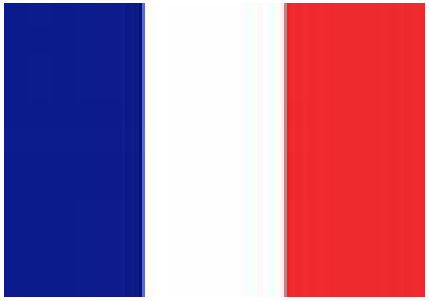
Invest in France Agency

INVEST IN FRANCE AGENCY

INDIA CALLING 2009 - Oct. 2, 2009

“ France is on the move…”



Invest in France Agency

Who are we?

- Public entity under the supervision of the French government

- We help Indian companies in identifying the best investment opportunities in France (creation of a new subsidiary, extension of existing facilities, jointventure, greenfield project, acquisition)

- Facilitating in different matters: information on public funding, analysis of potential locations, real estates offers, coordination with regional authorities, guidance & consultation on the administrative, tax and labour laws in France, . . .

- Our services are free of charge and confidential

The IFA international network in 2009: 27 offices

India in France

India and France

Trade between India and France
India to France : **€2.8 billion +164% in 3 years**
France to India : **€3.4 billion + 260% in 3 years**

- **On the polotical level :**

  - **Visit of Nicolas Sarkozy in Jan 08 – Indian Delegation in Oct 08 in France**

  - **Wish to reinforce trade between both countries to reach €12 b in 2012**

  - **Nuclear agreement signed between France and India in Oct 08**

  - **Social Security agreement between France and India signed on Oct 08**

INDIA TRADE CENTRE
Paris

- **On the economical level**

  - **India Trade Center in France supported by the Indian Embassy, the FICCI**

  - **India Trade Promotion Organisation (ITPO)**

  - **The Engineering Export Promotion Council**

India in France

- **1,200 Indian students in France**
- **Indian community in France : 60,000 bilingual people**
- **Indian companies started investing in France in 2000**
- **2008: about 100 companies employing 6000 people**
  - software & computer services = 41,6%
  - electrical, electronic equipment & computers = 13,6%
  - aeronautic and naval equipment = 12,5%
- **Type of investment**:
  - commercial and liaison offices = 36,5% of jobs created since 2000
  - manufacturing & assembling = 26,8%
  - services = 18,7%

India in France

Some facts and figures about France

France: a country open to the world economy

5 5th most powerful economy in the world

Source: International Monetary Fund (2008)

4 4th largest exporter of services (and 5th largest exporter of goods)

Source: World Trade Organization (2008)

