AmCham – Bain Barometer  20th – Edition

Satisfaction of American investors in France
February 2020
About the AmCham-Bain Barometer

Today in its 20th edition, the AmCham-Bain Barometer has 3 objectives

- Measure from year to year the morale of American investors in France and their perception of the economic environment
- Collect the opinions of American investors on current economic topics in France
- Understand American employees’ drivers and detractors of living in France

The Barometer has become an annual event since 1999 with the support of Bain & Company

The satisfaction survey of American investors in France was launched by AmCham in 1995
Methodology

From December 2019 to mid-January 2020, a questionnaire was sent to the management of subsidiaries of American companies in France.

We received 135 answers from US companies representing in total:

- More than 55,000 employees in France
- More than €55 billion turnover in France

Source: AmCham-Bain Barometer, Bain analysis
Typology of respondents’ functions

45% CEO, Managing Director and President

25% Other CxO

20% Institutional relations

10% Other

(1) incl. Deputy CEO and Partner; (2) incl. Director of Human Resources, Commercial Director, Finance Director, etc.; (3) incl. people related to institutional relations, public affairs, business development, etc.; (4) incl. consultant, lawyer etc.

Source: AmCham-Bain Barometer, Bain analysis
Respondents’ companies by size and industry

Segmentation of sample by number of employees in France

- 0-100: 22%
- 101-500: 36%
- 501-1,000: 10%
- > 1,000: 32%

Segmentation of sample by industry

- IT: 11%
- Banking/Insurance: 7%
- Trade/Distribution: 7%
- Chemistry/Chemical products: 6%
- Pharmaceutical industry: 5%
- Legal: 4%
- Agro-food industry: 5%
- Energy: 4%
- Electronics/Electricity: 3%
- Tourism/Travel: 1%
- Building/Public works: 1%
- Other*: 23%
- Energy: 14%
- Research and Consultancy: 11%
- Transportation/Logistics: 9%

(*) Other: Textile/Clothing, Aerospace & Defense, Real estate, etc.
Source: AmCham-Bain Barometer, Bain analysis
France’s attractiveness

France’s regions attractiveness

French innovation ecosystem attractiveness

Major events impacting France’s attractiveness

AmCham recommendations
A rise in optimism in 2019, thanks to the reforms underway, despite remaining uncertainties about the global economy and the social climate

### Economic Outlook

In your opinion, will the evolution of the economic outlook for your industry in France over the next 2-3 years be ...?

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<tbody>
<tr>
<td>37%</td>
<td>24%</td>
<td>15%</td>
<td>9%</td>
<td>20%</td>
<td>11%</td>
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<tr>
<td>39%</td>
<td>49%</td>
<td>36%</td>
<td>19%</td>
<td>50%</td>
<td>48%</td>
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<tr>
<td>24%</td>
<td>27%</td>
<td>49%</td>
<td>72%</td>
<td>30%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis

“Developments in consumer and business-friendly regulation, reforms and a favorable business climate.”

DG EMEA, Transportation

“A positive effect of the PACTE law, on the other hand a strong legislative inflation which continues.”

Partner, Audit & Consulting

“Presence of uncertainties in the economy that are weighing on growth, which could lead to a slowdown.”

Communication and Public Affairs Director, Chemistry/Chemical products

“Massive strikes and elections that will weaken a government’s ability to pursue reforms.”

Associate, Law
Optimism that translates into a significant increase in job creation perspectives

Economic Outlook

How will the number of employees evolve in your company in France over the next 2-3 years?

“Market growth forces us to recruit new talent.”
Partner, Research and Consultancy

“Strong development of existing activities and launch of new activities.”
DG EMEA, Transportation

“Growing needs in our market and the need to respond to changing regulations.”
Public Affairs Director, Chemistry

“Rationalization of activities and partial non-renewal of retirements that will slightly reduce the workforce.”
Senior Vice President, Corporate Affairs, Chemicals

Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis

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France consolidates its position as an attractive investment destination in Europe

**ATTRACTION FOR AMERICAN INVESTORS**

According to you, how does your parent company view France in comparison with other destinations in terms of investment?

"The second most important market in Europe, especially since Brexit, and whose weight is constantly growing in Brussels. On the other hand, the cost of labor and the rigidity of labor laws still weigh heavily."

