



European
Investment Bank

France

Overview

EIB INVESTMENT SURVEY

2023

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France

Overview

EIB Investment Survey Country Overview 2023: France

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

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

About this publication

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

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

About the Economics Department of the EIB

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

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EIBIS 2023 – France overview

KEY RESULTS

Investment dynamics and focus

In the context of decelerating economic growth and tightening monetary policy, firms in France remained relatively positive about their investment intentions for 2023. Eighty-three per cent invested in the previous year, bringing the share of investing firms back to pre-pandemic levels. A larger share of firms expected to increase rather than decrease investment in 2023 (13% positive net balance). This is below EIBIS 2022 (20%) but remains above pre-pandemic levels. The figures in France match those for the EU overall.

Investment needs and priorities

Eight in ten firms in France (80%) believe they invested about the right amount over the last three years. This is similar to EIBIS 2022 (78%) and the current EU average (82%). Looking at investment priorities for the next three years, firms in France are almost equally divided between those prioritizing capacity expansion (31%), investment in new products or services (30%) and replacement (28%). These investment priorities are similar to firms across the EU.

French firms remain generally pessimistic about short-term drivers and constraints to investment. Although the figure for the economic climate has improved slightly since EIBIS 2022, it is still very negative (-28% versus -41% on balance). Perceptions of the political/regulatory climate also remain negative on balance (-26% versus -28% in EIBIS 2022). Except for during the pandemic (EIBIS 2020), net expectations for business prospects and the availability of internal finance are the lowest recorded since the survey started in 2016. The figure for availability of external finance (-14%) is the lowest ever. These trends are consistent with the picture across the EU.

Energy market developments

The energy crisis hit French firms hard, and just as much as businesses throughout the EU as a whole. Energy prices were a major concern for 74%, while uncertainty about prices, availability and regulatory frameworks was a major concern for 65%. The majority of French firms was concerned about energy availability, but it was only a major concern for 36% of them.

French firms are equally as likely as those across the EU (94% versus 95%) to have responded to the energy shock by adopting one or more relevant strategies or priorities. The strategies most frequently adopted by French firms were to seek energy savings/efficiencies (78%) or to renegotiate their energy contract (75%). Exceeding the EU average (24%), a third of French firms put forward stopping or reducing the production of certain goods as a priority or strategy (35%).

International trade

Almost all French firms trading internationally faced some type of disruption. Difficulties with logistics and transport (74%), and access to commodities or raw materials (73%) were the main obstacles encountered.

Despite these difficulties, fewer than half (43%) changed or are planning to change their sourcing strategy. Firms in France are equally as likely as those across the EU to increase stocks and inventory (29% versus 31%) and to invest in digital inventory and inputs tracking (15% versus 20%). Just over one in ten French importers (12%) have reduced the share of goods or services imported from abroad. This is in line with the EU average (10%) but they are less inclined than firms across the EU to diversify or increase the countries they import from (14% versus 24%).

EIBIS 2023 – France overview

Climate change and energy efficiency

Climate change is increasingly perceived as a reality by French firms with 61% saying weather events have impacted their business. Despite this, fewer than four in ten (36%) have taken measures to build resilience against such risks. Both figures are in line with the EU average (64% and 36% respectively). French firms were as likely to invest in solutions to avoid or reduce the exposure to physical risks (21%), as to adapt their strategy (19%). Fewer than one in ten (9%) are buying insurance to offset climate related losses.

French firms are almost equally divided between those regarding the transition to stricter climate standards and regulations as a risk and those seeing it as opportunity (36% and 29% respectively). This reflects the EU average and is similar to EIBIS 2022. While nearly nine in ten (89%) French firms are taking actions to reduce their Greenhouse Gas (GHG) emissions, only a minority (48%) sets and monitors relevant targets. The main actions taken are waste minimization and recycling (76%), investments in energy efficiency (53%) and sustainable transport options (52%). French firms are more likely than those across the EU to be taking action with regards to waste minimization and recycling (75% versus 67%) and sustainable transport options (52% versus 46%).

In France, 63% of firms have already invested in tackling the impacts of weather events and the process of reducing carbon emissions with a similar proportion (60%) planning to invest in the next three years. Both figures are higher than EIBIS 2022, and above the current EU average (56% and 54%, respectively).

Innovation activities

In 2022, a third (32%) of French firms developed or introduced new products, processes or services as part of their investment activities. This is below the EU average (39%) but higher than EIBIS 2022 (22%). Over one in ten firms in France (12%) say the products, processes or services were new to either the country or global markets. This is more than double EIBIS 2022 (5%) and matches the current EU average (13%).

Although 57% of firms in France have used one or more advanced digital technologies, this is lower than the EU average (70%). French firms are making more use of robotics (51%) and digital platforms (34%) than other digital technologies. Compared to firms throughout the EU, they are making much less use of the Internet of Things (23% versus 41%), Big Data (16% versus 29%) and Platforms (34% versus 50%).

Investment impediments

The most frequently mentioned long-term impediments to French firms' investment are energy costs (84%), the availability of skilled staff (83%), and uncertainty about the future (80%). These are also the main barriers for firms across the EU. Feedback was generally similar to that received in EIBIS 2022, but now more French firms view adequate transport infrastructure as an obstacle (51% versus 36%).

Access to finance

The proportion of French firms that are finance constrained is consistent with EIBIS 2022, from 5.6% to 4.9%. The proportion of finance constrained firms in France is now lower than the EU average (4.9% versus 6.1%). Following monetary policy tightening and deteriorating external finance conditions, French firms are increasingly dissatisfied with the cost of finance. Since EIBIS 2022, the share of firms dissatisfied with the cost of external finance has increased from 2% to 14%.

Note on how to read the results:

EIBIS 2023 overview presents the results of the survey run in 2023. Questions in the survey might point to "last financial year" (2022) or expectations for the current year (2023). The text and the footnote referring to the question will specify in each case which year is considered.

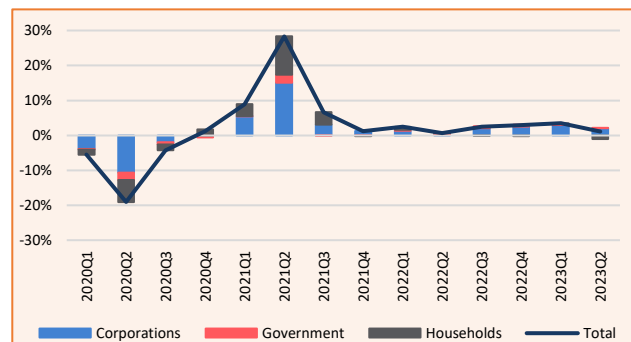
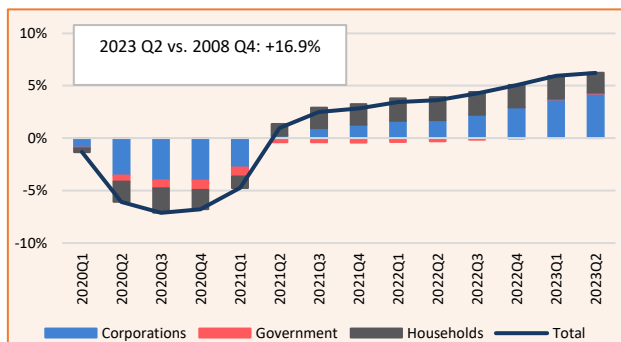
Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

- Since the -8.2% trough relative to the pre-pandemic level that was reached in Q4 2020, aggregate investment in France has been following an upward trajectory. By Q2 2023, overall investment was 6.2% higher than its level in Q4 2019.
- In Q2 2023, households still accounted for about 30% (1.9 percentage points) of the overall increase in aggregate investment. The relative slowdown in household investment recorded in Q2 2023 was due to lower transactions and newbuilds in residential constructions as

well as more challenging access to credit.

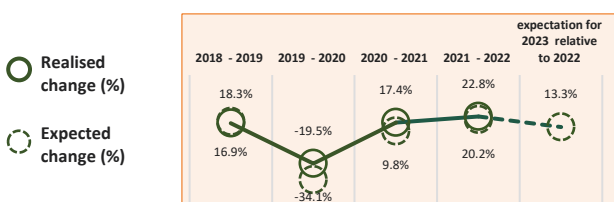
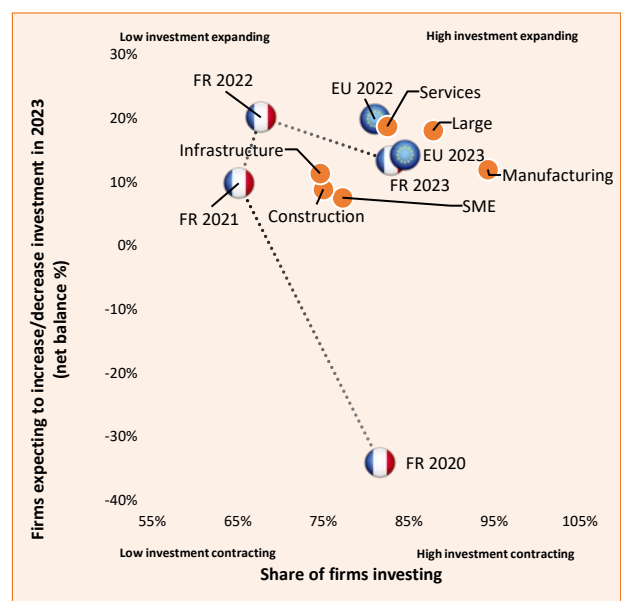
- However, the overall rebound initiated since Q4 2020 remains largely driven by fostered corporate investments since early 2023, pulled notably by the replacement of large corporate vehicle fleets.
- After a long period of slightly negative evolution, government investment in Q2 2023 confirmed the trend reversal initiated at the beginning of 2023.



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

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- French firms hold a positive investment outlook in 2023, with a net balance of 13% expecting to increase rather than decrease investment. This is in line with the average across the EU (14%). In terms of outlook this is a decrease from EIBIS 2022 (net balance of 20%) but it remains higher than 2021 (10%) and the very low figure during the pandemic in 2020 (-34%).
- Services firms are now the most likely to expect to increase rather than decrease their investment (net balance 19%).
- The share of French firms having invested in 2022 matches the EU as a whole (83% versus 85%). In EIBIS 2022 it was much lower (68% versus 81%).



