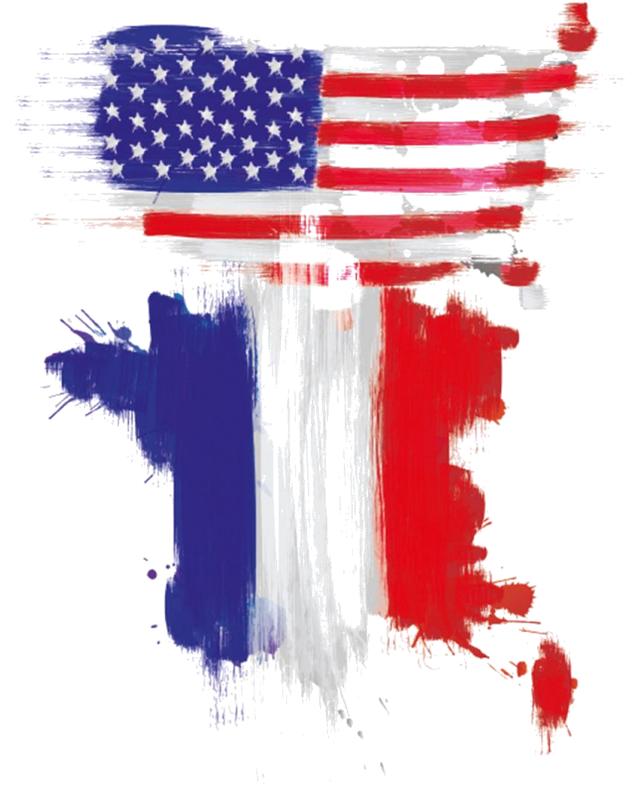


AmCham-Bain Barometer 22nd Edition

Satisfaction of American investors in France
February 2022

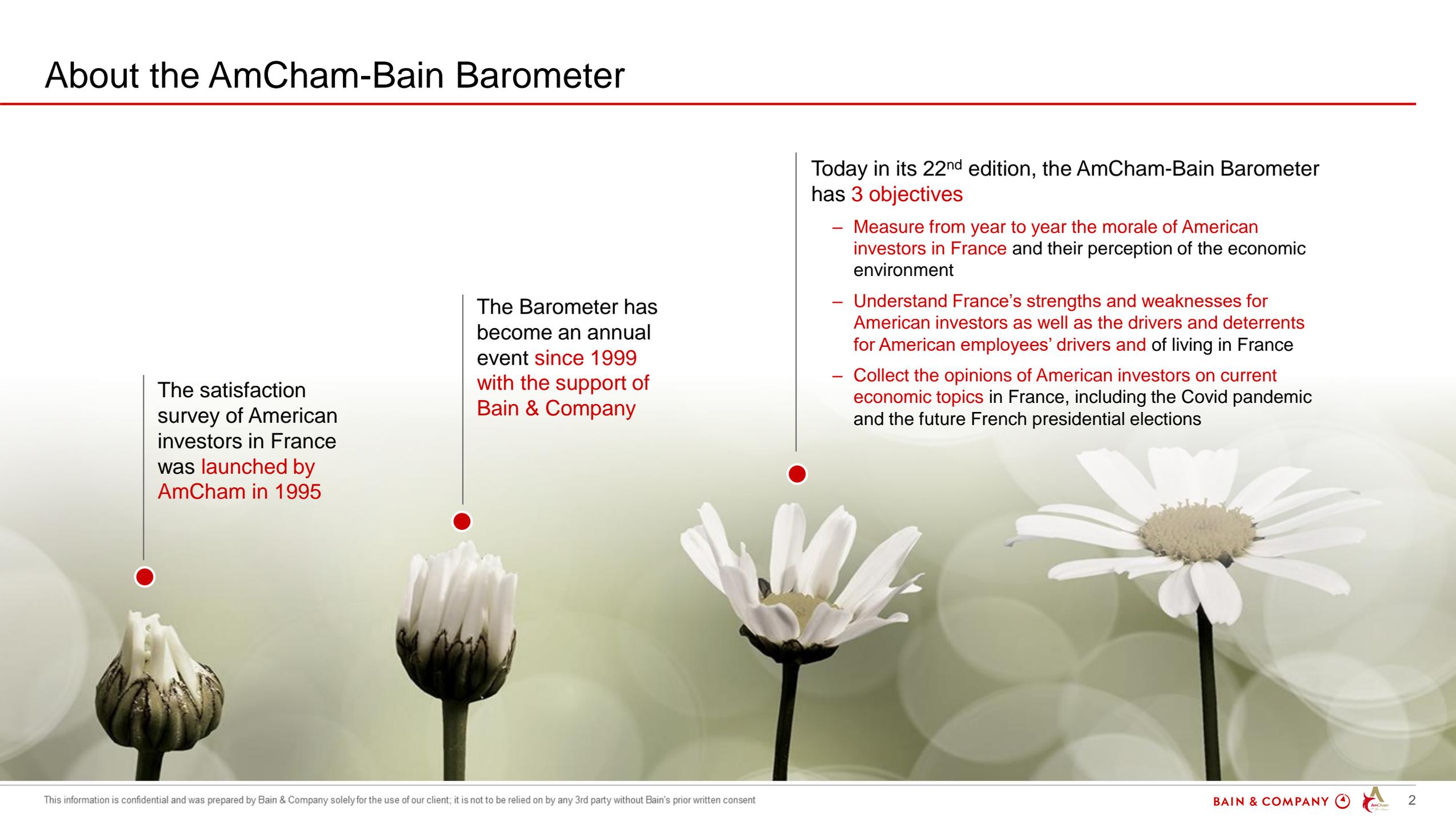


BAIN & COMPANY 

 [#AmChamBainBarometer](https://twitter.com/AmChamBainBarometer)



About the AmCham-Bain Barometer



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

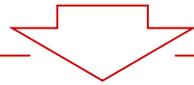
The Barometer has become an annual event **since 1999 with the support of Bain & Company**

Today in its 22nd 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
- **Understand France's strengths and weaknesses for American investors as well as the drivers and deterrents for American employees' drivers and of living in France**
- **Collect the opinions of American investors on current economic topics** in France, including the Covid pandemic and the future French presidential elections

Methodology

From December 2021 to the end of January 2022, a questionnaire was sent to the management of subsidiaries of American companies in France

