. However, the share of French firms having invested in 2021 remained lower than in the EU as a whole (68% versus 81%).

Investment Needs and Priorities

Firms in France did not signal major investment gaps, with 78% of them claiming their investment activities over the last three years as having been the right amount – similar to EIBIS 2021. Looking ahead to the next three years, investment in replacement remains the main priority for firms' investment (38% of firms). The share of firms with no investment plans increased slightly in EIBIS 2022 (16% vs 9% in EIBIS 2021) and is higher than the EU average.

COVID-19 Impact

The pandemic was a major shock for firms, although the impact was uneven across firms and sectors. Around a quarter (22%) of French firms did not experience year-on-year sales loss due to COVID-19, and at the time of the interview half (48%) of French firms expected higher sales in 2022 than before the pandemic, in 2019. On the other side of the spectrum, more than half of firms experienced losses in 2020 and/or 2021 and around a quarter of firms had yet to recover from the pandemic-era loss of business in 2022. Overall, optimism in France is lower than in the EU as a whole.

In total, 63% of French firms have received some form of financial support in response to COVID -19, with more than one in ten firms (13%) still receiving financial support, rising to 20% among SMEs.

Firms' Transformation, Innovation and Digitalisation

The policy support was instrumental for firms to transform. 56% of firms took action as a response to COVID-19, although this was below the EU average of 63%. In France, the most common action or investment was to become more digital (43%). More than half (56%) of firms in France used at least one advanced digital technology, below the EU average (69%).

The period of repeated shocks is having an effect on firms' innovation. About a fifth (22%) of firms in France developed or introduced new products, processes or services as part of their investment activities, lower than in EIBIS 2021 (29%) and below the EU average of 34%. This suggests that innovation was somehow put on hold during the pandemic shock.

International Trade

Almost 90% of firms in France faced disruptions to their international trade since 2021. Nearly as many firms see the war and/or COVID-19 as creating obstacles to international trade (83%). Among all French firms facing disruptions to international trade, just over half (54%) reported having taken actions to mitigate the impact of these disruptions.

EIBIS 2022 – France Overview

Drivers and Constraints

At the time of interviews, firms were already expecting a deterioration in the economic and political climate, with firms in France and the EU more pessimistic than in EIBIS 2021 about the investment conditions for the next year.

Looking at long term impediments to investment, the availability of skilled staff (84%), energy costs (78%) and uncertainty about the future (74%) are seen as the main barriers. Compared to EIBIS 2021, there is a surge in the share of firms reporting energy costs as a constraint to investment, alongside an increased share seeing availability of skilled staff and access to digital infrastructure as barriers.

Investment Finance

In line with the tightening of global and European financial conditions, firms start mentioning a worsening of their outlook for finance. The share of French firms considered financially constrained is on the rise, from 2% in EIBIS 2021 to 6% in EIBIS 2022. The share of financially constrained firms in France is now similar to the EU average.

Climate Change and Energy Efficiency

Around half of firms in France (52%) see themselves as impacted by climate change, with only a third having taken actions for building resilience against these impacts, in line with the EU as a whole. While 22% of firms invested in solutions to reduce/avoid exposure, 11% have invested in or developed an adaptation strategy for dealing with physical risks.

The share of French firms seeing the transition to stricter climate standards and regulations as a risk is slightly higher than the proportion that see it as an opportunity (34% and 28%, respectively). While, more than eight in ten (84%) French firms have already taken to reduce Greenhouse Gas (GHG) emissions.

Looking at investment in climate change more broadly, 39% of firms in France have already invested, below the EU average of 53%. Around half (49%) of French firms have plans to invest in climate change over the next three years, similar to the EU average.

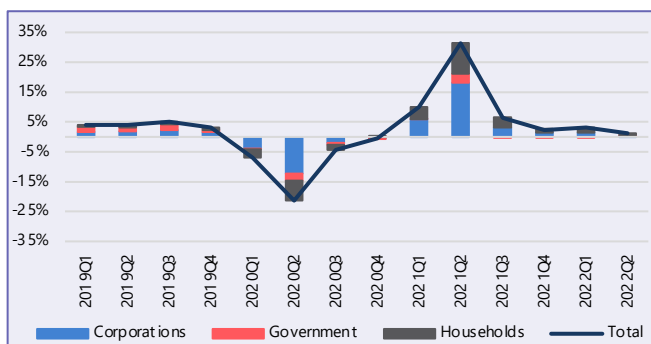
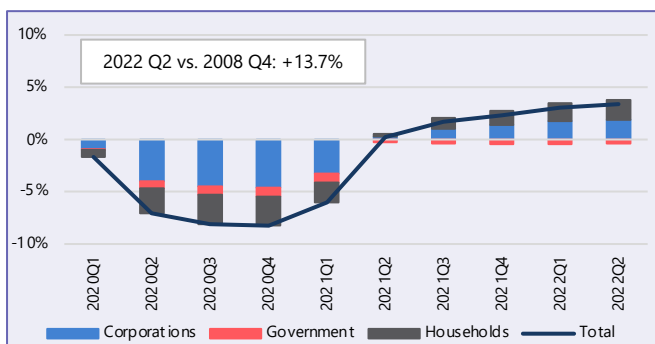
Firm Management, Gender Balance and Employment

In 2021, four in ten firms in France (40%) used a strategic monitoring system, lower than in the EU overall (51%). However, when it comes to striving for gender balance, French firms are above the EU average (69% versus 58%).

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

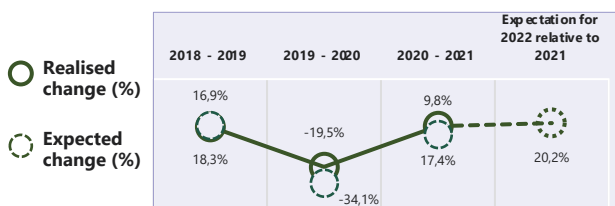
- After reaching a trough of -8.2% relative to the pre-pandemic level in Q4 2020, aggregate investment levels in France followed an upward trajectory in the course of 2021 and first half of 2022. In Q2 2022, compared to the level in Q4 2019, overall investment stood at a level 3.4% higher.
- The rebound in aggregate investment was driven by roughly equal and increasing positive contributions from household and corporate sector investments. On the other hand, the contribution from the government sector remained slightly negative and stable during this rebound period.



The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0. The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data. Source: Eurostat, authors' own calculations.

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Firms operating in France hold a positive investment outlook in 2022, with a net balance of 20% of firms expecting to increase rather than decrease investment. This is in line with the average across the EU. For France this represents a substantial positive shift from EIBIS 2021 in terms of outlook (up from a net balance of 10%).
- Manufacturing firms are the most likely to expect to increase rather than decrease their investment in 2022 (net balance 29%).
- Overall, the share of French firms having invested in 2021 remains lower than in the EU as a whole (68% versus 81%).



'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 for expected and realised change: All firms



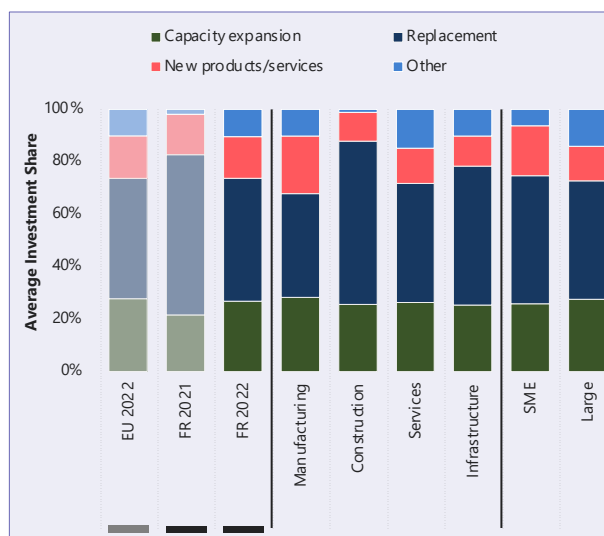
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

Base for share of firms investing: All firms (excluding don't know/refused responses)

Investment dynamics and focus

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

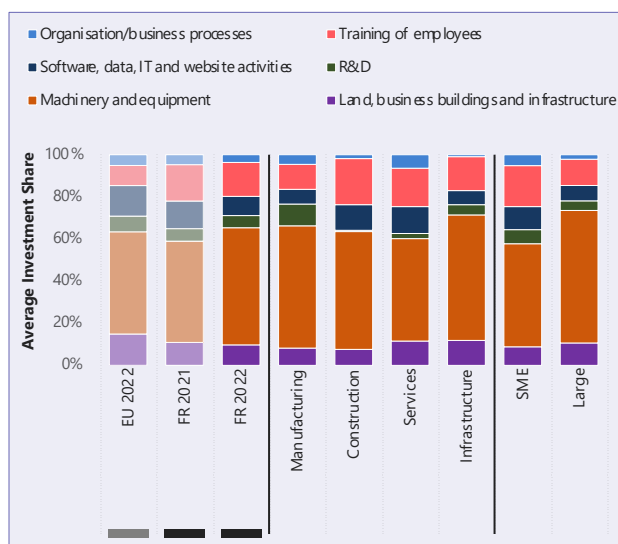
- On average, firms in France spent 47% of their investment on replacement in 2021, less than what was reported in EIBIS 2021 (61%) and in line with the current EU average.
- Investment in capacity expansion also accounted for a large proportion of total investment (27%), in line with the EU average.
- Investment in new products and services accounted for a lower share of the total expenditure (16%), although this was higher in the manufacturing sector (22%).



