



Annual Report

Foreign Investment in France

2022

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Pascal Cagni

Chairman of the Board,
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Ambassador for International Investment



Laurent Saint-Martin

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Foreword

A new record has been reached, despite the severe challenges facing the global economy: the results of the 2022 Annual Report on job-creating foreign investment in France are a superb reflection of French attractiveness. Business France is all the more pleased since its teams are directly responsible for identifying and supporting an increasing share of this growing windfall: nearly two-thirds of the projects were the result of joint work carried out with the Regional Development Agencies. In addition to this quantitative success, there were several positive results linked to the content of the projects identified.

First cause for celebration: these investments were mainly related to the industrial sector, therefore contributing to the national re-industrialization effort. The number of investments in electrical and computer equipment this year grew 17% and included a unique strategic project from the Swiss group STMicroelectronics; worth €5.7 billion, the investment consisted of a new semiconductor factory in the Auvergne-Rhône-Alpes region, generating 1,000 jobs.

In terms of energy and recycling, the number of projects increased considerably, up 87%, with half of them relating to the development of low-carbon energies; one key example is Portuguese startup Greenvolt, which created its subsidiary in Lyon (Auvergne-Rhône-Alpes region) in October 2021 and is now strengthening its teams there. These projects, and many others, contribute to the national effort for the ecological transition.

Yet more good news is that, after two years of the Covid-19 crisis, the aerospace sector came back with a bang in 2022 with a record 52 projects, up 86%, and job creations three times as high as in 2021. A notable example is Luxembourg-based group Vallair, which is set to develop a line for converting aircraft into freighters at its Déols site (Centre-Val de Loire region), creating 40 jobs. However, the number of projects in automotive construction fell by 20%, a decline that should be put into perspective, since it followed a 50% increase recorded the previous year.

Another cause for celebration: the record number of R&D and engineering projects, which amounted to 191 in 2022. This number increased by nearly a quarter, with the number of related jobs up by more than half. Many such investments were from the United States and Germany, which led the way. Siemens is recruiting 25 additional engineers in Châtillon (Paris/Ile-de France region), to work on digitalization software in industry and on intelligent

transport. Meanwhile, the Texan startup Way, which publishes a platform for activating partner brands for the hotel industry, chose France in 2022 to begin its international expansion: its Paris office will create up to 50 jobs in R&D, sales and marketing.

A final source of satisfaction was investments in decision-making centers and business services. After growing nearly 40% in 2021, investments in decision-making centers grew again by 4% in 2022, consisting mainly of first-time locations, heralding future investments. Investments in business services jumped by 26%, while the number of associated jobs increased threefold, thanks to the investments from temporary work agencies, whose exceptional contribution to the job creations recorded in the 2022 Annual Report should be welcomed.

These excellent results reflect the strength of France's attractiveness. The extent of the country's success is thanks to three converging factors: structural reforms that have improved the business environment; ambitious policies that support our businesses, develop vocational training, encourage innovation and re-industrialization; and finally, massive investments in the sectors of the future and ecological conversion as part of the "France 2030" plan.

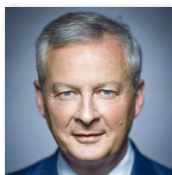
This strong performance can also be attributed to the prospecting and support activities carried out by Team France Invest. In 2022, Business France detected 1,863 potential foreign investment projects, which resulted in more than a thousand regional offers being issued by the Regional Development Agencies and distributed to investors by our offices present in 54 countries. Furthermore, more than a hundred joint market survey and communication initiatives have been organized with regions around the world to promote their key strengths to investors and influencers. Business France and the regions have been particularly active since last year responding to requests for land and skills from investors, who are facing the scarcity of available land and tensions in the labor market.

The recent strengthening of partnerships forged between public key players in the international development of France's regions will enable them to undertake and further improve our joint actions: knowing how much importance investors attach to this end-to-end support when deciding on the country they wish to set up in, this bodes well for our future attractiveness.

Prefaces

France's attractiveness continues to grow. With 1,725 projects, the highest figure ever recorded, and a leap of more than 30% in the number of jobs created or maintained, 2022 was an even better year than 2021. We've seen one record year after another, despite the geopolitical, energy and inflationary crises that are gripping France and Europe.

These exceptional results are thanks to the number and strength of our structural assets, the reforms carried out to promote our business environment and our massive investments in our sectors of the future, particularly in the ecological transition. With one in two investments linked to the creation of a base and nearly 800 expansions, this Annual Report shows how much foreign investors believe in our country's growth potential and how happy they are to be operating in France.



Bruno Le Maire

Minister for the Economy, Finance and Industrial and Digital Sovereignty

The 2022 Annual Report is exceptional once again, reflecting France's global influence and attractiveness. We've seen investments by businesses from nearly sixty countries around the world.

The United States remained the leading investor country in France, followed by Germany, while Italy increased its investments by nearly 50%. The number of British investments continued to grow, while those from the Netherlands rose by nearly 40%.

Such results reflect the quality of what we offer, both to businesses and foreign talent, as well as the growing involvement of our embassies in the international development of the French economy. Thank you to all the key players involved in our economic diplomacy, to whom we owe these great successes and those to come!



Catherine Colonna

Minister for Europe and Foreign Affairs

Prefaces

Outstanding in more ways than one, the 2022 Annual Report on job-creating foreign investment in France contains two pieces of good news for regional cohesion and the ecological transition. The first is that foreign investment decisions span the entire country, with 43% of projects intended for municipalities with fewer than 20,000 inhabitants, as well as 39% of jobs in 2022.

The second is the scale and the quality of investments addressing the climate crisis, whether these are projects relating specifically to products or services promoting the ecological transition, or all those that take this issue into account by reducing their environmental impact as much as possible. As such, the 2022 Annual Report highlights the benefits that France has gained from its openness to the international market for its regional and sustainable development.



Christophe Béchu

Minister for the Ecological Transition
and Regional Cohesion

This 2022 Annual Report has confirmed the significant contribution made by foreign investments to the re-industrialization of our country. Most of the projects identified are linked to the industrial sector and more than a quarter relate directly to manufacturing, creating and maintaining 17,500 jobs. One key example is the aerospace sector, which has grown again, with 52 projects and job creations double those of 2021. The icing on the cake is the strategic project led by the Swiss group STMicroelectronics, worth €5.7 billion, which will see the firm set up a semiconductor foundry in the Auvergne-Rhône-Alpes region, creating 1,000 jobs.

This exceptional attractiveness is thanks in particular to the attention paid to the needs of investors, as seen by the hundred turnkey industrial sites that we've offered them, the selection of which is now facilitated by a digital data visualization tool. The "Made in France" brand is on the up.

The 2022 Annual Report on Foreign Investment confirms France's economic attractiveness. Since 2019, France has been the leading destination for foreign investment in Europe, thanks to the ambitious reforms carried out since 2017 to modernize our business environment. They also reflect the efforts of France's regions and the whole of Team France Invest. I am delighted with this Annual Report, which reflects the long-term confidence of foreign investors in our country. Their investments in France serve to strengthen our economy, promote job creation and support our regions. I am also very pleased that attractiveness is reflected in our foreign trade: the subsidiaries of foreign businesses play a crucial role in French exports. They are actively involved in the re-industrialization of France, in the digital and ecological transitions, and in the recovery of our trade balance. Such results send a strong signal to foreign investors that our country is attractive. It's a message that I have been eager to convey to the rest of the world for the last 10 months and I will continue to do so.



Roland Lescure

Minister Delegate for Industry



Olivier Becht

Minister Delegate for Foreign Trade,
Economic Attractiveness and French
Nationals Abroad

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Summary

1,725 INVESTMENT
DECISIONS
IN 2022



+7% investment
projects in 2022

+31% in jobs announced

50% of projects
are new sites

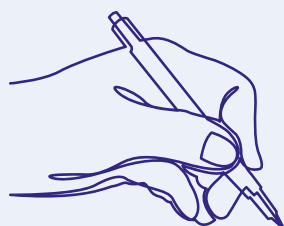
64% of projects supported
by Business France



They created or maintained

58,810

jobs, of which **12,057** were interim permanent contracts



NUMBER OF PROJECTS AND JOBS BY INVESTMENT TYPE

Projects		Jobs
870	Creation	16,821
798	Expansion	39,056
57	Takeover	2,933

Top 3 business activities

456
manufacturing
projects

394
decision-making
center projects

207
business services
projects

Manufacturing

26%

of investments

30%

of jobs involved manufacturing activities



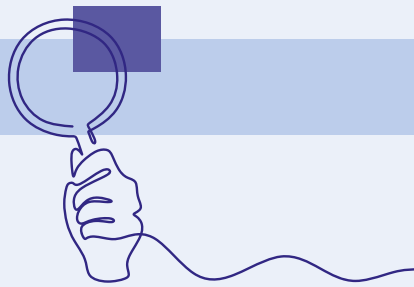
R&D

191

investments in R&D/engineering activities

+23%

of projects



Top 5 investing countries

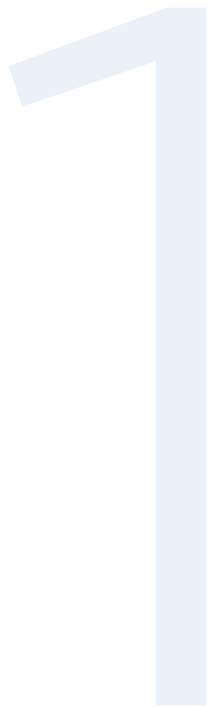
	Projects	Jobs
United States	16%	29%
Germany	15%	12%
United Kingdom	10%	7%
Netherlands	8%	10%
Italy	8%	5%

Top 5 sectors

	Projects	Jobs
Wholesale and retail	13%	7%
Consulting and business services	10%	29%
Software and IT services	9%	8%
Energy and recycling	5%	4%
Electrical and IT equipment	5%	3%

43% of projects and 74% of manufacturing projects in municipalities with fewer than 20,000 inhabitants





INVESTMENT DECISIONS AND JOB CREATION AT HISTORIC LEVELS

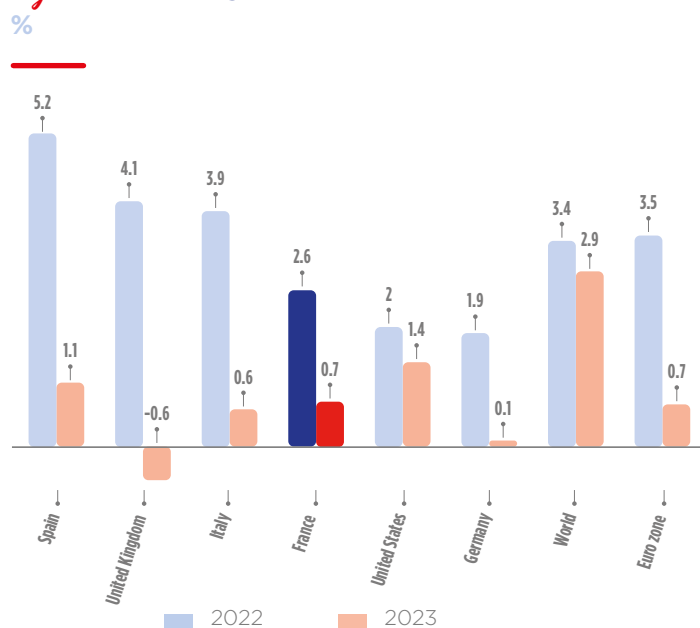
1 INVESTMENT DECISIONS AND JOB CREATION AT HISTORIC LEVELS

1. A preserved macro-economic environment

Barely out of the Covid-19 pandemic, 2022 will remain a year of crises and imbalances: firstly, a geopolitical crisis, with the war in Ukraine; an energy crisis, with the destabilization of the energy market and its repercussions on international trade and production prices; and the return of inflation to historic levels in developed economies.

Nevertheless, the French economy has been able to resist, with French gross domestic product (GDP) growth of +2.6% in 2022, according to the International Monetary Fund (IMF).

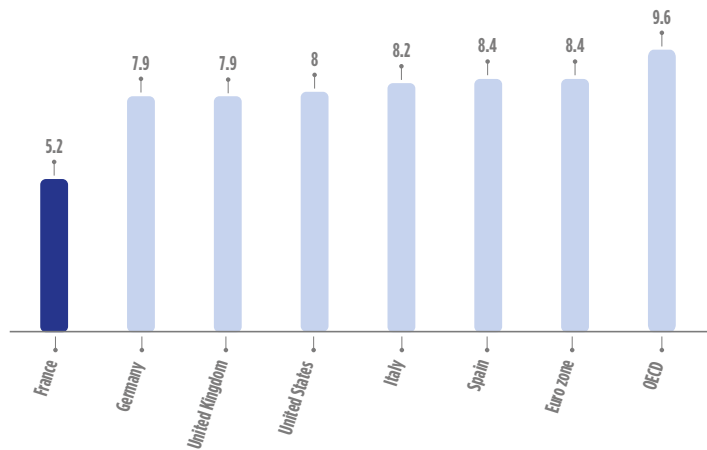
Fig 1. Real GDP growth



Source: IMF, World Economic Outlook, January 2023

France has notably stood out from the main neighboring European economies by maintaining a relatively low level of inflation in 2022, thanks to business support policies and aid for household purchasing power (tariff shield). Year-on-year, France experienced inflation of 5.2% in 2022, when Germany or the United Kingdom experienced average price increases of 7.9%. At 7.3% in 2022, the unemployment rate has reached its lowest level since 1982. (Source: French National Institute for Statistics and Economic Studies - INSEE)

Fig 2. Inflation year-on-year (2022)
%



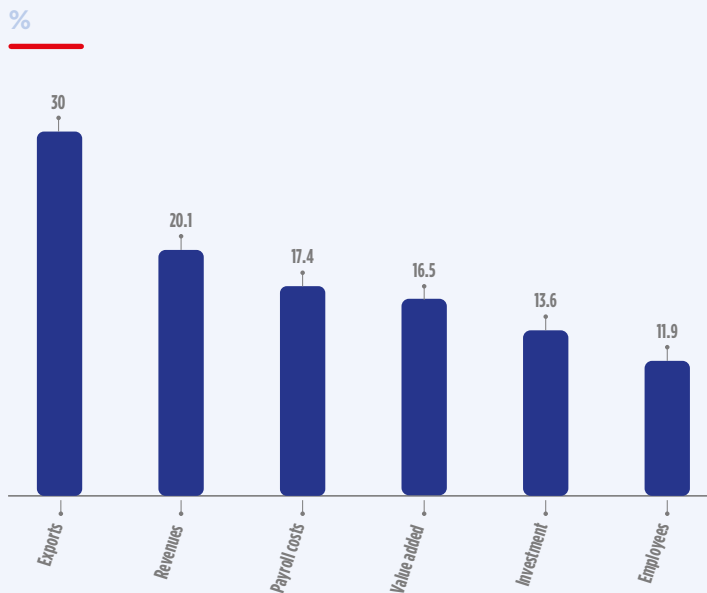
Source: OECD, 2023

CONTRIBUTION OF FOREIGN-OWNED SUBSIDIARIES

Foreign businesses present in France, numbering 16,900 according to the French National Institute for Statistics and Economic Studies (INSEE), accounted for a significant weight in our economy, in terms of employment and value creation. Although they amounted to less than 1% of the number of businesses in the non-agricultural and non-financial market sector, they employed nearly 12% of employees in France. They concentrated 20% of the revenues of all businesses in the market sector, as well as 16.5% of the value added. Also at the origin of 14% of investments, the subsidiaries of foreign businesses in France were responsible for 30% of all French exports.