3 3rd largest global producer of agricultural products

Source: French Ministry for Agriculture – 2005 data

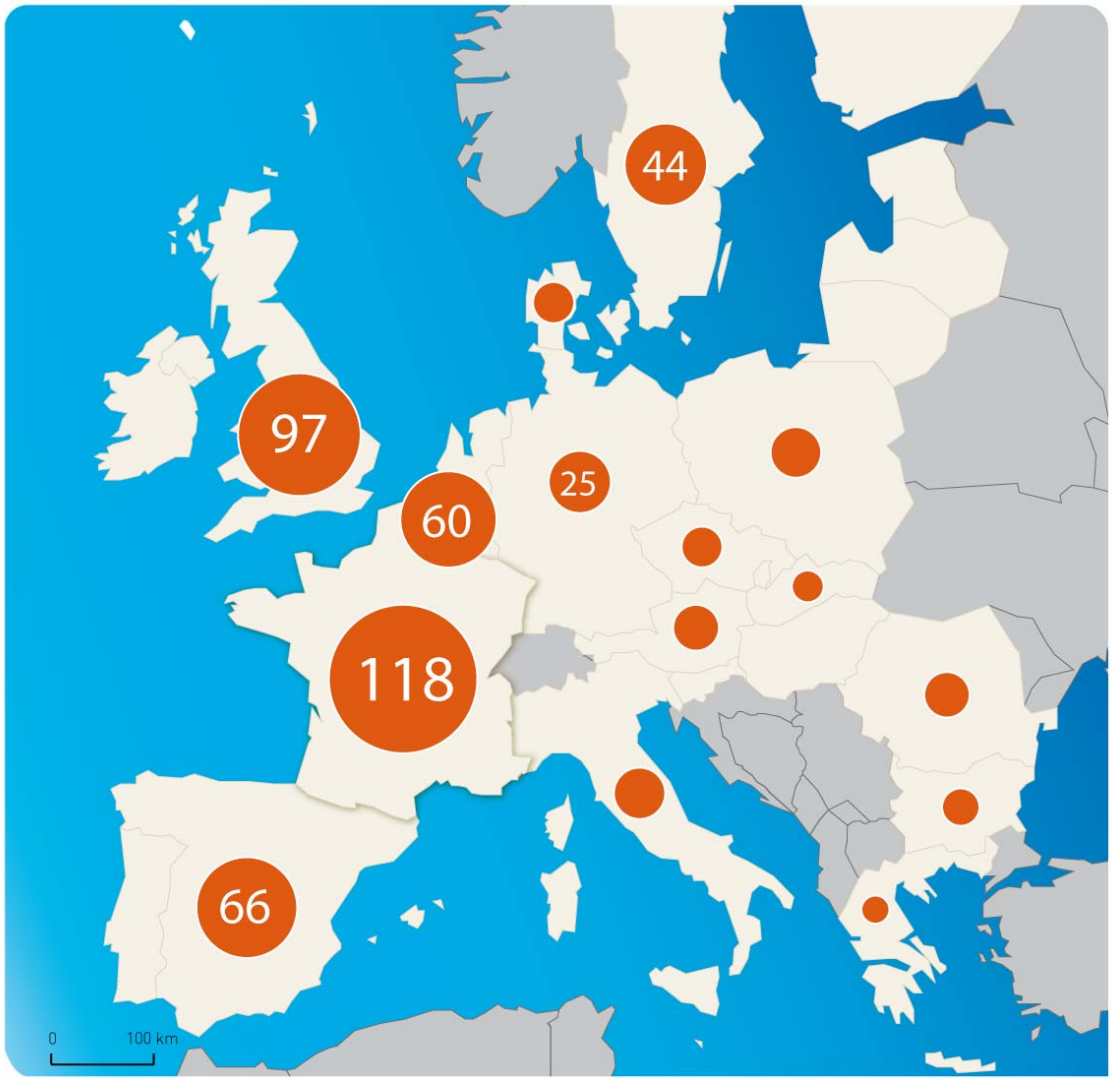
2 2nd in the world with the UK (after the USA) for inward FDI

Source : UNCTAD (estimates) - January 2009

1 1st destination for tourism (79.3 million tourists in 2008)