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



- Investment in intangible assets (R&D, software, training and business processes) by firms in France accounted for 35%, in line with the EU average but a slight decline compared to EIBIS 2021.
- Investment activities varied depending on the sector and size of the business. Small and medium companies (SMEs) invested a higher share in intangible assets (42% versus 26% for large firms) and a lower share in tangible assets (land, buildings, infrastructure and machinery) (58% versus 74%).
- Manufacturing firms were the most likely to invest in R&D (10%).

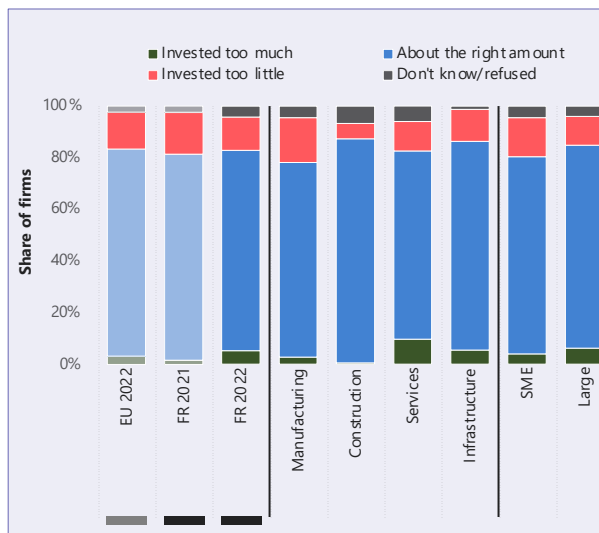
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

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

Investment needs and priorities

PERCEIVED INVESTMENT GAP

- Firms do not perceive major gaps in terms of investment. Despite difficult circumstances, more than three in four French firms (78%) believe that their investment activities over the last three years were about the right amount, similar to the share reported in EIBIS 2021.
- 13% of firms in France report that they invested too little, in line with EIBIS 2021, while 5% report too much investment, an increase from EIBIS 2021 (2%).
- Firms in France are similar to the EU average in their perceptions of the investment gap.

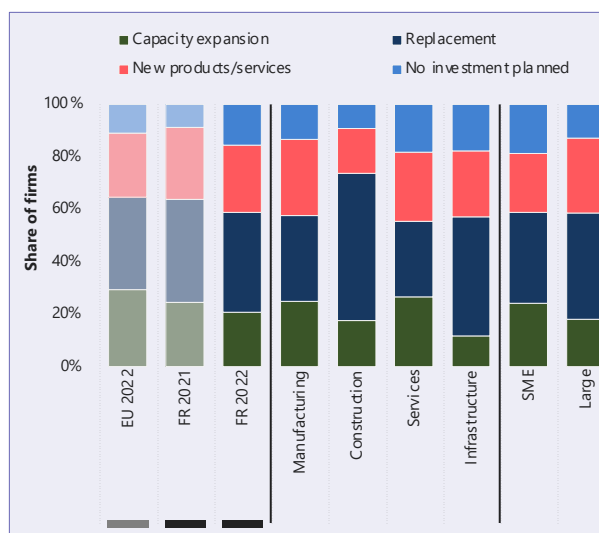


Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

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

FUTURE INVESTMENT PRIORITIES

- In line with EIBIS 2021, investment in replacement remains the most commonly cited priority for the next three years (38%) by firms in France. The share of firms prioritizing capacity expansion and investment in new products or services has remained fairly stable (21% and 26% respectively).
- The share of firms with no investment planned represents around one in six firms (16%) – an increase compared to EIBIS 2021 (9%).
- Compared with the EU average, firms in France are less likely to prioritize capacity expansion (21% versus 29%) and are more likely to say they have no investment planned (16% versus 11%).
- Investment in replacement is a particular priority for construction firms in France (56%).

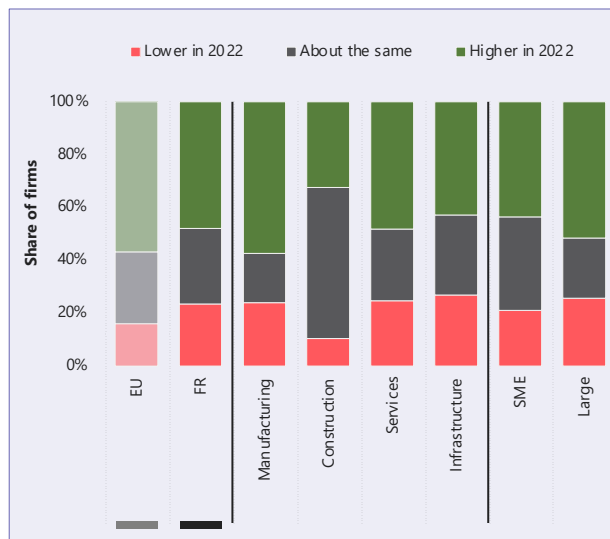


Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

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

Impact of COVID-19

IMPACT OF COVID-19 ON SALES OR TURNOVER BY END OF 2022 COMPARED TO 2019



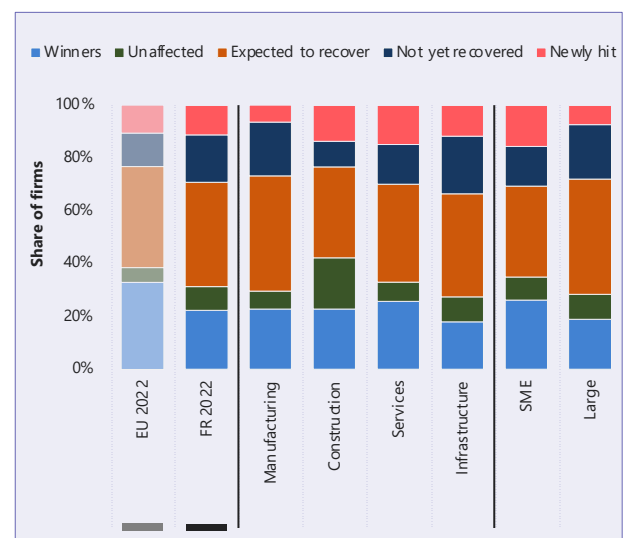
- Asked about the persistent impact of COVID-19 on sales in 2022, around a quarter (24%) of firms in France expected their sales in 2022 to be lower compared to 2019, while around half (48%) expected a sales increase.
- Firms in France were less optimistic than in the EU as a whole.
- In France, manufacturing firms held the most positive outlook, while those in construction were most likely to expect sales or turnover to stay the same.
- SMEs were more likely than large firms to expect sales or turnover to stay the same.

Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

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

IMPACT ON FIRMS' SALES OR TURNOVER AND EXPECTED RECOVERY

- France has 57% of firms that were negatively impacted by COVID-19. Nevertheless, 39% expected to recover and come back to 2019 sales levels in 2022.
- Around one in ten French firms (11%) only started losing recently, potentially related to the recent Russia conflict. SMEs are more likely than large firms to be newly hit (16% versus 7%).
- France has fewer COVID-19 'winners', i.e. firms who did not experience a loss in sales in 2020-2021 and expected higher sales in 2022, compared to 2019, than the EU average (22% versus 33%) and more that have not yet recovered (18% versus 13%).
- Construction firms are the most likely sector to be unaffected (19%) in France.



Q. Compared to 2019, before the pandemic started, did your companies sales and turnover in 2020 decline, increase or stay the same?

Q. Compared to 2020, did your companies sales and turnover in 2021 decline, increase or stay the same?

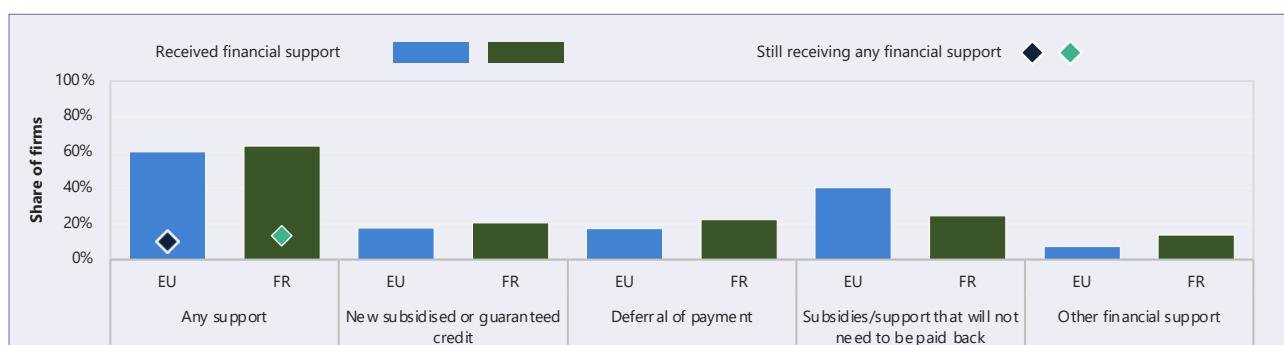
Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