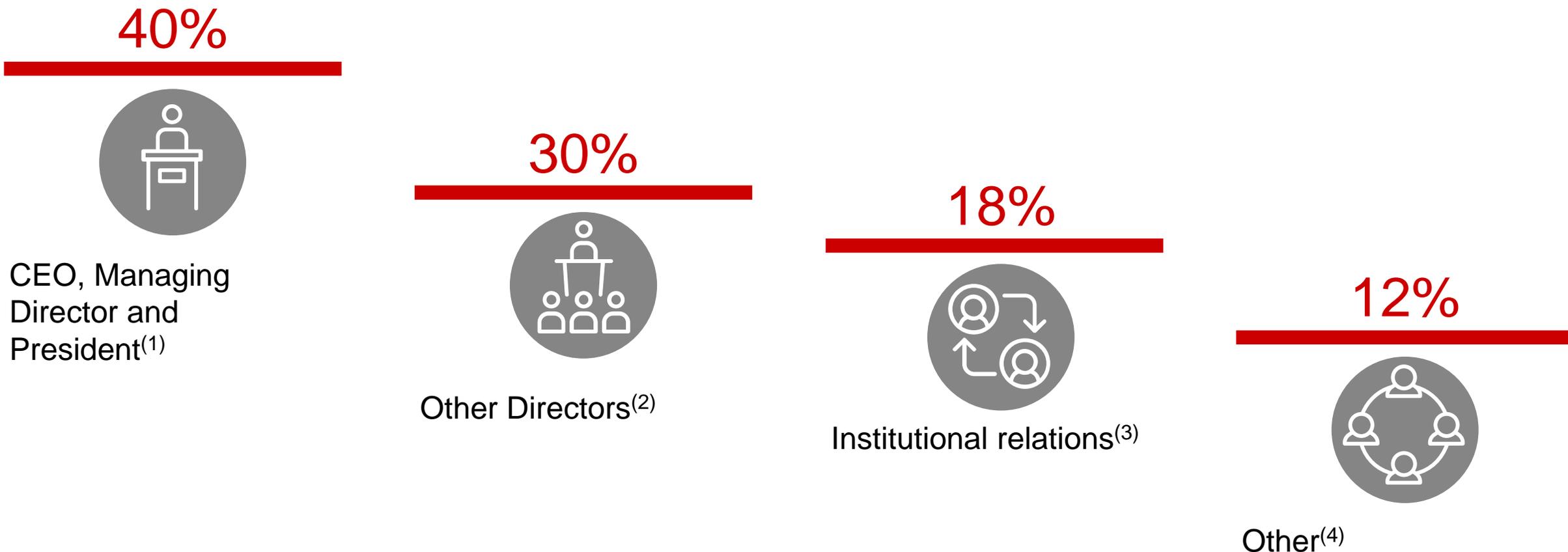


We received **121 answers** from US companies representing in total:

- More than **62,000 employees** in France
- More than **€60 billion turnover** in France



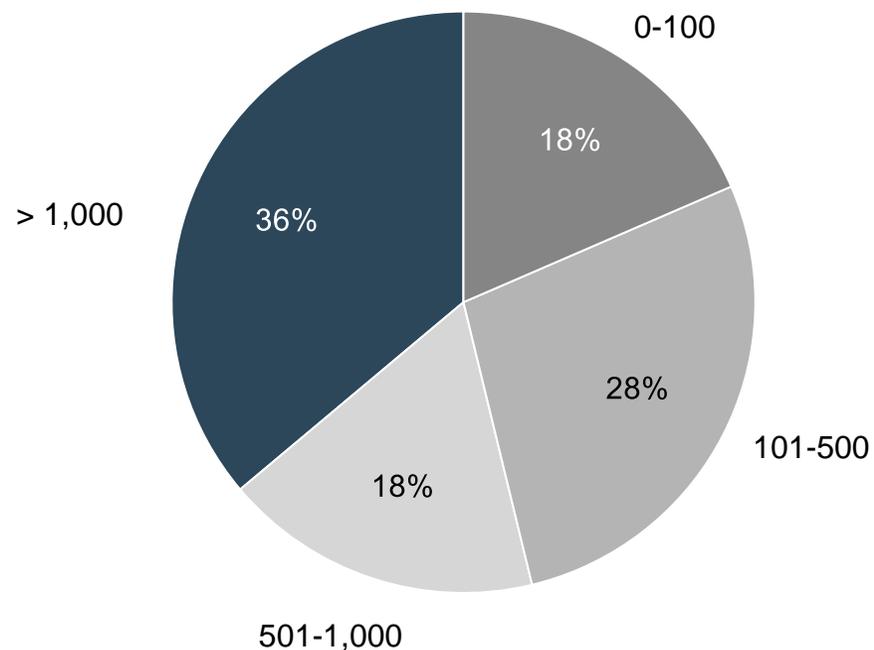
Typology of respondents' functions



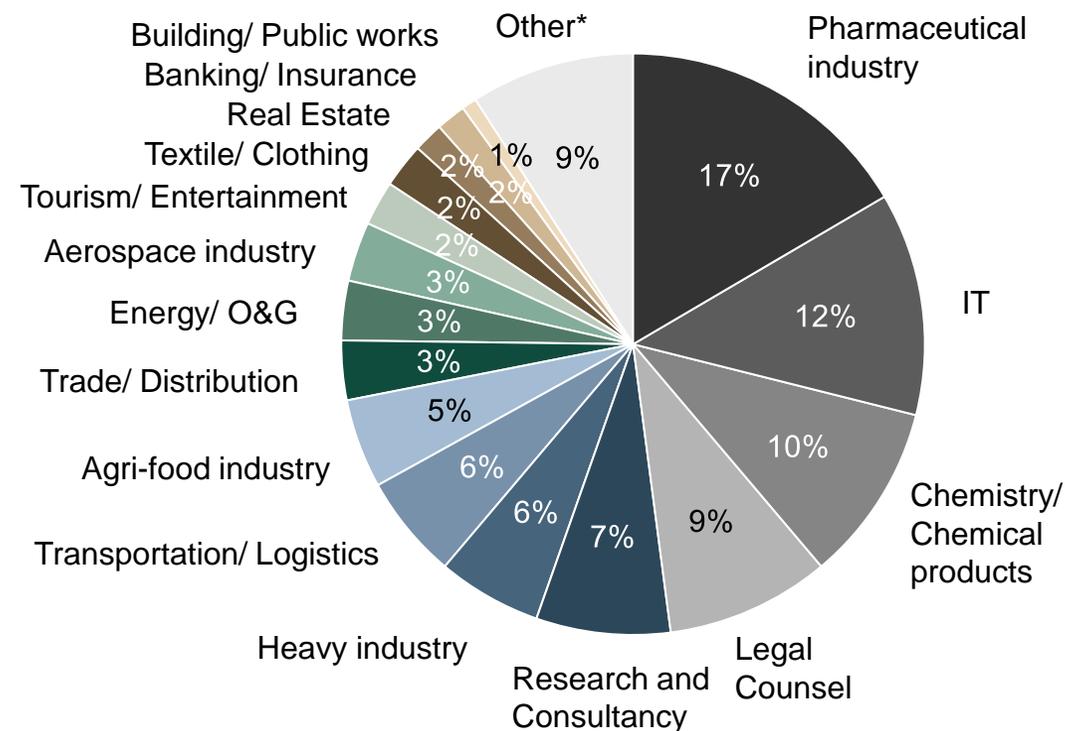
(1) incl. Deputy CEO and Partner; (2) incl. Director of Human Resources, Commercial Director, Marketing Director, etc.; (3) incl. people related to institutional relations, public affairs, etc.; (4) incl. Senior Manager, Site Director, lawyer etc.
Source: AmCham-Bain Barometer, Bain analysis

