



FOREIGN TRADE

2017 Results

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Table of contents

<u>Summary</u>	3
<u>France's Foreign Trade in 2017</u>	6
• The deficit on goods and services deepened and reached €38.3 billion	7
• Despite the solid export growth, the trade in goods deficit deepened to €62.3 billion	8
• The surplus of the balance of trade in services increased while the surplus on merchanting slightly decreased	9
• The current account balance remains close to equilibrium	10
• France's market shares have stabilised since 2012	11
• Exports of chemicals, vehicles and agri-food products perform well but the higher energy bill impacts the trade balance	12
• France has a trade surplus vis-à-vis the Americas, Africa and the Middle East	13
• The number of exporters remains stable in 2017 at 124 057	14
• Global activity and trade accelerated sharply in 2017 and would remain buoyant in 2018	15

Summary

Despite the solid export growth, the trade deficit deepened in 2017

-38.3 bn€

Trade deficit on goods and services

- The deficit on goods and services reached €38.3 billion; the deficit on goods reached €62.3 billion.

+4.5%

Growth in export values of goods

- Exports gained momentum in 2017, in particular those in chemicals, motor vehicles and agri-food products.

+5.4 bn€

Trade in services balance

- After a year close to balance in 2016, services show a surplus thanks to the good performance of the touristic sector.

-1.2%

Current account deficit as a percentage of GDP
(provisional data)

- The current account balance, which measures France's net borrowing with the rest of the world, showed a larger deficit, but was still close to equilibrium (-26.6 bn€ or -1.2% of GDP).

France's export competitiveness improved and its global market shares are stable

+3.8%

improvement in cost competitiveness since early 2014 compared to the OECD countries

3,5%

France's share of global trade in goods and services

124 057

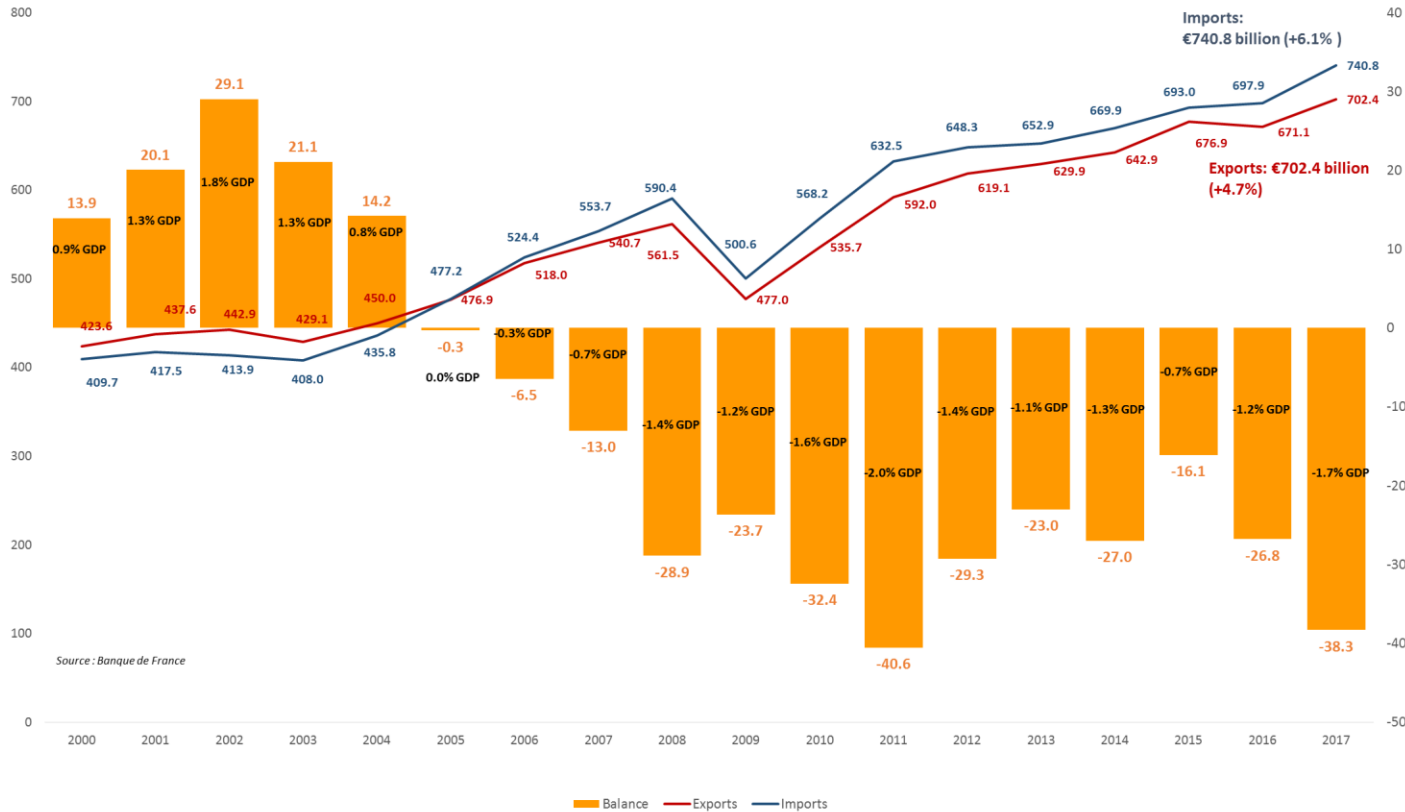
exporters

- Despite the recent rise in the euro, **France's export competitiveness has improved since 2014** thanks to measures to reduce employers' contributions.
- France's share of global exports has been **stable since 2011**, after posting a steady decline starting in the early 1990s. France's share of **goods exports: 3.2%**.
- The number of exporters remains stable.