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

Impact of COVID-19

FINANCIAL SUPPORT RECEIVED IN RESPONSE TO COVID-19

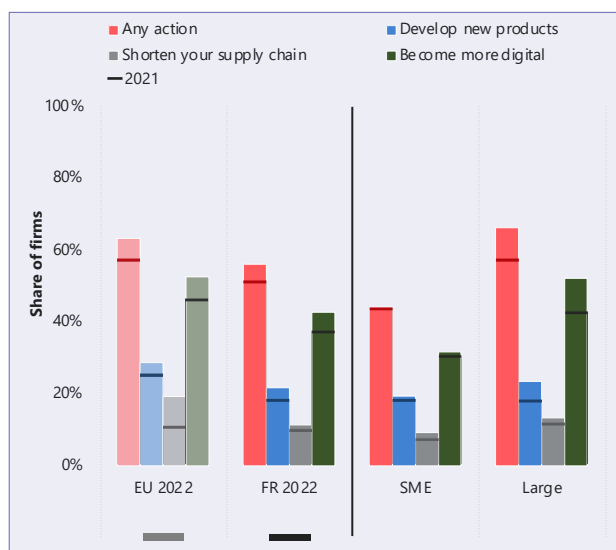
- Overall, 63% of firms in France have received some form of financial support in response to COVID-19, in line with the EU average.
- The most frequent type of financial support received by French firms is subsidies or another type of financial support that did not need to be paid back (25%), followed by deferral of payments (22%) and guaranteed credit (21%).
- Compared to the EU average, firms in France are more likely to have received deferral of payments and other types of support, but are less likely to have received subsidies or support that did not need to be paid back.
- Around one in eight of all firms in France (13%) are still receiving financial support, 3.5 percentage points above the EU average.



Q. Since the start of the pandemic, have you received any financial support?
Q. Are you still receiving (any of) this financial support?

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

ACTIONS AS A RESULT OF COVID-19



- More than half of firms in France (56%) report having taken at least one short-term action as a result of COVID-19. The most cited area of action or investment is to become more digital, as reported by 43% of firms in France.
- The proportion of French firms that report taking some kind of action is lower than the EU average (56% versus 63% EU).
- Large firms in France are more likely than SMEs to have taken actions or made investments in response to the pandemic, especially becoming more digital (52% versus 32%).

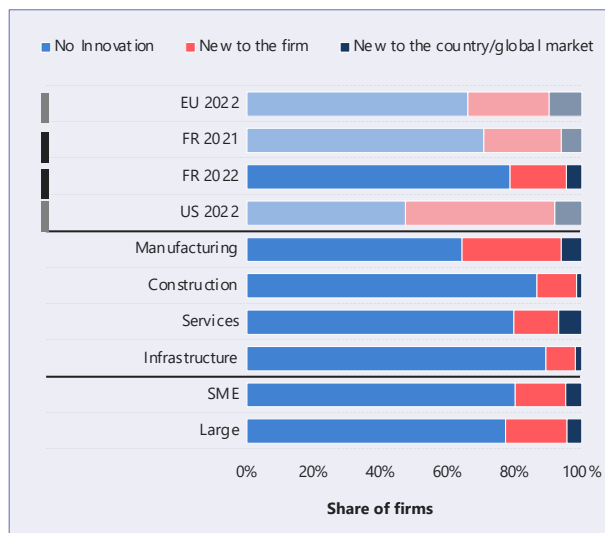
Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

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

Innovation activities

INNOVATION ACTIVITY

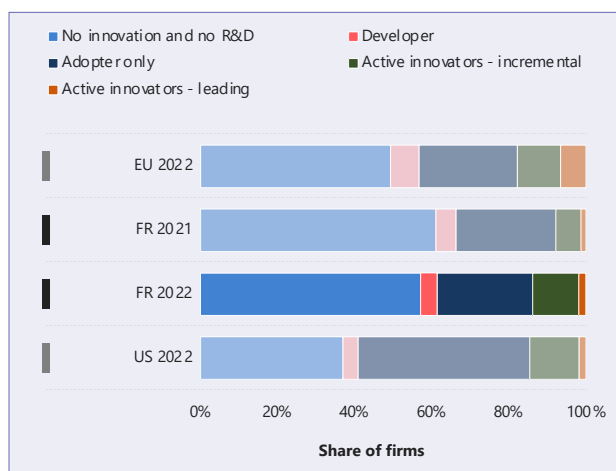
- About a fifth (22%) of French firms developed or introduced new products, processes or services as part of their investment activities in 2021, lower than in EIBIS 2021 (29%) and below the EU average of 34%. By contrast, more than half of US firms (53%) developed or introduced new products, processes or services.
- 5% of firms in France report the development/introduction of products, processes or services that were new to either the country or global market in EIBIS 2022, again below the EU average (10%).
- In France, levels of innovation were highest among manufacturing firms (36%).



- 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



- Around one in seven firms in France (14%) can be classified as active innovators — that is, as firms that invested significantly in research and development and introduced a new product, process or service — almost double than in EIBIS 2021, but lower than the share of active innovators in the EU as a whole (18%).
- Among active innovators in France, more firms are incremental innovators (12%) than leading innovators (2%) in EIBIS 2022.
- On the negative side, more than half of firms in France did not innovate or invest in R&D in 2021, similar to EIBIS 2021 and higher than the EU average.

- 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?

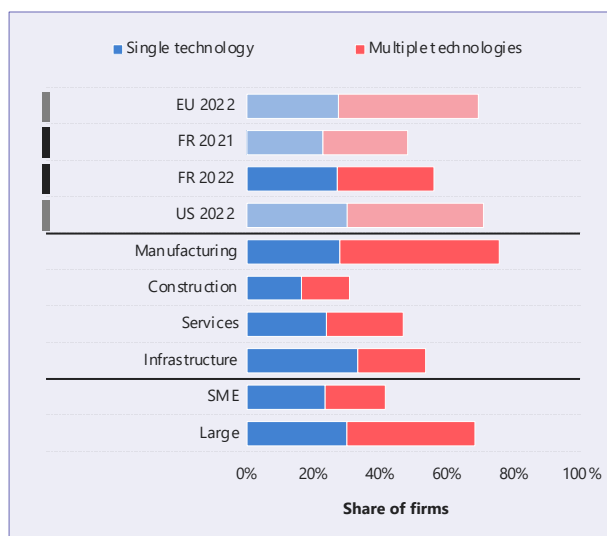
Base: All firms (excluding don't know/refused responses)

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

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 56% of firms in France used at least one advanced digital technology, below the EU average (69%).
- Firms in the manufacturing sector are the most likely to have adopted multiple technologies (48%).
- Large firms are more likely than SMEs to implement multiple technologies (38% versus 18%).
- Firms in France are strong in the implementation of robotics (60%), while they are less advanced than the EU average on platforms (23% versus 49%), internet of things (28% versus 41%) and big data/AI (18% versus 29%).



EIBIS 2022

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

EIBIS 2021

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?

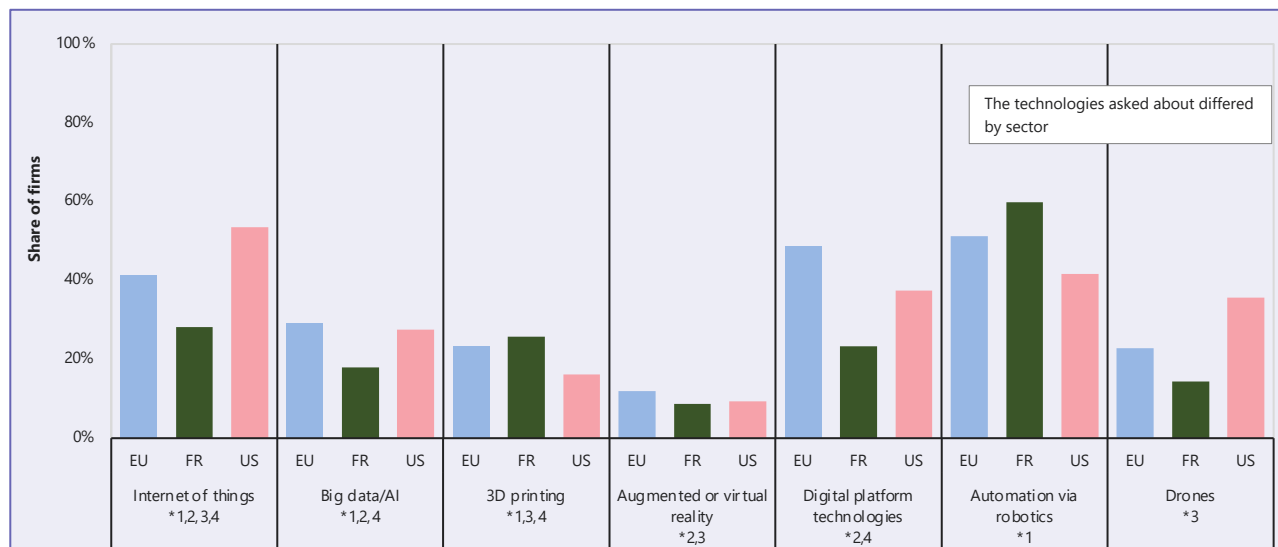
Please note: question wording and definitions changed between 2021 and 2022, comparisons between the two waves should not be made.