Respondents' companies by size and industry

Segmentation of sample by number of employees in France



Segmentation of sample by industry



(*) Other: Education, Glass industry, Biotech, business services, etc.
Source: AmCham-Bain Barometer, Bain analysis

AGENDA



France's attractiveness



French innovation ecosystem attractiveness



Major events impacting France's attractiveness



France's regions attractiveness



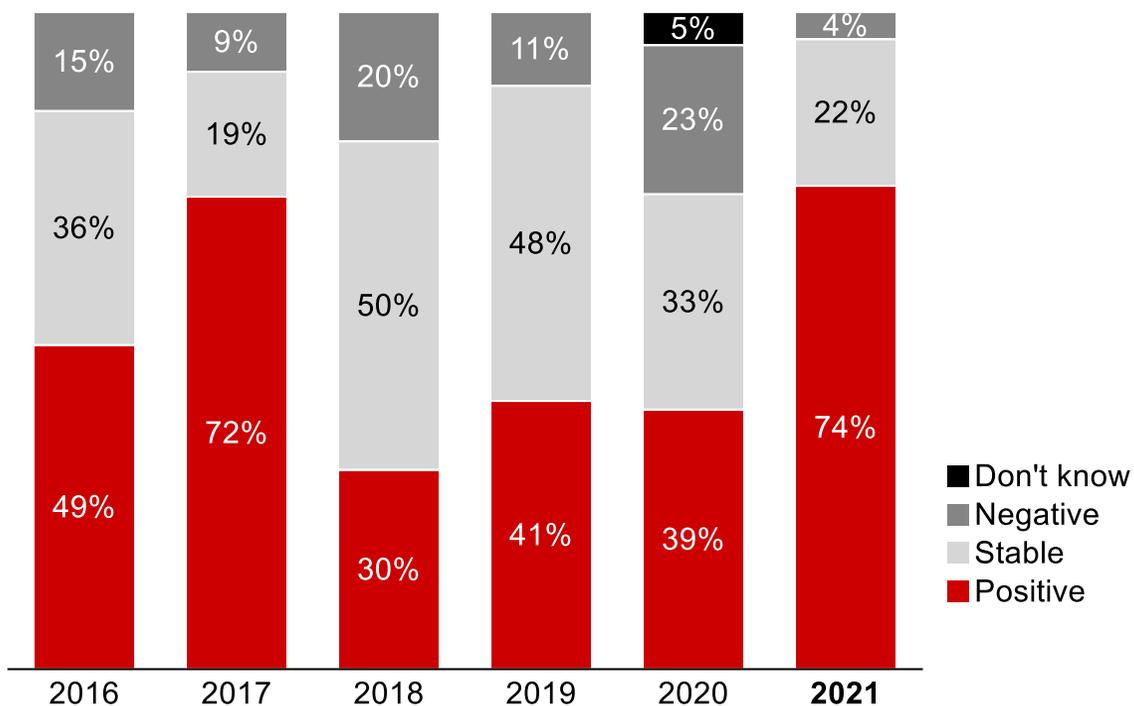
AmCham recommendations



Investor optimism about the future economic outlook exceeds the peak observed in 2017

ECONOMIC OUTLOOK

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



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

“Strong post-lockdown recovery ensured by state support to the economy. Household demand is growing fast, particularly in the e-commerce segment.”

Partner, Research and Consultancy

“We see an acceleration of digitization in the French economy. Positive signal for the years to come.”

Managing Director, IT

“Significant export activity, energy transition promising growing markets in unconventional energy sources, resumption of aeronautics activity with strong pressure for innovation.”

MD France, Industry/ energy

“The airline industry has been hit hard by Covid... For 2022-2023, the outlook will depend on the effectiveness of vaccines and the evolution of future variants.”

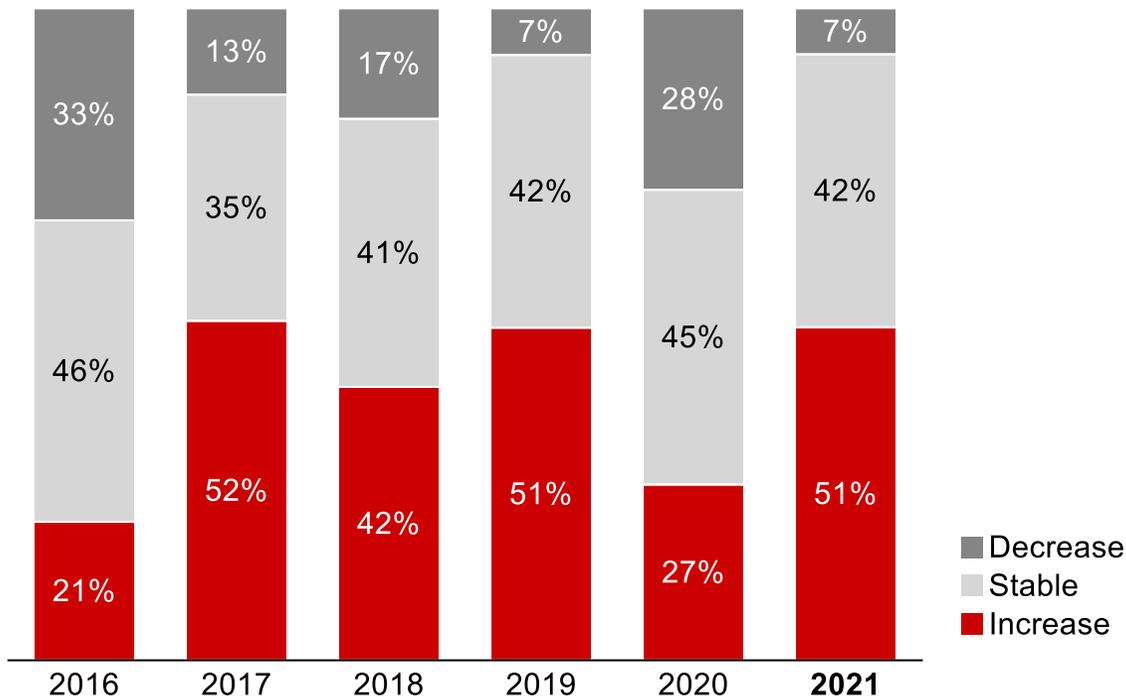
HR Manager EMEA, Aerospace industry

#AmChamBainBarometer

Job creation perspectives return to pre-crisis levels, highlighting investor confidence in the recovery of economic activity