Source: UNWTO - Word Tourism Barometer (estimates) - January 2009

France, one of the most open countries to investors

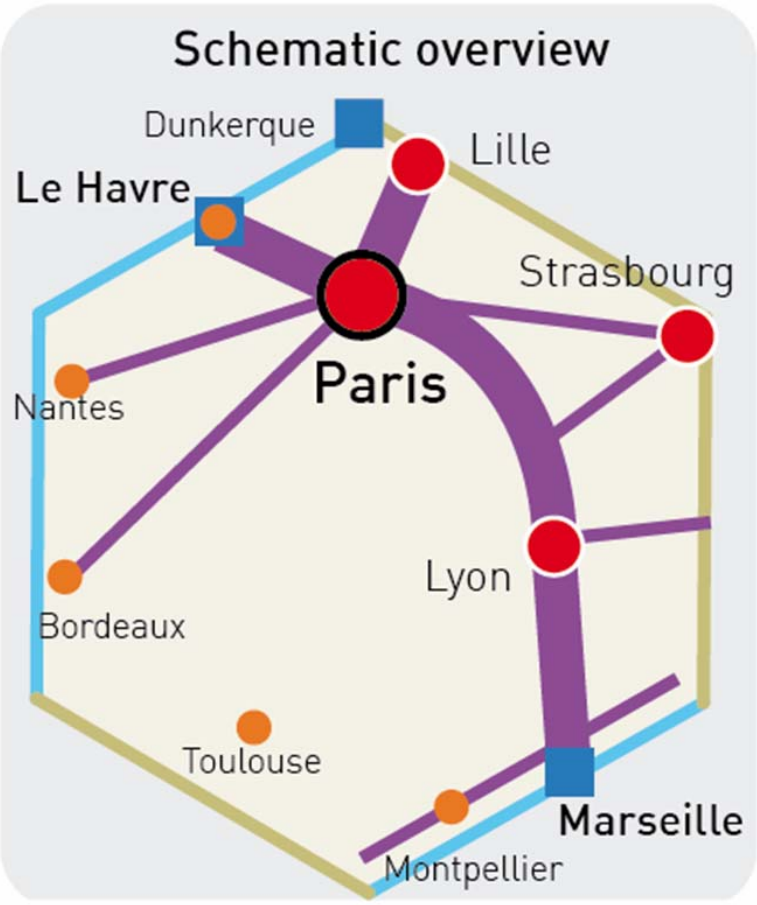


UNCTAD – World Investment Report - Sept. 2009

France, the second largest market in Europe!

- the 2nd largest economy in Europe with access to 500 million consumers
- the Gateway to Your business in Europe & Africa
- close to 23,150 foreign companies are doing business in France, employing 2.8 million people (nearly 10% of total labor force)
- 40 French groups listed in the Fortune « Global 500 » rankings in 2009
- access to the Schengen Zone

France is a fully networked country



Over **11,000 km of highways** forming a dense, high quality network

- **2,000 km of high-speed train lines** between all French and European cities

- International airports throughout France (156 million passengers and 2.5 million tons of cargo in 2008) - **Charles De Gaulle airport ranked 5th in the world**

- 2 French ports in the Top 10 European ports in 2008: **Marseille (4th)** and **Le Havre (7th)**

- Low telecommunication, energy and water rates thanks to reliable and competitive networks throughout the country.

Benefits

1. The market!
2. Low set-up costs !
3. Productive workforce!
4. Best place for R&D in Europe!

1 . The Market

Pharma & Bio

1st market in Europe and 3rd in the world

47 billion € market

103,000 people employed

22,000 researchers and technicians

4.9 billion € = R&D expenses

1st producer of medicine in Europe (220 production sites)

Automotive

2nd market in Europe 3 million cars made = 13,3% of European production

114 billion € market

271,700 people employed (73% for car mfg and 27% for auto suppliers)

30,000 researchers ans technicians

40,000 jobs created by foreign companies the last ten years

PSA (2nd), Renault (3rd), Toyota, Daimler

1 . The Market

Chemicals

2nd market in Europe

85.8 Billion € market (Pharma not included)

182,400 people employed including 12,000 in R&D

2 billion € in R&D expenses

Foreign companies are responsible for 40% of French production

Logistics

1st destination in Europe for foreign investment projects in Logistics (FT 2008)

1.5 million people employed in logistics (53%) and transportation of goods (47%)

+ 30% of French companies outsource their logistic activities

Foreign companies control about 33% of the French logistic market

Ongoing reforns of French ports to increase competitivity

1 . The Market

Aeronautics

37 Billion € market

134,000 qualified people employed

22,5 Billion € exports

+ 2,4 Billion € invested in R&D

TCI

3rd market in Europe = 113.2 billion € (16% of European market)