Director of Public Affairs, IT

"The economy is good and the political situation is stable, the country offers good opportunities for growth. However, there is a real risk of social conflict."

Director of Operations, Logistics

"The quality of the workforce, infrastructure and purchasing power make France an attractive destination."

President, Agri-food

"A country without the legal complexities that can be found in Germany on certain subjects, and which has a pool of qualified engineers."

CEO, IT

Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis
France's NPS as an investment destination improves in 2019, but remains in negative territory

On a scale of 0 to 10, would you recommend France to a US company seeking to establish business abroad? (10 being the best rating)

“Despite the increasing complexity of the regulations affecting businesses, the quality of the workforce and the prospects offered by the French market continue to make France an attractive destination.”

Director, Government Affairs, Pharmaceutical Industry

“Apart from the disaster of labor costs and taxation, France is the best place for investment in Europe.”

Corporate Affairs Director, Chemicals

“I would recommend it for the quality and size of the market. Not, however, for the fiscal, regulatory, social environment, the cost of living (in the Paris region), growing insecurity and communitarianism.”

Partner, Research and Consulting

“Good investment location in Europe in a context where the attractiveness of other geographies (UK, Germany) is declining.”

Director, Research and Consulting

(*) Net Promoter Score (NPS) = % promoters (grade 9 to 10) - % detractors (grade 0 to 6)
Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis

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**ATRACTIVENESS FOR AMERICAN INVESTORS**


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Partner, Research and Consulting

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Director, Research and Consulting

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**ATTACTIVENESS FOR AMERICAN INVESTORS**
The propensity of respondents to recommend further expansion of an existing business in France rises slightly compared to 2018

On a scale of 0 to 10, would you recommend that a US company with existing business in France expands its activities in the country? (10 being the best rating)

"There is still a lack of visibility on the continuation of the reforms, the voted decrease in the tax rate has been postponed…"

Partner, Research and Consulting

"Even if the political line is voluntarist, the reaction of the French has not been good, making the social climate difficult."

VP Public Policy, Entertainment

"It all depends on the sector of activity, for research and digital yes, for industrial manufacturing, no."

Senior Vice President, Corporate Affairs, Chemicals

"To look for scale effects, yes, why not, but the fiscal, social and regulatory environment remains a real obstacle."

Partner, Research and Consulting

Attraction for American Investors

<table>
<thead>
<tr>
<th>Year</th>
<th>Promoters</th>
<th>Passives</th>
<th>Detractors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5%</td>
<td>18%</td>
<td>77%</td>
</tr>
<tr>
<td>2015</td>
<td>28%</td>
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<td>34%</td>
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<td>2016</td>
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<td>30%</td>
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<tr>
<td>2017</td>
<td>18%</td>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>2018</td>
<td>17%</td>
<td>53%</td>
<td>30%</td>
</tr>
<tr>
<td>2019</td>
<td>18%</td>
<td>52%</td>
<td>30%</td>
</tr>
</tbody>
</table>

NPS* = Net Promoter Score (NPS) = % promoters (grade 9 to 10) - % detractors (grade 0 to 6)

Note: in percentage of respondents

Source: AmCham-Bain Barometer, Bain analysis

(*) Net Promoter Score (NPS) = % promoters (grade 9 to 10) - % detractors (grade 0 to 6)
Workforce qualification, legal stability and the economic context are seen as the key investment decision criteria.

**Attraction for American Investors**

How important are the following factors in your company's investment decisions?

<table>
<thead>
<tr>
<th>Factor</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce qualification</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Legal certainty</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Economic context</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Workforce diversity</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Social climate and political stability</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Workforce overall cost</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Tax system for foreign companies</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Complexity of redundancy procedures</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Infrastructure quality</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Geographic location</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Redundancy costs</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Flexibility in organizing work time</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Simplicity of administrative procedures</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Relocation costs</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Importance given to R&amp;D and innovation</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Corporate social responsibility</td>
<td>16</td>
<td>17</td>
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<tr>
<td>Banking sector strength</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Quality of life</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Cultural environment</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Energy supply and cost</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Note: in percentage of respondents, (*) Ranking = Very Important + Relatively Important

Source: AmCham-Bain Barometer, Bain analysis
France's strengths are its culture, its geographical location and its quality of life, while labor costs, redundancy procedures and costs remain weaknesses.