ECONOMIC OUTLOOK

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



*“In light of the **recovery** and the **increase in demand**, we will hire more employees throughout France and massively in our site in Île-de-France.”*

VP, Transportation/ logistics

*“**The return of business** with a strong demand and the **reopening of our hotels** reflect new staffing needs.”*

President, Entertainment

*“We have **already cut some positions in 2021** because of Covid. 2022 is expected to be stable or slightly growing.”*

President, Chemistry

*“We plan to develop our activities but keep a stable number of employees. We have made the choice to **increase our productivity**.”*

VP EMEA, IT

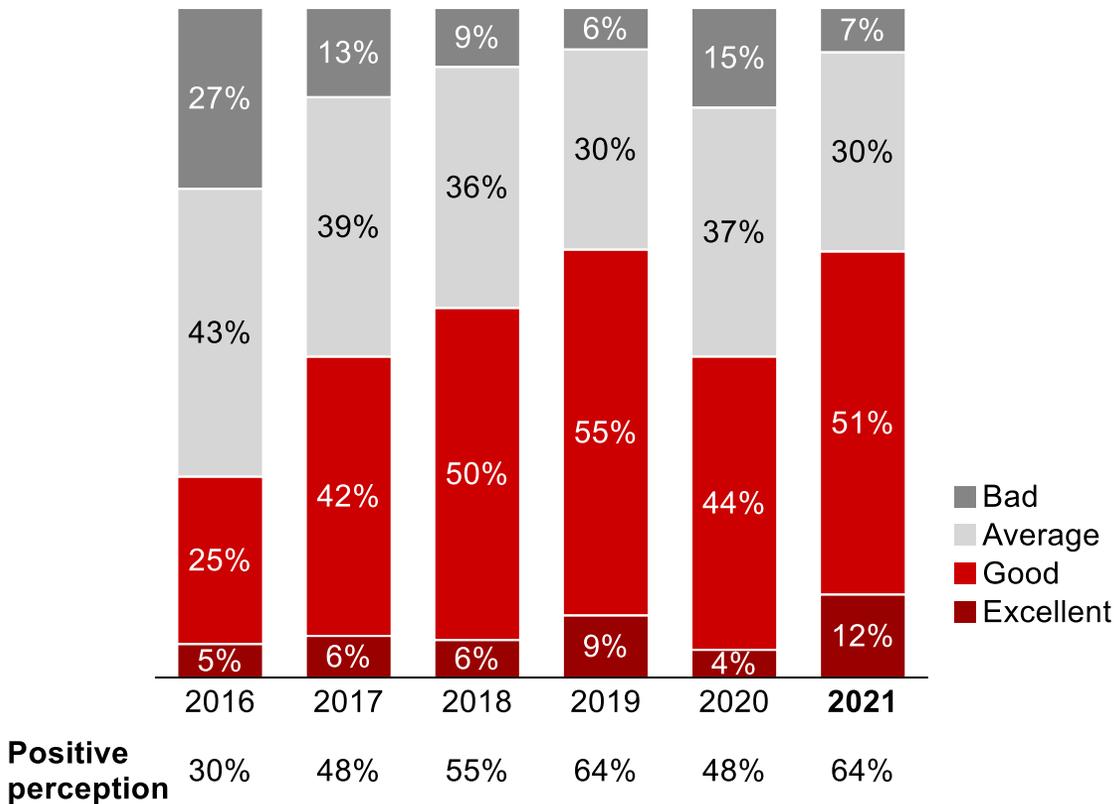
Note: in percentage of respondents
 Source: AmCham-Bain Barometer, Bain analysis

#AmChamBainBarometer

64% of respondents think that the perception of France by their corporate headquarters is either good or excellent

ATTRACTIVENESS FOR AMERICAN INVESTORS

According to you, how do your corporate headquarters view France in comparison with other destinations in terms of investment?



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

*“An **experienced and resilient workforce**, very good **infrastructure** and a certain proactivity in terms of **digital transformation and ecological transformation.**”*

Procurement EMEA Director, Trade/ distribution

*“The **value of work** produced by French workers is appreciated in our sector, moreover the current government has favored foreign investments and the **attraction of foreign capital.**”*

CEO, Pharmaceutical Industry

*“Perception that the market is **not strong enough** to support large investments over the long term. More recently, **government support** has been greatly appreciated in terms of salary aid and fixed costs, a non-negligible support which has helped to preserve jobs.”*

President, Entertainment

*“**Significant administrative pressure, limited flexibility** in terms of job management. Relatively weak export and industry support given the presence in the French regions.”*

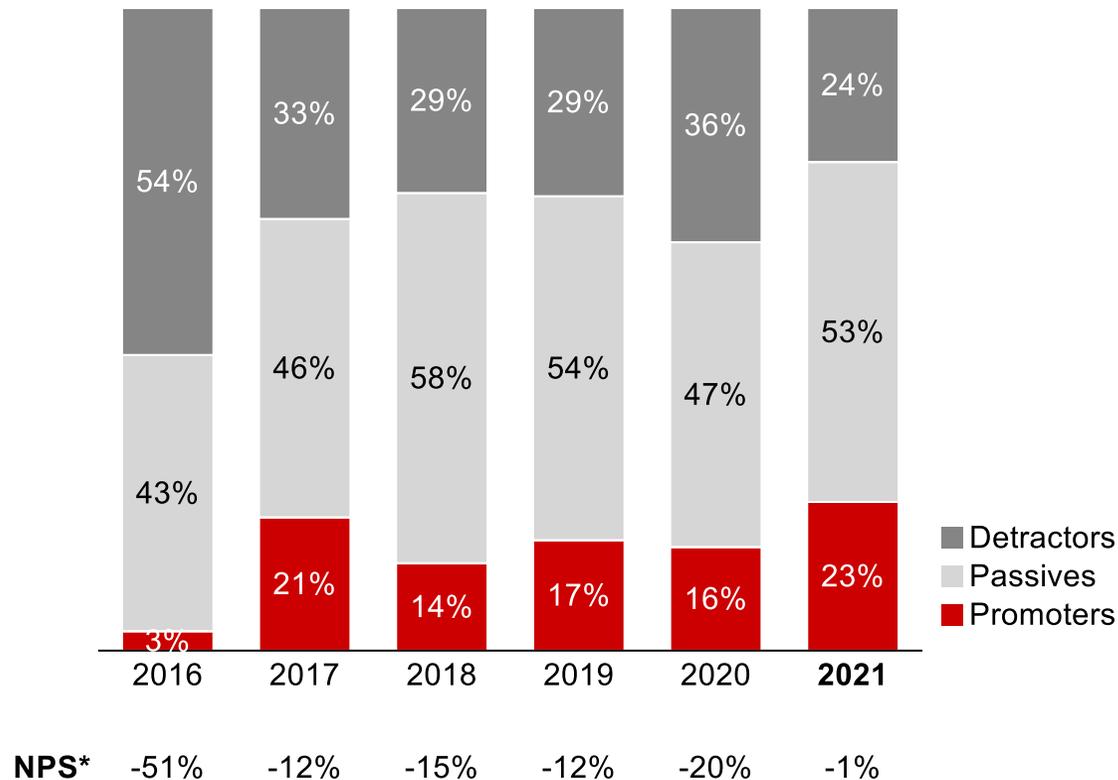
MD France, Industry/ energy

#AmChamBainBarometer

France's NPS as an investment destination is on the rise (+19pts vs 2020)

