

10th JUNE - 10th JULY 2016

PAUL CHOLLET

France is a safe bet. The business environment is positive and companies are taking advantage of renewed dynamics. 2016 will be the best year for the economy since the Lehman crisis



FRANCE

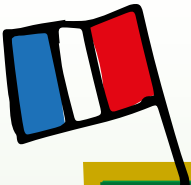


PORTUGAL

MARIE ALBERT

After difficult crossings, Portugal bounced back and converges slowly to the major European economies.

HOW COUNTRIES HAVE BEAT THE COMPETITION



**EFFICIENCY
BUSINESS CLIMATE**

A1

Companies' balance sheets are available and reliable. France is recognised worldwide for the quality of information provided



A2

Good regulations, which allow respectable levels of debt recovery

**SPEED
PAYMENT EXPERIENCE**

48 days
is the average payment delay for B2B sector clients



68 days
This is one of the longest payment delays in Europe. Companies must carefully manage cashflows

**STRENGTH
INSOLVENCIES**

-3.2%
French companies will enjoy a third year of declining failures in 2016



+0.2%
(in the first quarter on a quarterly basis) Pace of growth is insufficient to solidify companies' balance sheets. An increase in insolvencies is anticipated for 2016

**CREATIVITY
RESEARCH & DEVELOPMENT**

2.3% of GDP
higher than the European average of 2%. Spending on R & D indicates that French innovation is making technological advances



1.3% of GDP (2014)
Although R&D is rising (0.7% of GDP in 2004), it is not sufficient to make significant technological progress

**ENDURANCE
DIVERSIFICATION**

48%
of exports go to the euro zone - sheltering France from the slowdown in BRICS (7% of exports)



The lack of diversification in trade partners appears to be a winning strategy for 2016! Spain (2.8% growth in 2016) accounts for 24% of exports and the euro area for **59%** (1.7% growth!)

Although the economic game of the two countries will be tight, France, with a country risk assessment of A2 (low risk), has a certain advantage