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

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

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

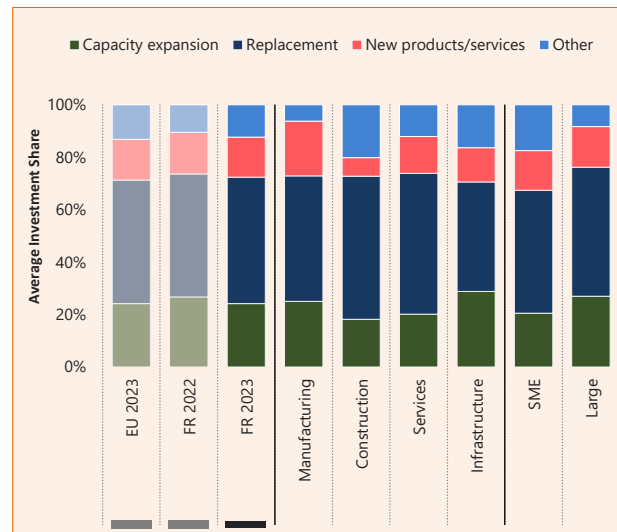
Base for expected and realised change: All firms

Base for expected and realised change: All firms

Investment dynamics and focus

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

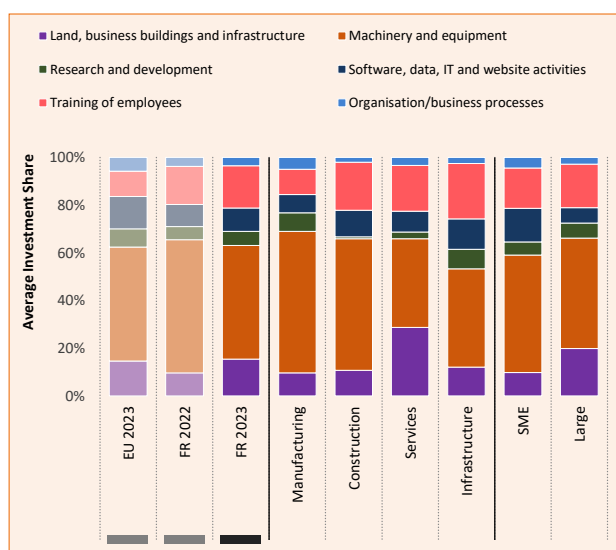
- On average, firms in France spent 48% of their investment on replacement in 2022, almost the same as in EIBIS 2022 (47%) and in line with the current EU average (47%).
- Investment in capacity expansion accounted for almost a quarter of total investment (24%). This is also broadly in line with EIBIS 2022 (27%) and matches the current EU average (24%).
- Investment in new products and services accounted for a lower share of the total expenditure (15%), although this is much higher in the manufacturing sector (21%) than construction sector (7%).



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

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

INVESTMENT AREAS



- Investment in intangible assets (R&D, software, training and business processes) by firms in France accounted for 37%, in line with EIBIS 2022. Overall investment in intangibles also matches the EU average, but French firms have invested a higher proportion in training (18% versus 11%).
- Investment activities varied depending on the sector and size of the business. Compared to large firms small and medium companies (SMEs) invested a higher share in intangible assets (41% versus 34% for large firms) and therefore a lower share in tangible assets (land, buildings, infrastructure and machinery).
- Infrastructure firms were the most likely to invest in intangible assets (47%) while manufacturers invested the lowest proportion (31%). Training captured almost a quarter of investment from infrastructure firms (23%).

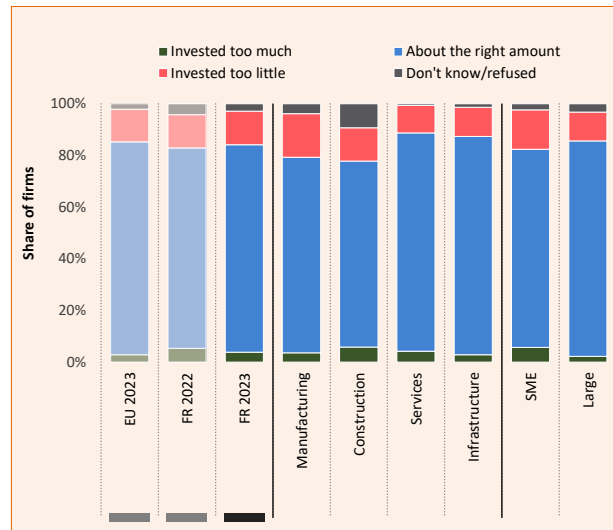
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

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

Investment needs and priorities

PERCEIVED INVESTMENT GAP

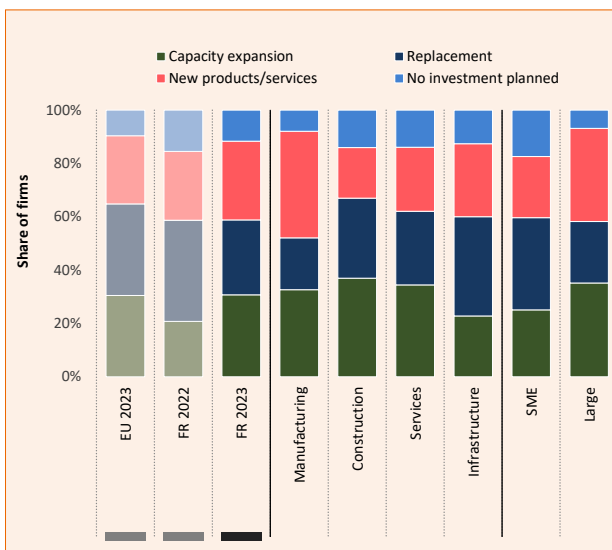
- Firms do not perceive major gaps in terms of investment. Eight in ten French firms (80%) believe that their investment activities over the last three years were about the right amount. This share is similar to EIBIS 2022 (78%) and the current EU average (82%).
- As in EIBIS 2022, 13% of firms in France believe they invested too little. Only 4% report too much investment, which is similar with EIBIS 2022 (5%) and the EU average (3%).
- In France, manufacturing firms (17%) and SMEs (15%) are the most likely to say they have invested too little over the past three years.



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

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

FUTURE INVESTMENT PRIORITIES



- In EIBIS 2022, investment in replacement was the most commonly cited priority for the next three years. In EIBIS 2023 firms in France have slightly different priorities and are now almost equally divided between those prioritizing capacity expansion (31%), investment in new products or services (30%) and replacement (28%).
- The share of firms with no investment planned represents around one in eight firms (12%), similar to EIBIS 2022 (16%).
- The investment priorities of firms in France are now very similar to those across the EU. This is a change from EIBIS 2022 when compared with the EU average, firms in France were less likely to be prioritizing capacity expansion and more likely to say they had no investment planned.
- Investment in new products/services is a bigger priority for manufacturers (40%) and large firms (35%). Infrastructure firms in France (37%) and SMEs (35%) are giving the highest priority to replacement.

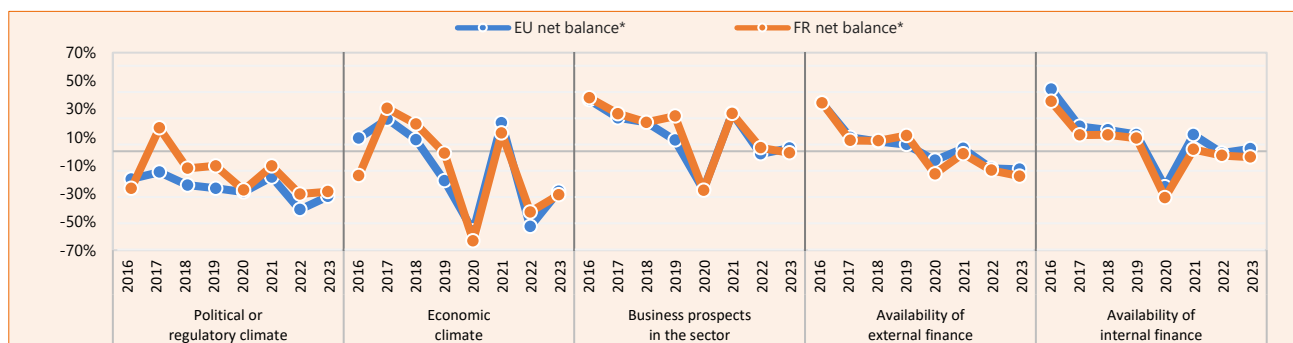
Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment and IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes or services?

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

Investment needs and priorities

SHORT-TERM DRIVERS AND CONSTRAINTS

- Firms in France and the EU remain on balance pessimistic about the investment conditions for the next year.
- In France, expectations are generally the same as last year and although the figure for the economic climate has improved slightly it is still very negative (rising from -41% to -28%, on balance). Net perceptions of the political/regulatory climate are stable but remain negative (-26% versus -28% in EIBIS 2022).
- With the exception of the pandemic period (EIBIS 2020), net expectations for business prospects and the availability of internal finance are at the lowest level recorded since the survey started in 2016. The figure for availability of external finance (-14%) has even reached a record low.
- These trends are very consistent with the EU average.

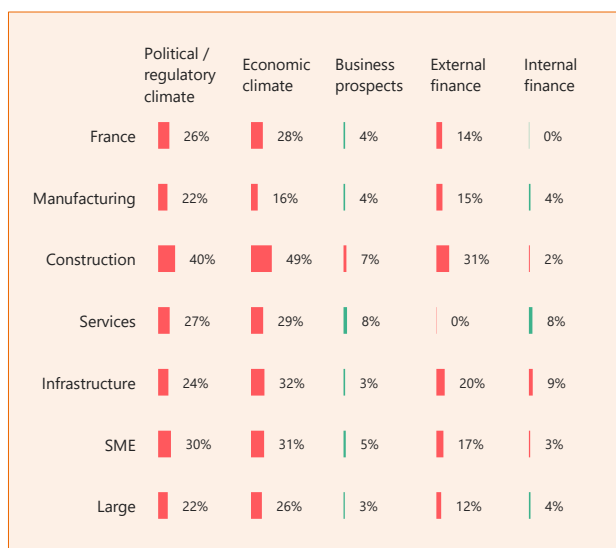


Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

*Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration

Base: All firms

SHORT-TERM DRIVERS AND CONSTRAINTS BY SECTOR AND SIZE (net balance %)



Please note: green figures represent a positive net balance, while red figures represent a negative net balance.