France's Foreign Trade in 2017

The deficit on goods and services deepened and reached €38.3 billion

Trade in goods and services, in € billion, including merchanting

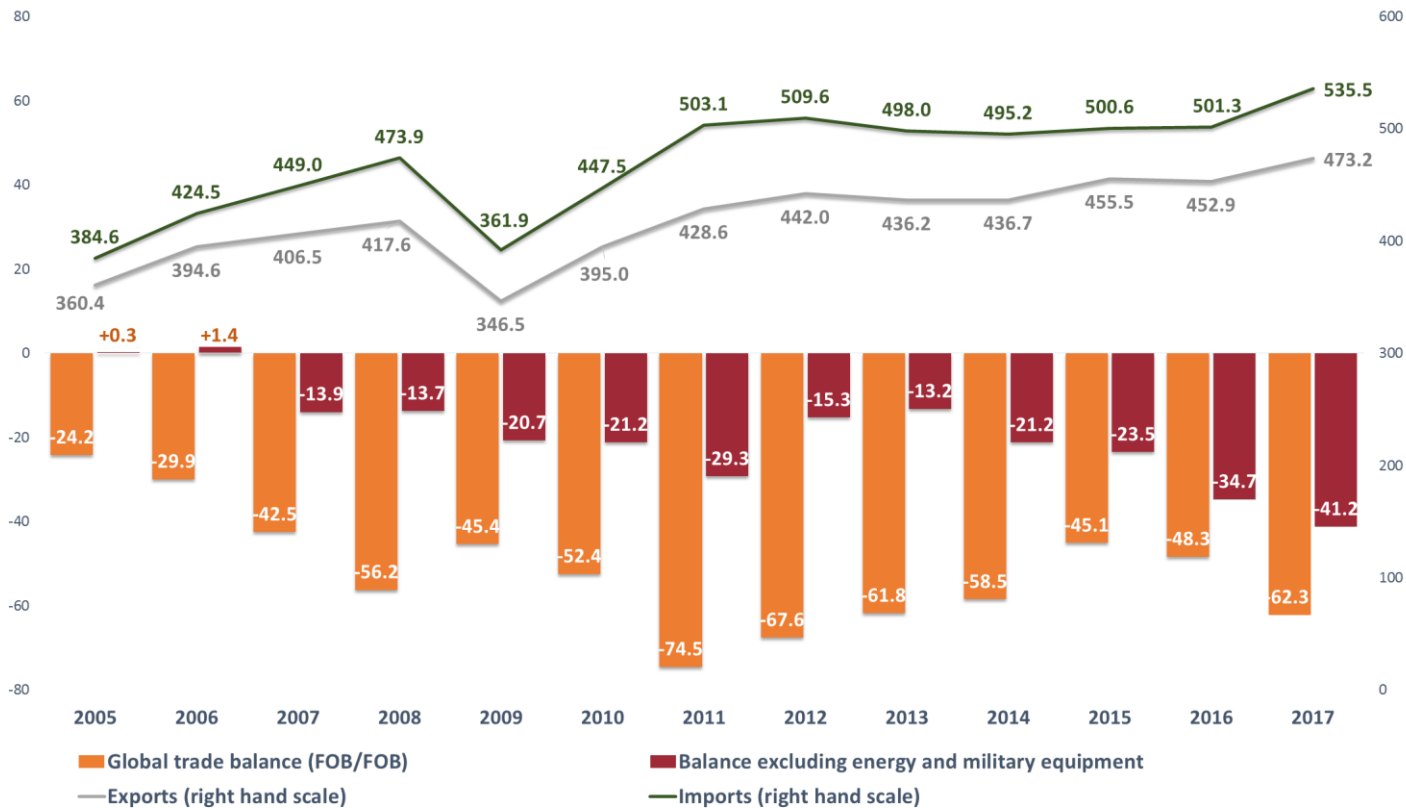


- ❑ A deficit of €38.3 billion on trade in goods and services, including merchanting.
- ❑ This trend stems from strong imports driven by France’s economic recovery.
- ❑ After a 0.9% dip in 2016, exports of goods and services grew 4.7%.
- ❑ The services balance improved: +€5.4 billion after a close balance in 2016.