How does France compare with other European countries regarding the following factors?

### ATTRACTIVENESS FOR AMERICAN INVESTORS

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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<tbody>
<tr>
<td>Cultural environment</td>
<td>Workforce overall cost</td>
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<tr>
<td>Geographic location</td>
<td>Simplicity of administrative procedures</td>
</tr>
<tr>
<td>Quality of life</td>
<td>Social climate and political stability</td>
</tr>
<tr>
<td>Importance given to R&amp;D and innovation</td>
<td>Relocation costs</td>
</tr>
<tr>
<td>Workforce qualification</td>
<td>Flexibility in work-time organization</td>
</tr>
<tr>
<td>Infrastructure quality</td>
<td>Tax system for foreign companies</td>
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<tr>
<td>Banking sector strength</td>
<td>Redundancy costs</td>
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<tr>
<td>Energy supply and cost</td>
<td>Complexity of redundancy procedures</td>
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<tr>
<td>Workforce availability</td>
<td></td>
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<tr>
<td>Economic context</td>
<td></td>
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<tr>
<td>Corporate social responsibility</td>
<td></td>
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<tr>
<td>Workforce overall cost</td>
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<td></td>
</tr>
<tr>
<td>Complexity of redundancy procedures</td>
<td></td>
</tr>
</tbody>
</table>

Note: in percentage of respondents, (*) Ranking = Strength
Source: AmCham-Bain Barometer, Bain analysis

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Labor cost and flexibility, redundancy procedures and costs, administrative procedures and taxes remain key improvement priorities for France’s attractiveness.

** ATTRACTIVENESS FOR AMERICAN INVESTORS **

**Position of France**
- Cultural environment
- Quality of life
- Infrastructure quality
- Banking sector strength
- CSR
- Energy supply and cost

**Importance of criterion**
- Geographic location
- Workforce qualification
- R&D
- Workforce availability
- Legal certainty
- Economic context
- Tax system for foreign companies
- Flexibility in work time organization
- Social climate and political stability
- Workforce overall cost
- Redundancy procedures

**Assets to leverage**
- Workforce, geographic location, R&D, infrastructures & economic context

**Improvement priorities**
- Social climate, labor costs, tax system and flexibility in work

Note: Position of France = % strengths - % weaknesses, Importance of criterion = % very important - % not important
Source: AmCham-Bain Barometer, Bain analysis
Between 2011 and 2019, R&D and infrastructure have become assets to leverage, while perception of labor costs and the socio-political climate have further declined.

**Assets to leverage**
- Workforce,
- Geographic location,
- R&D,
- Infrastructure & economic context

**Improvement priorities**
- Social climate,
- Labor costs,
- Tax system and flexibility in work

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Note: Position of France = % strengths - % weaknesses, Importance of criterion = % very important - % not important

Source: AmCham-Bain Barometer, Bain analysis

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In 2019, Germany, the Netherlands and the United Kingdom remain France's main competitors for US investment.

**ATTRACTION FOR AMERICAN INVESTORS**

In your opinion, regarding the following factors, what European country/countries would you say France is in competition with?

- **Macro-economic context**
  - Germany
  - Netherlands
  - United Kingdom

- **Human capital**
  - Germany
  - Netherlands
  - United Kingdom

- **Tax & costs**
  - Netherlands
  - Ireland
  - United Kingdom

- **Quality of life and local culture**
  - Spain
  - Italy
  - Switzerland

Note: Order is proportional to the number of occurrences a country was mentioned.
Source: AmCham-Bain Barometer, Bain analysis.
France's NPS as a country where to settle is declining in 2019, although quality of life is still praised by respondents

**ATTRACTIVENESS FOR FOREIGN EMPLOYEES**

On a scale of 0 to 10, would you recommend a foreign colleague to settle in France? (10 being the best rating)