- Across all sectors and for both SMEs and large businesses, firms in France remain consistently more negative than positive about the political and regulatory climate, the economic climate and the availability of external finance.
- Optimistic and pessimistic firms in the service sector about the availability of external finance is equally split (net balance of 0%). By contrast, construction (-31%) and infrastructure firms (-20%) have a very negative view, on balance.
- In spite of the generally negative picture in EIBIS 2023, by a small margin companies still expect an overall improvement in business prospects. Only within the construction sector are firms relatively more pessimistic than optimistic about their own prospects (net value of -7%). Access to internal finance is of greatest concern among infrastructure firms (net value of -9%).
- SMEs have broadly similar perceptions to large firms.

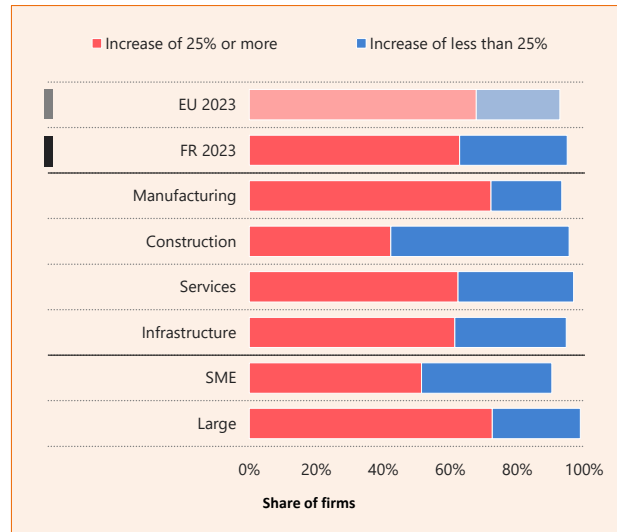
Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

Energy market developments

INCREASED SPENDING ON ENERGY

- Firms in France are as likely as those across the EU to have faced increases in energy costs (95% vs 93%).
- The proportion of firms facing increased energy cost is consistent across sectors, although manufacturers (72%) are the most likely to have faced an increase of 25% or more. This compares to 42% within construction.
- Nearly all large firms (99%) faced increases in energy costs, as did nine in ten SMEs (90%). Almost three-quarters of large firms (73%) reported an increase of 25% or more in energy spending.



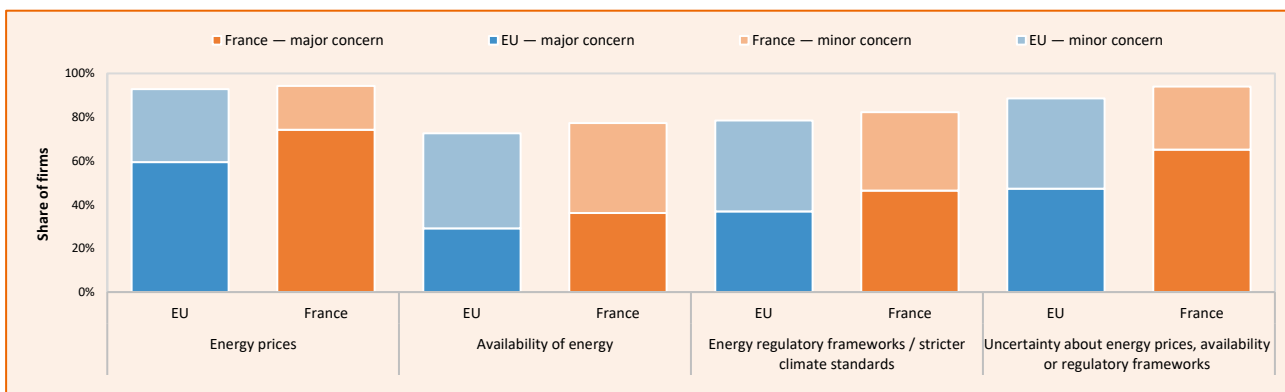
Q. Since the beginning of 2022, by how much has your company's spending on energy (including gas, electricity, oil) changed on average?

Please note: Responses of 'spending on energy stayed about the same' and 'spending on energy decreased' not shown on chart.

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

IMPACT OF ENERGY SHOCK

- The energy crisis hit French firms hard, and just as much as businesses throughout the EU. The main concerns for firms in France were energy prices (94%) and uncertainty (94%). Energy prices are a major concern for 74% of French firms.
- Uncertainty about prices, availability and regulatory frameworks was a major concern for 65%. More than three quarters of firms (77%) are concerned about energy availability. It is even a major concern for 36% of them.
- Uncertainty was more of a concern for French firms than those across the EU (94% versus 89%).



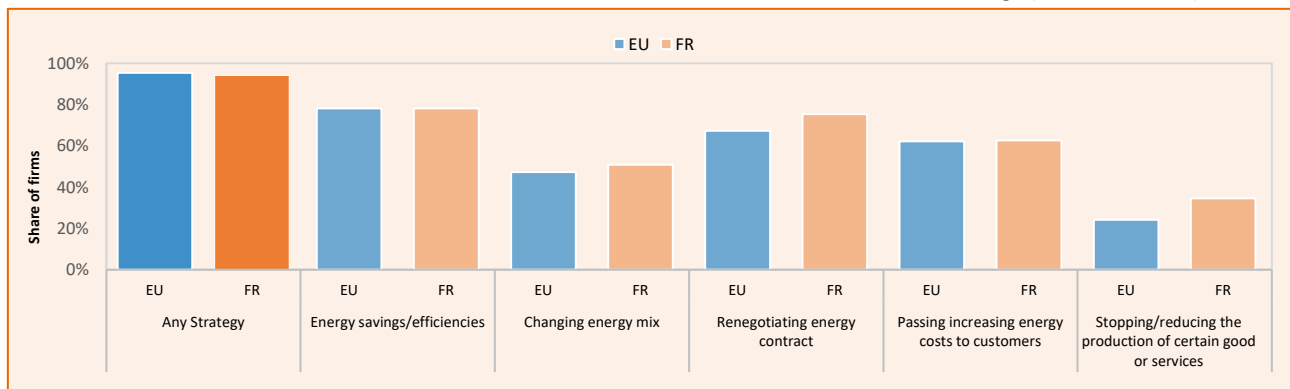
Q. Thinking about the energy shock, to what extent is your company concerned about ...?

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

Energy market developments

STRATEGIES TO DEAL WITH THE ENERGY SHOCK

- French firms are as likely as those across the whole EU (94% versus 95%) to have responded to the energy shock by putting forward at least one of the strategies or priorities proposed.
- In France, the most frequently adopted strategy or priority was to seek energy savings/efficiencies (78%) or to renegotiate their energy contract (75%).
- Similarly, to the EU as a whole (62%), over six in ten French firms report that passing increased energy costs on to customers (63%) is a strategy or priority. Half of French firms (51%) aim to change their energy mix but relatively few of them report stopping or reducing the production of certain goods or services as a strategy or priority (35%). However, French firms are more likely to put forward stopping or reducing the production of goods or services than the EU average (34% versus 24%).

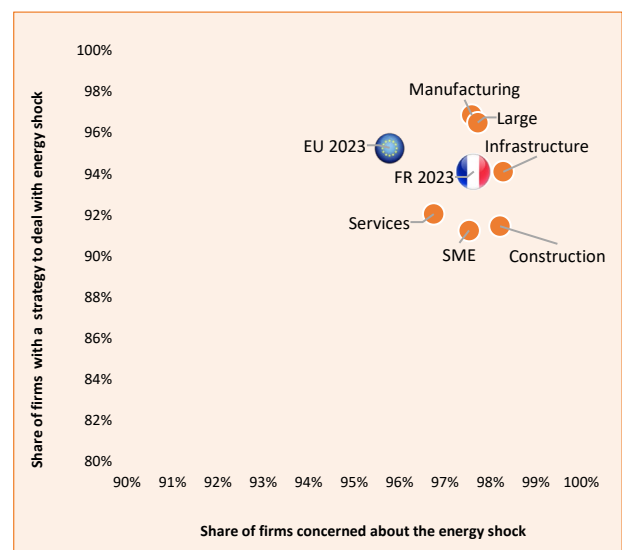


Q. Which, if any of the following, are your priorities/strategies to deal with the recent developments in the energy market?

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

IMPACT AND STRATEGIES TO DEAL WITH ENERGY SHOCK

- The proportion of firms in France concerned about the energy shock is similar to that seen across the EU as a whole (98% versus 96%). A similar proportion to the EU average adopted strategies to help deal with recent developments in energy markets (94% versus 95%).
- In France, very high levels of concern (97% or more) were reported by firms, irrespective of their sector. Concern was very high for both large firms and SMEs.
- A similar proportion of firms had adopted strategies in response to the energy shock, across all sectors and size of firms. Nearly all manufacturers (97%) and large firms (96%) had adopted strategies to deal with the recent developments in energy markets.



Q. Which, if any, of the following, are your priorities/ strategies to deal with the recent developments in the energy market?

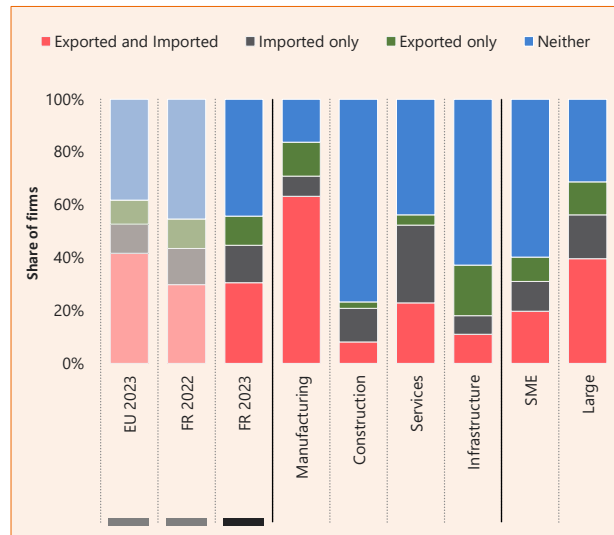
Q. Thinking about the energy shock, to what extent is your company concerned about ...