NB: the figure for trade in goods and services, excluding merchanting, in the balance of payments is slightly different from the figure published by the Customs because of methodological differences

Despite the solid export growth, the trade in goods deficit deepened to €62.3 billion

Trade in goods, nominal terms, in € billion



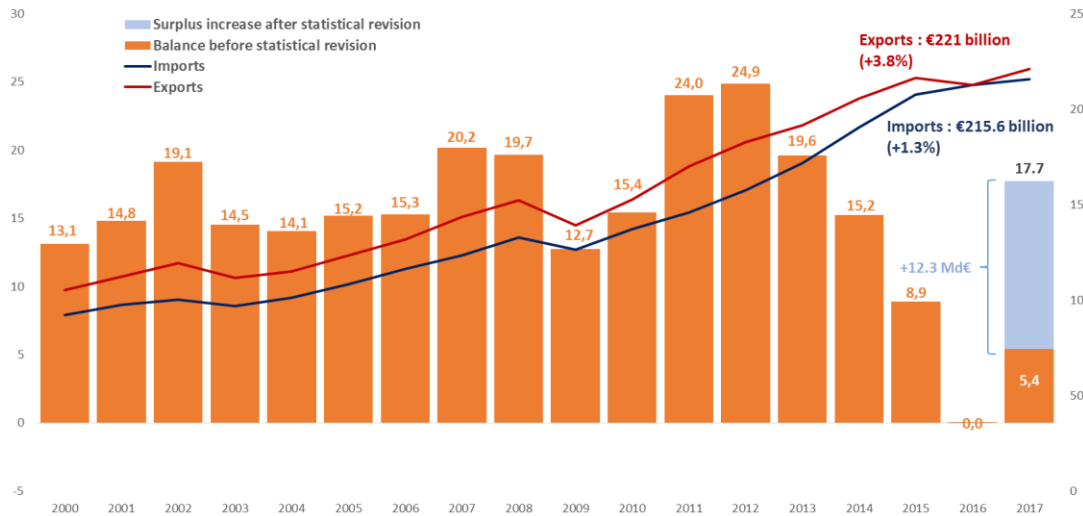
- ❑ The deficit on trade in goods grew by **€14 billion, or 29%**. However, it was still smaller than its 2011 and 2012 levels.
- ❑ Exports gained momentum in 2017 (**+4.5% to €473.2 billion**) despite lower aerospace exports (-3.8% to €55.7 billion).
- ❑ Imports grew **6.8%** partly due to higher energy imports (+24.6% to €56.8 billion).

Source : Customs, DG Trésor

Data excluding merchanting

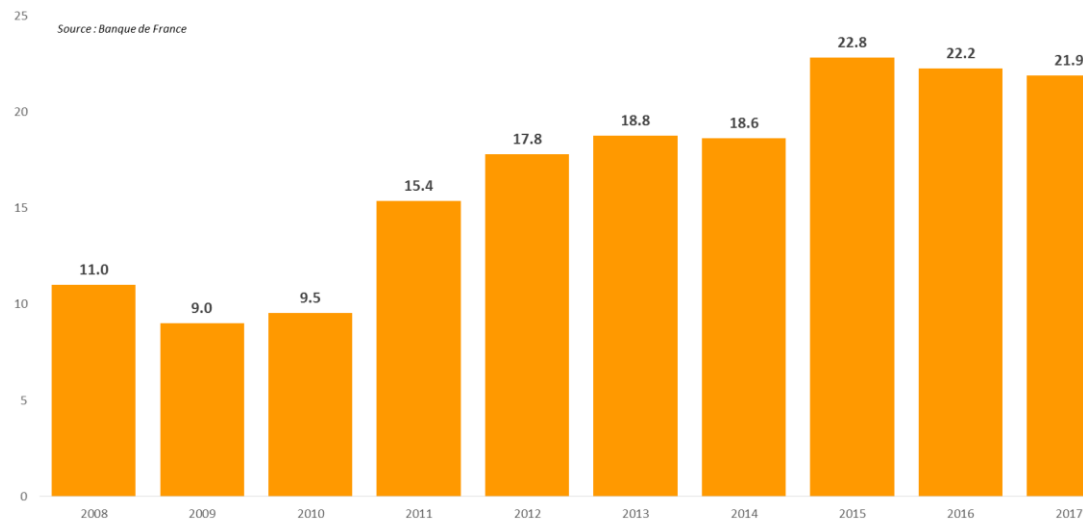
The surplus of the balance of trade in services increased while the surplus on merchanting slightly decreased