55.3 for Telecoms + 48.3 for computers/services + 9.5 for consumer electronics

1.33 million people employed including 350,000 in software

450,000 researchers in Telecommunications

Food

1st market in Europe and 2nd in the world

163 Billion € market

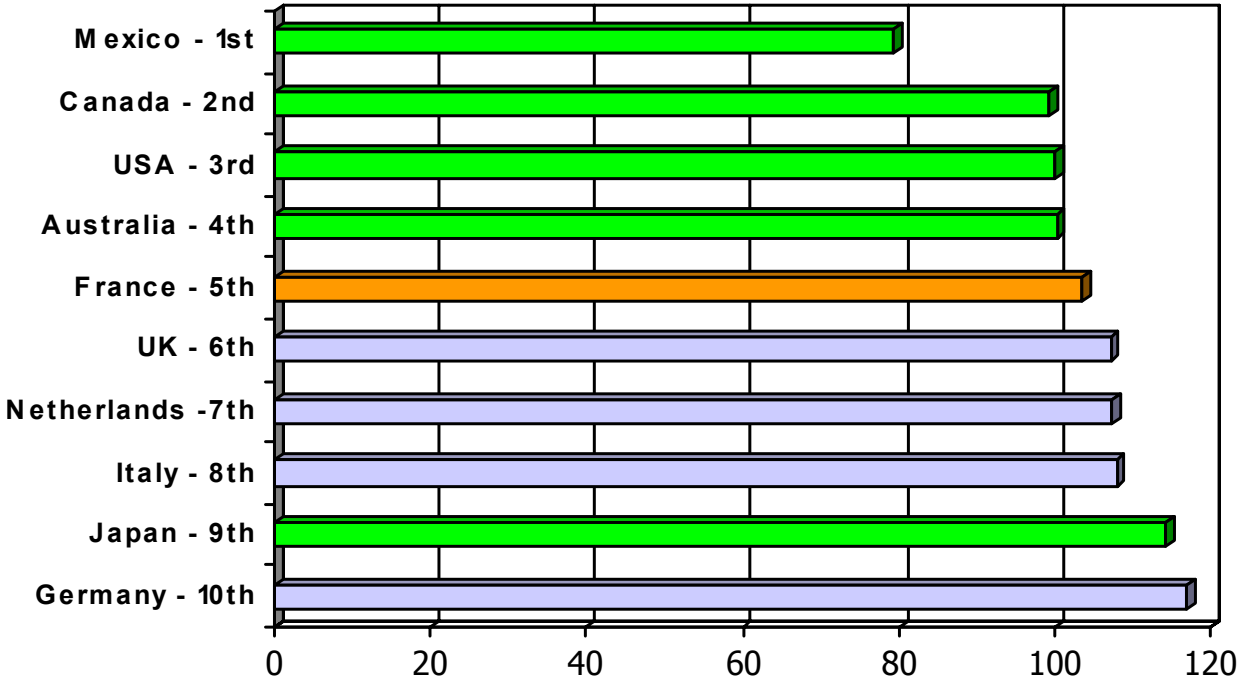
412,500 people employed in 10,568 companies

Foreign companies are responsible for 30% of French production

2. France has the lowest business costs in W. Europe

Business costs (labor, facilities, transport, utilities and taxes)
are lower in France than in leading Western European countries (KPMG 2008)

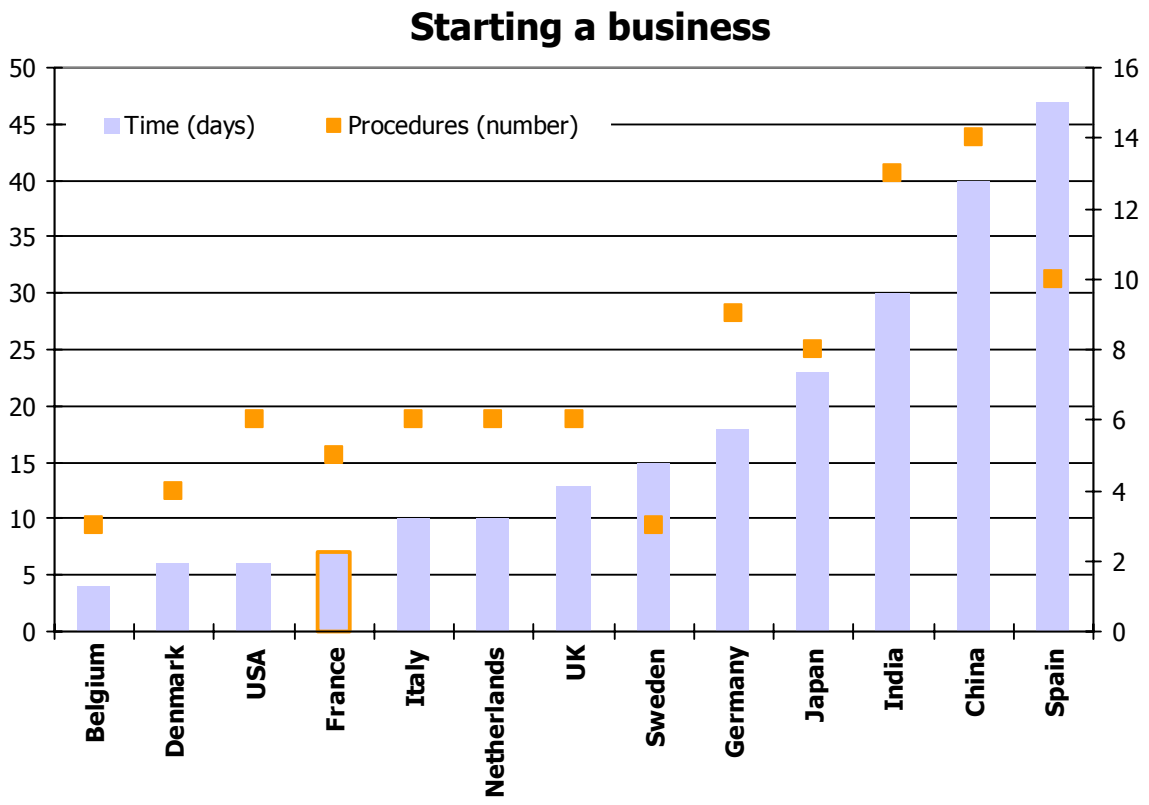
Index of total business costs
(The lowest cost country ranks 1st – Overall results US=100.0)