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about

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

ADVANCED DIGITAL TECHNOLOGIES



* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of Infrastructure firms

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

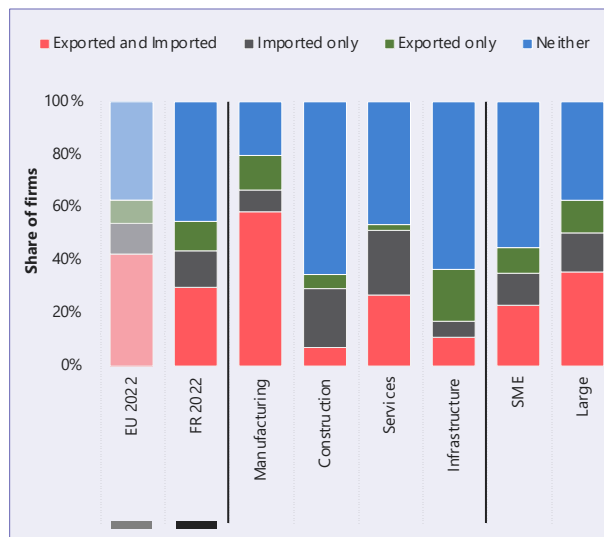
Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

Base: All firms (excluding don't know/refused responses);
Sample size FR: Manufacturing (194); Construction (107); Services (186); Infrastructure (113).

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Overall, 54% of French firms engaged in international trade, with around four in ten firms in France exporting goods or services in 2021 (41%) and 44% importing goods or services. Both figures were lower than the EU average (51% for exporting and 54% for importing).
- In France, the majority of firms in manufacturing are engaged in both exporting and importing (58%).
- Large firms are more likely than SMEs to be engaged in both exporting and importing (36% versus 23%).

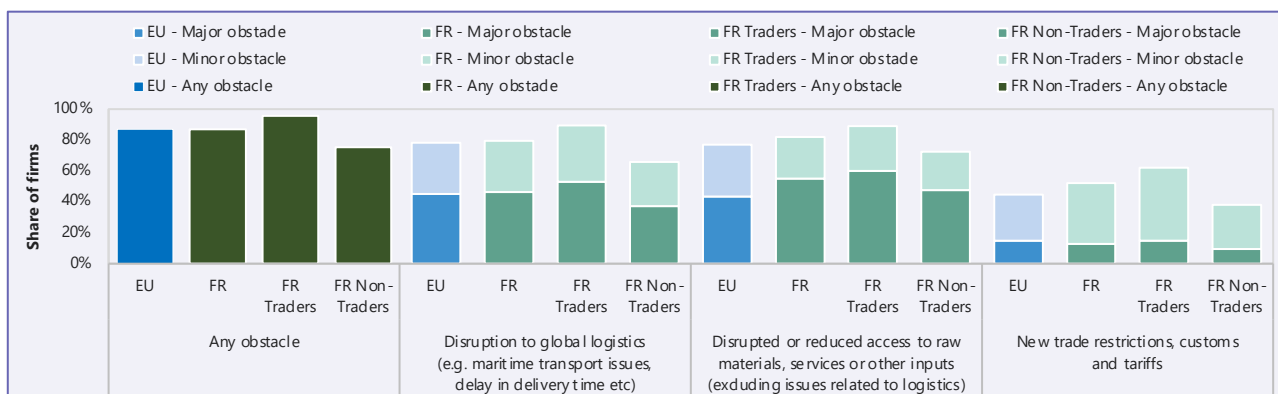


Q. In 2021, did your company export or import goods and/or services?

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

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- In total, 87% of firms in France face disruptions due to international trade. This is the same proportion as in the EU as a whole.
- Disruptions to global logistics and disrupted or reduced access to raw materials, services or other inputs presented an obstacle to firms in France, as in the EU as a whole.
- New trade restrictions, customs and tariffs were more of an obstacle to firms in France than in the EU as a whole (52% versus 45%).
- In France, traders were more likely than non-traders to report facing disruptions to global logistics (96% versus 75%).



Any obstacle combines 'minor' and 'major' obstacles into one category

Q. Since 2021, did any of the following present an obstacle to your business's activities?

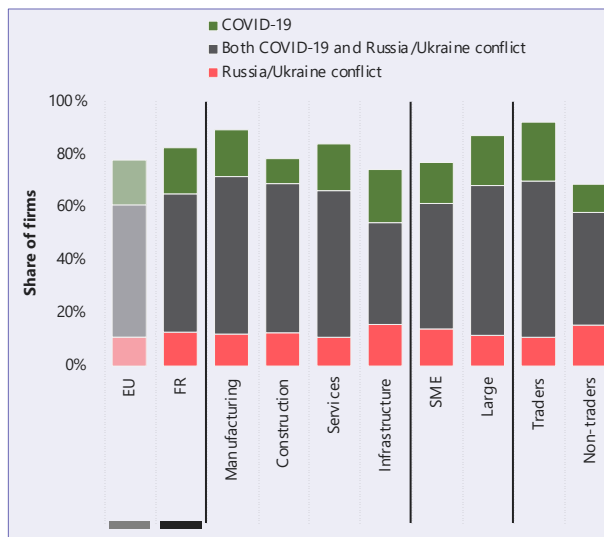
Base: "Any obstacle" - All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles)

Base: Individual obstacles - All firms (excluding those who said don't know/refused/not applicable)

International trade

EXTERNAL FACTORS IMPACTING INTERNATIONAL TRADE

- More than eight in ten firms in France (83%) state that they were impacted by at least one of the external factors impacting international trade that were asked about. This is higher than the EU average (78%).
- Around half (52%) of firms in France state that both the Russia-Ukraine conflict and COVID-19 contributed to the obstacles related to international trade, in line with the EU average.
- In France, manufacturing firms were most likely to say they were impacted by at least one of these external factors (89%).
- Large firms were more likely than SMEs to say that at least one of these factors had impacted on them (87% versus 77%). Traders were more likely than non-traders to say at least one of the factors had impacted on them (92% versus 69%).



Q. You have just said that you experienced (an obstacle/obstacles) to your business activities since 2021. Did COVID-19 and/or the Russia-Ukraine conflict, including the sanctions imposed by the International community, contribute to this in anyway?

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

ACTIONS TO MITIGATE INTERNATIONAL TRADE DISRUPTIONS



- Just over half of firms in France that face disruptions say they are taking actions to mitigate the impact of these disruptions (54%), in line with the EU average (57%).
- The actions taken are to focus more on domestic suppliers or markets (35%) and to increase the number of trade partners to diversify (32%).
- Large firms were more likely than SMEs to focus more on domestic suppliers or markets (41% versus 28%).
- Traders were more likely than non-traders to have taken action of some kind (60% versus 45%).

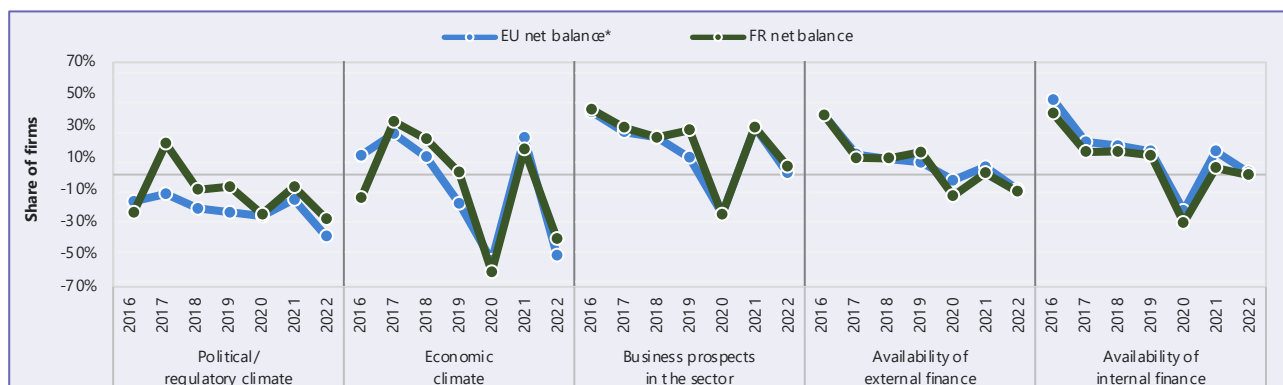
Q. Is your company taking any actions to mitigate the impact of these disruptions?

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

Drivers and constraints

SHORT-TERM FIRM OUTLOOK

- In spite of the upward trend in the outlook last year, firms in France and the EU are again more pessimistic about the investment conditions for the next year.
- In France, expectations for the economic climate have turned negative again (declining from +19% to -41%), and the perception of business prospects in the sector also reversed its trend (declining from +34% to +7%) as did the political/regulatory climate (declining from -6% to -28%).
- Expectations for the availability of internal and external finance were more stable, but were both part of the overall negative trend.
- These trends were consistent with the EU average.