Trade in services € billion



Source: Banque de France

Merchanting € billion



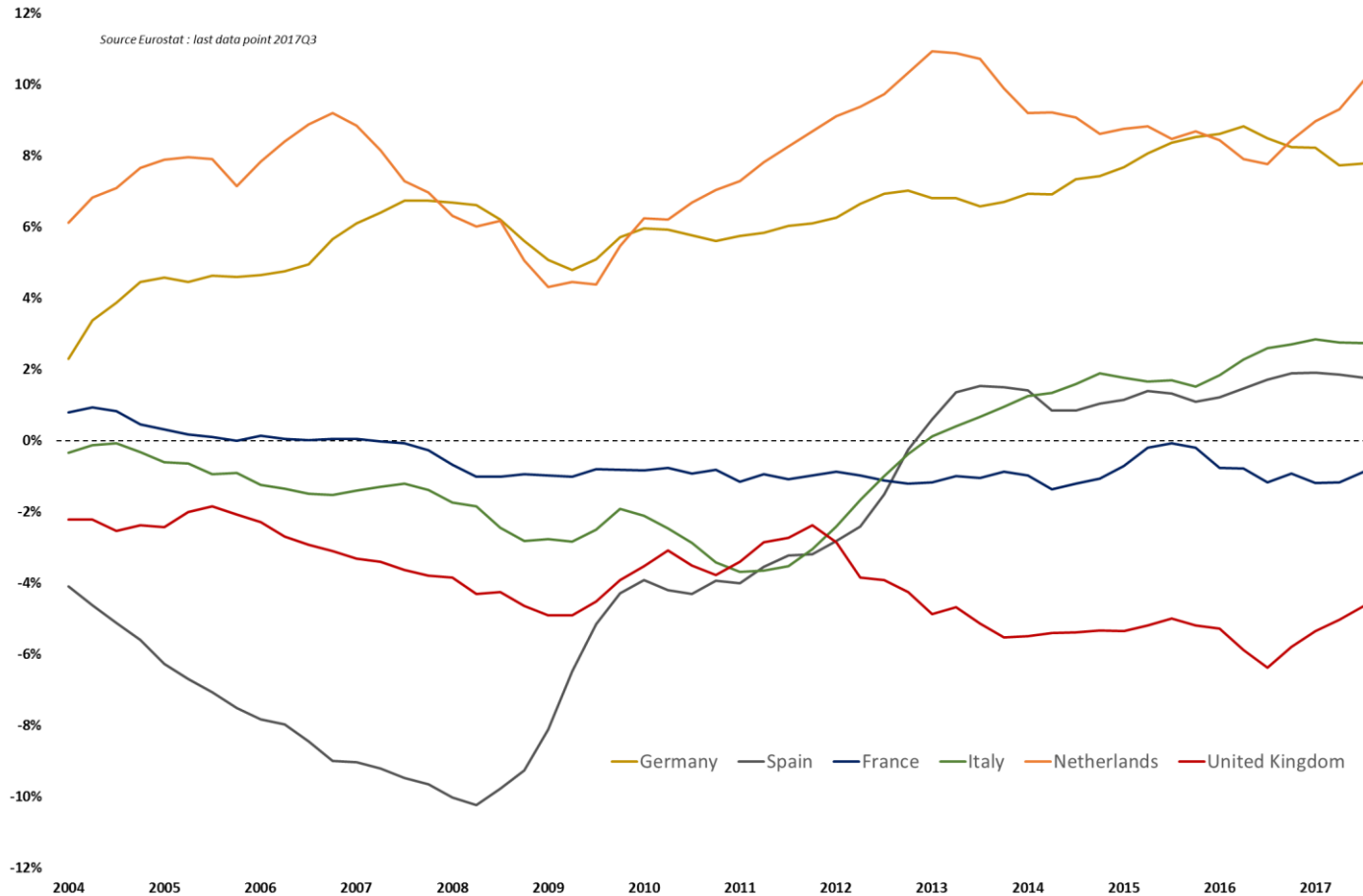
France's Foreign Trade in 2017

- ❑ After a year at the equilibrium in 2016, the balance of trade showed a surplus of €5.4 billion in 2017.
- ❑ The larger surplus on trade in services stems primarily from expanding exports of travel services (tourism): +7.6% to €41.3 billion.
- ❑ Tourist receipts will soon be revised upwards by Banque de France, as part of an improvement of its evaluation method.
- ❑ After statistical revision, the surplus of the balance of trade in services will reach €17.7 billion in 2017.
- ❑ The surplus on merchanting slightly decreased (-1.5% to €21.9 billion).

No imports are recorded in the trade balance on merchanting, which includes only « net » exports (net merchanting receipts).

The current account balance remains close to equilibrium

Current account balances of the leading European countries (as a % of GDP, 12-month moving average)