Base: All firms for 'share of firms concerned about the energy shock'
Base: All firms (excluding don't know/refused responses) for 'share of firms with a strategy to deal with the energy shock'

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- Overall, 56% of French firms report to be engaged in international trade. This figure is the same as EIBIS 2022 (55%) but slightly below the current EU average (62%).
- While the majority of manufacturers (84%) and service sector firms (56%) in France are trading internationally, this accounts for relatively few construction or infrastructure firms (23% and 37% respectively). Almost two-thirds of manufacturers (63%) are both exporters and importers of goods and/or services.
- Large firms are more likely than SMEs to be engaged in international trade (69% versus 40%).



Q. In 2022, did your company export or import goods and/or services?

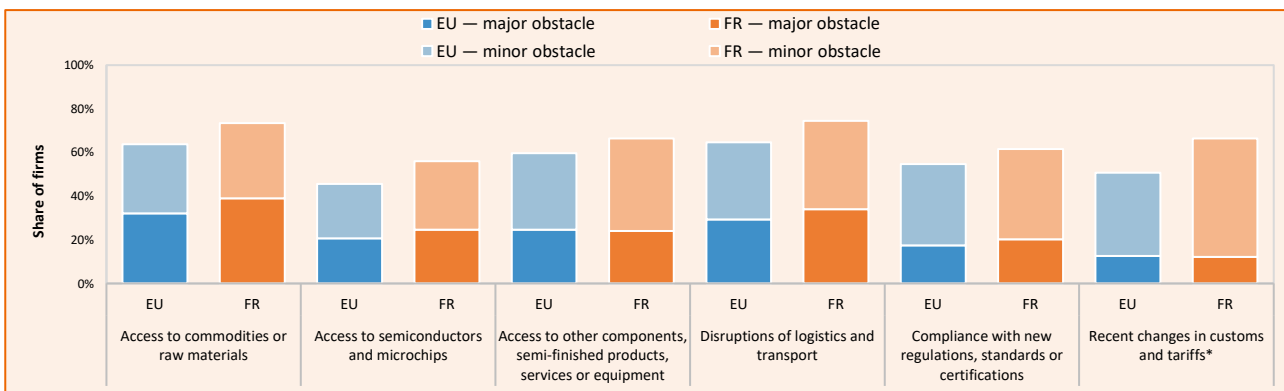
Base: All firms (excluding don't know/refused responses)

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- The majority of French firms are impacted by the obstacles to international trade covered by the survey. French traders consider disruption to logistics and transport (74%) and access to commodities or raw materials (73%) as the main obstacles.
- Access to commodities is a major obstacle for nearly four in ten French traders (39%). By contrast, only 12% describe recent changes to customs and tariffs as a major

impediment. Disruptions to logistics and transport are a major obstacle to 34% of firms.

- Obstacles are generally more perceived as major hurdles by French firms than across the entire EU. Differences wither when it comes to access to other components, semi-finished products, services or equipment, as well as recent changes in customs and tariffs.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

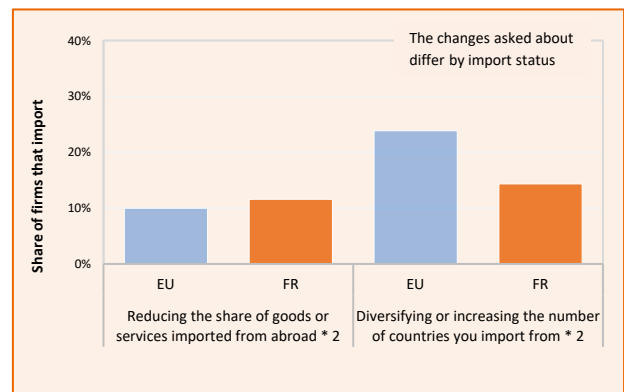
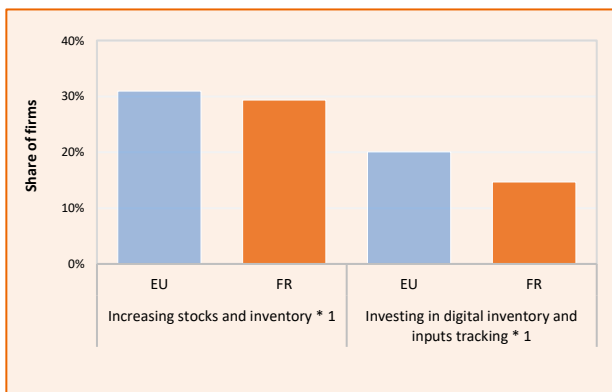
Base: All firms (excluding don't know/refused/not applicable responses)

*Base: All importers and exporters (excluding don't know/refused/not applicable responses)

International trade

SOURCING STRATEGY

- Asked about potential changes to their sourcing strategy, firms in France are almost as likely as firms across the EU to be investing in digital inventory and inputs tracking (15% versus 20%) and stocks and inventory (29% versus 20%) or have plans to do so.
- French importers are just as likely as those across the EU to have reduced the share of goods or services imported from abroad (12% versus 10%) but are far less inclined to diversify or increase the number of countries they import from (14% versus 24%).



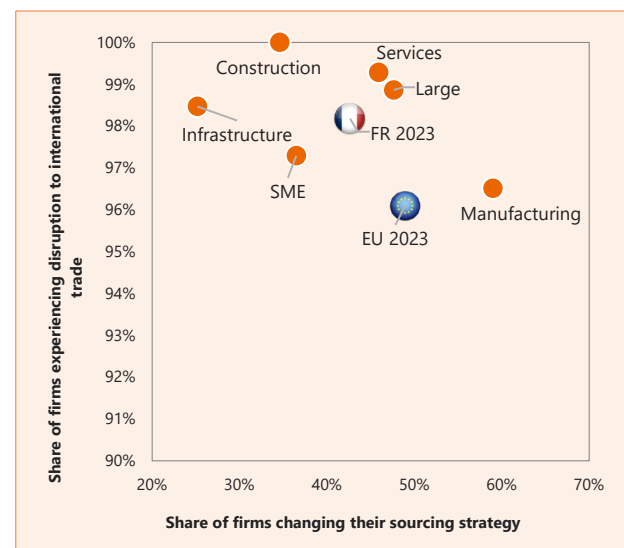
* 1 = Asked to all, 2 = Asked to all importers

Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

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

DISRUPTIONS AND SOURCING STRATEGY

- While almost all firms faced at least one of the disruptions to international trade asked about (98%), fewer than half (43%) have changed their sourcing strategy or are planning to change it. The proportion of those changing or planning to change their sourcing strategy is lower than the EU average (43% versus 49%).
- Manufacturing and large firms are most likely to have changed or have plans to change their sourcing strategy (59% and 48% respectively). Infrastructure firms and SMEs are the least likely (25% and 37% respectively) to have done so.



Q. Since the beginning of 2022, were any of the following an obstacle to your business's activities?

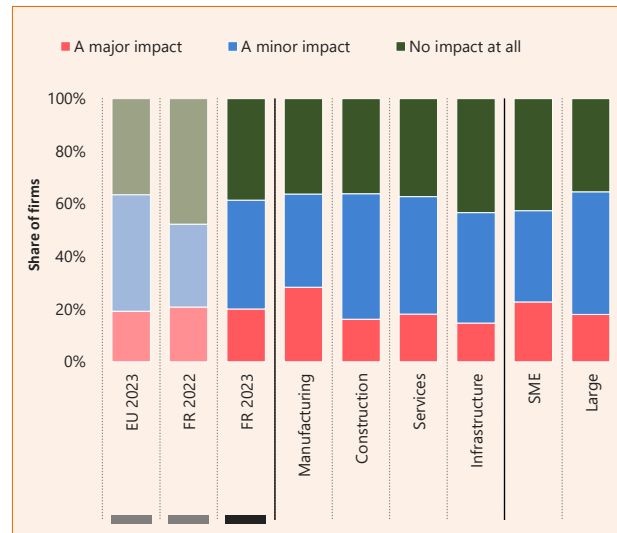
Q. Since the beginning of 2022, has your company made or are you planning to make any of the following changes to your sourcing strategy?

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

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

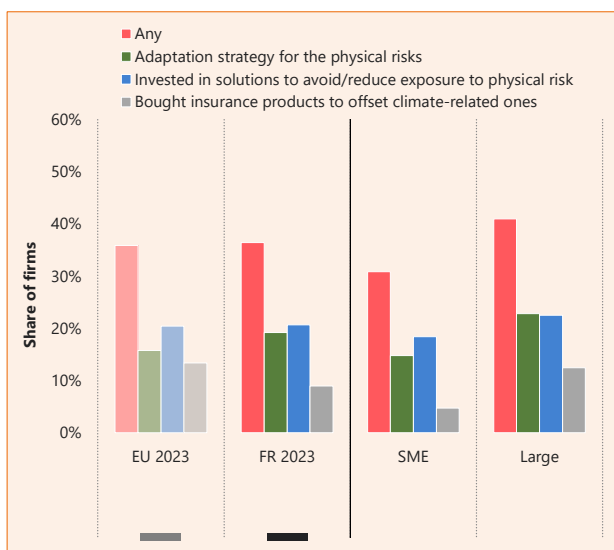
- Climate change is increasingly being perceived as a reality by French firms with over six in ten (61%) reporting weather events as having an impact on their business. This is higher than EIBIS 2022 (52%) and in line with the EU average (64% in 2023).
- The figures are broadly consistent across all sectors, although infrastructure are less likely than others report weather events as having impacted their business (57%).
- Almost six in ten SMEs (57%) say weather events have impacted their business and the figure is even higher among large firms (65%).



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

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

BUILDING RESILIENCE TO PHYSICAL RISK



- Over a third (36%) of French firms have developed or invested in measures to build resilience to the physical risks to their company caused by climate change. This matches the EU average.
- French firms are as likely to have invested in solutions to avoid or reduce the exposure to physical risks (21%), as to have adapted their strategy (19%). Both figures are similar to the EU average.
- Less than one in ten firms (9%) have bought insurance products to mitigate climate-related losses.
- Large firms were slightly more likely than SMEs to have taken at least one of the actions mentioned to build resilience to physical risks (41% versus 31%).