Source: *Competitive Alternatives: KPMG's Guide to International Business Location* – KPMG 2008.

2. France offers a favorable business environment

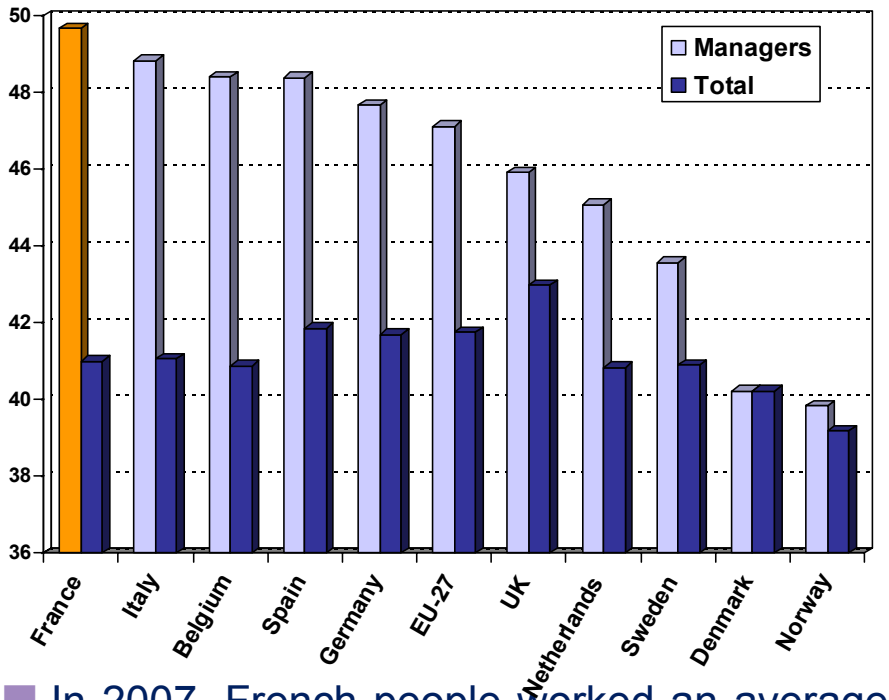
- Streamlined procedures allowing companies to set up in France **within 7 days on average**
- 330,000 companies created in 2008