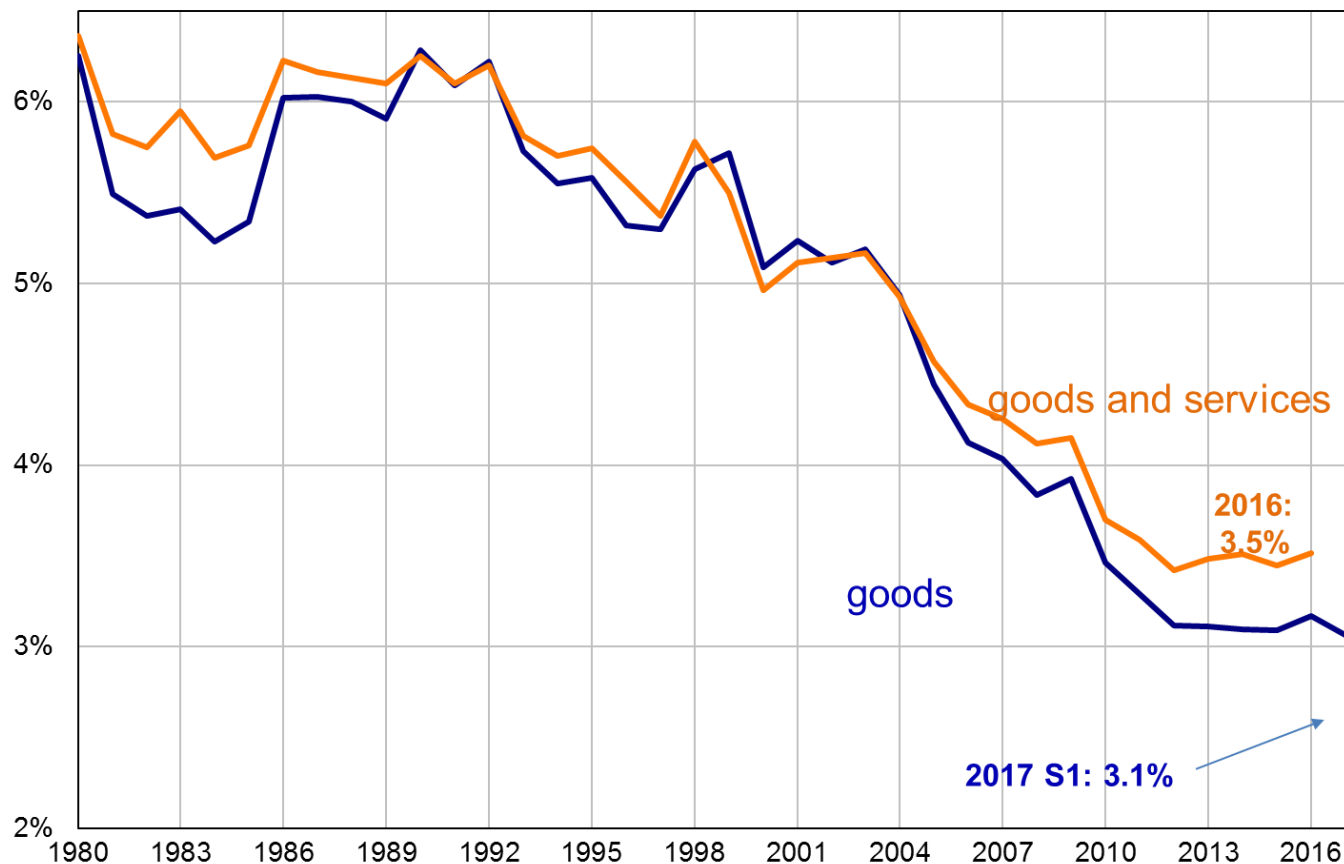


- The current account balance, which measures France's net borrowing with the rest of the world, is close to equilibrium: -1.2% of GDP in 2017.

NB: the current account data presented here are provisional and subject to revision when the annual report on the balance of payments is published in June.

France's market shares have stabilised since 2012

France's share of global exports

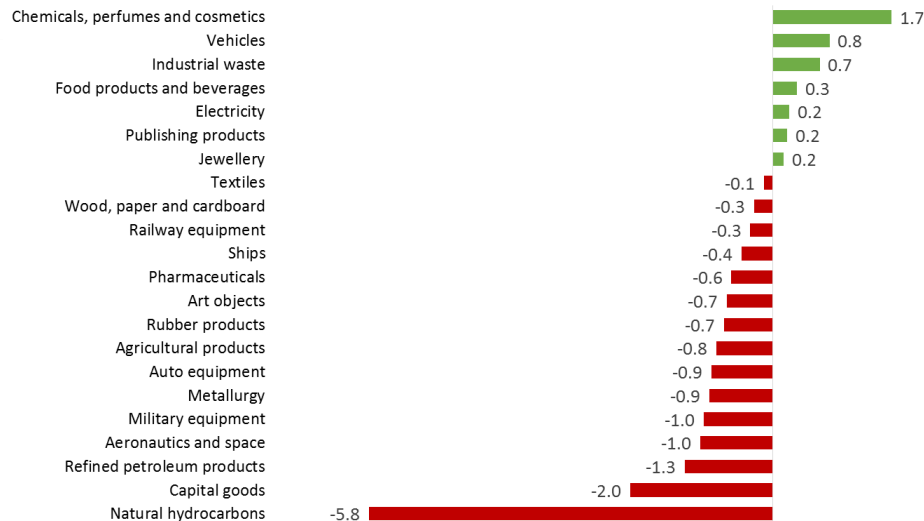
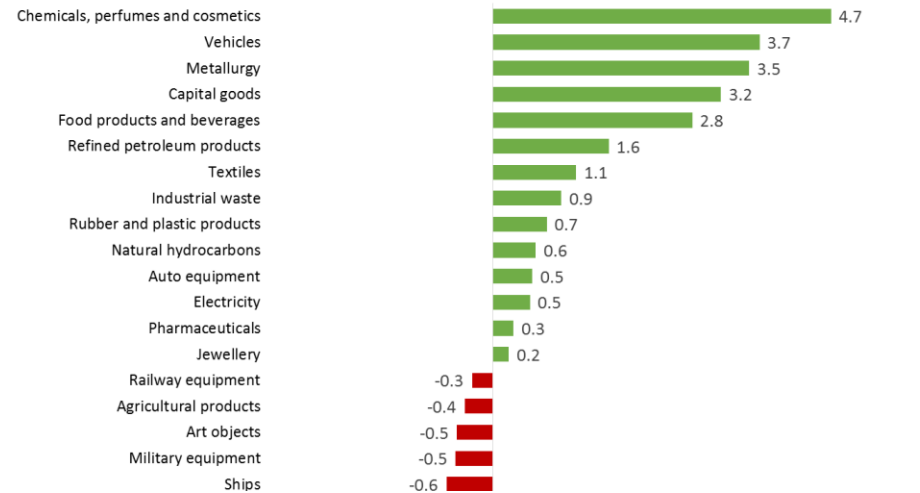