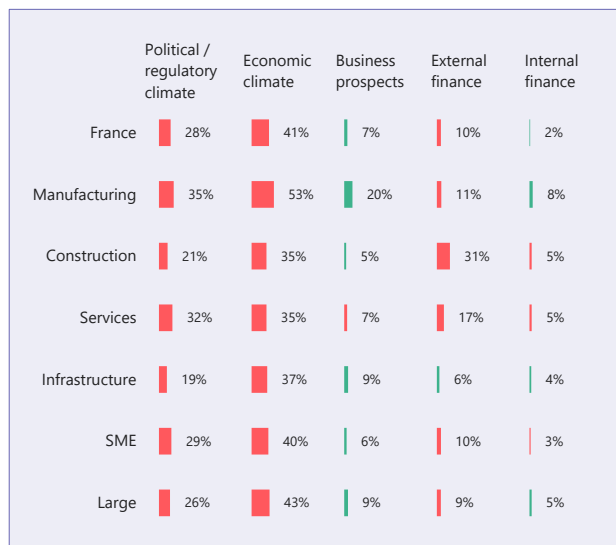


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

*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: green figures are positive, red figures are negative

- Firms in France are consistently more negative than positive about the political and regulatory climate and the economic climate.
- The view is also more negative than positive regarding and the availability of external finance, with the exception of infrastructure firms (net balance of +6%).
- In spite of a more negative picture in EIBIS 2022, companies still expect an overall improvement in business prospects and internal finance. These tendencies are similar across sectors, although services firms are negative on both of these aspects, while construction firms are negative regarding internal finance.
- Large firms have similar perceptions to SMEs. The one exception is access to internal finance, where large firms are more positive than negative, but SMEs are predominantly negative.

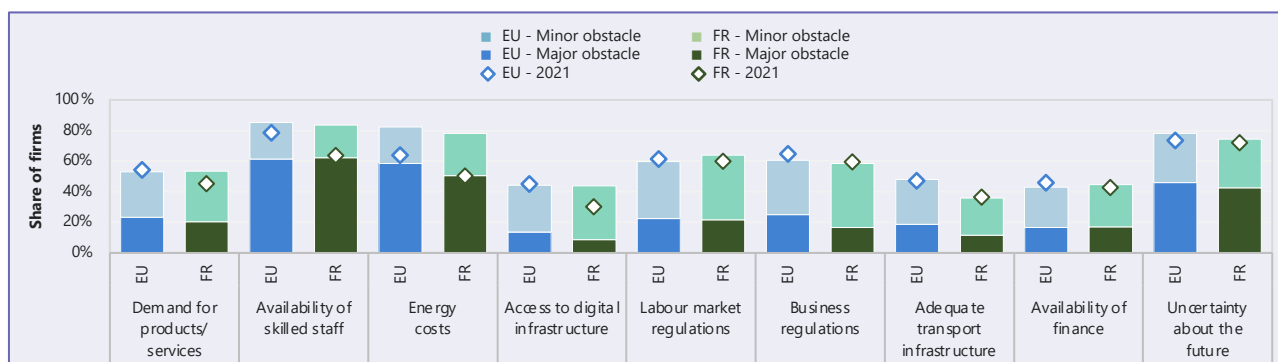
Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Drivers and constraints

LONG-TERM BARRIERS TO INVESTMENT

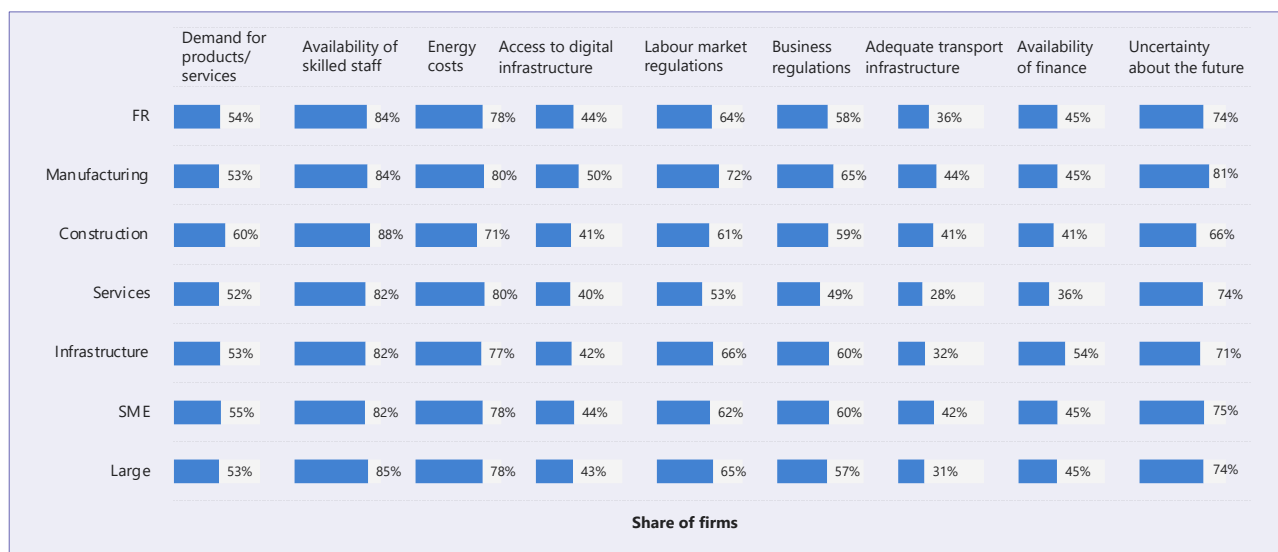
- The most frequently mentioned long-term barriers to investment in France are the availability of skilled staff (84%), energy costs (78%) and uncertainty about the future (74%), similar to the EU as a whole.
- Compared to EIBIS 2021, firms are more likely to report some of the barriers in EIBIS 2022: availability of skilled staff (rising from 64% to 84%), energy costs (rising from 50% to 78%) and access to digital infrastructure (rising from 30% to 44%).
- The one difference between France and the EU as a whole is adequate transport infrastructure, which is reported less frequently as a barrier by firms in France than in the EU overall (36% versus 48%).
- In France, manufacturing firms are the most likely to report labour market regulations (72%) and adequate transport infrastructure (44%) as barriers.



Q. Thinking about your investment activities, 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



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

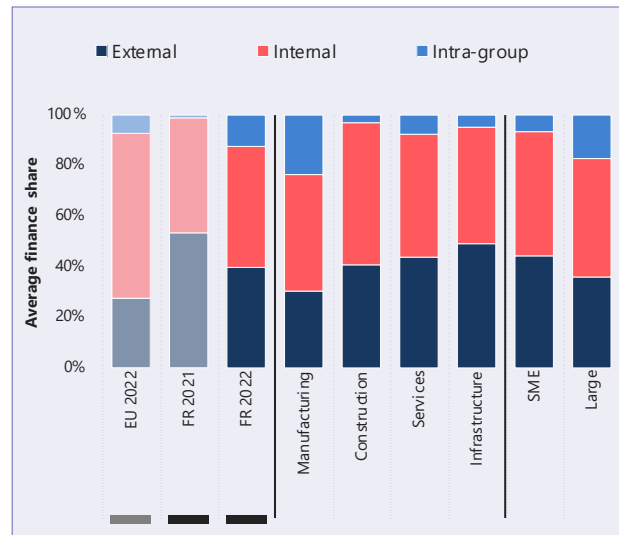
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

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

Access to finance

SOURCE OF INVESTMENT FINANCE

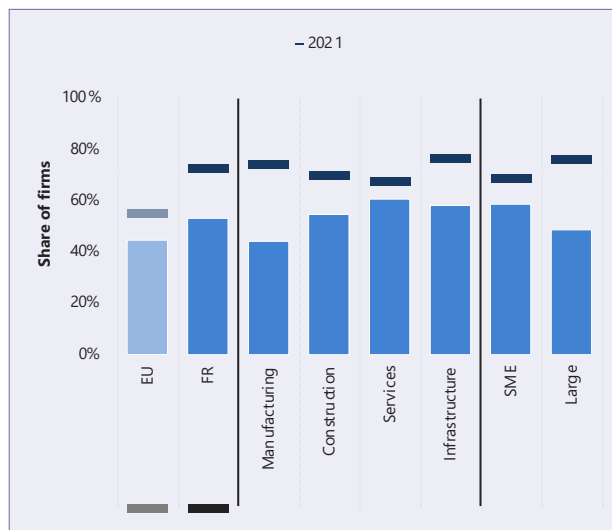
- Internal financing accounted for the largest share of finance for firms in France in 2022 (48%), followed by external finance (40%). This is a change from 2021, when external finance had a larger share than internal finance (53% versus 46%).
- The use of intra-group financing made up, on average, 12% of the overall investment spend by firms in France, up from 1% in EIBIS 2021.
- Despite the changes in France this year, firms still relied more on external finance than in the EU overall (40% versus 28%) and were less likely to use internal finance (48% versus 65%).
- Sources of finance differ across firm size, with large firms financing a higher proportion of their investment through intra-group funding than SMEs (17% compared with 6%).
- Manufacturing firms were the most likely to use intra-group funding (24%) but were the least likely to use external financing (30%).



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)

USE OF EXTERNAL FINANCE



- More than half of firms in France (53%) who invested in the last financial year, had financed at least some of their investment through external finance.
- This is lower than in EIBIS 2021 (73%), but remains above the EU average (45%).
- The decline since EIBIS 2021 is particularly strong among large firms (down from 76% to 49%) and in the manufacturing sector (down from 74% to 44%).