The foreign subsidiaries that recruited the most in France were American businesses. In 2020, they employed more than 460,000 people, ahead of the subsidiaries of German (341,500 employees in France) and Swiss (249,600 employees) businesses. British firms were responsible for 165,600 jobs in France.

Fig 3. Contribution of foreign-owned subsidiaries in France (2020)
%



Source: INSEE, Insee Focus No. 281, 2022

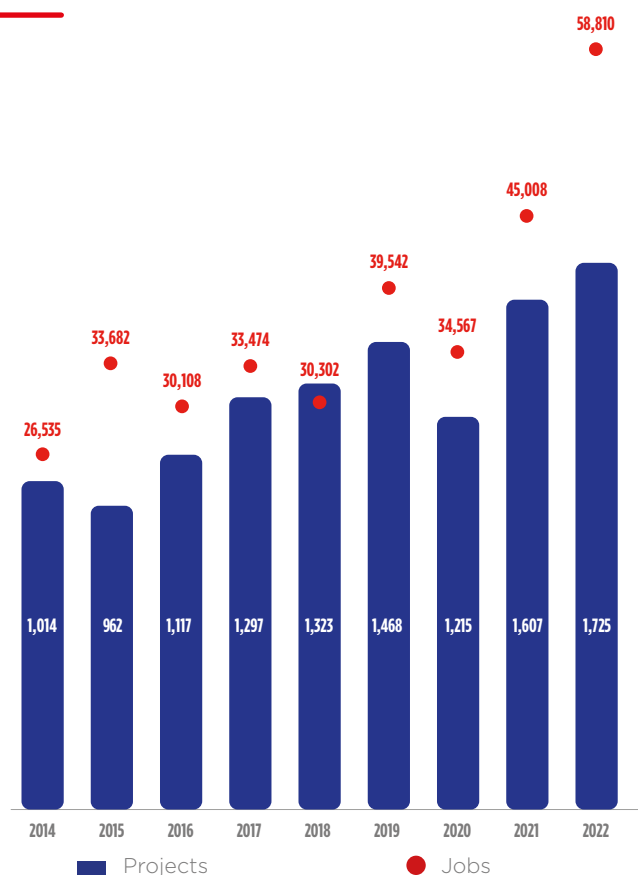
2. Attractiveness maintained at a high level

Despite a disturbed international context in 2022, France maintained a high level of attractiveness for foreign investment. In 2022, the country attracted a record number of projects: 1,725 investment decisions from foreign businesses were recorded, which will enable 58,810 permanent full-time equivalent jobs to be created or maintained in the country within three years.

With a 7% increase in projects received compared with 2021, France exceeded its own record for the year 2021 and reached the highest level of projects recorded in its history.

In terms of jobs, 2022 saw the strongest growth ever recorded, with a +31% increase in jobs created or maintained from foreign investment.

Fig 4. Change in projects and jobs (2014-2022)



Source: Business France, Annual Reports 2014-2022

TEMPORARY EMPLOYMENT IN THE FRENCH ECONOMY

Temporary employment corresponds to the interim provision of an employee by a temporary employment agency to another business to carry out a defined mission. Since 2014, temporary employees can sign a permanent contract with the temporary work agency.

Temporary employment concerns between 2 and 3% of salaried employment in France. Its sensitivity to changes in the economic climate makes it a very relevant indicator of the economy. According to the Department of Research, Studies and Statistics (Dares), at the end of December 2022, 816,100 people were in temporary employment.

The historic increase in the number of jobs created by foreign investment in 2022 is mainly due to the very significant growth in the number of interim permanent contracts offered by foreign temporary employment agencies present in France. Three of the main temping agencies present in France are businesses with foreign capital (Adecco, Manpower and Randstad). The new interim permanent contracts announced in the year 2022 accounted for 20.5% of all the jobs created or maintained announced by foreign businesses in France. These jobs are classified among the activities of the business that remunerates them, regardless of the business sector in which the temporary workers carry out their assignment.

Source: Dares, French National Institute for Statistics and Economic Studies (INSEE), Business France

3. A record number of business creations

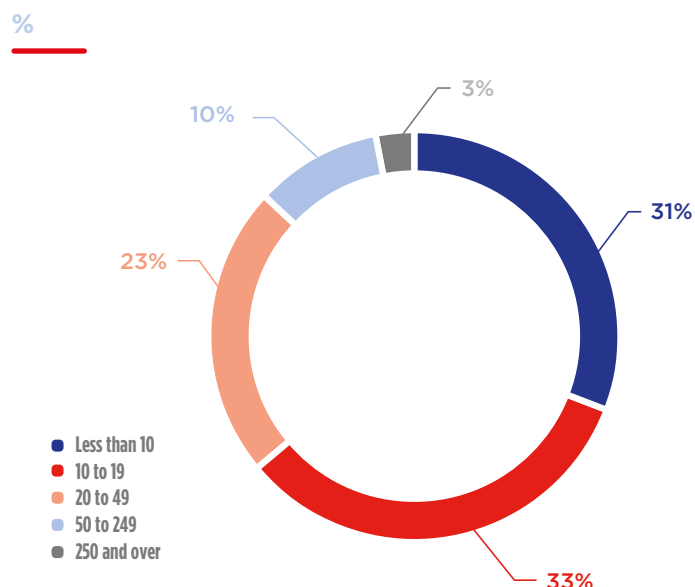
The foreign investment decisions recorded in 2022 created an average of 34 jobs in France, a higher level than the 2014-2021 average (27 jobs).

One in two foreign investments concerned the creation of a new establishment in France, accounting for 29% of jobs created or maintained. Among these new establishments, 42% were first-time investments in France or Europe.

Expansion operations, a sign of the satisfaction and renewed confidence of foreign businesses that have already invested in France, accounted for 46% of investment decisions.

In a difficult post-pandemic context, and with significant inflation, the number of takeover operations increased by 66% in 2022, compared with 2021. Two in three takeovers concerned service activities (retail outlets, business or consumer services) and 31% manufacturing activities. The takeovers of ailing French firms by foreign businesses have made it possible to save nearly 3,000 jobs throughout the country.

Fig 5. Breakdown of projects by the number of jobs created or maintained (2022)



Source: Business France, Annual Report 2022

Breakdown of projects and jobs by investment type

	2022		Share		Change 2021-2022	
	Projects	Jobs	Projects	Jobs	Projects	Jobs
Creation	870	16,821	50%	29%	7%	3%
Expansion	798	39,056	46%	66%	6%	69%
Takeover	57	2,933	3%	5%	50%	-47%
Total	1,725	58,810	100%	100%	7%	31%

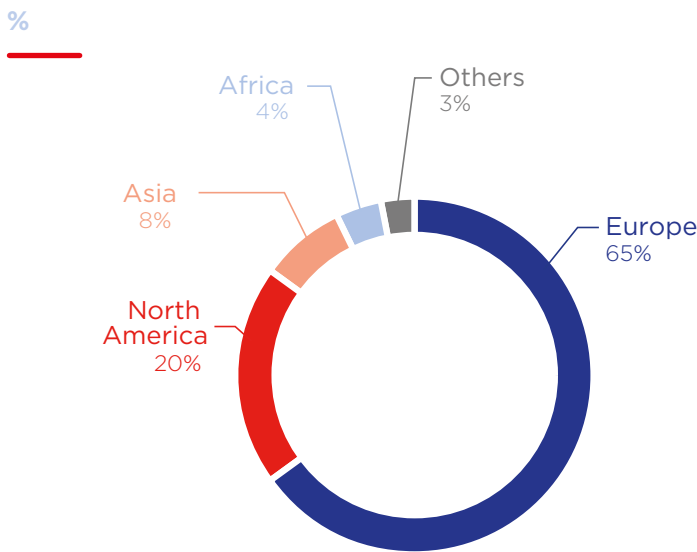
Source: Business France, Annual Report 2022

4. Europe, the leading provider of investment projects

In 2022, France hosted investment projects from businesses originating from nearly sixty countries from all continents.

Europe was the main source of foreign investment in France, receiving 65% of projects, a share slightly higher than the 2014-2022 average (63%). North America was the second largest investment-sending area in France, with 20% of projects in 2022, followed by Asia, responsible for 8% of projects.

Fig 6. Breakdown of projects by source region (2022)



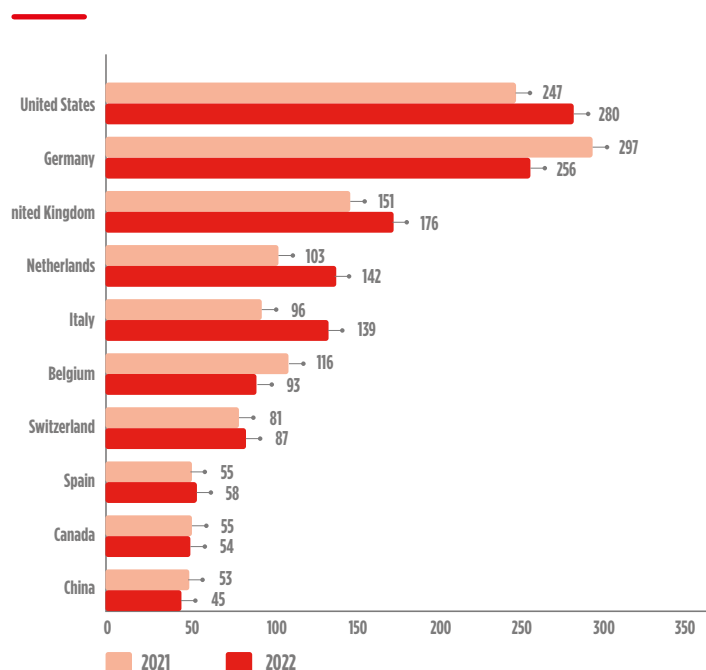
Source: Business France, Annual Report 2022

Leading source countries for foreign investment in France (2022)

	2022		Share 2022	
	Projects	Jobs	Projects	Jobs
United States	280	17,107	16%	29%
Germany	256	7,181	15%	12%
United Kingdom	176	4,071	10%	7%
Netherlands	142	5,775	8%	10%
Italy	139	2,656	8%	5%
Belgium	93	2,113	5%	4%
Switzerland	87	4,130	5%	7%
Spain	58	1,741	3%	3%
Canada	54	1,523	3%	3%
China	45	995	3%	2%
<i>Hong Kong</i>	<i>8</i>	<i>181</i>	<i>1%</i>	<i>0.3%</i>
Denmark	43	942	2%	2%
Japan	41	1,158	2%	2%
Sweden	35	955	2%	2%
Tunisia	22	267	1%	0.5%
Luxembourg	19	1,101	1%	2%
Ireland	17	1,011	1%	2%
Turkey	17	220	1%	0.4%
Mexico	16	269	1%	0.5%
Singapore	13	278	1%	0.5%
India	13	257	1%	0.4%
Morocco	12	682	1%	1%
Norway	12	281	1%	0.5%
South Korea	11	203	1%	0.3%
Austria	11	162	1%	0.3%
Israel	9	106	1%	0.2%
Total	1,725	58,810	100%	100%

Source: Business France, Annual Report 2022

Fig 7. Change in number of investments by leading investors (2022)



Source: Business France, Annual Report 2022

Responsible for 280 projects and more than 17,000 jobs created or maintained, the United States was the leading foreign country to invest in France in terms of projects and jobs in 2022. It therefore regained first place on the podium lost to Germany in 2021. A total of 16% of projects and 29% of jobs recorded in 2022 came from American investment, which equated to an increase of 13% in projects and 69% in jobs. Projects related to IT services and consulting/business services activities were on the rise, accounting for 30% of American investments in 2022, compared with 20% in 2021. In terms of jobs, the expansions of the American temporary work agency Manpower, announced at the “Choose France” 2022 summit, help to explain the very sharp increase in the number of jobs created by American businesses.

Despite a fall in terms of projects and jobs compared with 2021, Germany was the second largest foreign investor in France. With 256 projects (15% of the total) and more than 7,000 jobs (12%), Germany was the leading European nation to invest in France. At the head of several large food distribution chains that extend into France, Germany accounted for 36% of projects and was the leading investor

country in the wholesale and retail sector. Responsible for 24% of projects in the energy and recycling sector, Germany was also the leading foreign investor in terms of energy transition. In addition, Germany is historically the largest foreign investor in the automotive sector (28% of projects and 26% of jobs since 2014); a position that it retained in 2022, notably with the German automotive supplier Schaeffler, which chose Haguenau (Grand Est region) with the French firm Symbio.