Source : IMF, OECD

- ❑ France's share of global trade has **remained stable since 2012: 3.3% for goods and 3.5% for goods and services in 2016** (2017 data available in the spring 2018).
- ❑ This stabilisation is **in contrast to the decline in the market shares** of most advanced economies since the early 1990s.
- ❑ The same trends is seen in the **data in real terms**, proving that the stabilisation is not the results of currency or price effects.

Exports of chemicals, vehicles and agri-food products perform well but the higher energy bill impacts the trade balance

Contributions to the variation in exports between 2016 and 2017, in € billion

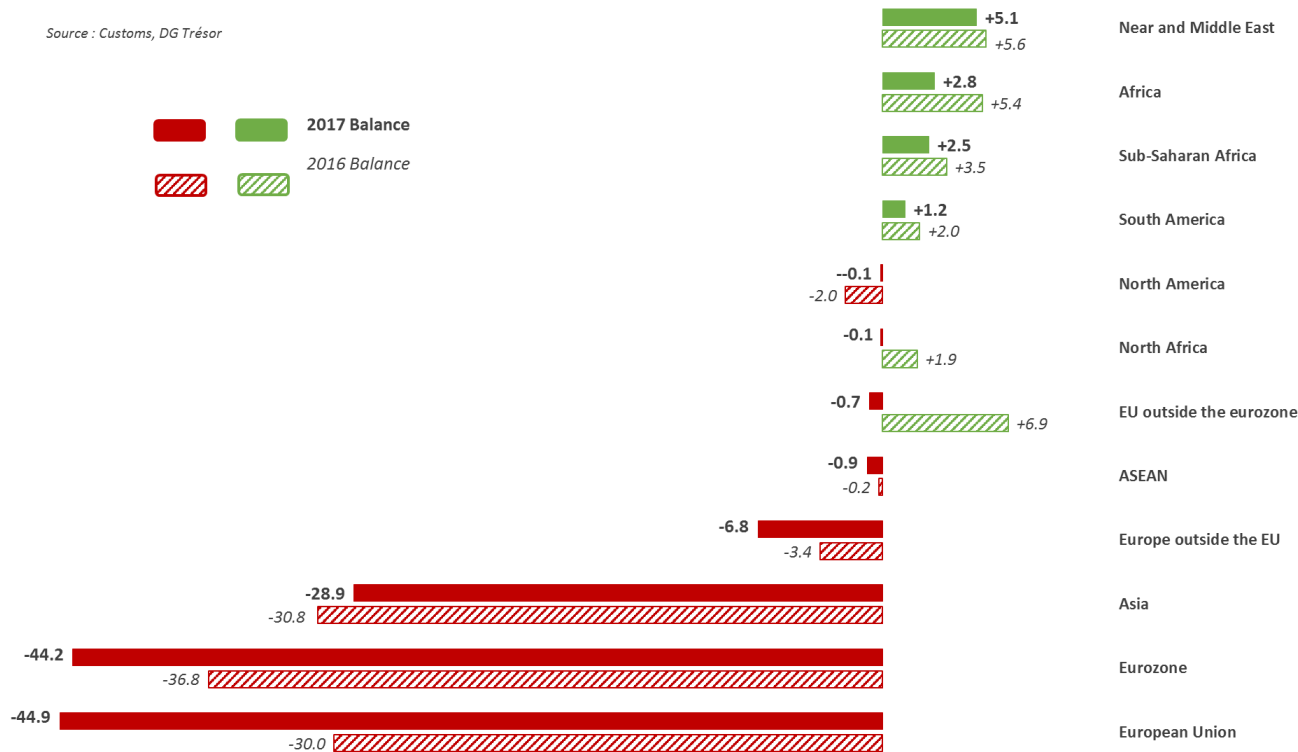


Contributions to the variation in the trade balance between 2016 and 2017, in € billion

- ❑ **Chemicals, perfumes and cosmetics** are the top contributors to the export growth in 2017.
- ❑ **Vehicles exports jumped by 12.6%**, the highest growth since 2010, allowing a contraction of the sector's deficit (€9.3 billion).
- ❑ **Trade surplus in aeronautics decreased 5.6%** to €17.4 billion.
- ❑ **Military equipment exports** decreased to €5.7 billion after several large contracts delivered in 2016.
- ❑ **The energy bill** rose 24% (€39 billion), mainly because of higher oil prices, and has a significant impact on our overall trade balance.