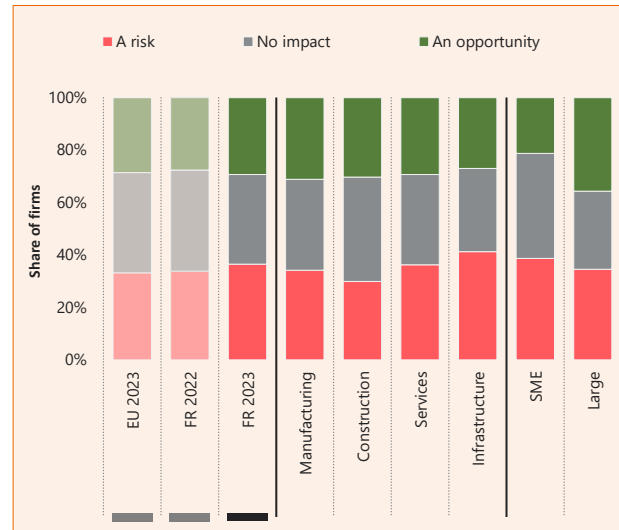
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

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

Climate change and energy efficiency

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

- The share of French firms seeing the transition to stricter climate standards and regulations as a risk is slightly higher than the proportion regarding it as an opportunity (36% and 29%, respectively). This is in line with the EU average and similar to EIBIS 2022.
- A similar proportion of firms across all sectors regard the transition to a net zero emission economy over the next five years as an opportunity, ranging from 27% in the infrastructure sector up to 31% among manufacturers. However, infrastructure firms (41%) are more likely than those in construction (30%) to consider transition to a net zero emission economy as a risk.
- Large firms are far more likely than SMEs to think the transition represents an opportunity (36% versus 21%).

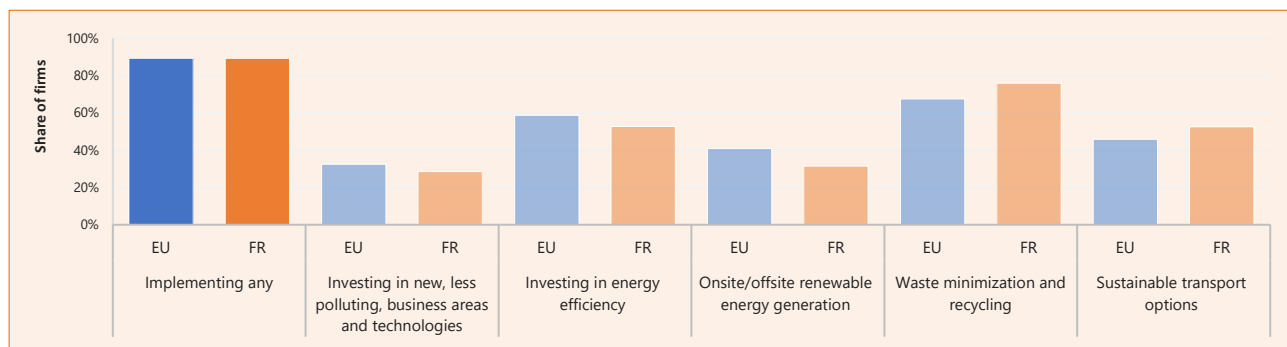


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

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

ACTIONS TO REDUCE GREENHOUSE GAS EMISSIONS

- Nearly nine in ten French firms (89%) are taking actions in order to reduce Greenhouse Gas (GHG) emissions, in line with the EU average (89%).
- The main action taken by French firms is waste minimization and recycling (76%), followed by investments in energy efficiency (53%) and sustainable transport options (52%).
- French firms are more likely than those across the EU to be taking action with regards to waste minimization and recycling (76% versus 67%) and sustainable transport options (52% versus 46%). In contrast, they are less likely to invest or implement onsite/offsite renewable energy generation (31% versus 41%).



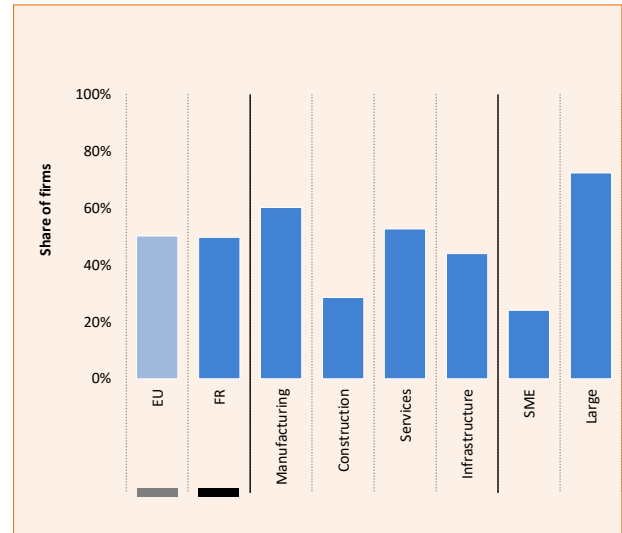
Q. Is your company investing or implementing any of the following, to reduce greenhouse gas (GHG) emissions?

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

Climate change and energy efficiency

ENERGY AUDIT

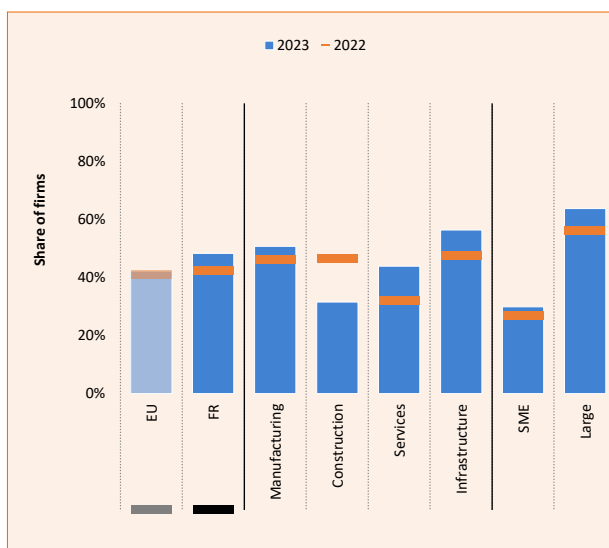
- Half (50%) of French firms have had an energy audit in the past three years, which consists of an assessment of energy needs and performance of the company's building stock. This is the same proportion as the EU as a whole (50%).
- In France, more than a half of manufacturers (60%) and services firms (53%) have had an energy audit, but relatively few infrastructure (44%) or construction firms (29%) have taken this step.
- Almost three-quarters of large firms (72%) have had an energy audit in the past three years. This proportion is three times higher than for SMEs (24%).



Q. In the past three years, has your company had an energy audit (i.e. an assessment of the energy needs and efficiency of your company's building or buildings)?

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

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS EMISSIONS



- Almost half of firms in France (48%) report that they set and monitor targets for their own GHG emissions. This is consistent with above the current EU average (42%) and a slight improvement compared with EIBIS 2022 (42%).
- The majority of infrastructure (56%) and manufacture firms (51%) set and monitor these targets. Construction is the only sector where the proportion of firms setting and monitoring GHG targets has fallen since EIBIS 2022 (down from 47% to 32%).
- Large firms are more than twice as likely than SMEs to set and monitor targets for their own GHG emissions (64% versus 30%).

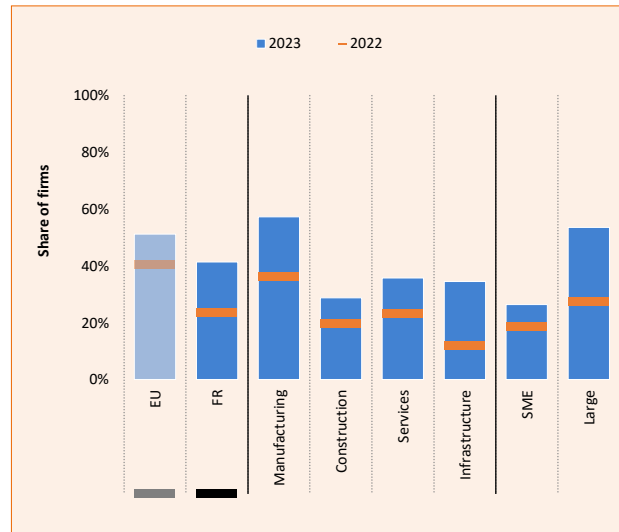
Q. Does your company... sets and monitors targets for its own greenhouse gas (GHG) emissions?

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

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- Over four in ten (41%) French firms invested in measures to improve energy efficiency in 2022. This is below the EU average of 51%, but a significant improvement compared to the figure recorded for France in EIBIS 2022 (24%).
- Manufacturing firms in France (57%) were the most likely to be investing in energy efficiency, while construction firms were the least likely to be doing so (29%). In each sector the figure is higher than in EIBIS 2022.
- Among both SMEs and large firms, the proportion investing in measures to improve energy efficiency is higher than in EIBIS 2022. However, the figure is now far higher among large firms than SMEs (54% versus 26%).

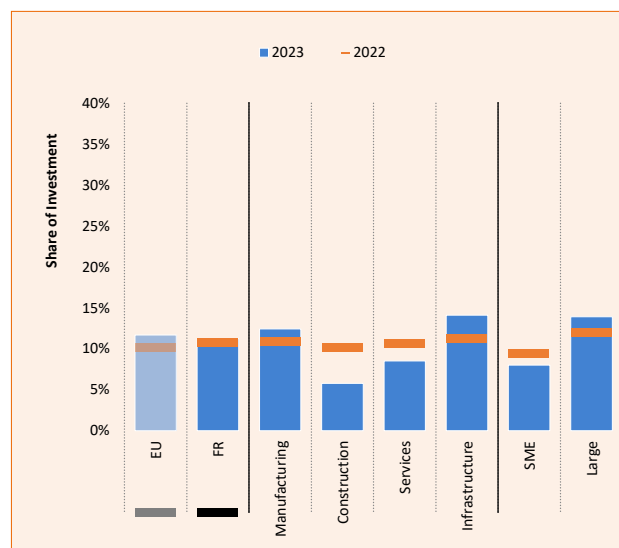


Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY

- An average of 11% of the investment made by firms in France was directed towards measures to improve the organisation's energy efficiency in 2022. This is the same proportion as EIBIS 2022 and is almost identical to the current EU average (12%).
- Firms in the infrastructure (14%) and manufacturing sectors (12%) spent the highest share of their investment on efficiency. Construction (6%) and service sector firms (9%) spent less than a tenth of their total investment on measures to improve energy efficiency.