The podium is completed by the United Kingdom, whose investments in France increased by 17% compared with 2021, making it responsible for 10% of all projects identified in 2022. Wholesale and retail was the sector for 38% of British projects and 31% of jobs.

With 10% of jobs created or maintained, the Netherlands stood out as the third largest job-creating country in France in 2022. The Netherlands saw its number of projects increase by 38% between 2021 and 2022 and its number of jobs generated multiplied by 2.6. These strong increases are mainly due to the strong development of temporary work, which accounted for 20% of projects and 69% of jobs created by Dutch businesses. The development throughout France of Basic Fit sports halls, a brand under Dutch control, amounted to 41% of the country's projects in 2022 (compared with 49% in 2021).

Italy also recorded good progress in 2022, with 45% more projects and jobs compared with 2021. In particular, Italy was responsible for 37 of the 57 takeover projects recorded in the 2022 Annual Report. It was the leading foreign investor in healthcare in France, with 25 projects identified in 2022, or 24% of all investments in the sector. The development of the Italian chemical and pharmaceutical group Zambon contributed to this performance. Zambon is continuing its investments, with the launch of a 2024-2028 investment plan providing for the construction in Avrillé (Pays de la Loire region) of a new pilot manufacturing site, the strengthening of its production capacities, the doubling of its R&D and quality control laboratories, and the concomitant creation of skilled jobs.

In 10th place in the rankings, China (including Hong Kong) with 45 projects was the leading Asian country in terms of investment in France.

Tunisia was the leading African investor, with 22 projects identified, amounting to a 29% increase in the number of projects compared with last year.

THEY CHOSE FRANCE



Agri-food

Tunisia – SELT MARINE

Tunisian business SELT Marine Group has been cultivating organic seaweed in Tunisia, Zanzibar and Mozambique since 2006, before transforming it into gelling agents and thickeners for the food, cosmetics and pharmaceutical industries. Its products are distributed throughout more than 15 countries. As the main producer in the sector in the Mediterranean basin, the group has chosen to create a French entity, SELT France BioTech, in Vedène (Provence-Alpes-Côte d'Azur region). This new opening, which is thanks in particular to the natural goodness sector, which is particularly active in the region, the high-level scientific environment and the region's favorable location, will lead to 15 jobs being created over the next three years.



Energy and recycling

Mexico – BioEsol

BioEsol, a Cleantech business aiming to facilitate the transition to energy self-sufficiency, has planned in its strategic roadmap to establish an R&D office in Grenoble (Auvergne-Rhône-Alpes region), which will seek to fast-track innovation as an absolute priority in the field of energy storage, new materials and artificial intelligence applied to energy. It plans to invest US\$5 million in its Grenoble office and hire at least 20 people over the next three years.



IT services

United States – WAY

The publisher of a brand activation platform for hospitality businesses, Austin-based startup Way has chosen Paris for its first international expansion outside the United States since its creation in 2020. Its new office will serve the entire European market. Way targets local and international hotel brands and plans to create up to 50 jobs in France within three years in R&D, sales and marketing. With US\$20 million raised in Series A funding last year, these recruitments will fuel Way's growth ambitions in Europe to bring its innovation into a rapidly changing sector.

THEY CHOSE FRANCE



Agri-food

Qatar - QATAR INVESTMENT AUTHORITY

In 2022, Qatar Investment Authority (QIA), Qatar’s sovereign investment fund, carried out a financing round of €250 million in French Biotech Innovafeed, a leader in the manufacture of insect proteins for animal and plant nutrition. Innovafeed will use the funding to continue to increase its production capacity in France and to fast-track its international expansion, as well as continue to invest in advanced technologies and R&D.



Automotive industry

The Netherlands – EBUSCO

The Dutch manufacturer of electric-powered buses, a champion of carbon-free mobility, has confirmed that it is setting up a manufacturing facility, its second one in Europe, as well as its French headquarters at Renault’s Cléon site in the Rouen urban area (Normandie region). Ebusco, which is originally from Deurne, in the south of the Netherlands, will invest €10 million and will recruit 80 employees before a future ramp-up of the site, which should benefit from the rollout of zero-emission public transport in France. Ebusco has already announced an initial order from the city of Rouen for 76 latest-generation buses.



Consulting and business services

India – LARSEN & TOUBRO

The engineering subsidiary of the L&T group has opened an engineering and R&D center in Toulouse (Occitanie region). It plans to recruit 50 people within a year and around 100 people within three years as part of an investment of around €2 million. The main idea behind this center in Toulouse is to serve the group’s customers in the aerospace industry, both in France and Europe.



Electronic components

United Kingdom – PARAGON GROUP LTD.

Leading manufacturer of labels and radio-frequency (RFID) components in Europe, Paragon ID continues to invest in the modernization of its production machines. In 2022, the business strengthened its teams with the recruitment of nearly 70 employees in the Loire Valley area, where it benefits from the proximity of its partners in the field of electronics. The group has just completed a fourth acquisition in France, which has enabled Paragon ID to strengthen its offering to the industrial sector with a battery-free real-time locating system (RTLS), a more ecological and less expensive alternative.



**FRANCE REMAINS STRONG
IN THE DIVERSITY OF ITS SECTORS
AND REGIONS**

2 FRANCE REMAINS STRONG IN THE DIVERSITY OF ITS SECTORS AND REGIONS

1. Manufacturing and R&D at the heart of French attractiveness

The number of manufacturing projects was stable compared with 2021 (457 investments in 2022), but the jobs created or maintained by these projects, numbering 17,487, were up by 13%, reaching their highest ever level.

Decision-making centers were the second most common business activity. They accounted for 394 projects in 2022, 4% more than in 2021, enabling the creation or maintenance of more than 6,500 jobs. Among these projects, first-time investments in Europe or in France were in the majority.

Business services and retail outlets each accounted for 12% of investment projects in 2022. However, while the number of retail outlet projects was stable, business services benefited from the strongest growth (+26%) in 2022. In terms of jobs, business services, which includes jobs created by temporary work agencies, has grown particularly strongly to almost three times as many as in 2021.

After a year in 2021 that was marked by the development of large foreign home-shopping delivery businesses, jobs in logistics and consumer services were down, while remaining above their 2014-2022 average.

Breakdown of projects and jobs by business activity (2022)

	2022		Share		Change 2021-2022	
	Projects	Jobs	Projects	Jobs	Projects	Jobs
Decision-making centers	394	6,509	23%	11%	4%	3%
<i>First-time investments in Europe</i>	52	589	3%	1%	-36%	-26%
<i>First-time investments in France</i>	167	2,489	10%	4%	-1%	13%
<i>Global / European headquarters</i>	37	680	2%	1%	48%	221%
<i>French headquarters</i>	138	2,751	8%	5%	31%	-12%
Logistics	95	3,748	6%	6%	-4%	-21%
Retail outlets	205	4,106	12%	7%	-0.5%	39%
Manufacturing	457	17,487	26%	30%	-1%	13%
R&D, engineering, design	191	4,789	11%	8%	23%	53%
<i>Engineering, design</i>	116	3,173	7%	5%	47%	61%
<i>R&D</i>	76	1,621	4%	3%	0%	39%
Business services	207	18,478	12%	31%	26%	193%
Consumer services	176	3,693	10%	6%	23%	-39%
Total	1,725	58,810	100%	100%	7%	31%

Source: Business France, Annual Report 2021-2022

The United States (68 projects), closely followed by Germany (67 projects), were the leading investor countries in production/manufacturing in 2022. Switzerland, on the other hand, was first in terms of jobs, with 2,712 jobs created or maintained in production/manufacturing, 1.5 times more than in 2021, in particular thanks to investments by STMicroelectronics in the Auvergne-Rhône-Alpes region, in partnership with GlobalFoundries.

R&D and engineering projects progressed significantly in 2022, with a +23% increase in projects and a +53% increase in jobs. With 191 projects and 4,789 jobs, this business activity also reached a record level in 2022. This exceptional result highlights the growing recognition of France as a land of innovation. Minebea Mitsumi, the leading Japanese manufacturer of miniature ball bearings and precision components, decided to set up its technical center on its

site in Abbeville (Hauts de France region), with the start of operations due before the end of 2022.

Among these projects, more than one-third of the jobs generated were in the research and development business activity, with 1,621 researcher jobs created in 2022, +39% more than in 2021.

The United States was the leading investor in R&D and engineering in 2022, responsible for 24% of announced projects and 27% of associated jobs, followed by Germany (14% of projects and 16% of jobs).

Among the main industrial sectors benefiting from R&D and engineering projects were electrical/ IT equipment (19 projects), aerospace, naval and railway equipment (17 projects) and medical equipment and devices (16 projects).

2. Projects in a wide range of sectors: industry in the lead

The majority of foreign investments were directed towards industry (51% of projects; 44% of jobs); services accounted for 49% of projects and 56% of jobs generated.

In industry, energy and recycling (5% of projects), electrical/IT equipment (5%) and agri-food (5%) were the main target sectors for projects. In 2022, they saw a significant increase in the number of projects received: +87% projects in energy and recycling, +17% for electrical/IT equipment.

The dynamics of the energy and recycling sector are all the more remarkable, as more than half of the investment decisions concerned the creation of establishments. Half of the projects in the sector involved the development of low-carbon energies, such as Greenvolt, the Portuguese startup leader in the production of renewable energy, which created its subsidiary in Lyon (Auvergne-Rhône-Alpes region) in October 2021, and today employs a team of about ten people that it plans to strengthen in the coming years.

A notable observation in 2022, after two years of crisis, was the restart of the aerospace sector, which reached the historic level of 52 investment projects, an increase of 86% and a number of jobs created or maintained that more than tripled in 2022 to 2,863 jobs. Among these projects, Vallair wished to develop a line for converting aircraft into freighters on the Déols site (Centre-Val de Loire region), where it has historically been established since its creation. The Luxembourg business has taken over the 8,400 sq. m.

of the large hangar at Châteauroux-Déols airport to launch this aircraft conversion activity. Aircraft maintenance is also being considered. Forty jobs will be created for this new aircraft conversion line.

The healthcare sector, driven by medical equipment and devices, saw 19% more projects compared with 2021 and +7% jobs created or maintained. The progress of projects in this sector was boosted notably by the takeover of an ailing group producing medical devices (15 sites taken over throughout France).

On the other hand, the automotive industry dropped back in 2022 compared with the exceptional year 2021, with a fall of 20% in projects and 32% in associated jobs.

With regard to services, wholesale and retail, consulting/business services and IT services have comprised the main three business activities of foreign investment decisions since 2014. Wholesale and retail, in first place in 2022, with 13% of projects received and 7% of jobs, suffered a decline in terms of projects (-6%) and jobs (-26%), after very strong growth in 2021. Consulting and business services, the second sector in terms of projects received (10%), was the source of the highest proportion of jobs in 2022. It included temporary jobs and amounted to 29% of all jobs advertised. IT services, with 161 investments and 4,695 jobs, were the third destination sector for foreign projects.

Breakdown of projects and jobs by business sector (2022)

	2022		Share		Change 2021-2022	
	Projects	Jobs	Projects	Jobs	Projects	Jobs
Wholesale and retail	218	4,294	13%	7%	-6%	-26%
Consulting and business services	180	17,314	10%	29%	55%	450%
IT services	161	4,695	9%	8%	17%	-4%
Energy and recycling	88	2,124	5%	4%	87%	117%
Electrical/IT equipment	81	1,767	5%	3%	17%	51%
Agri-food	81	1,503	5%	3%	5%	-0.1%
Machinery and mechanical equipment	80	1,913	5%	3%	7%	-4%
Transport, storage	75	2,834	4%	5%	-6%	-29%
Medical equipment and devices	70	1,783	4%	3%	49%	44%
Automotive industry	65	2,518	4%	4%	-20%	-32%
Sport and leisure	62	482	4%	1%	19%	27%
Metalworking	59	1,744	3%	3%	31%	-35%
Chemicals, plastics	59	1,099	3%	2%	-3%	-21%
Aerospace, naval and railway equipment	52	2,863	3%	5%	86%	213%
Financial services and insurance	50	1,476	3%	3%	-18%	25%
Glass, ceramics, minerals, wood, paper	46	1,108	3%	2%	2%	43%
Household goods	45	1,685	3%	3%	-4%	187%
Building, construction	45	813	3%	1%	-36%	-54%
Textiles and accessories	37	1,085	2%	2%	9%	61%
Hospitality, tourism and restaurants	37	912	2%	2%	-20%	-67%
Pharmaceuticals and biotechnologies	35	1,219	2%	2%	-15%	-23%
Electronic components	20	1,940	1%	3%	18%	758%
Rental services	20	260	1%	0.4%	43%	189%
Perfumes, cosmetics	14	451	1%	1%	-13%	99%
Education and training	13	213	1%	0.4%	86%	-16%
Other services	11	236	1%	0.4%	0%	56%
Telecoms, internet service providers	10	232	1%	0.4%	25%	-57%
Consumer electronics	5	159	0.3%	0.3%	-76%	-24%
Real estate	5	68	0.3%	0.1%	-62%	-38%
Media, publishing	1	20	0.1%	0.03%	-88%	-72%
Total	1,725	58,810	100%	100%	7%	31%

Source: Business France, Annual Report 2022

THEY CHOSE FRANCE



IT services

Canada - INDIE ASYLUM

Based in Canada, Indie Asylum is a group of video game development businesses, gamification studios and service firms for the video game world. Many successful games have been developed at Indie Asylum, such as Two Falls (by Unreliable Narrators), Broken Edge (by Trebuchet) and Rainbow Billy (by Manavoid). Building on its success in Canada and Quebec's economic ties with France, Indie Asylum is making the leap to Europe. In 2022, it settled in Provence-Alpes-Côte d'Azur to develop in the teeming French video game ecosystem. Indie Asylum is now seeking to develop and manufacture its first video game in France and will recruit 10 people.



Metalworking

Turkey - KOSEDAG

The Turkish group Kösedag, a pioneer in the fence manufacturing sector for industrial and residential sites, has confirmed that it has opened its first European manufacturing facility within the former Sarreguemines earthenware factory in Vitry-le-François (Grand Est region). This represents an initial investment of more than €20 million, which will safeguard a building that is part of the region's industrial heritage and create 35 new jobs in the heart of the Grand Est region. As a second step, the group plans to open an R&D center on this site.