<table>
<thead>
<tr>
<th>Year</th>
<th>Promoters</th>
<th>Passives</th>
<th>Detractors</th>
<th>NPS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>82%</td>
<td>18%</td>
<td>53%</td>
<td>-82%</td>
</tr>
<tr>
<td>2015</td>
<td>53%</td>
<td>36%</td>
<td>11%</td>
<td>-42%</td>
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<tr>
<td>2016</td>
<td>51%</td>
<td>42%</td>
<td>16%</td>
<td>-35%</td>
</tr>
<tr>
<td>2017</td>
<td>27%</td>
<td>31%</td>
<td>31%</td>
<td>4%</td>
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<tr>
<td>2018</td>
<td>14%</td>
<td>31%</td>
<td>31%</td>
<td>17%</td>
</tr>
<tr>
<td>2019</td>
<td>22%</td>
<td>54%</td>
<td>26%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Note: in % of respondents, (*) Net Promoter Score (NPS) = % promoters (grade 9 to 10) - % detractors (grade 0 to 6)

Source: AmCham-Bain Barometer, Bain analysis

“Good quality of life. But **compulsory confiscatory levies** for high incomes and high cost of living. **Still to live** more limited than in comparable countries.”

Partner, Law Firm

“It all **depends on the region**. The province, as in Lyon or Nantes, would get a good rate, whereas Paris, because of its high cost of living, would get a bad rate.”

CEO, Commerce/Distribution

“Numerous **social benefits for employees**, a **secure environment**, and a **developed social life**.”

Sales Director, IT
Quality of life, the social system and infrastructure remain France's main assets; taxes and the social climate the main weaknesses

**ATRACTIVENESS FOR FOREIGN EMPLOYEES**

In your opinion, are the following factors “nuisances” or “inducers” to France’s attractiveness for a company employing a foreign workforce?

<table>
<thead>
<tr>
<th>INDUCERS</th>
<th>NUISANCES</th>
</tr>
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</table>

- **Quality of life (incl. environment) and local culture**: 93% Inducers, 7% Nuisance
- **Access to healthcare**: 82% Inducers, 16% Neutral, 2% Nuisance
- **Quality of transportation and communication infrastructures**: 72% Inducers, 28% Neutral, 10% Nuisance
- **Child care and education (presence of international schools)**: 62% Inducers, 28% Neutral, 10% Nuisance
- **Relocation (e.g., custom clearance)**: 29% Inducers, 25% Neutral, 10% Nuisance
- **Partner’s employment**: 55% Inducers, 20% Neutral, 13% Nuisance
- **Political continuity**: 66% Inducers, 20% Neutral, 13% Nuisance
- **Housing (procedures, availability, cost)**: 67% Inducers, 8% Neutral, 23% Nuisance
- **Administrative paperwork and procedures**: 66% Inducers, 7% Neutral, 23% Nuisance
- **Social climate for individuals**: 76% Inducers, 17% Neutral, 17% Nuisance
- **Tax system for individuals**: 79% Inducers, 17% Neutral, 13% Nuisance

Note: in % of respondents; Ranking ~ % drivers, Source: AmCham-Bain Barometer, Bain analysis

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France’s quality of life, access to health services and the quality of transport and communication infrastructures remain its main assets

ATRACTIVE NNESS FOR FOREIGN EMPLOYEES

In your opinion, are the following factors “nuisances” or “inducers” to France’s attractiveness for a company employing a foreign workforce?

Inducers

“France is very attractive for the employees of our parent company because they particularly appreciate the diversity of its landscapes, its geographical nature and the richness of its cultural life.”

Director of Innovation, Services

“The quality of life for employees, the quality of the transport infrastructure, the influence of France in Europe, the level of education are all factors of attractiveness.”

Partner, Research and Consulting

“France’s great assets for expatriate employees are undeniably its quality of life, its health system and the quality of education provided in schools.”

Director of Business, Commerce and Distribution

Nuisances

“The French language is a very irritating factor. It is absolutely necessary to know how to speak French to come and work in France, which can be a real hindrance.”

Manager, Services

“The deteriorated social climate, repeated strikes and regular blockades of the country significantly tarnish France’s image for foreign employees. Especially since, for most of us, we see no prospect of improvement in the short term.”

Business Manager, Petrochemicals

“Finding suitable and accessible accommodation in Paris is extremely difficult. In the regions, it is more accessible but the spouse’s job is more difficult to find, especially because of the language.”