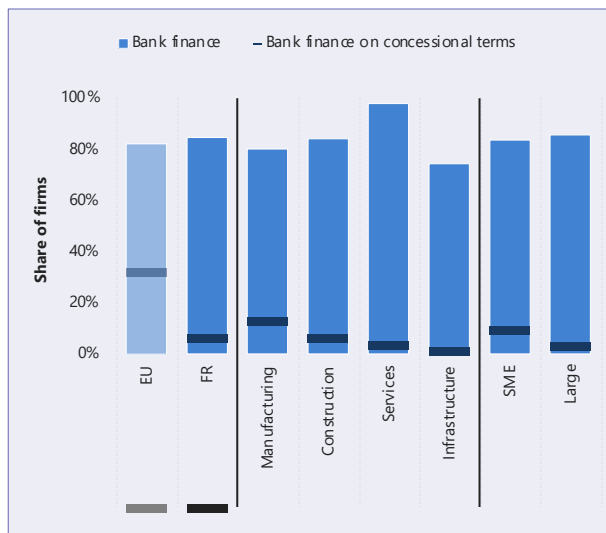
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

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

Access to finance

ACCESS TO BANK FINANCE AND CONDITIONS

- In France, 85% of firms, who used external finance, used bank finance for their investment activities in the last financial year, similar to the EU average (82%).
- Just 6% of firms using external finance in France received bank finance on concessional terms.
- This is much lower than the EU average (32%).
- The manufacturing sector (13%) and SMEs (9%) are the main recipients of bank finance on concessional terms.

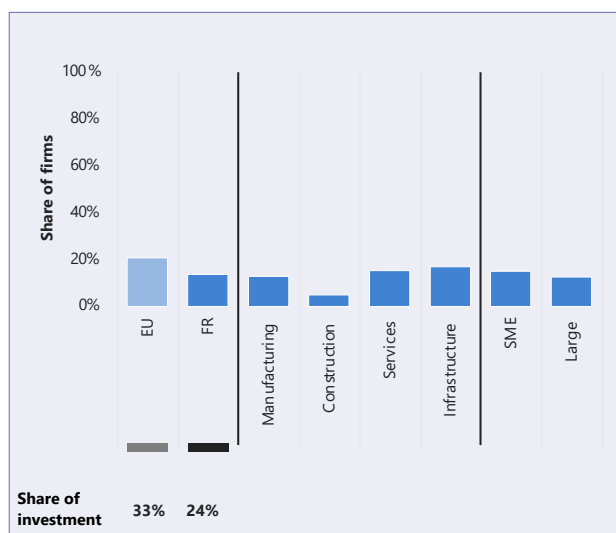


Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

Q. Was any of the bank finance you received on concessional terms (e.g. subsidised interest rates, longer grace period to make debt payments)?

Base: All firms who used external finance (excluding don't know/refused responses)

SHARE OF FIRMS WITH FINANCE FROM GRANTS



- Around one in seven firms using external finance in France received grants (14%), similar to the EU average (21%).
- Firms receiving grants in France financed about a quarter (24%) of their investment in this way (versus 33% in the EU overall).

Q. What proportion of your total investment in your last financial year was financed by grants?

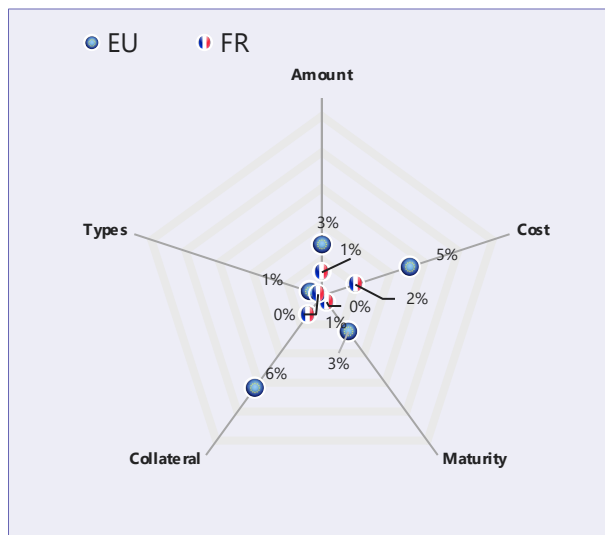
Base: All firms using external finance (excluding don't know/refused responses)

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

Access to finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- A very small share of firms in France that used external finance in 2021 are dissatisfied with the finance conditions received.
- No more than 2% of firms in France are dissatisfied with any of the aspects included in the survey.
- Levels of dissatisfaction are slightly lower than the EU average. With regards to the collateral requirements, a lower share of firms in France are dissatisfied than in the EU overall (1% versus 6%).



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 (% of firms)

	Amount	Cost	Maturity	Collateral	Type
FR	1%	2%	0%	1%	0%
Manufacturing	2%	2%	2%	2%	1%
Construction	0%	1%	0%	3%	0%
Services	1%	1%	0%	2%	0%
Infrastructure	2%	3%	0%	0%	0%
SME	3%	4%	1%	3%	0%
Large*	0%	0%	0%	0%	0%

- Overall dissatisfaction levels are low in France.
- This pattern is similar across sectors, and when comparing SMEs with large firms.

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

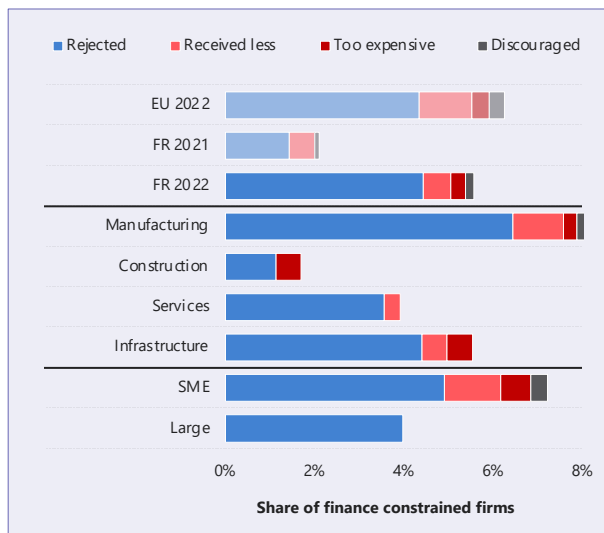
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

* Caution very small base size less than 30

Access to finance

SHARE OF FINANCE CONSTRAINED FIRMS

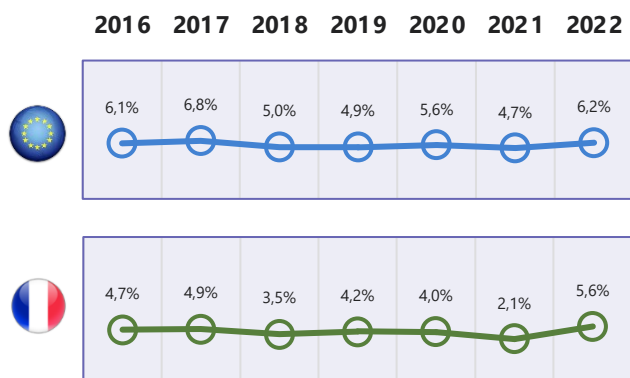
- The share of financially constrained firms in France (5.6%) is similar to the EU average (6.2%).
- The main constraint reported by firms in France is rejection (4.4%), followed by an insufficient amount of finance received (0.6%).
- The share of finance-constrained firms in France is largest in the manufacturing sector (8.5%) and among SMEs (7.2%).



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 (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME



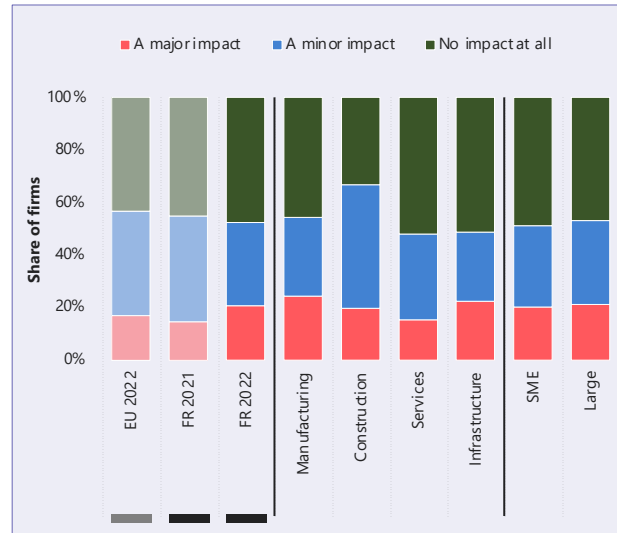
- The proportion of French firms that are finance constrained has increased since EIBIS 2021, from 2.1 per cent to 5.6 per cent. The EIBIS 2022 figure is the highest recorded over the past six years.
- Unlike previous years, when the figure for French firms was typically lower than the EU average, the proportion of finance constrained firms in 2022 in France is now catching up with the EU average.

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

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

- Climate change is gradually being perceived as more of a reality, as just over half (52%) of firms in France report that weather events are currently having an impact on their business. This is similar to EIBIS 2021 and broadly in line with the EU average (57% in 2022).
- Firms in the construction sector are most likely to report that weather events are impacting their business (67%).