Source: Doing Business 2009 – World Bank

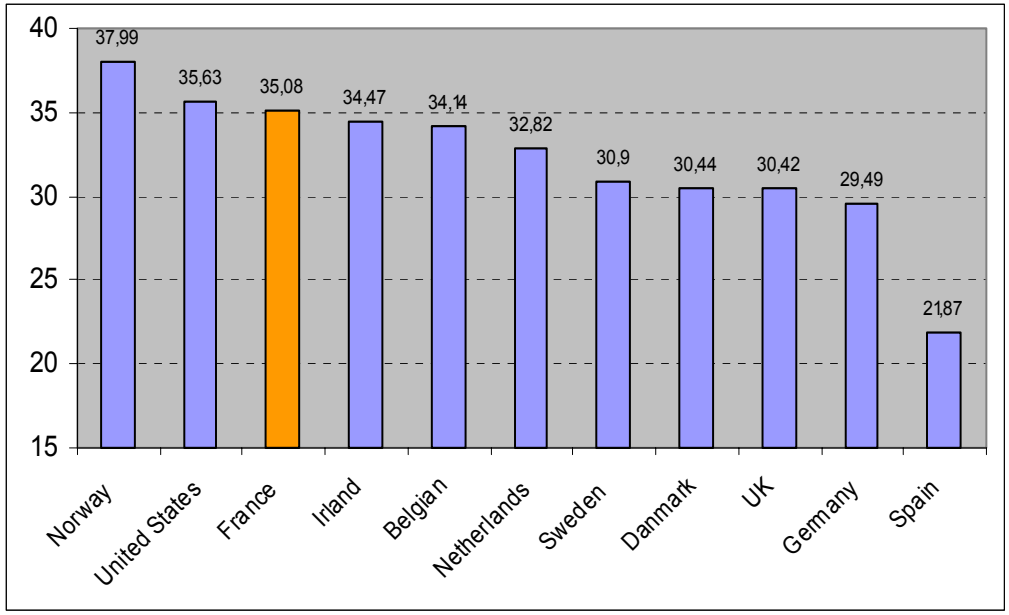
3. France is a hardworking country

Number of working hours per week



- In 2007, French people worked an average of 41 hours per week. French managers worked an average of 49.7 hours per week. (Eurostat 2009)

GDP per working hour, in US Dollar



- France ranked 3rd in the world for hourly productivity behind the US and Norway according to ILO (January 2008) and IMD (June 2009)

4. R&D: A National Priority

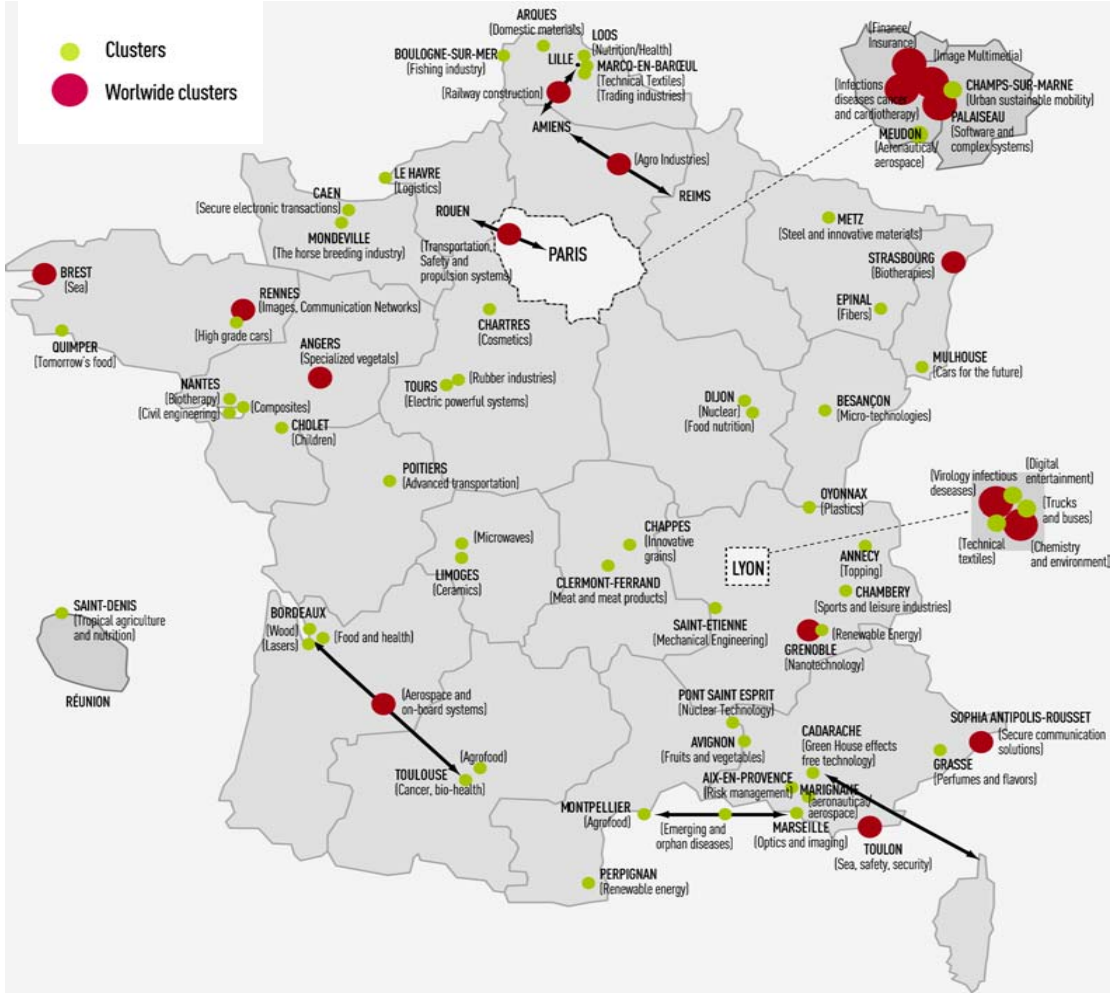
***The best research tax credit in Europe*:**