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

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

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT



EIBIS 2022/2023:

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

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to 2021 with caution.

EIBIS 2021:

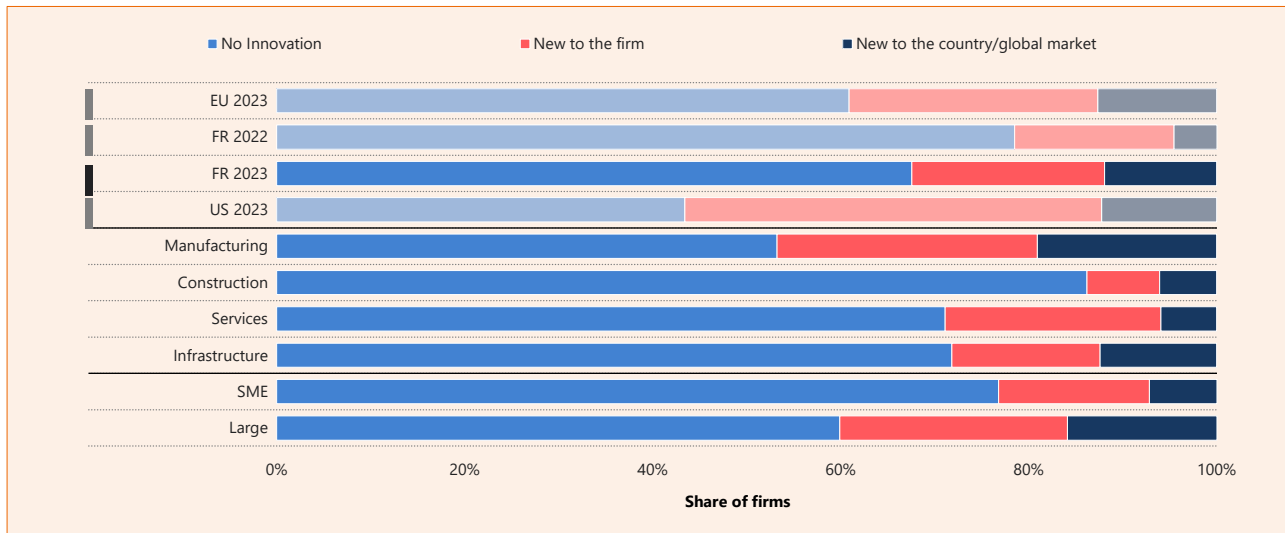
Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

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

- In France, 63% of firms have already invested in tackling the impacts of weather events and dealing with the process of reducing carbon emissions, a sizeable increase compared with EIBIS 2022 (39%) and above the current EU average (56%).
- Six in ten (60%) French firms have plans to invest in these areas in the next three years. This is also higher than EIBIS 2022 (49%) and above the EU average (54%).
- Large firms are more likely than SMEs to have already invested (74% versus 51%) and have plans to invest (69% versus 49%).
- The manufacturing sector has the highest share of firms having already invested to tackle the impacts of weather events (70%). Manufacturing also has the highest proportion that plans to invest (67%), but more than a half of firms across the board say they plan to make such investments.

Innovation activities

INNOVATION ACTIVITY



Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes or services?

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

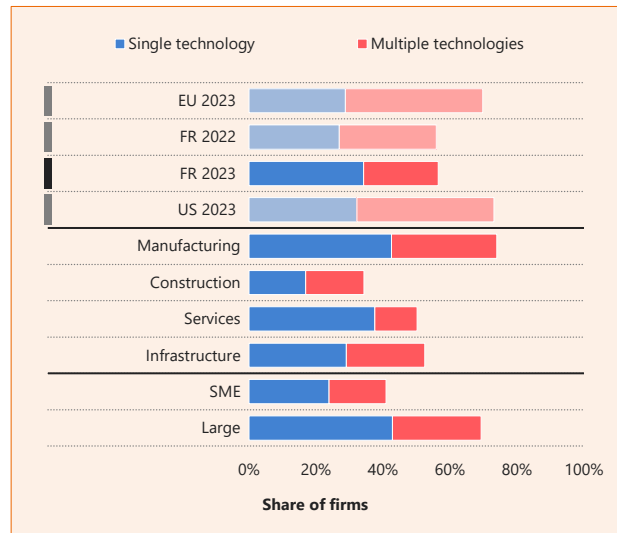
Base: All firms (excluding don't know/refused responses)

- About a third (32%) of French firms developed or introduced new products, processes or services as part of their investment activities in 2022, higher than in EIBIS 2022 (22%) but below the EU average of 39%. By contrast, more than half of US firms (57%) developed or introduced new products, processes or services.
- Over one in ten firms in France (12%) report the development/ introduction of products, processes or services new to either the country or global market. This is more than double the proportion seen in EIBIS 2022 (5%), matching the current EU average (13%).
- As in EIBIS 2022, the manufacturing sector (47%) had the highest proportion of firms investing in innovation. The lowest proportion is seen in the construction sector (14%).
- More large firms have invested in innovation than SMEs (40% versus 23%), with 16% of those large firms declaring they have developed/introduced products, processes or services that were new to either the country or global market.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Overall, 57% of firms in France used at least one advanced digital technology and this is below the EU average (70%).
- Manufacturing firms (74%) are the most likely to have adopted at least one advanced digital technology. Only within construction (34%) has a minority of firms used any digital technologies.
- Large firms are more likely than SMEs to have adopted such technologies (69% versus 41%) and are slightly more inclined to use multiple digital applications (27% versus 17%).
- French firms are most likely to use robotics (51%) and digital platforms (34%). However, in comparison to firms across the EU they are making relatively less use of the Internet of Things (23% versus 41%), Big Data (16% versus 29%) and Platforms (34% versus 50%).



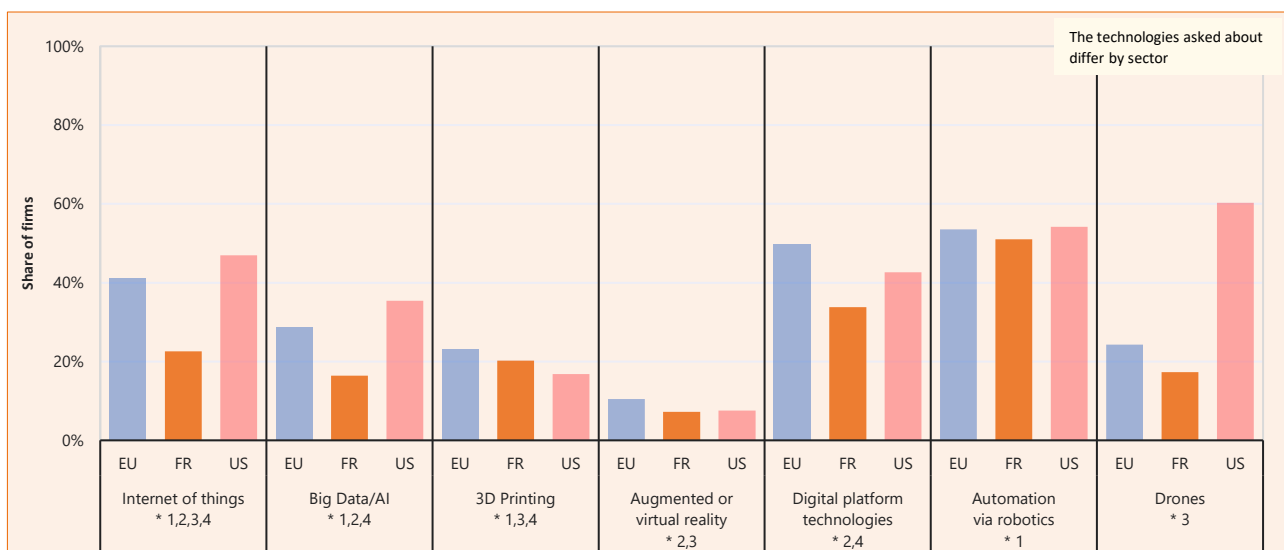
Reported shares combine "used" the technology "in parts of business" and "entire business organised around it."

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

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

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

ADVANCED DIGITAL TECHNOLOGIES



* Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

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

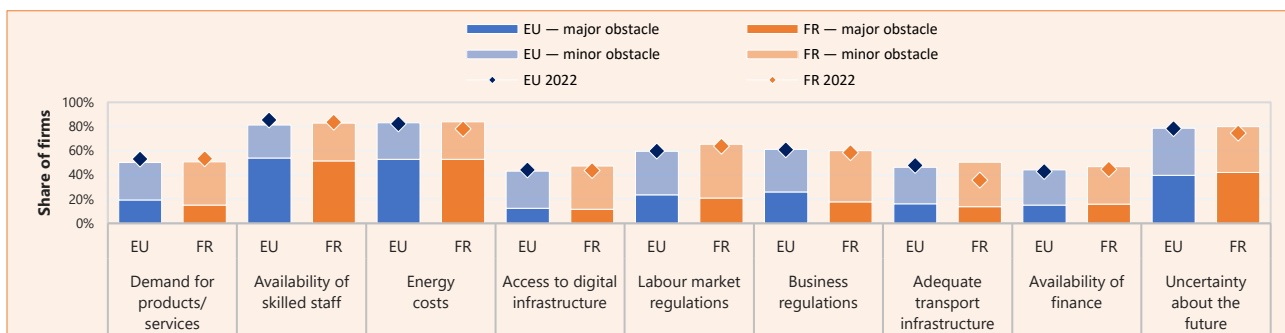
Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses);
Sample size FR: Manufacturing (176); Construction (124); Services (176); Infrastructure (120).