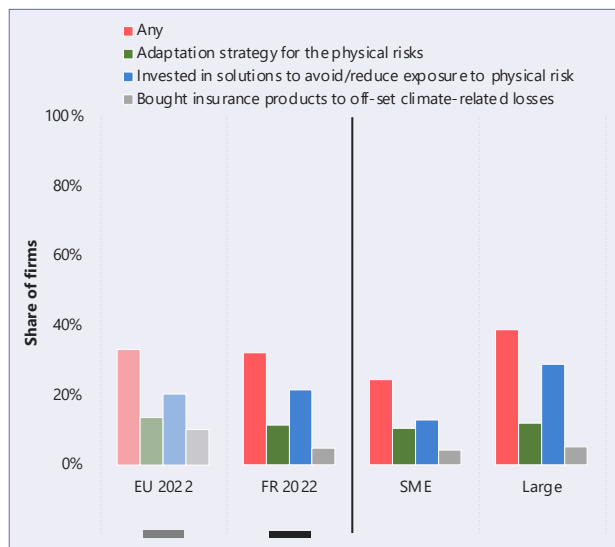


Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Please note: question wording changed between 2021 and 2022. Comparisons should be treated with caution.

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

BUILDING RESILIENCE TO PHYSICAL RISK



- Almost a third (32%) of French firms have already developed or invested in measures to build resilience to the physical risks to your company caused by climate change. This is in line with the EU average (33%).
- French firms mainly invested in solutions to avoid or reduce the exposure to physical risks (22%), similar to the EU (20%).
- Compared to the EU overall, firms in France are less likely to have bought insurance products to off-set climate-related losses (5% versus 10%).
- Large firms were more likely than SMEs to have invested in solutions to avoid or reduce the exposure to physical risks (29% versus 13%).

Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

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

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- The share of French firms seeing the transition to stricter climate standards and regulations as a risk is slightly higher than the proportion that see it as an opportunity (34% and 28%, respectively). This is in line with the EU average and is similar to EIBIS 2021.
- Firms in the construction sector are the most likely to see the transition to a net zero emission economy over the next five years as an opportunity (40%) and are least likely to see it as a risk (15%).
- The perceptions of large firms and SMEs are similar, although SMEs are more likely to think the transition will have no impact on their company (46% versus 33% of large firms).

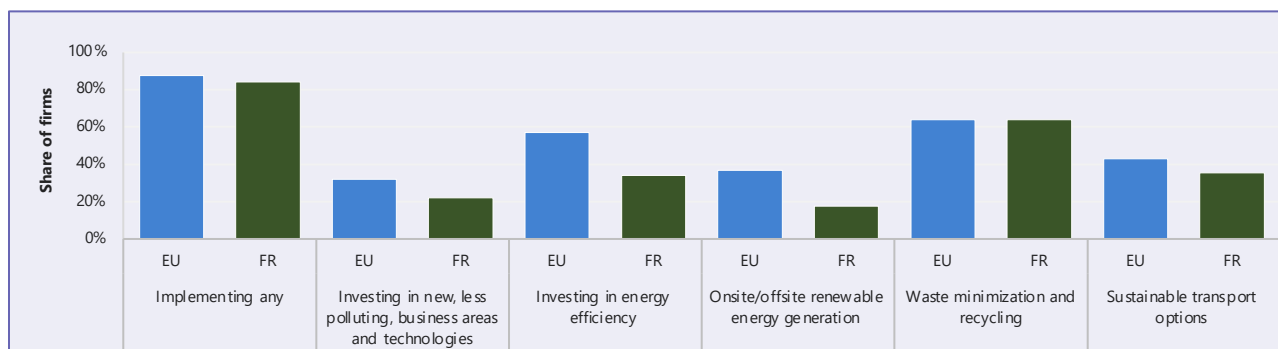


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

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

ACTIONS TO REDUCE GHG EMISSIONS

- More than eight in ten French firms (84%) are taking actions in order to reduce Greenhouse Gas (GHG) Emissions, similar to the EU average (88%).
- The main actions in France are waste minimization and recycling (64%), followed by sustainable transport options (35%) and investments in energy efficiency (34%).
- Compared to the EU overall, French firms were less likely to be investing in energy efficiency (34% versus 57%), using sustainable transport options (35% versus 43%), investing in new, less polluting, business areas and technologies (22% versus 32%) and investing in onsite/offsite renewable energy generation (17% versus 37%).



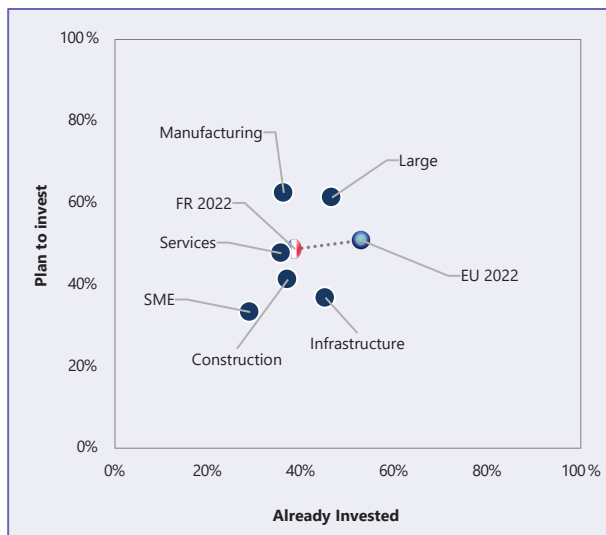
Q. Is your company investing or implementing any of the following, to reduce Greenhouse Gas (GHG) emissions?

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

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

- In France, 39% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions. This is below the EU average (53%).
- Around half (49%) of French firms have plans to invest in these areas in the next three years, in line with the EU average (51%).
- Large firms are more likely than SMEs to have already invested (47% versus 29%) and to have plans to invest (61% versus 33%).
- Firms in the manufacturing sector have the highest share of firms who have plans to invest (62%).



EIBIS 2021

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

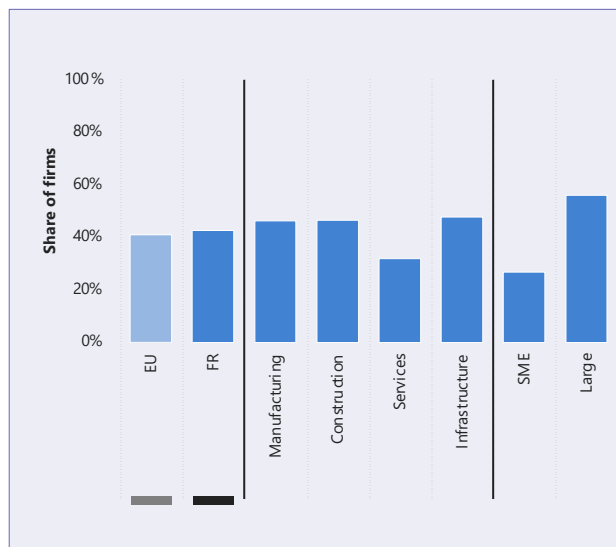
EIBIS 2022

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to previous waves with caution.

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

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS (GHG) EMISSIONS



- Slightly more than four in ten firms in France (42%) report that they set and monitor targets for their own Greenhouse Gas emissions, in line with the EU average (41%).
- Large firms are more likely than SMEs to say that they set and monitor targets for their own Greenhouse Gas emissions (56% versus 27%).
- By sector, services firms (32%) are the least likely to set and monitor these targets.

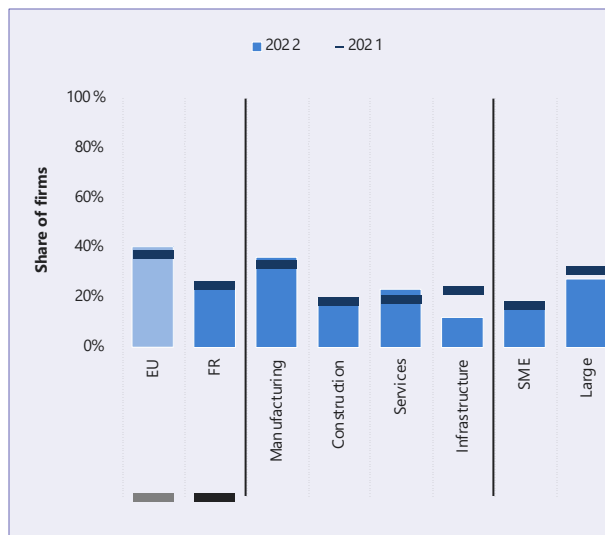
Q. Does your company... set and monitor targets for its own Greenhouse Gas (GHG) emissions

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

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

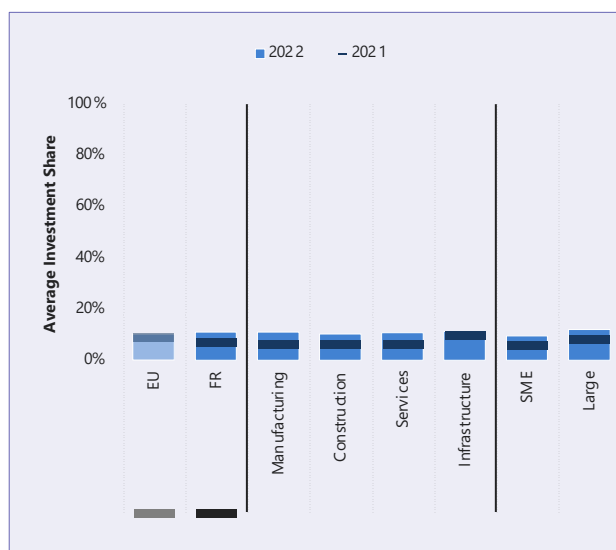
- Around a quarter (24%) of French firms invested in measures to improve energy efficiency in 2021, similar to EIBIS 2021 (25%). This is lower than the EU average of 40%.
- Among firms in France, those in the manufacturing sector (36%) were the most likely to be investing in energy efficiency, while infrastructure firms were the least likely to be doing so (12%).
- At 20%, the proportion of firms in the construction sector that invested to improve energy efficiency in 2021 remains stable, while the same proportion in infrastructure diminished by half (from 23% in EIBIS 2021 down to 12% in EIBIS 2022).