- **Covers 30% of yearly R&D expenses, with a maximum of €100 million.**
- **This bonus provides a research tax credit rate of 50% for the first year and 40% for the second year.**

4 - R&D: A National Priority

- France has 71 competitive clusters

- Foreign companies participating in clusters represent nearly 500 sites and 173,500 employees



More information on each cluster: www.investinfrance.org/international/en/french-clusters.html

New reforms that make France more attractive to Indian companies

New Reforms

In order to bolster the attractiveness of France, the French gouvernment has implemented more than 51 reforms:

- **1. Flexibility of the labour law**
- **2. A welcoming business environment for foreign managers**

1. Flexibility of labour law

- **Increase the working time**

  - ✓ **Working time can be negotiated in each company.**
  - ✓ **Time worked over 35 hours is overtime and can be determined by collective agreement**
  - ✓ **Maximum of 48 hours a week (according to European rules).**
  - ✓ **Salaried employees benefit from exemptions from tax and social security contributions for overtime hours**

- **The modernisation of labour laws:**

  - ✓ **Extension of the trial period**
  - ✓ **Introduction of a new form of short term contract (From 18 to 36 months maximum)**
  - ✓ **Introduction of a new termination contract by mutual consent.**

2. A welcoming business environment for foreign managers

General Manager

(CEO, CFO, executive in charge of the French subsidiary)

« The Skills & Expertise permit »

- 3-year residency permit
- Renewable
- Application presented to a French consulate in India or at the Préfecture if he or she resides in France

Employees

Intra Group Mobility

Temporary Residency Permit
« expatriated salaried employee »

- 3-year residency permit
- On assignment or expatriated
- Permission granted to spouses to be employed in France

Seconded Employee
(mission <12 months, Providing a service)

NEW NEW

« Temporary Worker »
Long term visa

- Duration: 3 to 12 monts
- Renewable

**CST : carte de séjour temporaire*

2. A welcoming business environment for foreign managers

Procedure Expatriate Employee

FIRST STEP :
work permit
= 10 days

Home or host Company

APPLICATION

FRENCH LABOR DEPARTMENT

DDTEFP

GRANTING OF WORK PERMIT

SECOND STEP :
long term visa
= 6 days

HOME COUNTRY:
VISA APPLICATION

FRENCH CONSULATE INDIA

APPLICATION

GRANTING OF VISA

THIRD STEP
Residence permit
= 6 / 8 weeks

COMMUNICATION

PREFECTURE IN FRANCE

MEDICAL EXAMINATION

OFII

GRANTING OF RESIDENCE PERMIT

2. A welcoming business environment for foreign managers

- **Expatriate tax and social charge advantages:**

  - ✓ Up to 50% tax exemption for expatriates on income, expatriation bonus & supplementary income for work performed outside France

  - ✓ 50% income tax exemption for certain "passive" incomes (dividends, interests, fees etc…) & on capital gains from foreign transferable securities

  - ✓ Wealth tax exemptions on assets located outside France

- **Social security agreement of September 30, 2008**

  - ✓ Totalisation of periods of coverage under conditions

  - ✓ Social contribution for pension exempted up to 5 years

Invest in France Agency

Thanks for your interest & Bonne chance!

Invest in France Agency

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