Service provider

Nigeria - GAS360

This Nigerian startup in the cleantech sector offers a cooking gas payment system to low- and moderate-income households from different suppliers using LoRaWan technology. After a successful launch in Nigeria, the startup wants to expand to other countries in Africa and beyond. With the support of the business department of the French Embassy in Nigeria and Business France, the two co-founders decided to open an R&D center in France and have also established a partnership with Orange. This project will create 16 jobs (mainly engineers) over three years in Toulouse (Occitanie region), a city also home to the IoT valley cluster and renowned for its artificial intelligence and tech ecosystem.



Glass, ceramics, minerals

Austria - MM PACKAGING

Created 100 years ago, the Austrian group MM Packaging is the European leader in the manufacture and transformation of cardboard into packaging. At its Monéteau site (Bourgogne-Franche-Comté region), MM Packaging is modernizing and investing €15 million in three new machines, for printing, cutting and gilding cardboard. This new investment will create 37 new jobs.

THEY CHOSE FRANCE



Automotive industry

Japan - TOYOTA INDUSTRIES CORP.

Toyota Industries Corporation, the world's leading manufacturer of forklifts, has built a new line at its factory in Ancenis (Pays de la Loire region) to produce 900 units per year of a forklift model that was previously made in China. Transferring the production of the new model to the European market will enable the business to significantly shorten delivery times, as well as reduce carbon dioxide emissions generated by transport from Asia to Europe. The project should result in an investment of several million euros and the creation of a few dozen additional jobs.



Agri-food

Argentina - HORUS AGRO

Horus Agro, an Argentine business in the agri-food and biotechnology sector, set up in France in the second half of 2022 as Horus Biotechnologies. The firm was established with the aim of marketing its technology in the French and European markets. To do this, a Franco-Argentinian partnership was created, taking the form of a joint venture with the Brittany-based business Techsea Lab, which specializes in marine biotechnology based on algae extracts. In the medium term, this project will see nine to 11 direct jobs created as part of a direct financial investment over the first year of €1.5 million.



Metalworking

Poland - CHEMET

Since the takeover of the French firm Gaz Liquefiés Industrie (GLI) in 2020, when it was in administration, Chemet has invested €25 million in its 15 French sites. At its Civray location (Nouvelle Aquitaine region), a comprehensive modernization, automation and reorganization program for the main production lines has begun. The manufacture of tanks for dangerous gases and various equipment for French customers will be relocated from Poland. In total, 28 additional jobs will be created, including five executive positions, 20 operator jobs (welders and fitters) and three supervisor roles.

3. Foreign investments distributed nationwide

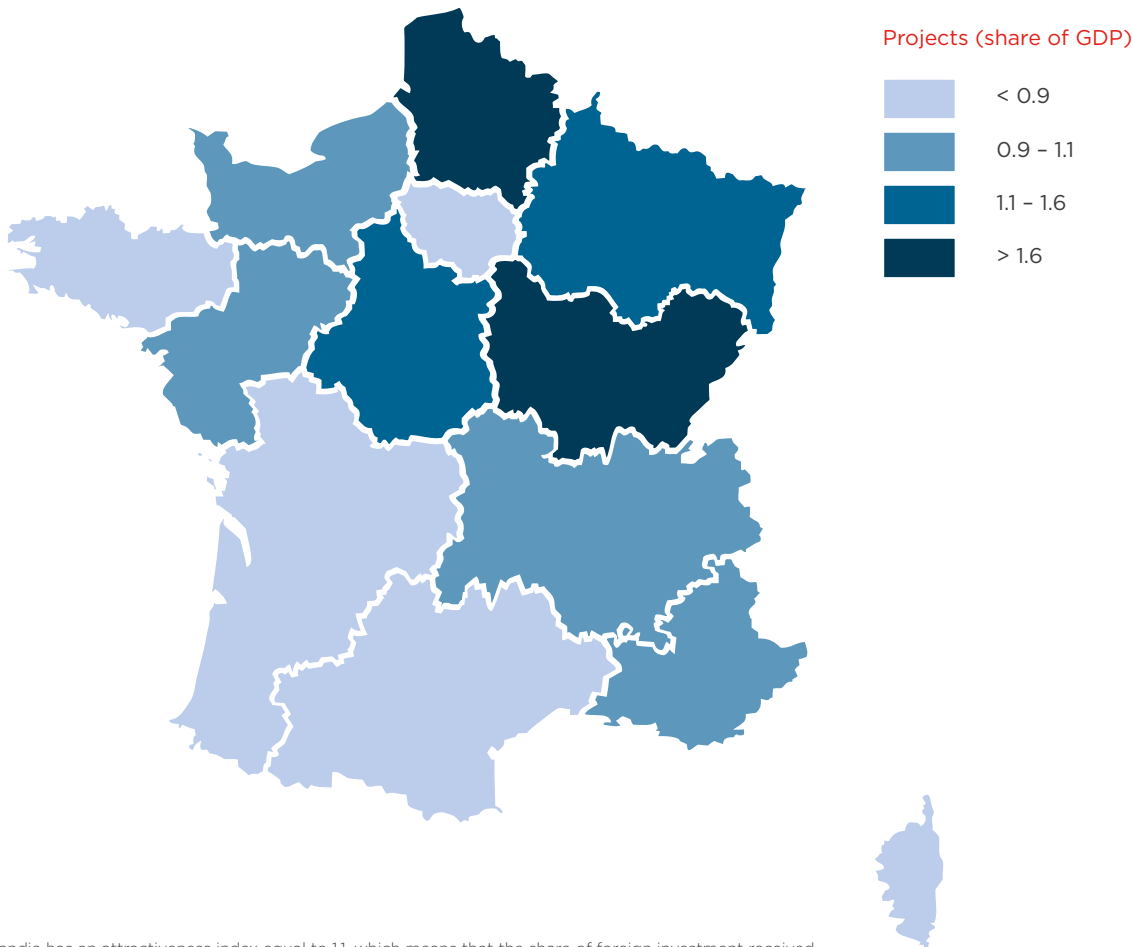
Foreign investments are spread nationwide, where they create and maintain jobs. The leading destination regions for investment projects in 2022 were Ile de France (Paris region), Hauts de France and Auvergne-Rhône-Alpes.

The Hauts de France region recorded the strongest increase in the number of projects hosted in 2022 compared with 2021. It is one of the regions, with Bourgogne-Franche-Comté, which received a share of foreign projects that was

more than 1.6 times greater than its weight in the national GDP.

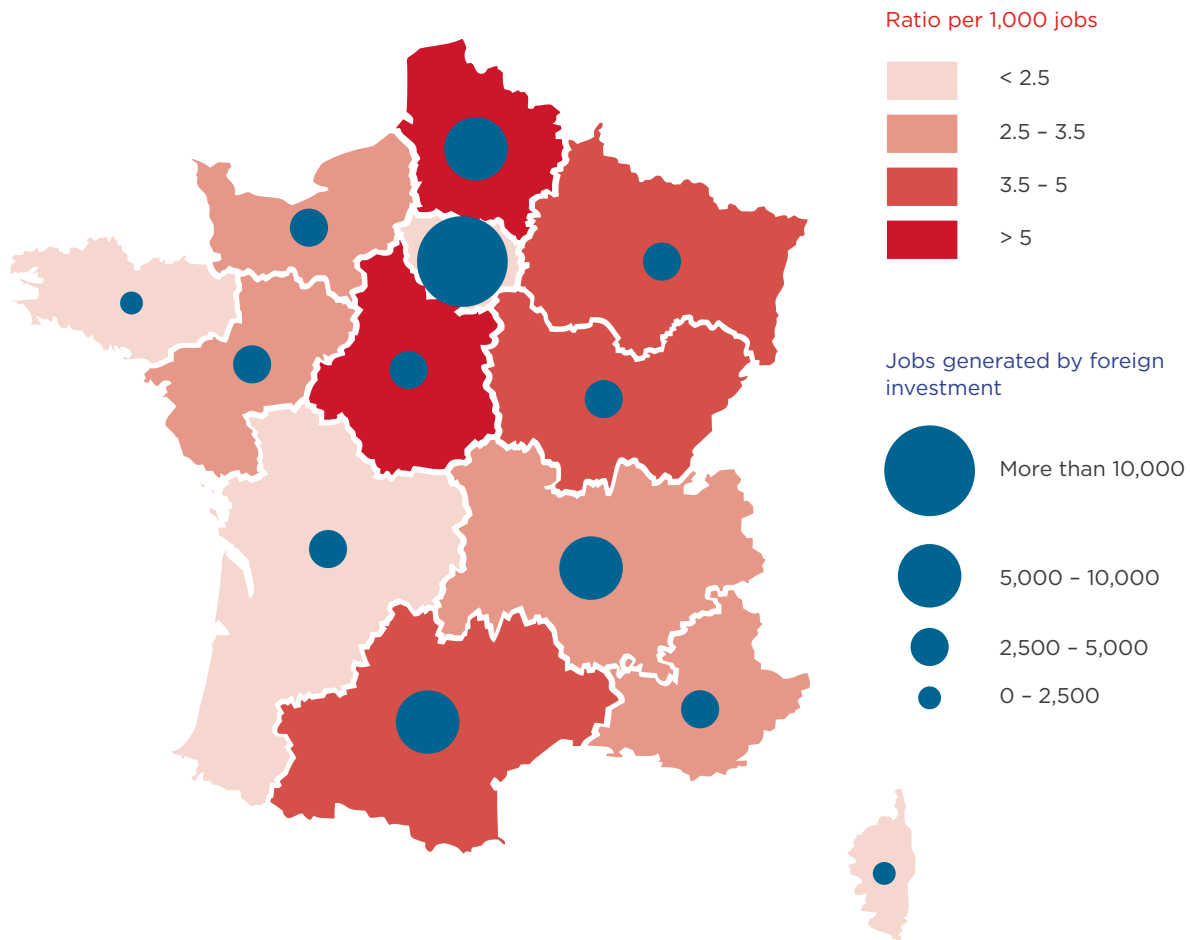
In terms of value, Ile de France (Paris region) retained its position as the leading region in terms of jobs created or maintained by foreign investment. Nevertheless, compared with the number of jobs on a regional basis, it was Hauts de France and Centre-Val de Loire that stood out for their high proportion of jobs generated by foreign investment.

Fig 8. Regional attractiveness index by GDP (2022)



Key: Normandie has an attractiveness index equal to 1.1, which means that the share of foreign investment received by this region in 2022 is greater than its economic weight in the national GDP in 2021.
Source: Business France, Annual Report 2022; INSEE; Business France calculations

Fig 9. Breakdown of jobs created or maintained by region (2022)



Source: Business France, Annual Report 2022; URSSAF; Business France calculations

Foreign investment decisions were present throughout France and not just the main French cities. In particular, 43% of projects were in municipalities with fewer than 20,000 inhabitants, as were 39% of jobs in 2022. They were the primary recipients of projects and the leading beneficiaries in terms of jobs created or maintained.

Breakdown of projects by municipality size (2014-2022)

	2022		2014 - 2022	
	Projects	Jobs	Projects	Jobs
< 20,000 inhabitants	43%	39%	42%	45%
20,000 to 100,000 inhabitants	20%	18%	22%	24%
100,000 to 200,000 inhabitants	8%	10%	7%	7%
200,000 to 300,000 inhabitants	5%	8%	4%	4%
300,000 to 400,000 inhabitants	2%	4%	2%	2%
400,000 to 500,000 inhabitants	2%	4%	2%	3%
> 500,000 inhabitants	20%	18%	22%	15%

Source: Business France, Annual Reports 2014-2022

Industrial projects were also present throughout France and were mainly carried out in the smallest municipalities. Nine in 10 industrial projects were carried out in a municipality of less than 100,000 inhabitants and 74% in municipalities

of fewer than 20,000 inhabitants. Similarly, for jobs created by industrial projects, 71% of them were created in municipalities with fewer than 20,000 inhabitants.

Breakdown of industrial projects by municipality size

	2022		Average 2014 - 2021	
	Projects	Jobs	Projects	Jobs
< 20,000 inhabitants	74%	71%	73%	70%
20,000 to 100,000 inhabitants	17%	19%	17%	20%
100,000 to 200,000 inhabitants	4%	3%	5%	4%
200,000 to 300,000 inhabitants	1%	1%	1%	1%
300,000 to 400,000 inhabitants	0.4%	1%	0.4%	0.3%
400,000 to 500,000 inhabitants	2%	3%	1%	3%
> 500,000 inhabitants	3%	2%	2%	1%

Source: Business France, Annual Reports 2014-2022

BRANDS STRUCTURE AND UNITE SECTOR-BASED ECOSYSTEMS



On the strength of its mandate to encourage the internationalization of the French economy, Business France ensures the promotion of the economic image of France, by highlighting its regions, businesses and talents.

Since the overhaul of its architecture in 2018, the “France” brand acts as a “parent brand”, bringing together five “daughter” brands, including “Choose France” and “Taste France”, which Business France is mandated to deploy internationally. As a standard-setter for France’s economic activity and attractiveness, the “Choose France” brand is fueled by the action of sector-based brands:



French Healthcare: The French health and healthtech ecosystem



La French Fab: The ecosystem of French industry



La French Tech: The French startup ecosystem

Moreover, with the firm desire to share the French way of life as a source of inspiration and a guarantee of quality, “Taste France” brings together the agricultural and agri-food ecosystem around common values and interests: excellence, diversity, pleasure, authenticity and innovation, as well as social and environmental responsibility. In addition, “Taste France” is also the French gastronomic heritage, recognized throughout the world, for its expertise, the excellence of its talents and the richness of its regions.

4. Regional sectors of excellence, factors of attractiveness

French regions each have ecosystems that set them apart and make them particularly attractive. The size of the employment area, the presence of talent, training infrastructure, a research and innovation ecosystem in synergy with businesses, one or more innovation clusters, are all key strengths that enable different regions to stand out internationally and to attract investment from foreign businesses in a given sector to their region.