Strategic Director, Sales and Distribution

Source : AmCham-Bain Barometer, Bain analysis
AGENDA

- France’s attractiveness
- France’s regions attractiveness
- French innovation ecosystem attractiveness
- Major events impacting France’s attractiveness
- AmCham recommendations
Geographic location, labor force and infrastructure are the first criteria for selecting a region to locate in

How important are the following factors in your choice of location in a region in France?

- Workforce qualification and availability: 69% Very important, 63% Pretty important, 4% Not important
- Quality of infrastructure (road, rail and telecom networks): 69% Very important, 28% Pretty important, 4% Not important
- Relocation costs for companies (real estate, labor, etc.): 46% Very important, 10% Pretty important, 10% Not important
- Geographical location (proximity to end customers, proximity to a production centre, etc.): 71% Very important, 18% Pretty important, 11% Not important
- Economic dynamism of the region (economic growth, competitiveness center, etc.): 57% Very important, 29% Pretty important, 14% Not important
- Quality of the living environment: 31% Very important, 41% Pretty important, 28% Not important

Note: in % of respondents; Ranking = “very important” + “pretty important”
Source: AmCham-Bain Barometer, Bain analysis
Île-de-France and Normandie, to a lesser extent, are the regions with the highest concentration of employees in company subsidiaries.

What are the French regions in which your company is located?

- Île-de-France 28%
- Nord-Pas-de-Calais 8%
- Auvergne-Rhône-Alpes 8%
- Occitanie 6%
- Occitanie 6%
- Bretagne 6%
- Hauts-de-France 6%
- Bourgogne-Franche-Comté 5%
- Centre-Val de Loire 4%
- Pays de la Loire 5%
- Corse 2%

How many employees do you have in each of the areas where you are located?

- Île-de-France 54%
- Normandie 12%
- Auvergne-Rhône-Alpes 7%
- Occitanie 6%
- Grand Est 8%
- Grand Est 8%
- Pays de la Loire 1%
- Centre-Val de Loire 1%
- Hauts-de-France 2%
- Provence-Alpes-Côte d'Azur 3%
- Bourgogne-Franche-Comté 4%
- Outre-mer 0%
- Corse 0%
- Nouvelle-Aquitaine 1%
- Bretagne 0%

Source: AmCham-Bain Barometer, Bain analysis
AGENDA

- France’s attractiveness
- France’s regions attractiveness
- French innovation ecosystem attractiveness
- Major events impacting France’s attractiveness
- AmCham recommendations
Investors’ perception of France’s innovation ecosystem is very good, mainly due to the quality of its workforce.

What is your general perception of the innovation ecosystem in France?

- Positive: 64%
- Neutral: 29%
- Negative: 6%
- Very negative: 1%

What are France’s strengths and weaknesses in terms of innovation and digital in the context of your investments?

<table>
<thead>
<tr>
<th>Strength</th>
<th>Neutral</th>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>88%</td>
<td>50%</td>
<td>5%</td>
</tr>
<tr>
<td>47%</td>
<td>42%</td>
<td>12%</td>
</tr>
<tr>
<td>28%</td>
<td>55%</td>
<td>17%</td>
</tr>
<tr>
<td>11%</td>
<td>38%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Note: in % of respondents; Ranking of strengths & weaknesses = % Strength - % Weakness.
Source: AmCham-Bain Barometer, Bain analysis.
A majority of respondents work with French startups, mainly through partnerships or the purchase of goods and services.

Does your company work with startups?  

- Yes 70%
- No 30%

If so, how?  

- Partnership on a project with a French startup 45%
- Purchase of goods or services offered by a French startup 32%
- Investment in a French startup 8%
- Buyout of a French startup 8%
- Other 8%

Note: in % of respondents
Source: AmCham-Bain Barometer, Bain analysis
A G E N D A

- France’s attractiveness
- France’s regions attractiveness
- French innovation ecosystem attractiveness
- Major events impacting France’s attractiveness
- AmCham recommendations
The pace of government reforms is considered good overall by respondents, although it has slowed down further from 2018.

In your opinion, how has the pace of reform evolved since the beginning of the presidential term?

- 31% in 2018
- 30% in 2019
- 35% in 2018
- 36% in 2019
- 34% in 2018
- 34% in 2019

What are your feelings on the pace of reform?