Investment impediments

LONG-TERM BARRIERS TO INVESTMENT

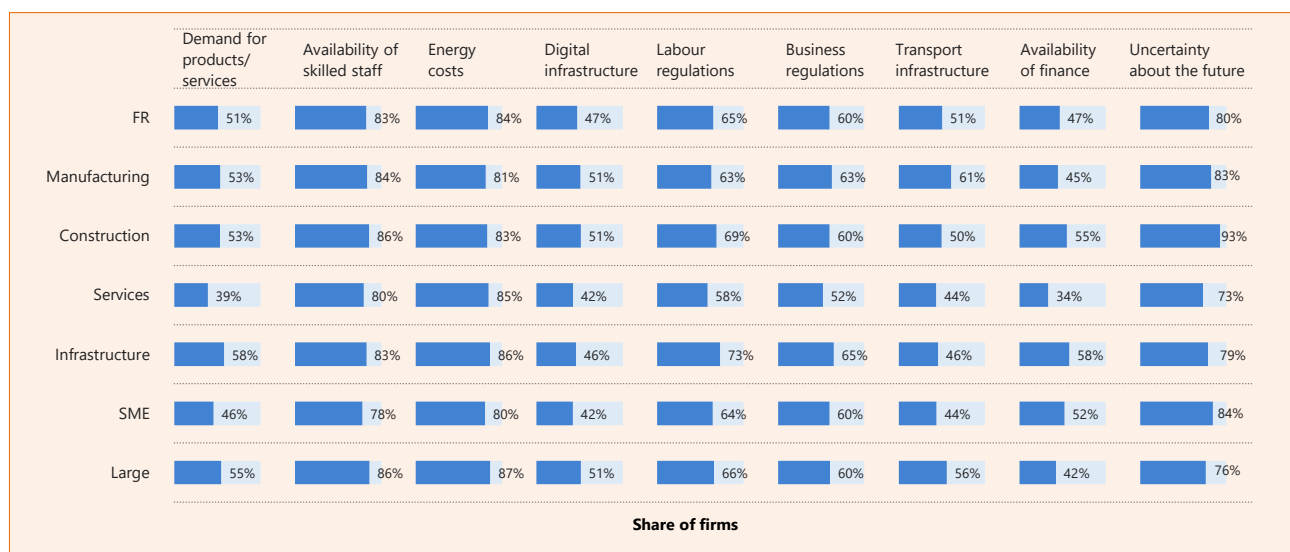
- As in EIBIS 2022, the most frequently mentioned long-term barriers to investment in France are energy costs (84%), the availability of skilled staff (83%), and uncertainty about the future (80%). These are also the main barriers for firms across the EU.
- Most of the findings in France are very similar to those in EIBIS 2022. The exception is adequate transport infrastructure where the proportion describing it as an obstacle has risen from 36% to 51%.
- At least 80% of firms across all sectors regard energy costs and the availability of skilled staff as long-term barriers to investment. At least 73% say uncertainty over the future is a barrier, a proportion rising to 93% in the case of construction firms.
- With the exception of services (39%), the lack of demand is a barrier to investment for more than a half of firms in all sectors. Service firms (34%) are also least concerned by availability of finance.



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

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

LONG-TERM BARRIERS BY SECTOR AND SIZE



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

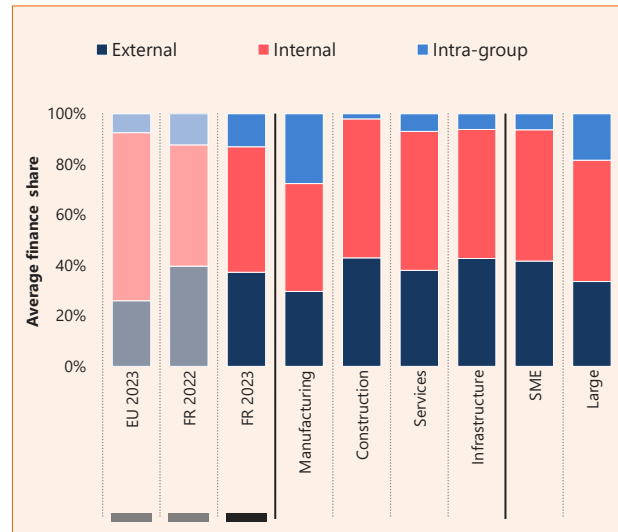
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

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

Access to finance

SOURCE OF INVESTMENT FINANCE

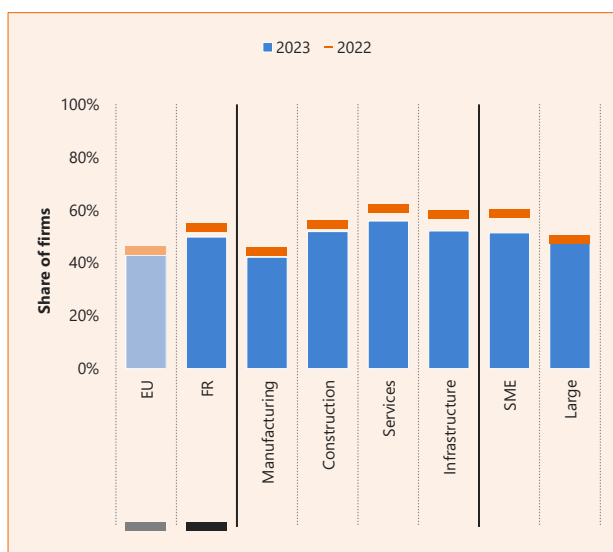
- Internal sources accounted for the largest share of investment finance for firms in France (50%), followed by external finance (37%). The remainder (13%) came from intra-group financing. All proportions are similar to EIBIS 2022.
- Firms in France relied more heavily on external finance than in the EU overall (37% versus 26%) and internal finance supported a lower proportion of their investments (50% versus 66%).
- In all sectors but manufacturing (43%), over half of investment finance came from internal sources. Intra-group funding was a more prominent source of financing for manufacturers (28%), while they relied the least on external sources (30%).
- Large firms financed a higher proportion of their investment through intra-group funding than SMEs (18% versus 6%) and made relatively less use of external funding (34% versus 42%).



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

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

USE OF EXTERNAL FINANCE



- Half of firms in France (50%) that invested in the last financial year, financed at least some of this investment through external sources. This is slightly below EIBIS 2022 (53%) but above the EU average (43%).
- Manufacturers (42%) were the least likely to have secured investment finance from external sources.
- Around half of SMEs and large firms (51% and 49%, respectively) obtained investment finance from external sources.

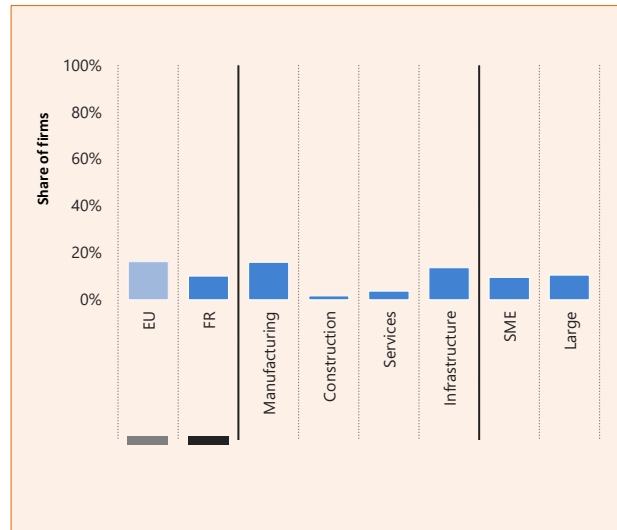
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

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

Access to finance

SHARE OF FIRMS WITH FINANCE FROM GRANTS

- One in ten firms using external finance in France received grants (10%). This is below the EU average (16%).
- Manufacturers (16%) and infrastructure firms (14%) were far more likely than those in construction (2%) or services (4%) to have received grants. The proportion among SMEs (10%) and large firms (11%) is very similar.

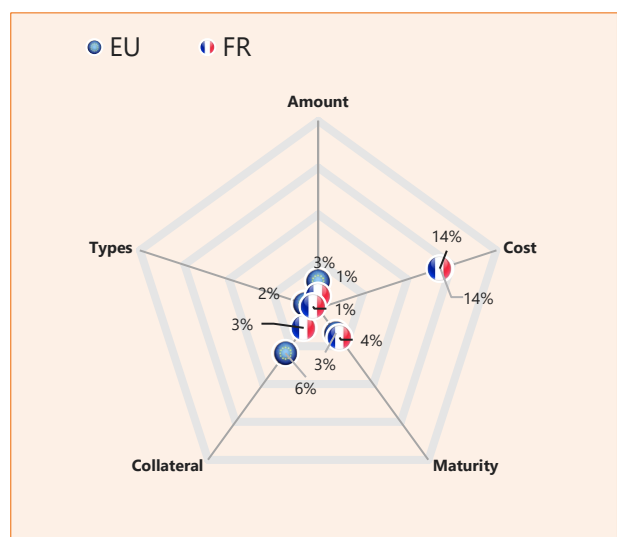


Q. What proportion of your total investment in the last financial year was financed by grants?

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

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Apart from the cost of external finance, no more than 4% of firms in France are dissatisfied with any of the aspects included in the survey.
- Nevertheless, there has been a sharp increase in the share of firms in France that are dissatisfied with the cost of finance (up from 2% in EIBIS 2022 to 14% in EIBIS 2023). The level of dissatisfaction is the same as in the EU as a whole (14%).
- In general, levels of dissatisfaction in France are very similar to EU averages.



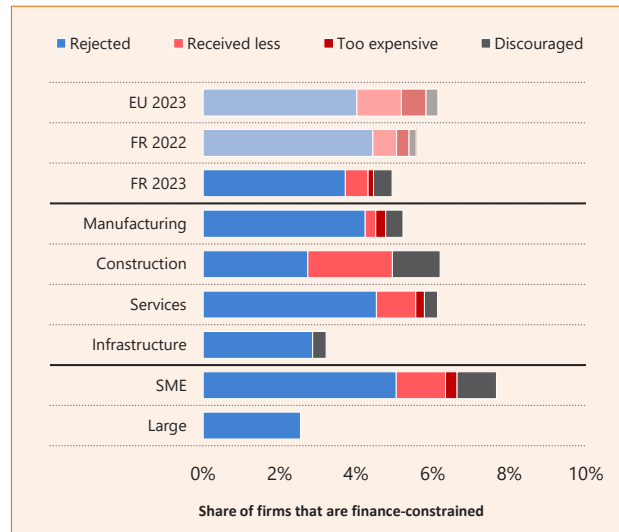
Q. How satisfied or dissatisfied are you with ...?