Q. What proportion of the 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



- Overall, the average share of investment in measures to improve energy efficiency in France was 11% in 2021.
- This is broadly consistent with EIBIS 2021 (7%) and in line with the EU average (10%).

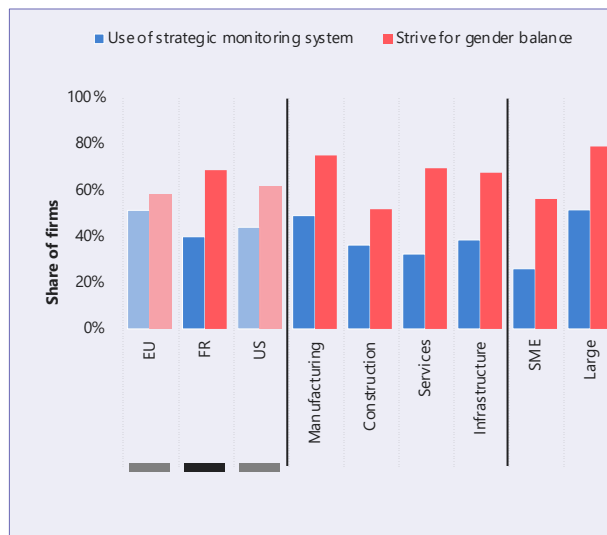
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

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

Firm management, gender balance and employment

FIRM MANAGEMENT AND GENDER BALANCE

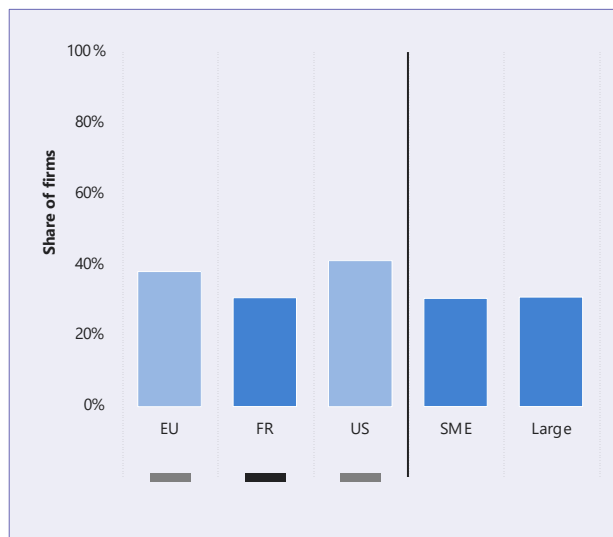
- Four in ten firms in France (40%) use a strategic monitoring system, a lower proportion than in the EU overall (51%).
- When it comes to striving for gender balance, the proportion of firms in France (69%) is above the EU average of 58%.
- Among firms in France, those in the manufacturing sector were more likely to use a strategic monitoring system (49%). Firms in the construction sector were the least likely to say they strive for gender balance (52%).
- Large firms were more likely than SMEs to say they use a strategic monitoring system (52% versus 26%) and to strive for gender balance (79% versus 56%).



Q Does your company...?

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

FIRMS WHO HAVE INCREASED EMPLOYEE NUMBERS SINCE 2019



- About three in ten firms in France (31%) have increased their employment since 2019, irrespective of the firm size.
- This is lower than the EU average (38%).

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2019, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused/did not exist in 2019 responses)

EIBIS 2022 – 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
	(12021)	(800)	(609)	(195)	(109)	(186)	(116)	(522)	(87)	(12021 vs 609)	(195 vs 109)	(522 vs 87)
10% or 90%	1.1%	4.1%	3.2%	5.4%	7.3%	5.6%	7.1%	2.3%	5.6%	3.4%	9.0%	6.0%
30% or 70%	1.7%	6.2%	4.9%	8.2%	11.1%	8.5%	10.8%	3.5%	8.5%	5.2%	13.8%	9.1%
50%	1.8%	6.8%	5.4%	9.0%	12.1%	9.3%	11.8%	3.8%	9.3%	5.7%	15.0%	10.0%

GLOSSARY

Investment	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.
Investment cycle	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.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	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).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2022 country overview refers interchangeably to 'the past/last financial year' or to '2021'. Both refer to results collected in EIBIS 2022, where the question is referring to the past financial year, with the majority of the financial year in 2021 in case the financial year is not overlapping with the calendar year 2021.

EIBIS 2022 – Country technical details

The country overview presents selected findings based on telephone interviews with 609 firms in France (carried out between April and July 2022).

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

Base definition and page reference	EU 2022/2021	US 2022	FR 2022/2021	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p.12, p.13, p. 21 (top)	12021/11920	800	609/600	195	109	186	116	522	87
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4. (top)	9704/9670	668	399/455	152	70	109	66	341	58
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4. (bottom)	9501/9523	668	379/357	144	71	105	57	334	45
All firms (excluding 'Company didn't exist three years ago' responses), p. 5 (top)	11735/11648	778	601/593	191	108	185	114	514	87
All firms (excluding don't know/refused responses), p. 5 (bottom)	11814/11765	780	594/591	190	109	184	108	512	82
All firms (excluding don't know/refused responses), p. 6 (top)	11810/NA	795	588/NA	187	105	184	109	506	82
All firms (excluding don't know/refused responses), p. 6 (bottom)	11725/NA	784	584/NA	186	104	183	108	503	81
All firms (excluding don't know/refused responses), p. 7 (top)	11945/11857	762	600/590	193	107	183	114	516	84
All firms (excluding don't know/refused responses), p. 7 (bottom)	11989/11891	796	599/598	191	107	184	114	515	84
All firms (excluding don't know/refused responses), p. 8 (top)	11735/11648	778	601/593	191	108	185	114	514	87
All firms (excluding not applicable/don't know/refused responses to all 3 questions), p. 8 (bottom)	8728/8780	615	341/342	133	63	92	51	300	41
All firms (excluding don't know/refused responses), p. 9	11980/NA	800	603/NA	194	107	186	113	517	86
All firms (excluding don't know/refused responses), p. 10 (top)	11975/NA	798	605/NA	195	108	185	114	519	86
All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles) p. 10 (bottom)	11382/NA	790	579/NA	192	103	178	103	498	81
All firms (excluding don't know/refused responses), p. 11 (top)	9339/NA	680	497/NA	175	87	152	80	426	71
All firms facing trade disruptions (excluding don't know/refused responses), p. 11 (bottom)	9265/NA	707	498/NA	176	88	152	79	426	72
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 14	10051/8675	665	419/355	156	74	116	71	357	62
All firms who used external finance (excluding don't know/ refused responses), p. 15 (top)	4107/4059	275	240/243	83	47	66	42	210	30
All firms who used external finance (excluding don't know and refused) p. 15 (bottom)	4155/4100	280	242/243	85	47	66	42	212	30
All firms that received grants (excluding don't know/refused responses) p. 15 (bottom)	925/NA	NA	34/NA	NA	NA	NA	NA	NA	NA
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 16	3988/3964	270	232/240	79	46	65	40	204	27
All firms (excluding don't know/refused responses), p. 17	11504/11518	715	561/564	180	101	172	105	490	71
All firms (excluding don't know/refused responses), p. 18 (top)	11911/11849	790	600/597	192	107	183	115	513	87
All firms (excluding don't know/refused responses), p. 18 (bottom)	11909/NA	784	594/NA	192	103	184	112	511	83
All firms (excluding don't know/refused responses), p. 19 (top)	11172/11384	759	542/575	174	97	167	101	460	82
All firms (excluding don't know/refused responses), p. 19 (bottom)	11964/NA	794	602/NA	195	108	184	112	516	86
All firms (excluding don't know/refused responses), p. 20 (top)	11685/NA	763	568/NA	188	99	178	100	487	81
All firms (excluding don't know/refused responses), p. 20 (bottom)	11712/NA	783	584/NA	183	104	182	112	503	81
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)*	9752/9617	677	409/440	153	72	114	68	350	59
All firms (excluding don't know/refused responses) p. 22 (top)	11696/11616	785	587/589	190	103	180	111	502	85
All firms (excluding don't know/refused/did not exist in 2019 responses) p. 22 (bottom)	11662/11718	783	580/588	189	103	173	112	502	78






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France

Overview

EIB INVESTMENT SURVEY

2022