- Slow – Below what you were expecting: 5% in 2018, 3% in 2019
- Average – Slightly below what you were expecting: 32% in 2018, 32% in 2019
- Good – Meeting your expectations: 56% in 2018, 56% in 2019
- Excellent – Beyond your expectations: 7% in 2018, 5% in 2019

Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis

This information is confidential and was prepared by Bain & Company solely for the use of our client; it is not to be relied on by any third party without Bain’s prior written consent.
The perceived impact of the government's reforms on France's economic attractiveness remains largely positive in 2019

What are your feelings in regards to the impact of work undertaken by the government since the election of President Emmanuel Macron on the following subjects?

- **Foreign investment**
  - Positive perception: 86%
  - Evolution vs. 2018: 87%

- **Competitiveness of France in general**
  - Positive perception: 78%
  - Evolution vs. 2018: 70%

- **Economic situation in France**
  - Positive perception: 74%
  - Evolution vs. 2018: 75%

Source: AmCham-Bain Barometer, Bain analysis

Note: in percentage of respondents

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“The easing effort about labor laws has made the country more attractive.”
Former CEO, Commerce and Distribution

“The willingness to improve tax conditions, lower corporate tax rates and a form of continuity in government is reassuring for foreign investors.”
Chief Financial Officer, Electronics

“Ambitious tax reforms, and the government's pro-economy discourse is positively perceived by investors.”
Senior Director, Services

“Regulatory and fiscal stability and the general business climate are more important than political turmoil.”
Director of Corporate Affairs, Chemicals
While respondents are largely concerned about changes in the social climate, the impact on France's attractiveness is more nuanced.

**What are your feelings in regards to the impact of work undertaken by the government since the 2017 election on the social climate?**

- 59% Do not know
- 22% Very negative
- 12% Negative
- 6% Neutral
- 1% Positive

**On the social climate in France**

- Positive perception: 12%
- Evolution vs. 2018: 12%

**How do you anticipate the evolution of the social climate in France in 2020?**

- 39% Very negative
- 46% Neutral
- 10% Positive

**Have the social movements of 2019 impacted the vision of France's attractiveness by your headquarters?**

- 54% Very marginally
- 24% Marginally
- 12% Significantly
- 5% Very significantly

Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis
Respondents are significantly less concerned about a potential trade war than in 2018, even if their perception of Franco-American relations is deteriorating.

Do you have concerns that a potential trade war between the European Union and the U.S. could impact your investment?

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>No concern</td>
<td>No concern</td>
</tr>
<tr>
<td>Yes, in the short term</td>
<td>Yes, in the short term</td>
</tr>
<tr>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>53%</td>
<td>32%</td>
</tr>
<tr>
<td>Yes, in the long term</td>
<td>Yes, in the long term</td>
</tr>
<tr>
<td>29%</td>
<td>15%</td>
</tr>
</tbody>
</table>

What are your feelings in regards to the impact of work undertaken by the government since the 2017 election on Franco-American relations?

- Very positive: 31%
- Positive: 29%
- Neutral: 57%
- Negative: 10%
- Very negative: 1%

Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis
Economic uncertainties weigh less on investment, according to respondents, in 2019

What are your feelings about the evolution of the public debt?

In your opinion, what has been the impact of the European Union’s political uncertainties (European elections, the post-Merkel era in Germany, etc.) on investment by American companies in France?

Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis
Brexit's impact on job relocation in France is marginal

To what extent is Brexit leading you or will it lead you to relocate jobs from the UK to France?

- **I don't know yet 13%**
- **Not at all 56%**
- **Marginally 20%**
- **Significantly 11%**

2019

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**“UK jobs will be safeguarded by opening a practice in Ireland.”**

HR Manager, Law Firm

**“Our group has a dedicated manufacturing facility for the UK market so we don't need to relocate.”**

HR Manager, Electronics

Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis
AGENDA

- France’s attractiveness
- France’s regions attractiveness
- French innovation ecosystem attractiveness
- Major events impacting France’s attractiveness
- AmCham recommendations
AmCham recommendations

1. Strengthen France’s tax competitiveness by meeting the commitments to reduce corporate income tax, and by reducing production taxes.

2. Making the labor market a competitive advantage for France, by reducing social charges and giving companies greater flexibility.

3. Amplify and disseminate the innovation effort in all the regions. Decentralizing the effort will make it a lever for the attractiveness of the regions.
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