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

Access to finance

SHARE OF FINANCE-CONSTRAINED FIRMS

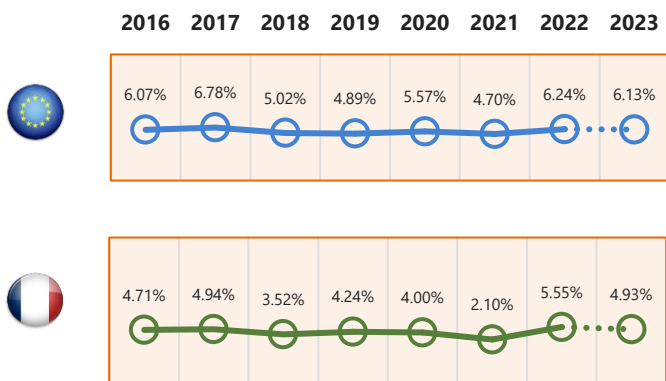
- The share of financially constrained firms in France (4.9%) is a little lower than the EU average (6.1%).
- The share of finance-constrained firms in France is largest in the construction (6.2%) and services sectors (6.1%). It is slightly higher among SMEs than large firms (7.7% versus 2.5%).
- As in EIBIS 2022, the main constraint reported by firms in France is rejection (3.7%), followed by an insufficient amount of finance received (0.6%).



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

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

FINANCING CONSTRAINTS OVER TIME

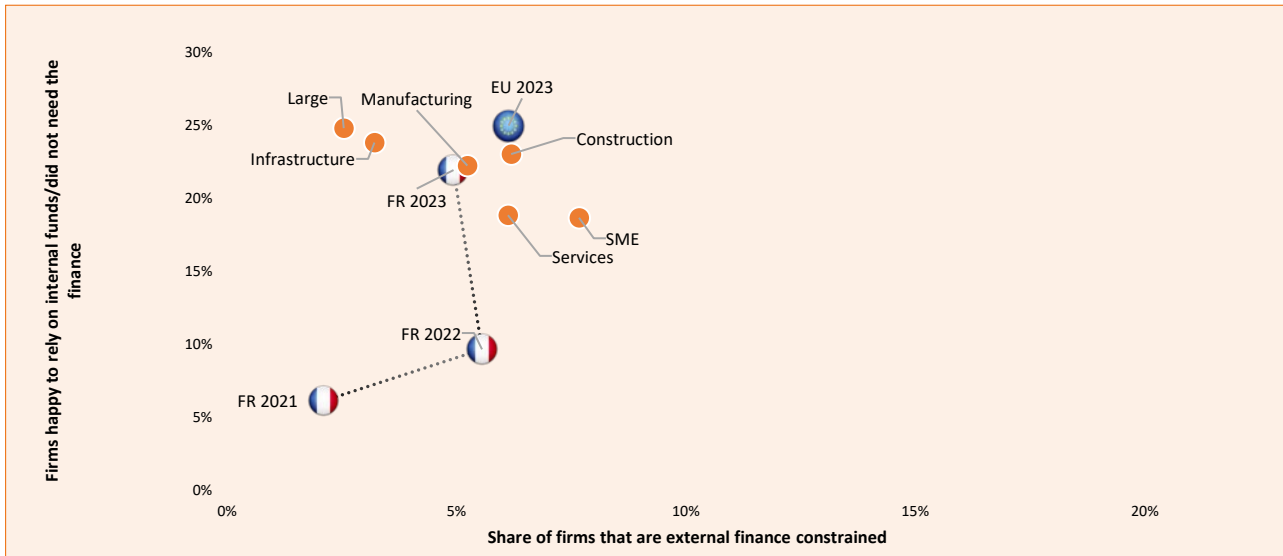


- The proportion of French firms that are finance constrained has remained consistent with EIBIS 2022 (4.9% versus 5.6%) and barely changed in 6-7 years.
- In EIBIS 2022 the proportion of finance constrained firms in France is of the same order as the EU average.

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

Access to finance

FINANCING CROSS



Data derived from the financial constraint indicator and firms indicating main reason for not applying for external finance was 'happy to use internal finance/didn't need finance'

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

- While 4.9% of French firms can be considered finance constrained in EIBIS 2023, more than a fifth (22%) are happy to rely on internal finance.
- More firms in France are happy to rely on internal finance than they were in EIBIS 2022 (up from 10% to 22%), bringing them closer to the EU average (25%).
- Levels of financial constraint are very similar across all sectors. The service and construction (both slightly above 6%) sectors have the highest share of firms that are financially constrained, while service firms (19%) have the lowest share of firm that are happy to rely on internal finance. Meanwhile, SMEs tend to be slightly more constrained than large firms (7.7% versus 2.5%).

EIBIS 2023 – Country technical details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

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

	EU	US	FR	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs FR	Manuf vs Constr	SME vs Large
	(12030)	(802)	(601)	(179)	(124)	(176)	(120)	(523)	(78)	(12030 vs 601)	(179 vs 124)	(523 vs 78)
10% or 90%	1.1%	3.9%	3.4%	5.7%	6.8%	6.1%	7.4%	2.3%	5.9%	3.6%	8.9%	6.3%
30% or 70%	1.8%	6.0%	5.2%	8.8%	10.4%	9.3%	11.3%	3.5%	9.0%	5.5%	13.5%	9.6%
50%	1.9%	6.5%	5.7%	9.6%	11.3%	10.1%	12.4%	3.8%	9.8%	6.0%	14.8%	10.5%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2023 country overview refers interchangeably to 'the past/last financial year' or to '2022'. Both refer to results collected in EIBIS 2023, where the question is referring to the past financial year, with the majority of the financial year in 2022 in case the financial year is not overlapping with the calendar year 2022.

EIBIS 2023 – Country technical details

The country overview presents selected findings based on telephone interviews with 601 firms in France (carried out between April and July 2023).

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

Base definition and page reference	EU 2023/2022	US 2023	France 2023/2022	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 5 (bottom left), p. 8 (top), p. 8 (bottom), p. 16 (top)	12030/12021	802	601/609	179	124	176	120	523	78
All firms (excluding don't know/refused responses), p. 5 (bottom right)	11624/11682	776	586/577	177	117	171	119	514	72
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (top)	10147/9704	692	491/399	162	92	139	96	423	68
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 6 (bottom)	9948/9501	704	510/379	165	94	145	104	442	68
All firms (excluding 'Company didn't exist three years ago' responses), p. 7 (top)	12015/12005	802	600/607	178	124	176	120	522	78
All firms (excluding don't know/refused responses), p. 7 (bottom)	11880/11814	794	593/594	178	120	173	120	516	77
All firms (excluding don't know/refused responses), p. 9 (top)	11812/NA	782	589/NA	175	123	171	118	516	73
All firms (data not shown for those that said not an obstacle at all/don't know/refused), p. 9 (bottom)	12030/NA	802	601/NA	179	124	176	120	523	78
All firms (excluding don't know/refused responses), p. 10 (top)	11739/NA	786	566/NA	166	118	163	117	499	67
All firms (excluding don't know/refused responses), p. 10 (bottom)	11739/NA	786	566/NA	166	118	163	117	499	67
All firms (excluding don't know/refused responses) p. 11 (top)	11978/11975	800	599/605	179	124	175	119	522	77
All firms (excluding don't know/refused/not applicable responses), p. 11 (bottom)	6692/NA	284	239/NA	107	16	71	32	187	50
All firms (excluding Don't know/refused responses), p. 12 (top left)	11918/NA	797	595/NA	179	123	174	117	518	77
All firms that import (excluding don't know/refused responses), p. 12 (top right)	6151/NA	240	214/NA	101	18	72	21	167	47
All firms (excluding don't know/refused responses), p. 12 (bottom)	10139/NA	717	537/NA	171	106	151	107	463	74
All firms (excluding Don't know / refused responses) p. 13 (top)	11930/11911	797	596/600	179	123	173	119	519	77
All firms (excluding Don't know / refused responses), p. 13 (bottom)	11944/11909	789	595/594	178	123	173	119	518	77
All firms (excluding don't know/refused responses), p. 14 (top)	11433/11172	771	571/542	173	116	166	114	495	76
All firms (excluding don't know/refused responses), p. 14 (bottom)	11956/11964	800	597/602	179	123	173	120	520	77
All firms (excluding don't know/refused responses), p. 15 (top)	11549/NA	766	576/NA	170	119	168	117	506	70
All firms (excluding don't know/refused responses), p. 15 (bottom)	11836/11712	791	590/584	173	122	174	119	514	76
All firms that have invested in the last financial year (excluding don't know/refused responses), p. 16 (bottom)	10210/9752	707	501/409	164	92	142	101	435	66
All firms (excluding don't know/refused responses), p. 17	11721/11685	770	580/568	174	121	169	115	506	74
All firms (excluding don't know/refused responses), p. 18	11738/11735	780	594/601	176	123	173	120	518	76
All firms (excluding don't know/refused responses), p. 19 (top)	12009/11980	801	600/603	178	124	176	120	522	78
All firms (excluding don't know/refused responses), p. 19 (bottom)	11916/11844	800	598/599	176	124	176	120	522	76
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (top)	12030/12021	802	601/609	179	124	176	120	523	78
All firms (data not shown for those who said not an obstacle at all/don't know/refused), p. 20 (bottom)	12030/12021	802	601/609	179	124	176	120	523	78
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (top)	10517/10051	697	503/419	163	93	144	101	436	67
All firms who invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)	10517/10051	697	503/419	163	93	144	101	436	67
All firms using external finance (excluding don't know/refused responses), p. 22 (top)	4269/4107	265	247/240	77	52	62	55	214	33
All firms that used external finance in the last financial year (excluding don't know/refused responses), p. 22 (bottom)	4184/3988	264	237/232	72	49	62	53	206	30
All firms (excluding don't know/refused responses), p. 23 (top)	11544/11504	729	568/561	173	113	166	114	499	69
All firms (excluding don't know/refused responses), p. 23 (bottom)	11544/11504	729	568/561	173	113	166	114	499	69
All firms (excluding don't know/refused responses), p. 24	11544/11473	729	568/561	173	113	166	114	499	69



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