As such, the Centre-Val de Loire region is particularly attractive for projects in the healthcare sector, but also for those in the aerospace, naval and railway sectors. The share of projects in these sectors among all the projects received by the region since 2014 is more than 60% higher than that observed at national level. In 2022, the Danish business Leo Pharma invested in its Vernouillet site (Ile de France/Paris region) for the installation of a new syringe filling line and the purchase of a new inspection line. This is an investment of €22.7 million, creating 45 jobs, including 30 permanent positions.

The Occitanie and Pays de la Loire regions are relatively more attractive for projects in the aerospace, naval and railway equipment sector, thanks to their developed ecosystem in these areas.

As for the historically highly industrialized regions (Hauts de France, Grand Est or Bourgogne-Franche-Comté), they

attract more investment from the metal and automobile industry sectors. For example, in 2022 the Austrian business Voestalpine invested in new-generation robots at its site in Fontaine (Bourgogne-Franche-Comté) to modernize and strengthen its production chain, with the creation of around fifty jobs on the site.

The Bretagne (Brittany) region stands out by hosting relatively more projects in the energy and recycling sectors. Its climate and the length of its coastline are intrinsic assets for attracting wind projects, especially offshore. The region also has a specialization in the agri-food sector, just like the Normandie region.

Projects in the electronic components sector are oriented towards the Auvergne-Rhône-Alpes, Provence-Alpes-Côte d'Azur and Occitanie regions; since 2014, their proportion of projects received in this sector has exceeded the national share.

For its part, Ile de France (Paris region) has a very strong specialization in the sectors of services with high value-added. Its skilled workforce and high-performance innovation ecosystem are all differentiating factors. As such, Checkout.com, the first British unicorn, has experienced exceptional growth. After launching in 2019 in Paris, the business in the Fintech sector is growing rapidly and now employs nearly 200 people in France.

SECTOR-SPECIFIC SPECIALIZATION INDEX

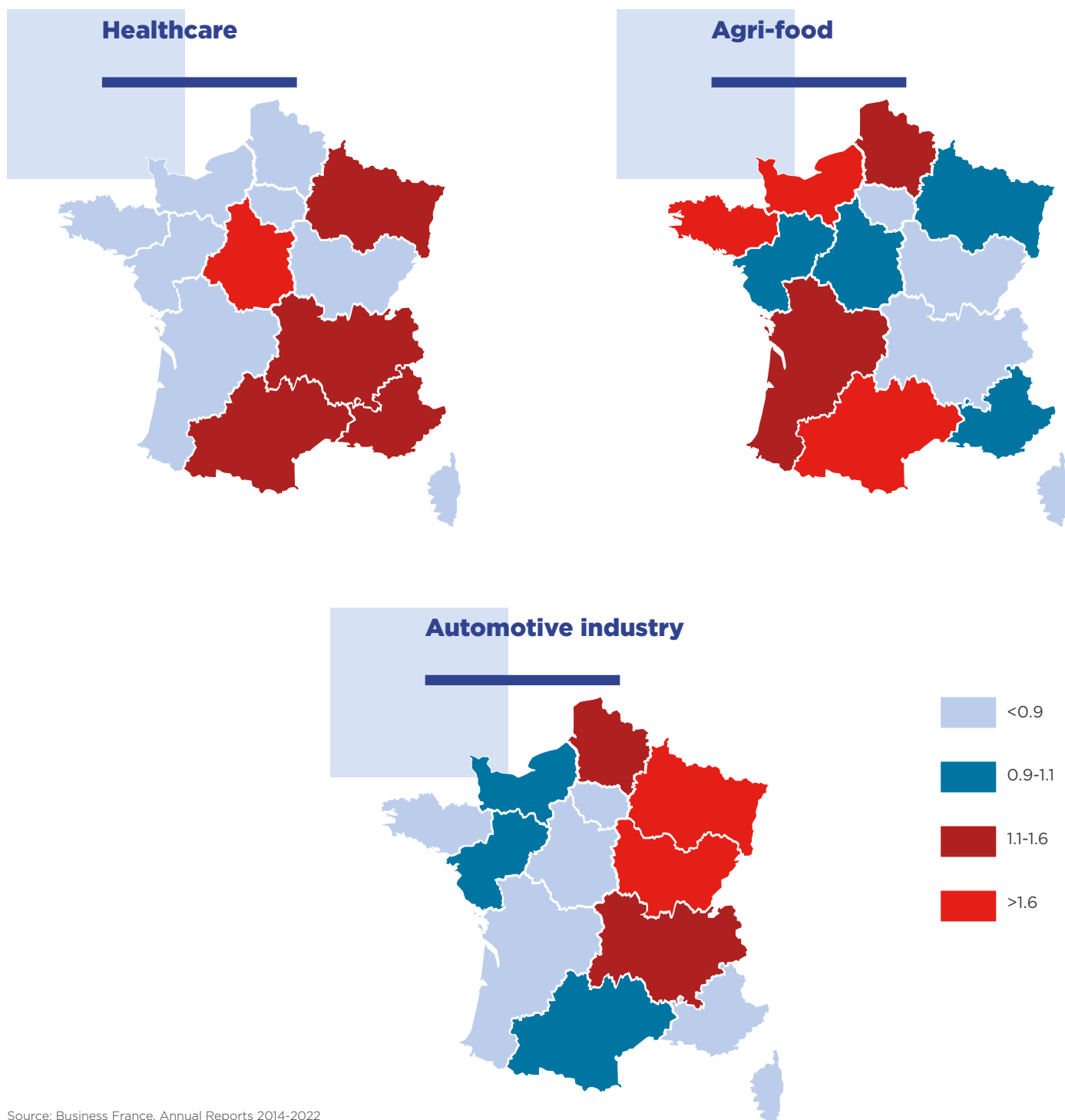
A region's sector-specific specialization index is determined by calculating the relationship between the share of a sector in regional projects and the share of the same sector in projects nationwide. Projects are recorded from 2014 to 2022.

For a given sector, if a region displays an index score higher than one, it signifies that this sector corresponds

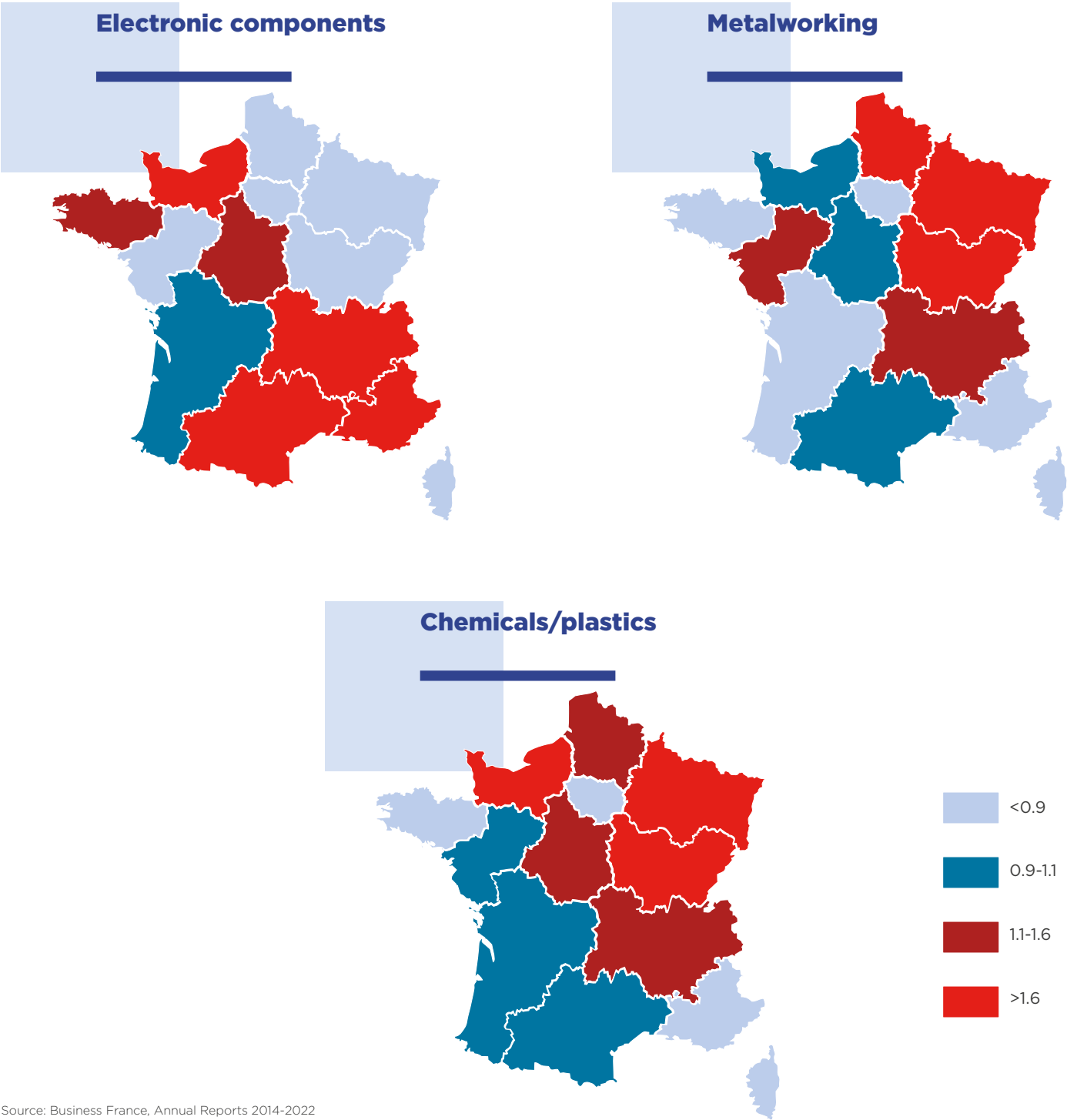
to a higher share of projects than its level nationwide. The higher this index score is, the higher is the region's degree of specialization in the sector.

An index score higher than 1.6 indicates a share of this sector in investments in the region that is 60% higher than the national average and is therefore a sign of very strong specialization of the region in the sector.

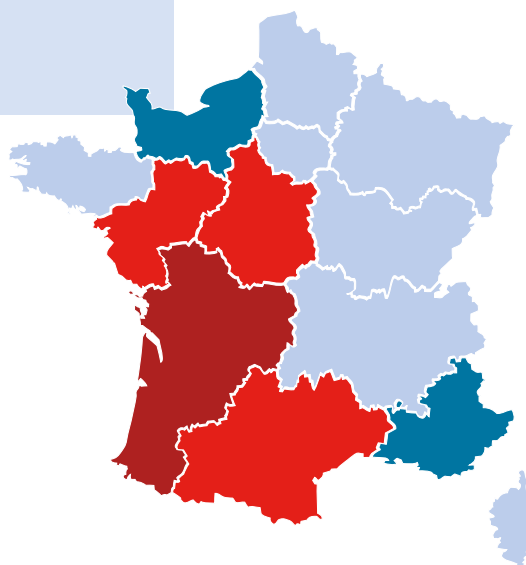
Fig 10. Sector-based specialization of investments in French regions (2014-2022)



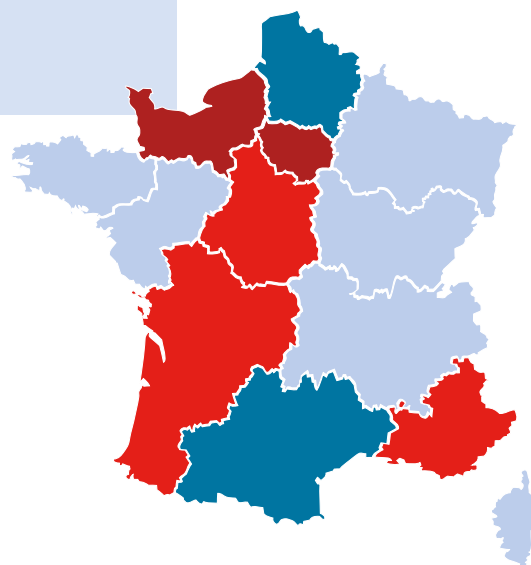
Source: Business France, Annual Reports 2014-2022



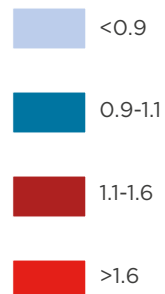
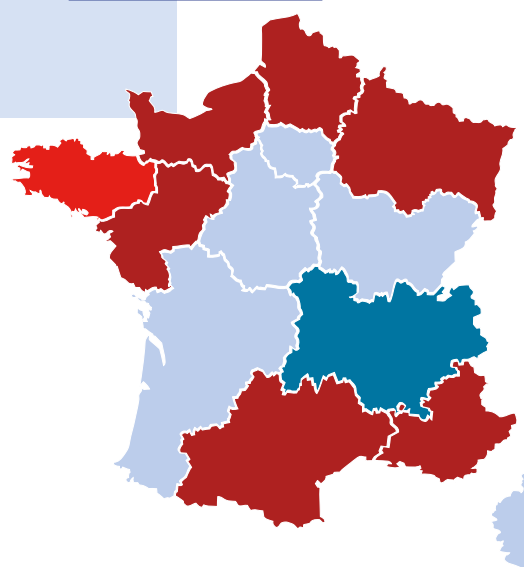
Aerospace, naval and railway equipment



Perfumes/cosmetics



Energy and recycling



Source: Business France, Annual Reports 2014-2022





KEY STRENGTHS AND SUCCESS FACTORS FOR FRUITFUL INVESTMENTS IN FRANCE

3

KEY STRENGTHS AND SUCCESS FACTORS FOR FRUITFUL INVESTMENTS IN FRANCE

Since 2017, France's attractiveness has been strengthened, thanks to a vast program of structural reforms aimed at transforming the economy, improving business life and increasing competitiveness.

Investors have in particular welcomed the trajectory of lowering corporate tax, as well as the course of lower production taxes decided in 2020, as part of the recovery plan for the French economy. Labor market reform, with the simplification of social dialogue in businesses and the securing of dismissal procedures, has also been seen as a factor in improving the attractiveness of the country.