ATTRACTIVENESS FOR AMERICAN INVESTORS

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)



“Quality of the workforce, particularly in mathematics (AI/ digital). Attractiveness of the market and *more profitable investments than in the US market.*”

Head of innovation, Pharmaceutical Industry

“Diversified and qualified workforce, developing industry with reinforced state support for the presidential elections. Traditionally complex process but tend to simplify.”

Partner, Research and Consultancy

“Yes for the *geographical position and the infrastructure and no for the cost of labor.*”

Head of Public Affairs, IT

“The *administrative complexity and the ability of certain groups to block the country (the Yellow Vests episode) are the major reasons why I did not give the maximum mark.*”

VP EMEA, IT

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

Note: in percentage of respondents

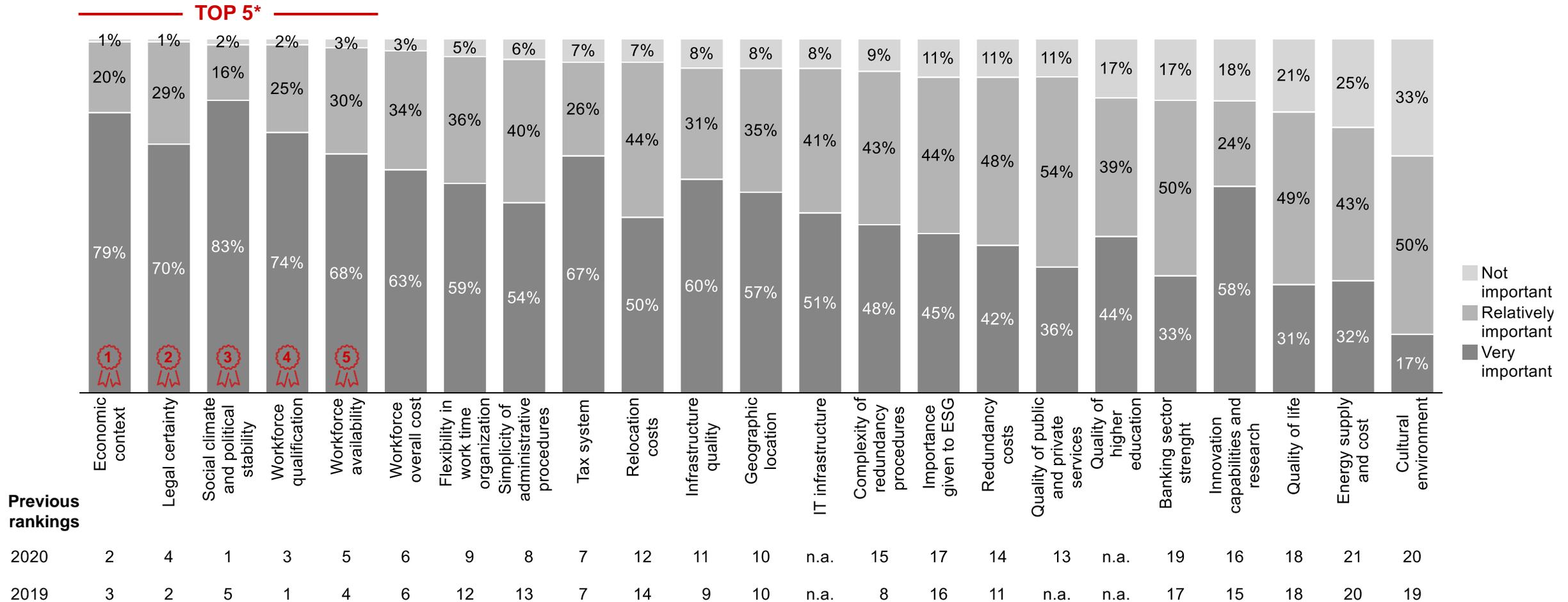
Source: AmCham-Bain Barometer, Bain analysis

#AmChamBainBarometer

The economic context, legal certainty, social climate and access to a qualified workforce are seen as the main investment decision criteria

ATTRACTIVENESS FOR AMERICAN INVESTORS

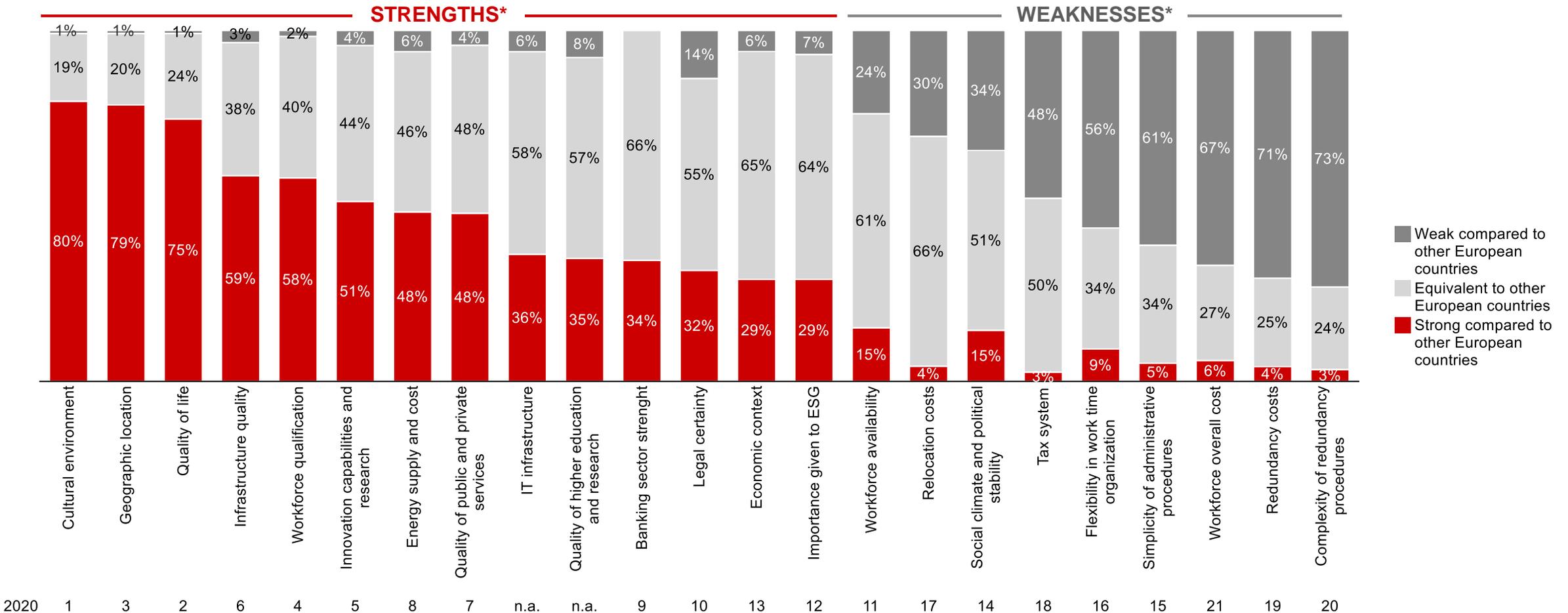
How important are the following factors in your company's investment decisions?