France has a trade surplus vis-à-vis the Americas, Africa and the Middle East

Source : Customs, DG Trésor

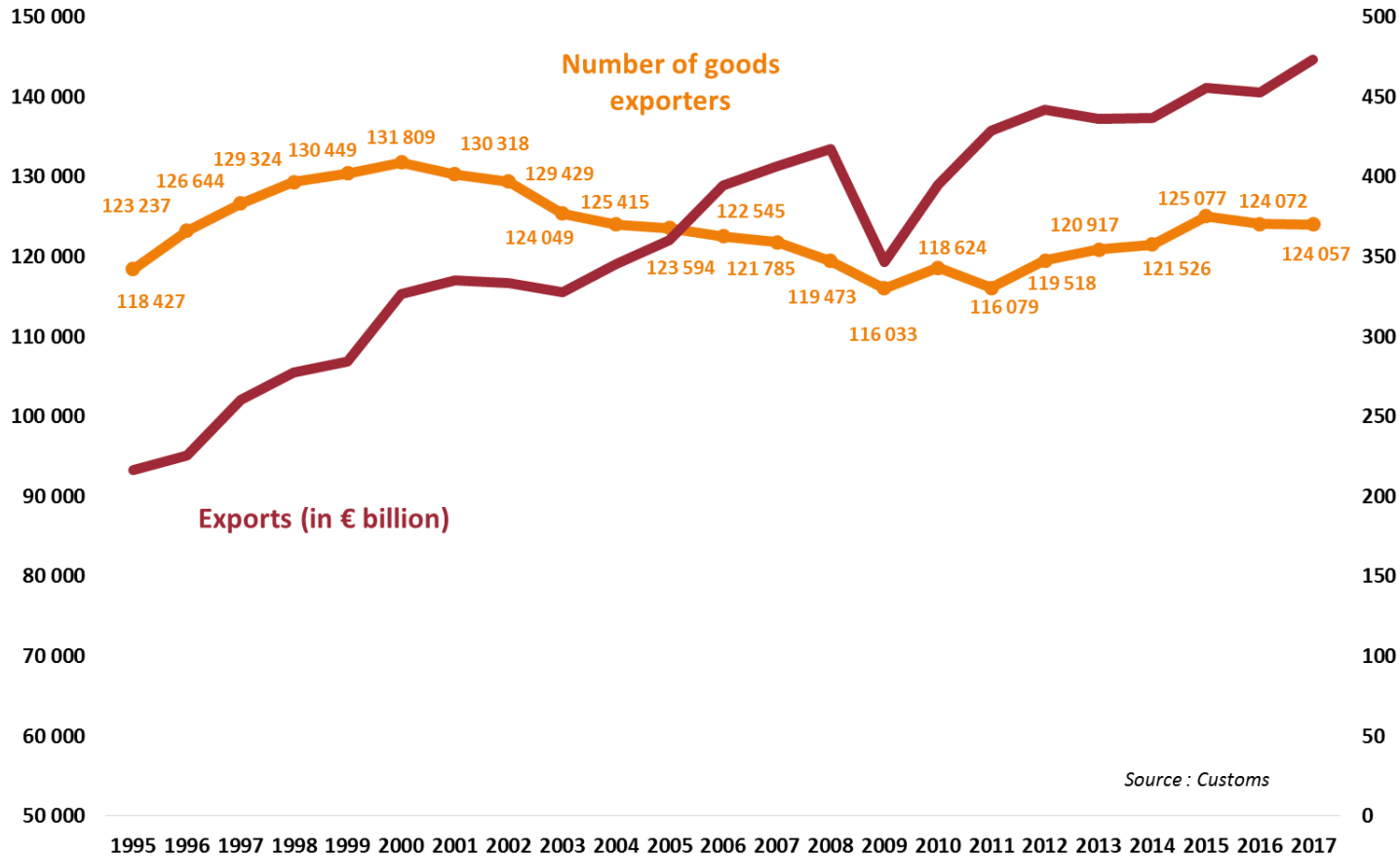


Trade in goods balance in 2016 and 2017, in € billion

- The growth of exports of goods is a result of higher sales to European (+€10.2 billion) and Asian countries (+€7.9 billion).
- Imports from the EU increase by 8.1%, imports from Africa by 12.8%, imports from Asia by 6.8% and imports from Near and Middle East by 21.5%.
- Exports benefit from a more favourable economic environment in emerging economies. Deliveries of aircrafts were particularly buoyant.
- On the other side, the largest deteriorations in the balance occurred with the United Kingdom and Germany.