These reforms have enabled France to maintain its leading position among the most attractive European countries for hosting foreign investment projects.

To maintain its attractiveness, France is acting on three issues, which now constitute the conditions for the success of setting up business in France:

- The knowledge and availability of ready-to-use industrial land, an eminently strategic factor in a context of land scarcity related to the target of zero net artificialization by 2050.
- The ability of a state to offer coherent training in connection with the professions of the future needed for the development of businesses.
- Access to public and private funding to locate more targeted investments in the regions, particularly in strategic industrial and technological sectors, as part of the "France 2030" strategy.

In 2023, the French government will give new momentum to its industrial policy by presenting a "Green Industry" bill. It will have two objectives: to fast-track the decarbonization of existing industries and to set up in France the production of goods for decarbonization.

Land



1. Ready-to-use land and support

Nearly 100 ready-to-use industrial sites

Since 2020, France has launched the unprecedented “Ready-to-Use Industrial Sites” system, identifying nearly one hundred sites available within controlled deadlines (nine to 10 months), due to the anticipation of procedures and authorizations relating to urban planning, preventive archeology and the environment. These sites are also part of competitive and attractive ecosystems for businesses (innovation clusters) and are connected to major infrastructure (ports, airports, rail freight lines) and utilities (water, energy) that are essential for your projects.

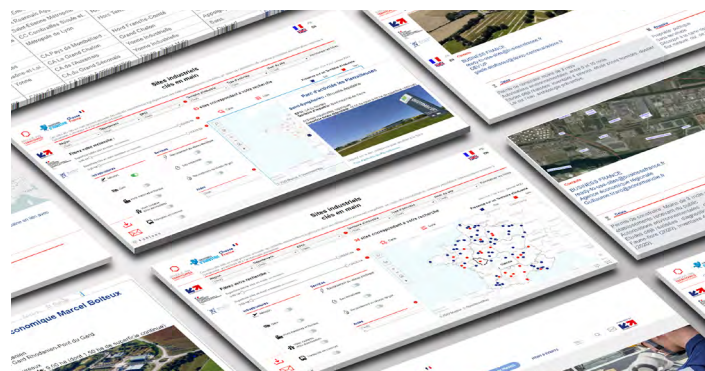
Online data visualization to find the ready-to-use industrial site that suits you

Ready-to-use industrial sites now have a digital data visualization tool enabling investors to locate sites immediately available for their project to set up in France. This cartographic module, freely accessible, offers detailed information on available industrial land, associated services on site (utilities, buildings, etc.) and nearby (major facilities, research institutes, etc.). Cumulative filters facilitate the search, thereby suggesting the locations that meet the needs of the investment project. Since 2023, it has been enriched with new data (electric power, nearby innovation

clusters, size of the employment area, etc.). To login, visit [Finding a ready-to-use industrial site throughout France's regions.](#)

Team France Invest

Team France Invest (TFI) brings together all the competent national and regional players in the field of economic development and attractiveness, to provide you with a coordinated response in terms of finding land and buildings, skills, partners industry or in terms of state aid. A virtual one-stop-shop enables optimized management.



THEY CHOSE OCCITANIE



Pangea Aerospace

Pangea Aerospace has created a branch in Toulouse. This will develop a “unique in the world” propulsion system for space micro-launchers created by Pangea. The Spanish startup chose Toulouse and the Occitanie region to be closer to the regional space ecosystem.

First detected by the Business France teams in Spain, the Pangea project received support from the Business France teams, AD'OCC and Invest in Toulouse. The three agencies worked together to promote contacts, create the

Pangea Aerospace France structure and then facilitate the business's integration into the local ecosystem.

This immediate immersion enabled them to launch R&D activities very quickly in the region, while continuing with their recruitment process. This has also strengthened and consolidated the development of Pangea Aerospace in the Occitanie region, both at a national and European level.

“We already feel like a member of the Toulouse and regional space ecosystem,” says Xavier Llaíró, Commercial Director at Pangea Aerospace.

THEY CHOSE AUVERGNE-RHÔNE-ALPES



Stäubli

Stäubli is a family-run mid-size company in the field of mechatronics, whose origins date back to 1892. With 5,700 employees, the group delivers its solutions worldwide in the fields of electrical connectors, fluid connectors, robotics and textiles.

Established in France since 1909, Stäubli's factory in Faverges (Auvergne-Rhône-Alpes region) produces connectors for fluids, robotics and textiles. With 1,700 employees, this site has been the subject of a major investment program

in recent years. Continuing its development in France was a priority for the group, which has unveiled an ambitious investment plan for 2023 amounting to €60 million, with the aim of making the site even more efficient and offering cutting-edge solutions to customers. To support this growth, 200 new employees were hired in 2022, with the site set to continue this momentum with 200 new recruitments in 2023.

"The industrial strength of the booming Auvergne-Rhône-Alpes region is an undeniable benefit in terms of employment and proximity to the many partners involved in growth. France, which encourages industrial innovation, has a new advantage over other countries in Europe with its reduction in corporate taxation, its research tax credit and property taxes," says Jean-Marc Dalmasso, Managing Director at Stäubli in Faverges.

THEY CHOSE NORMANDIE



Eastman

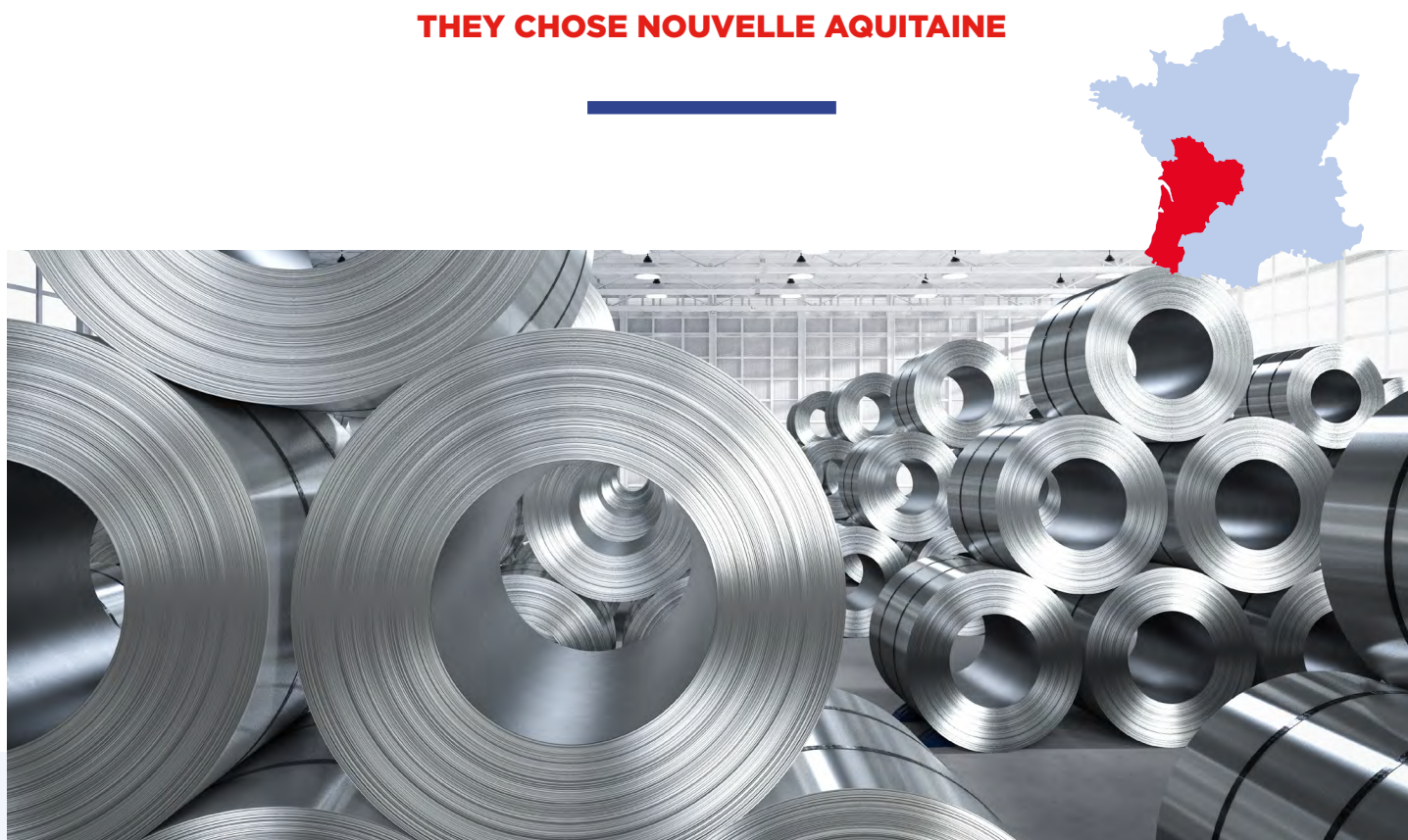
Eastman will use its proven Polyester Renewal Technology (PRT) for its planned molecular recycling facility at Haropa, the leading port in France, at Port-Jérôme-sur-Seine (Normandie region) to recycle hard-to-recycle plastic waste that remains today in a linear economy. The firm's recycling technology allows this hard-to-recycle waste to be broken down into its molecular building blocks and then reassembled to become like new material, without any compromise in quality and performance.

Eastman's PRT enables the potentially infinite value of materials to be realized, by keeping them in production, lifecycle after lifecycle. With the technology's highly efficient yield and the renewable energy sources available at the Normandie location, Eastman will be able to transform waste plastic into new food contact polyesters, with lower greenhouse gas emissions than traditional methods. The facility is expected to be online in 2026 and will recycle up to 200,000 tonnes of plastic waste each year, which are currently incinerated, used as landfill or dumped in the environment.



"Eastman is a leader in molecular recycling, with decades of innovation expertise," said Mark Costa, Chairman of the Board and Chief Executive Officer. "We are very happy to be partnering with Normandie for this planned molecular recycling facility and excited to bring our circular solutions to the region."

THEY CHOSE NOUVELLE AQUITAINE



IMET Alloys

IMET Alloys, whose head office is based in Scotland, United Kingdom, is investing €15 million in a project unique in Europe for the recycling and recovery of titanium and superalloys for the aerospace industry. The firm has taken over the former BorgWarner site in the Corrèze *département*, which closed in 2020, where it has already set up several treatment lines and recruited around fifteen people.

IMET Alloys is aiming to create fifty new jobs in five years as part of a new phase of development, with the opening of a R&D center. Factors that helped IMET to choose the Nouvelle-Aquitaine region included the site's excellent condition, the workforce's skills, the A20/A89 motorway links and environmental quality standards in Corrèze.

"The Imet Alloys investment project, based in Eyrein (Nouvelle-Aquitaine region), is proof of how industrial regions are constantly reinventing themselves. Imet Alloys has taken over the production facility formerly belonging to automotive supplier BorgWarner, where it will recycle titanium and superalloys for the aerospace industry, thus giving the site a new future as part of the circular economy. This investment reflects the commitment of the Nouvelle-Aquitaine region, its innovation and economic development agency," says Business France.

Talents



2. A recognized talent pool

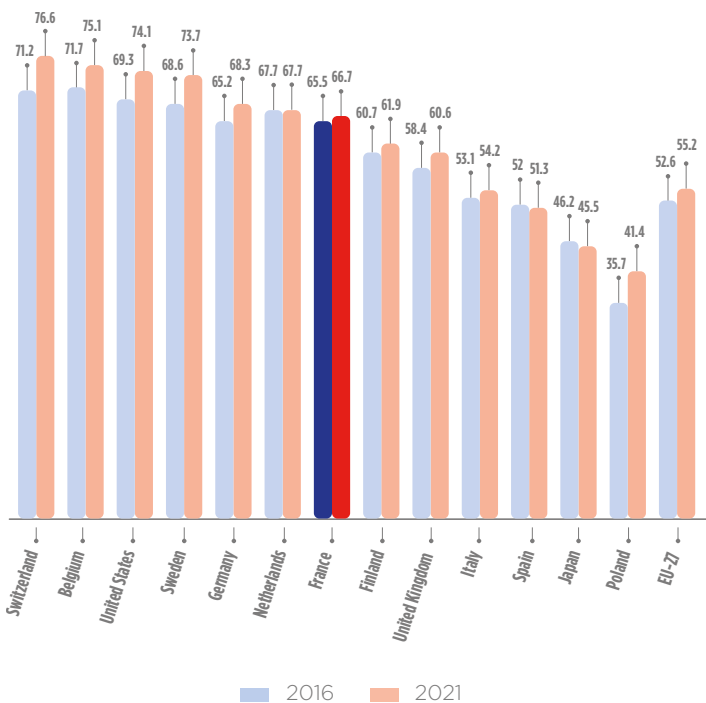
Choosing France as a location to set up business means accessing a large, qualified pool of skills, trained in the professions of the future.

France is recognized for the quality of its workforce, particularly in science and technology, with more than 1.2 million graduate engineers (IESF survey, 2021). The labor market in France also offers a large number of qualified skills, with 50% of 25- to 34-year-olds holding a tertiary education diploma, compared with 35% in Germany and 28% in Italy (Eurostat, 2022).

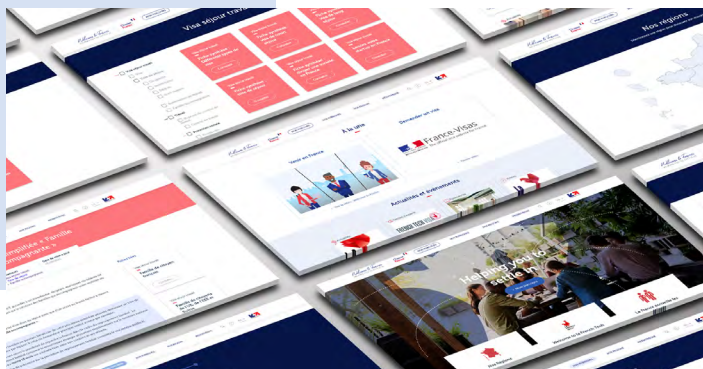
Since 2017, the number of new apprenticeship contracts in the private sector has been multiplied by 2.8 (DARES, 2022). The increase in the number of contracts in 2022 affected all levels of qualification (from CAP to Bac+5), which are all skills directly available to businesses, since two out of three young people are in employment six months after their course finishes.