France's strengths are its culture, its geographical location and its quality of life; administrative complexity and redundancy costs remain its weaknesses

ATTRACTIVENESS FOR AMERICAN INVESTORS

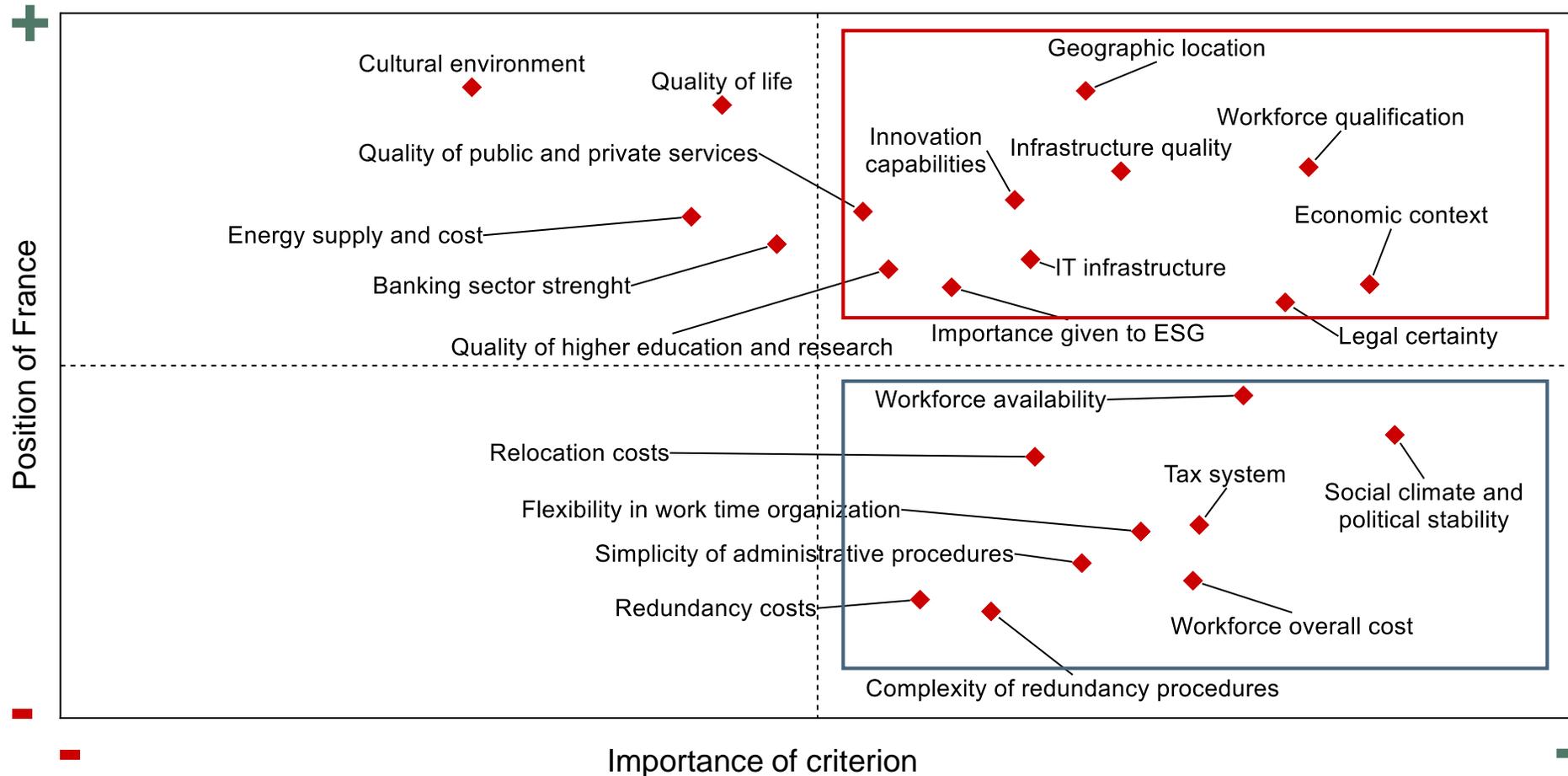
How does France compare with other European countries regarding the following factors?



(*) Strength if proportion of strong > weak; Weakness of proportion of weak > strong
 Note: in percentage of respondents, ranking of Strengths = % strong, ranking of Weaknesses = % weak
 Source: AmCham-Bain Barometer, Bain analysis

Labor cost, tax system, redundancies, administrative procedures and social climate remain key improvement priorities for France's attractiveness