The number of exporters remains stable in 2017 at 124 057

Number of exporters and value of exports of goods

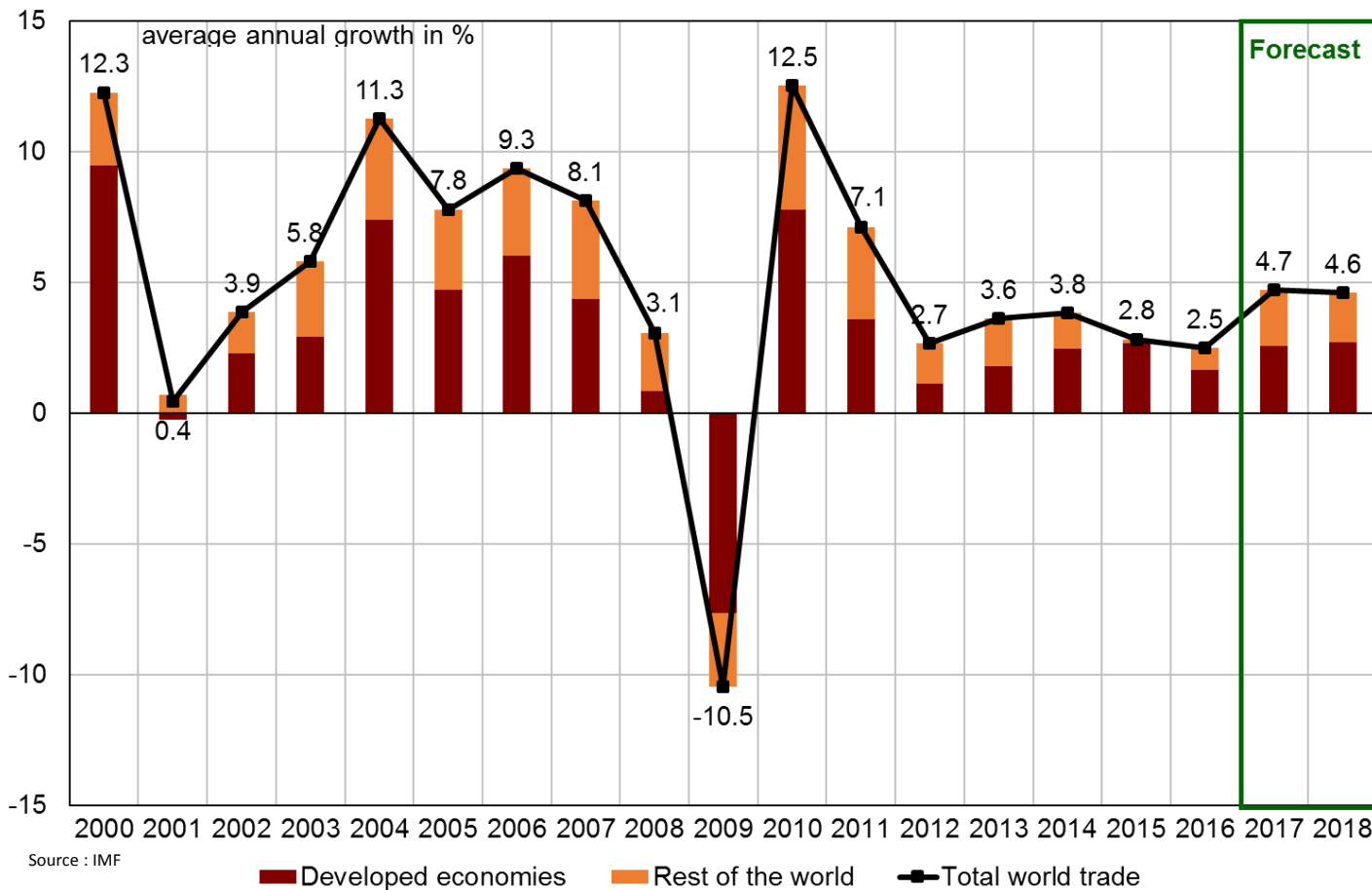


Source : Customs

- ❑ 124 057 French firms exported in 2017.
- ❑ The number of goods exporters grew by 7% from its low in 2009.
- ❑ The number of exporting SMEs has not changed in 2017 but the value of their exports rose by 3.7%.
- ❑ The number of exporting intermediate-sized enterprises (ISEs) increased by 0.7% and the value of their exports by 6%. They make up only 4.3% of the total number of exporters, but they account for one-third of exports.
- ❑ Large corporations make up only 0.4% of the total number of exporters, but they account for more than half of the exports (51.8%).

Global activity and trade accelerated sharply in 2017 and would remain buoyant in 2018

Growth of world trade, goods and services, in real terms



- The growth of world trade accelerated sharply in 2017 (4.7% in real terms according to the IMF, compared to 2.5% in 2016), as a result of the **strengthening global activity** (forecast of +3.7% in 2017 compared to +3.2% in 2016), the **rise in trade intensity** of economic activity and the **recovery of imports** in Asia, Russia and the United States.
- These growth rates still **fall far short of their long-term trend from before the crisis**, when average yearly growth stood at 6.7% between 1990 and 2008.
- The **contribution to trade from emerging economies was larger in 2017** thanks to the end of the recessions in Russia and Brazil. The growth of emerging economies' trade is forecasted to slightly slow down in 2018 (+5.1% compared to 5.9% in 2017).
- The IMF is also expecting the **advanced economies to bounce back**, with growth of some 4.3% (compared to 4.1% in 2017).



This presentation and the full press kit can be found on the Diplomatie website: <https://bit.ly/2nDTLVg>

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Unless otherwise indicated, the data on France come from the Directorate General of Customs and Excise (DGDDI), in the case of trade in goods, and from the Banque de France, in the case of trade in services, merchanting and the current account balance.