Its highly skilled workforce enables France to have one of the highest productivity levels in the world.

Fig 11. Hourly labor productivity*
US\$ at 2015 PPP



* GDP per hour worked
Source: OECD, 2022



Facilitating the arrival of international talent

Faced with the transformation of working methods and the tensions weighing on the job market, detecting, attracting and retaining talent has never been so strategic for businesses. Strengthening France's attractiveness to foreign talent is also essential to enable businesses located in France to recruit the skills they need.

In France, the way in which foreign talent is received is particularly favorable, with a range of tools made available to businesses to recruit the employees they need:

- One of the most attractive tax regimes for expatriates in Europe (possibility of exempting part of the remuneration received over a period of eight years).
- Multi-year residence permits (Talent Passport) giving direct access to the labor market for the spouse.

- Fast-tracked procedures in Tech with the "French Tech Visa".

Dealing with the recruitment tensions experienced by certain sectors of the economy

The French government launched a plan to "reduce recruitment tensions" in October 2021, backed by €1.4 billion. The second phase of the plan, launched in autumn 2022 promotes a specific approach to each sector, as close as possible to the businesses concerned in the employment areas. Individualized assistance services to businesses to improve their recruitment and human resources management processes have been multiplied, pools of immediately available job seekers are formed by category of short-staffed sectors.

The results are already apparent. Since the start of 2022, France's National Employment Office, Pôle Emploi, has filled 2.29 million job vacancies, i.e. +6.1% compared with the same period of 2019. The results can also be seen in the decline in long-term unemployment: the number of long-term job seekers has fallen by 280,000 since the launch of the plan (-19%) and the number of very long-term job seekers has fallen by 146,000 (-19%), to the lowest since 2013.

WELCOME TO FRANCE

Business France manages the welcometofrance.com site and supports you in setting up your employees in France, by providing information on entering and staying in France, working in France, social protection, personal taxation and daily life, in particular the localization of international courses in France. A dedicated team within Business France and a network of regional advisors are on hand to support businesses with their international recruitments.

THEY CHOSE ILE DE FRANCE (PARIS REGION)



Intel

In March 2022, Intel announced its intention to build its new European R&D hub, creating 1,000 high-tech jobs mainly in the Plateau de Saclay, south of Paris, over the next ten years. France will become Intel's European headquarters for R&D in high-performance computing (HPC) and artificial intelligence.

Innovation in these disciplines will benefit a wide range of industries, including the automotive, agriculture, climate,

new drug development, energy, genomics, life sciences and security sectors, dramatically improving the life of every European citizen. In addition, Intel plans to establish its main European design center in France for its foundry business, which will offer design services and design guarantees to industrial partners and French, European and global customers.

"The expertise in mathematics and physics on display at the University of Paris-Saclay and the presence of large businesses and organizations, such as the CEA Saclay Center (Atomic Energy Commission), were decisive factors in Intel's decision to set up in Saclay," says Stéphane Negre, Chairman of Intel France.

THEY CHOSE PAYS DE LA LOIRE



Leadec

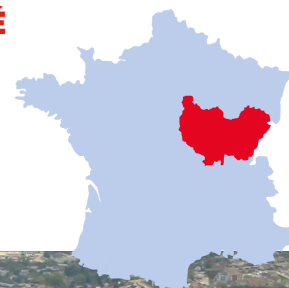
Leadec SAS is a business forming part of the Leadec group, whose head office is located in Stuttgart, Germany. A global specialist in technical services for factories, Leadec combines the expertise, network capacity and performance of a global player with the individual support of a regional partner. They have strong ambitions in France. To boost their development in the country, the group has chosen to set up a new west regional center in the Angers area (Pays de la Loire region).

Its first mission will be the treatment and recycling of industrial packaging for a supplier in the transport solutions sector. This exceptional project, which will include a Corporate Social Mobility element to it, will contribute to the creation of 40 new jobs in the first year. This first phase will be followed by a second one, which will result in 30 people being hired.



"With France being the second largest economy in the European Union, it seemed obvious that Leadec should establish itself in the country. Leadec is currently in the process of creating a regional office in Angers (Pays de la Loire region). Recruitment is in progress. Leadec is counting on the diversification of the French economy and is targeting the aerospace, food and pharmaceutical industries, among others. With its technical focus, Leadec wishes to contribute to strengthening the competitiveness of businesses by providing its industrial expertise. Foreign investors are very well supported in France, and we can rely on players such as Business France and their regional partners, Solutions&Co and ALDEV," says Ulrich Haas, Managing Director at Leadec SAS.

THEY CHOSE BOURGOGNE-FRANCHE-COMTÉ



Solvay

The Belgian group Solvay has decided to invest €330 million at its Tavaux site (Bourgogne-Franche-Comté region) for strategic materials that will be used to manufacture electric batteries. Solvay aims to become the leading polyvinylidene fluoride (PVDF) facility in Europe.

To achieve the production target of 35 kilotonnes by the end of 2023, the group plans to recruit 120 employees. This project reflects the assurance of 10 to 20 years of growth for the site.

"Inaugurated in 1930, the Solvay site in Tavaux is one of the group's largest production facilities, with strong local R&D. The integration of all the intermediate products at the Tavaux site is a major factor in the choice of the location of the investment, which will double the production capacity of PVDF, an essential component of automotive electric batteries."

"The quality of the workforce in the local area, as well as the support from the Bourgogne-Franche-Comté region and the Bourgogne-Franche-Comté economic development agency also helped to sway Solvay's decision. The group will take advantage of this new project to introduce innovative technologies that will reduce the impact on the environment," says Jean-Louis Lorand, Director of the Solvay site in Tavaux.

France 2030



3. “France 2030”, a strategy for the future to support the transformation of the economy

The attractiveness of France is based on its ability to transform and to respond competitively to the ecological challenges that arise.

The “France 2030” plan, launched on October 12, 2021, by the President of France, proposes major investment choices by creating new industrial and technological sectors to support ecological and digital transitions. Unprecedented in its scope with funding of €54 billion, “France 2030” supports the entire life cycle of innovation up to its industrialization.

This plan is an opportunity for foreign investors to participate in this new industrial ambition.

The plan is organized around two cross-cutting objectives, consisting of devoting 50% of its expenditure to the decarbonization of the economy, and 50% to emerging players, carriers of innovation without expenditure that is unfavorable to the environment (in the sense of the principle “Do No Significant Harm”).

Ecological transition is a priority of the “France 2030” plan: among the 10 strategic targets selected in consultation with businesses, economic, academic, local and European players, six of them aim to reduce the impact of French production on the environment.

More than €8 billion will be invested in the development of a carbon-free and resilient France through:

- The decarbonization of industry, with a target of a reduction of -35% in greenhouse gas emissions by 2030, compared with 2015.
- The strengthening of innovations in carbon-free hydrogen, with at least two electrolysis gigafactories built by 2030.
- The construction of small nuclear reactors, for better waste management.

€4 billion will also be injected into the development of “future transport” including, in particular, the production of two million electric and hybrid vehicles and the first low-carbon aircraft.

To develop healthy, sustainable and traceable food, €2 billion is budgeted in this plan.

For its implementation, each target gives rise to concrete actions through calls for expressions of interest or calls

for projects, with the support of various public operators. Project leaders are invited to submit their application via open procedures to apply for state support in the form of grants.

€11 billion have already been invested in more than 1,700 innovative projects throughout the country. The lists of winners can be viewed online.

“FRANCE 2030” PLAN

Ten objectives to meet the major challenges of our time.

PRODUCE BETTER

- Foster the emergence of French small modular reactors (SMR) by 2035, and support breakthrough innovation in the sector.
- Become the leader in green hydrogen and renewable energies by 2030.
- Decarbonize our industry to respect the commitment to reduce, between 2015 and 2030, 35% of our greenhouse gas emissions in this sector.
- Manufacture in France, by 2030, nearly two million electric and hybrid vehicles.
- Produce in France, by 2030, the first low-carbon aircraft.

LIVE BETTER

- Invest in healthy, sustainable and traceable food, to fast-track the agricultural and food revolution in which France is a leading country.
- Produce at least 20 biomedicines in France, to fight against cancer and chronic diseases, including those linked to ageing, and create the medical devices of tomorrow.
- Place France at the forefront of the production of cultural and creative content.

UNDERSTAND BETTER

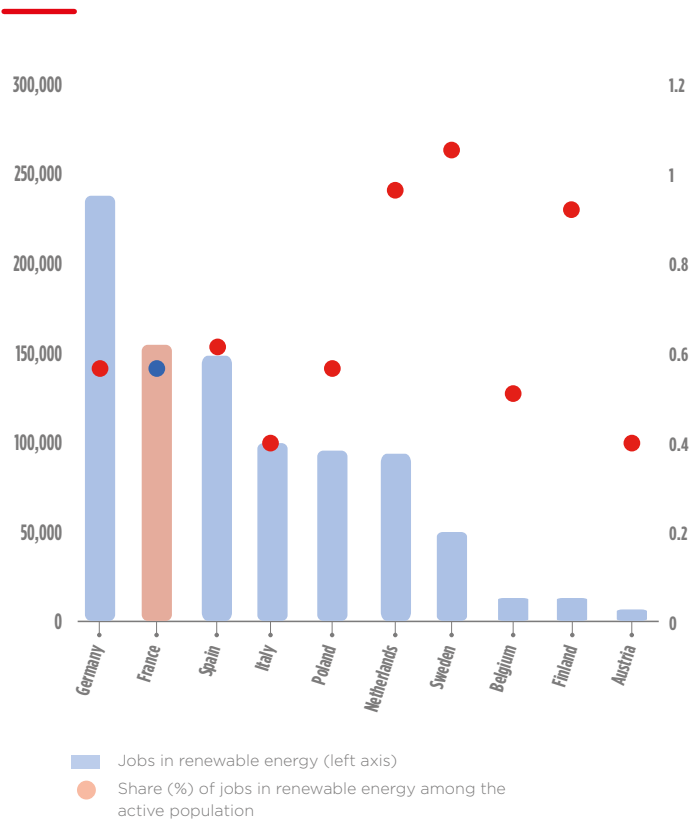
- Play our part in space exploration.
- Invest in the deep seabed sector.

France, a green nation

Green growth, during decarbonization, is a lever for economic development, bringing opportunities for businesses and providing jobs, particularly in renewable energies. The most advanced countries in these sectors of the future attract foreign investors keen to position themselves in these areas.

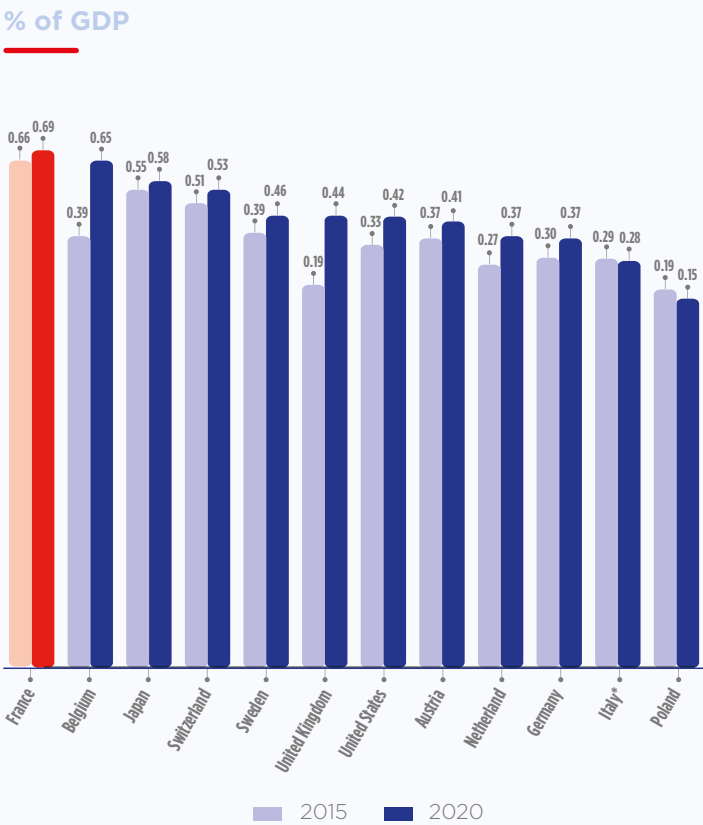
The development of green technologies is one of the decisive challenges for combining growth and energy transition, such as renewable energies.

Fig 12. Jobs in the renewable energy sector (2020)



Source: EurObserv'ER, The state of renewable energies in Europe, 2021

Fig 13. R&D budgets in energy technologies



* Data for 2019
Source: EurObserv'ER, The state of renewable energies in Europe, 2021

SKILLS AND BUSINESSES OF THE FUTURE

Anticipating and helping to meet the job and skills needs of tomorrow, thanks to the “France 2030” plan

Fast-tracking the design, implementation and communication around training courses preparing for the jobs of the future is a major challenge: as part of the “France 2030” plan, more than 450,000 people will be trained per year by 2030, thanks to the projects supported via the call for expressions of interest “Skills and professions of the future” endowed with €2.5 billion.

Already, 136 winning projects for the first two calls for expressions of interest launched less than a year ago. These projects were supported by the scheme to the tune of nearly €480 million.

The projects supported by this call for expressions of interest mean that:

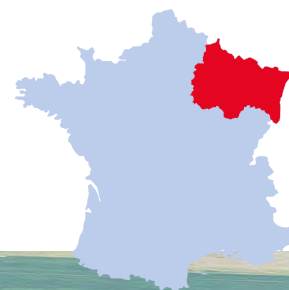
- Skills needs can be diagnosed to better guide the choices for developing new training, or adapting existing training.