ATTRACTIVENESS FOR AMERICAN INVESTORS



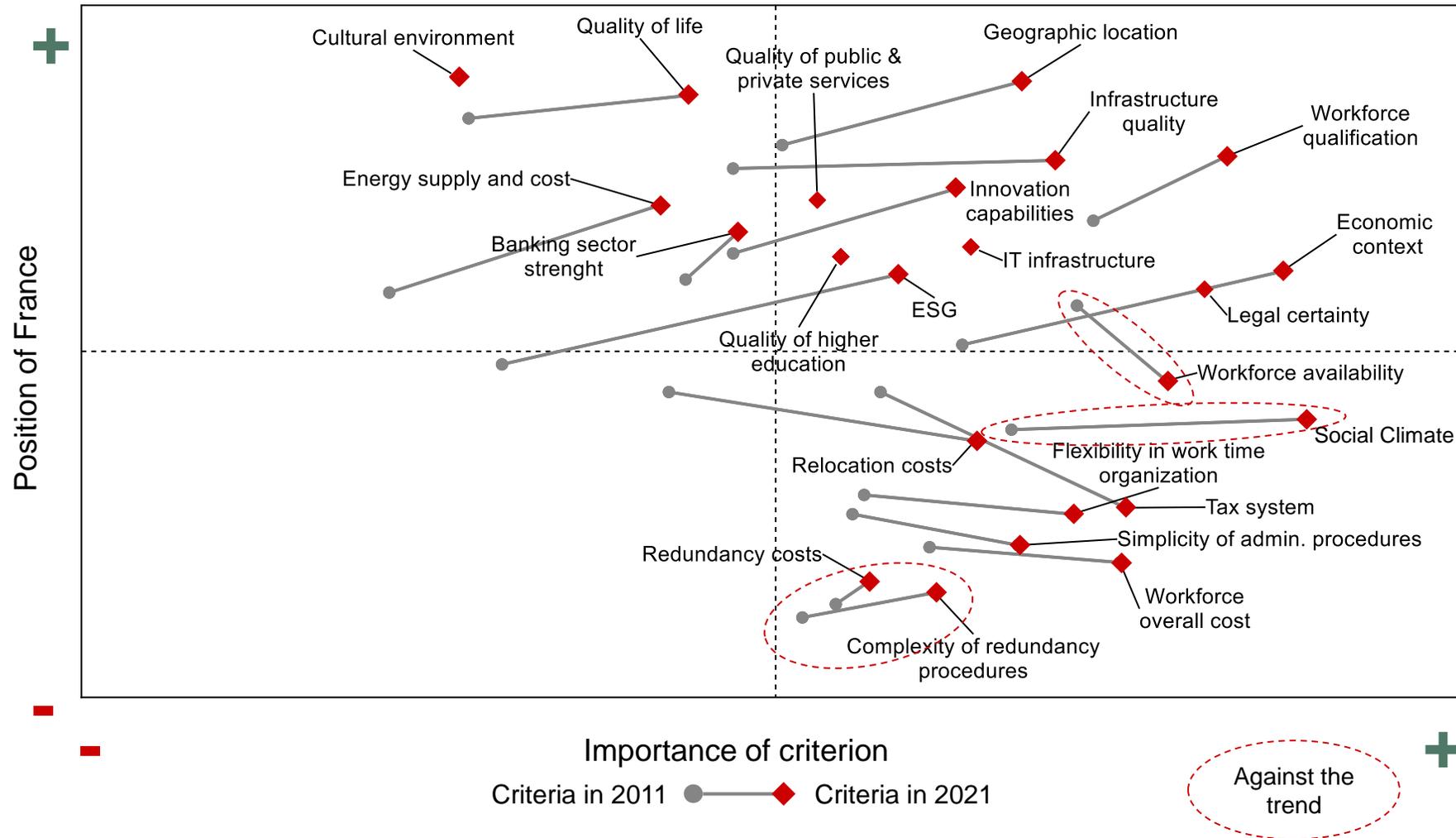
Assets to leverage
Workforce, geographic location, innovation, legal certainty, and infrastructure

Improvement priorities
Labor costs, flexibility in work, tax system, admin. procedures, and social climate.

Note: Position of France = % strengths - % weaknesses, Importance of criterion = % very important - % not important
Source : AmCham-Bain Barometer, Bain analysis

Over the past 10 years, France's position has generally strengthened on its main assets and has deteriorated on its historical weaknesses

ATTRACTIVENESS FOR AMERICAN INVESTORS



Assets to leverage
 Workforce,
 geographic location,
 innovation, legal certainty,
 and infrastructure

Improvement priorities
 Labor costs, flexibility in
 work, tax system, admin.
 procedures, and social
 climate.

Note: Position of France = % strengths - % weaknesses, Importance of criterion = % very important - % not important
 Source : AmCham-Bain Barometer, Bain analysis

#AmChamBainBarometer

In 2021, the Netherlands, Germany and Switzerland are France's main competitors in terms of foreign investment destination in Europe

ATTRACTIVENESS FOR AMERICAN INVESTORS

In your opinion, regarding the following factors, what European countries would you say are more competitive than France?

Macro-economic context



Germany



Netherlands



Switzerland



Human capital



Germany



United Kingdom



Netherlands



Tax & costs



Ireland



Luxembourg



Netherlands



Quality of life and local culture



Italy



Spain



Switzerland



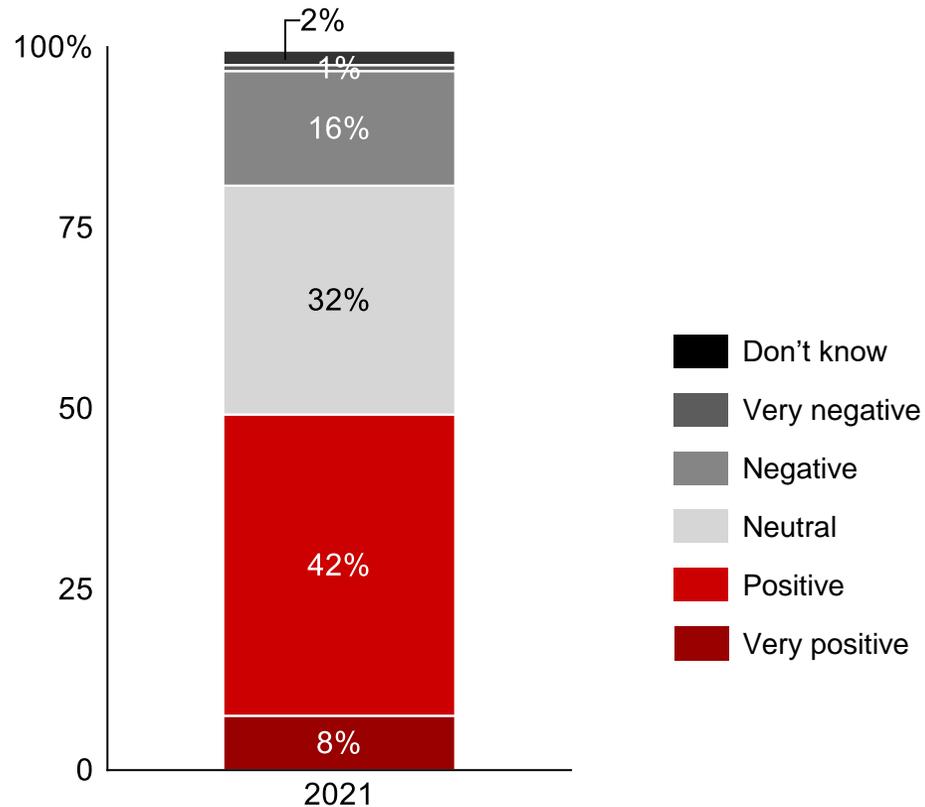
Note: Order is proportional to the number of occurrences a country was mentioned
Source: AmCham-Bain Barometer, Bain analysis

#AmChamBainBarometer

The perception of the professional training system in France is positive or very positive for half of the respondents

ATTRACTIVENESS FOR AMERICAN INVESTORS

What is your view on the French professional training system?