- Training systems for jobs of the future can be implemented, carried out by consortia associating training or support organizations, employers or their representatives (businesses, professional federations, etc.), public principals in the purchase of continuing education, recruiters (regional councils, National Employment Office, etc.).
- Information and attractiveness systems for the professions concerned can be rethought, within the framework of the projects selected.

Two illustrations among the winners to support the development of skills in the sector of the future of electric batteries (source: Press kit, November 18, 2022):

- “Fodublive” training project led by the Envision group in Ile de France (Paris region) and Hauts de France: €7 million in subsidies, for a total cost of €29 million.
- “EDLB” training project led by the Verkor group in Auvergne-Rhône-Alpes: €13 million in subsidies, for a total cost of €19 million.

THEY CHOSE GRAND EST



John Cockerill

John Cockerill chose the Aspach-Michelbach site (Grand Est region) to set up its production of essential elements for the manufacture of electrolyzers, which will produce carbon-free hydrogen in Europe and to better meet the needs of industries.

The Aspach plant will be the first European “gigafactory” entirely dedicated to low-carbon hydrogen, with an annual electrolyzer production capacity of up to 1 GW. John Cockerill will offer a range of services to meet the demand for carbon-free hydrogen, both for industrial use

and mobility-related applications. The project will have a positive impact on employment, creating approximately 350 direct jobs, and potentially a thousand indirect jobs linked to this new sector’s ecosystem.

John Cockerill also plans to join forces with the Institute for Technological Research (IRT) in Metz (Grand Est region) to create an R&D center dedicated to hydrogen. This center will enable local key players in the sector to pool their skills and develop projects. The gigafactory will begin operations at the end of 2023 and will be deployed gradually with an initial objective of 300 MW by 2024.

“France has made hydrogen a central part of its plan to decarbonize its economy. Our gigafactory project echoes this political will and strengthens our roots in the Alsace region, at the heart of Europe. It is one of the French regions in which we have been developing for many years.

“John Cockerill has invested heavily in R&D in Europe to develop 100% European technology adapted to the needs of its local industrial partners. As a major energy player since our founding in 1817, we are proud to support the energy transition in industry and the transport sector,” says Raphael Tilot, CEO of John Cockerill Hydrogen.

THEY CHOSE CENTRE-VAL DE LOIRE



John Deere

As part of the ecological transition, the John Deere group has focused on the research and production of alternative engines. The group wanted to invest in a new factory for the manufacture of battery modules and packs, as well as chargers. Several sites forming part of the group's engine division around the world competed with one another to host this project.

The project includes investments in the modernization of real estate, battery module assembly lines, automation systems, test benches and means of production for

charging stations. An R&D investment component completes the project worth a total of €46 million, with 140 jobs set to be created over the next five years.

The cooperation between the State and the region enabled funding to be granted as part of the 'France 2030' plan. This financial assistance helped to influence the John Deere group's choice of the Saran site. The completion of the project will also be based on the regional research ecosystem and on the use of the regional council's training and recruitment tools.



John Deere SAS is the French subsidiary of the John Deere group, a global leader in agricultural equipment and machinery, specializing in the construction and maintenance of green spaces. The business employs 1,400 people and generated revenues of €1.577 million in 2021. The Saran site in the Centre-Val de Loire region is home to the headquarters of John Deere France, the only European engine production facility in the John Deere Power Systems division, employing around 700 people. It is also home to the "European Engine Engineering" R&D center, employing 120 people, the only John Deere engine R&D center located outside the United States.

THEY CHOSE PROVENCE-ALPES-CÔTE D'AZUR



EUROPACKAGING

Europe's leading packaging company, Euro Packaging Group (headquartered in Birmingham, United Kingdom), has decided to set up a paper packaging converting unit in Port-Saint-Louis-du-Rhône, in the heart of the Aix-Marseille-Provence metropolitan area (Provence-Alpes-Côte d'Azur region). The new unit will mobilize nearly €47 million of investment and will create more than 200 direct jobs within five years.

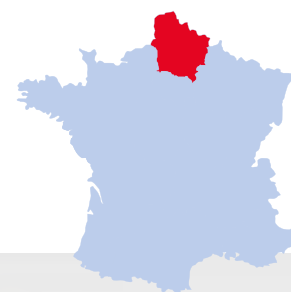
This investment is taking place in a context of strong growth in the paper product market, due in particular to regulations against single-use plastic packaging, the boom in take-away sales, e-commerce and the "Made in

France" movement for the needs of mass retailers and e-commerce giants. It is planned that this paper packaging converting unit will be able to provide a production capacity corresponding to more than 20% of the needs of the Provence-Alpes-Côte d'Azur region within five years.

It will therefore contribute to the ambitions of economic sovereignty and re-industrialization supported by the state, the region and the metropolitan area. This new investment will also generate significant new maritime traffic in raw materials for Marseille-Fos Port. From an environmental point of view, the plant will set an example in Europe, with a strong circular economy dimension.

"Having operated in France for 20 years, the Group identified that in order to meet the growth in demand for paper bags in Europe it was essential that the expansion would be based around an advanced manufacturing site in Europe. Several possibilities throughout the European Union were considered, but the location, transport network and support offered by France were superior to any other option. Provence-Alpes-Côte d'Azur was chosen because of its location and it was felt that the local agencies that would support the investment showed significant passion and enterprise in helping to establish EP Group France in this region," says Ibrahim Majid, Managing Director.

THEY CHOSE HAUTS DE FRANCE



N+P
SUBCOAL®



N+P

The Dutch group N+P, a pioneer in the transformation of non-recyclable waste into alternative fuels or alternative raw materials, has found the ideal location and an optimal site in the Hauts de France region, namely the Isbergues industrial platform, to set up its very first Subcoal® plant in France. This disruptive product is capable of replacing fossil fuels in traditional industries, such as cement factories, steel mills, lime kilns and power stations.

The Subcoal® Hauts de France production site will divert 350,000 tonnes of combustible waste from landfills each year, including 150,000 local tonnes, to convert it into inert

and stable fuel, thereby avoiding polluting landfills and the use of other unsustainable means of disposal.

Several factors enticed N+P group to the Hauts de France region: the availability of inputs; the presence of traditional industries representing a high-potential market; the active population's industrial culture; the policy of development being based on the circular economy, the driving force of both the group and the region; its strategic geographical position, being midway between the Paris, British and Benelux markets; as well as transport infrastructure, particularly the mix of transport available, with road, rail, sea and river options.

"The Isbergues plant will be the first one of its kind in France, built on the lessons learned from our locations in the Netherlands and the United Kingdom. The new site will contribute to the circular economy in the Hauts de France region, by converting local non-recyclable waste into new resources for regional customers, and will offer significant potential for the French market in terms of reducing carbon dioxide emissions. Nord France Invest and CABBALR were very helpful when it came to finding a suitable location for our project, introducing us to local and regional authorities, as well as many other potential key players, such as consultants and construction firms," says Paul Oostelbos, Senior Project Manager at N+P Group, and Lars Jenissen, Development Director at N+P Group.

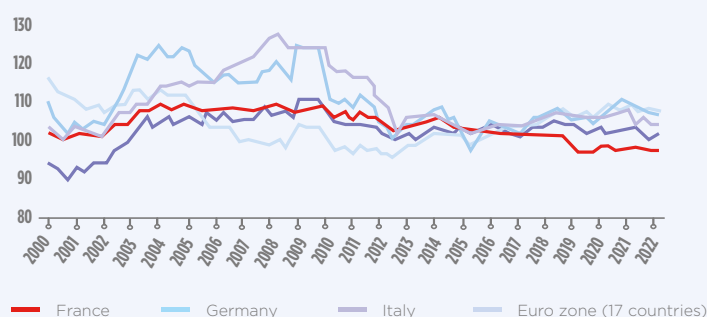
Key reforms since 2017 to promote growth, recovery and employment in France

The national strategy of pro-business reforms undertaken since 2017 is articulated around four main axes of transformation: a reduction in corporate taxation, transformation of the social model, administrative simplification for industrial establishments and the acceleration of the ecological transition. This strategy has enabled France to post good growth prospects in 2021 and 2022 and to gain in competitiveness.

As such, France's cost competitiveness, measured as the relative change in unit labor costs in France versus competing countries, has improved compared with the rest of the euro zone since the end of 2013 (-7% in France, compared with -0.3% in the euro zone until the end of 2021), helped in particular by the labor cost reduction measures introduced from 2013 onwards.

Fig 14. Favorable trends in cost competitiveness (2000-2022)

Indices (Base 100 = 2015)



Source: OECD, 2022

NB: Increases in the indices represent declining cost competitiveness

A NEW FISCAL ENVIRONMENT, WITH:

- The gradual reduction of corporate tax from 33% to 25% between 2017 and 2022.
- A massive and lasting reduction in production taxes of €10 billion per year since 2021. In addition, in 2023 and 2024, the business value-added contribution (CVAE) will be definitively abolished, representing savings of €4.1 billion from 2023, of which the businesses of industry will be the leading beneficiaries, with more than 25% of the total gain.
- A reduction in capital taxation: implementation in 2018 of a single flat-rate tax (PFU) of 30% on capital income.

Fig 15. Highest marginal rate of corporate tax, including exceptional surcharges



* Data for 2020

Source : European Commission, DG Taxation and Customs Union, Taxes in Europe database; IBFD, 2022.

THE TRANSFORMATION OF THE SOCIAL MODEL, WITH:

- Simplification and increased predictability of dismissal procedures (compensation scale in the event of unfair dismissal, reduction to one year of the period for contesting dismissal).
- The creation of a single body for social dialogue.
- The primacy of the company agreement over the branch agreement for more organizational flexibility.
- The implementation of the “Data Emploi” platform, making it possible to visualize the characteristics of employment pools by region.
- Vocational training and apprenticeship reform.
- The transformation of unemployment insurance.

THE ACCELERATION OF THE ECOLOGICAL TRANSITION:

- Moving from a linear economy to a circular economy: Anti-Waste and Circular Economy Act (AGEC) of 2020.
- Fight against climate change and reinforce resilience to its effects: Climate and Resilience Act of 2021.
- France has set itself the target, by 2050, of multiplying by 10 the production of solar energy to exceed 100 gigawatts (GW), of deploying 50 wind farms at sea to reach 40 GW and of doubling production of onshore wind turbines to reach 40 GW. To provide the means for these targets, the Act of March 10, 2023 relating to the Acceleration of the Production of Renewable Energies came to establish a favorable framework: simplified procedures, planning out of projects, mobilization of land available for solar and wind power, and better sharing of the value generated by the production of renewable energies.
- For a greener and carbon-free industry: ongoing drafting of a bill on green industry to make France a leading country in green industry and technologies that enable decarbonization, and to support industry, which today accounts for 19% of greenhouse gas emissions in France, with decarbonization.

FACILITATION OF INDUSTRIAL ESTABLISHMENTS:

- Nearly 100 ready-to-use industrial sites to accelerate and simplify industrial establishments.
- Raising the thresholds for referral to the National Commission for Public Debate for industrial facilities.
- Possibility of a special decision allowing by exception work to be anticipated, subject to a construction permit.
- Possibility for the Prefect to carry out a public consultation in the form of public participation by electronic means (PPVE), when the environmental authorization does not give rise to an environmental assessment, making it possible to reduce delays.

Job-creating physical investment selection criteria

Controlling country of a business

In line with European Union guidelines, the French National Institute for Statistics and Economic Studies (INSEE) considers that the controlling country of a multinational corporation is defined by the country in which the entity possessing operational control is established and where financial information concerning all of its subsidiaries is usually consolidated.

For certain firms, when we have objective further information, this entity may not necessarily correspond to the head of the group or parent company. Under this definition, the nationality of the firm's leading shareholders has no bearing on that which is assigned to the firm as a whole.

The initial analysis is refined by the notion of control over the activities of the firm's subsidiaries. The statistical criterion chosen for data collection is majority control (ownership of more than 50% of the firm's shares with voting rights). It is assumed that share ownership of more than 50% confers genuine control over the firm, even though in certain cases control may be exercised with less than this amount.

Job numbers

The Annual Report is based on the publicly announced number of permanent, full-time equivalent jobs to be created or maintained over the next three years, which is the approximate time frame that businesses use when planning investments. Only permanent, full-time equivalent jobs are considered.

Until 2015, only projects creating at least 10 jobs were selected. This size criterion did not apply to European first-time investments and to projects involving a high value-added activity (R&D, design, engineering, headquarters, consulting services). To better understand our competitive environment and to appreciate the reality of job-creating foreign investments, Business France decided in 2015 (2014 data) to count investment decisions from the first job created.

Data gathering and validation

Three methods are used to select the projects in the Annual Report:

- **Business France's business intelligence system, which tracks public announcements of job-creating foreign investments in France and Europe.**
- **Projects detected by Business France, primarily through its network of international offices.**
- **Data collected by France's leading correspondents in their regions.**

Based on these sources, the Annual Report is compiled using a cross-validation process of each identified project between Business France and leading correspondents in their regions.

Details of investment decisions are also collected and verified: the business sector of the firm, the business activity of the project, the investment type, the source country and the destination region.

A reliable and unique census perimeter

Discrepancies may exist with FDI data published by other entities. They relate to differences in scope and accounting methods: treatment of retail outlets, takeover projects, etc.

Thanks to the data transmitted by its offices abroad, as well as by its regional partners, Business France has access to many projects that are not the subject of press articles and that cannot be listed by other entities.



BUSINESS FRANCE IS THE NATIONAL AGENCY SUPPORTING THE INTERNATIONAL DEVELOPMENT OF THE FRENCH ECONOMY.

It is responsible for fostering export growth by French businesses, as well as promoting and facilitating international investment in France.

It promotes France's companies, business image and nationwide attractiveness as an investment location, and also runs the VIE international internship program.

Business France has 1,500 personnel, both in France and in 55 countries throughout the world, who work with a network of partners.

Since January 2019, as part of the reform of the state support system for exports, Business France has given private partners responsibility for supporting French SMEs and mid-size companies in the following markets: Belgium, Hungary, Morocco, Norway, the Philippines and Singapore.

For further information, please visit: www.businessfrance.fr

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