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

*“French talents play an important role in the attractiveness of France. The **quality of education**, the **effort culture** and the **level of professionalism** are the reasons why we have a very positive view on the training system in France.”*

VP Institutional relations, Mobility services

*“The **high proficiency** of employees with a ‘**French education**’ is widely recognized by our parent company.”*

Europe Medical Director, Chemistry

*“**Professional retraining** is a real challenge in France: it is difficult to obtain information about retraining, especially among the **oldest**.”*

Sales Manager France, Aerospace industry

*“Particularly in the industry, we have **difficulties recruiting qualified labor**.”*

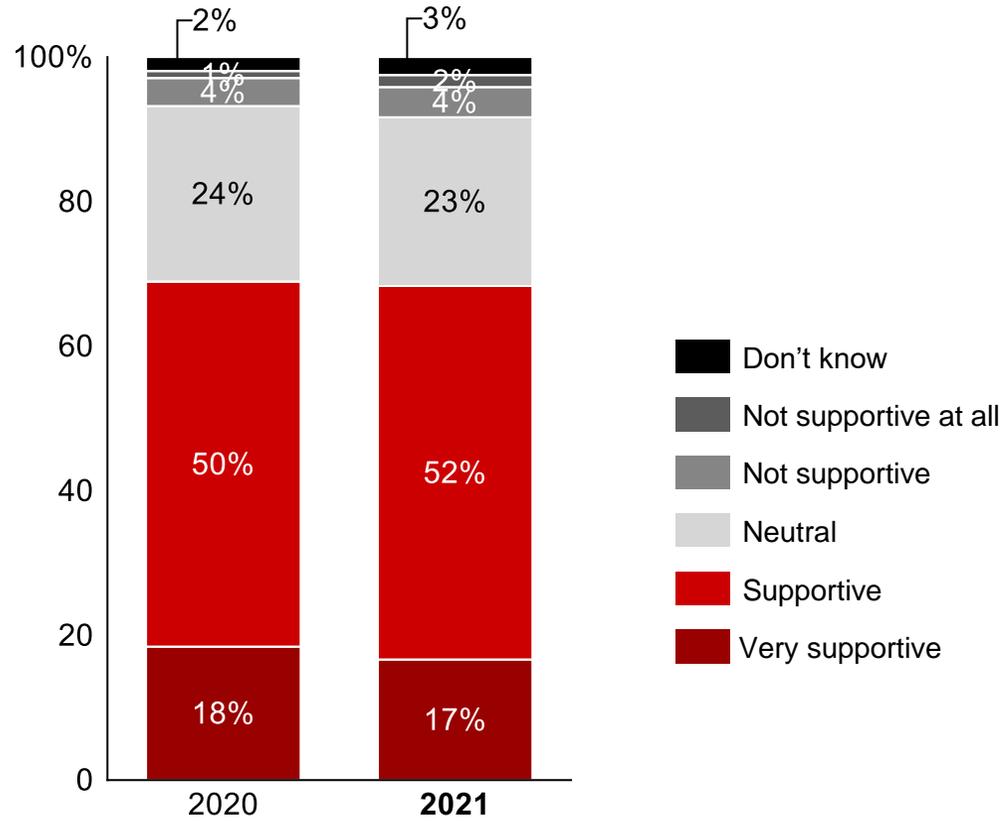
MD France, Industry/ energy

 #AmChamBainBarometer

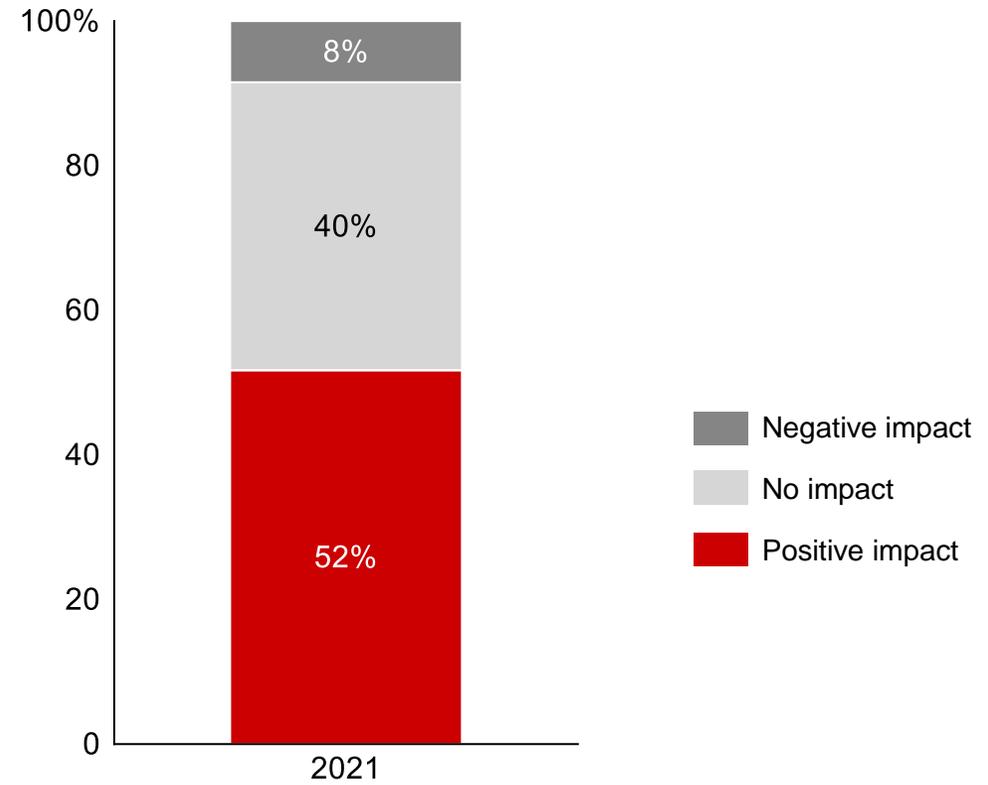
Most American investors estimate that the measures in favor of the environmental transition will have a positive effect and that the legal framework supports change

ATTRACTIVENESS FOR AMERICAN INVESTORS

In your opinion, does France offer a supportive regulatory framework to private companies' social and environmental commitment?



In your opinion, do measures in favor of the environmental transition (such as the 'Plan Climat' or the European Green Deal) have an impact on France's attractiveness?



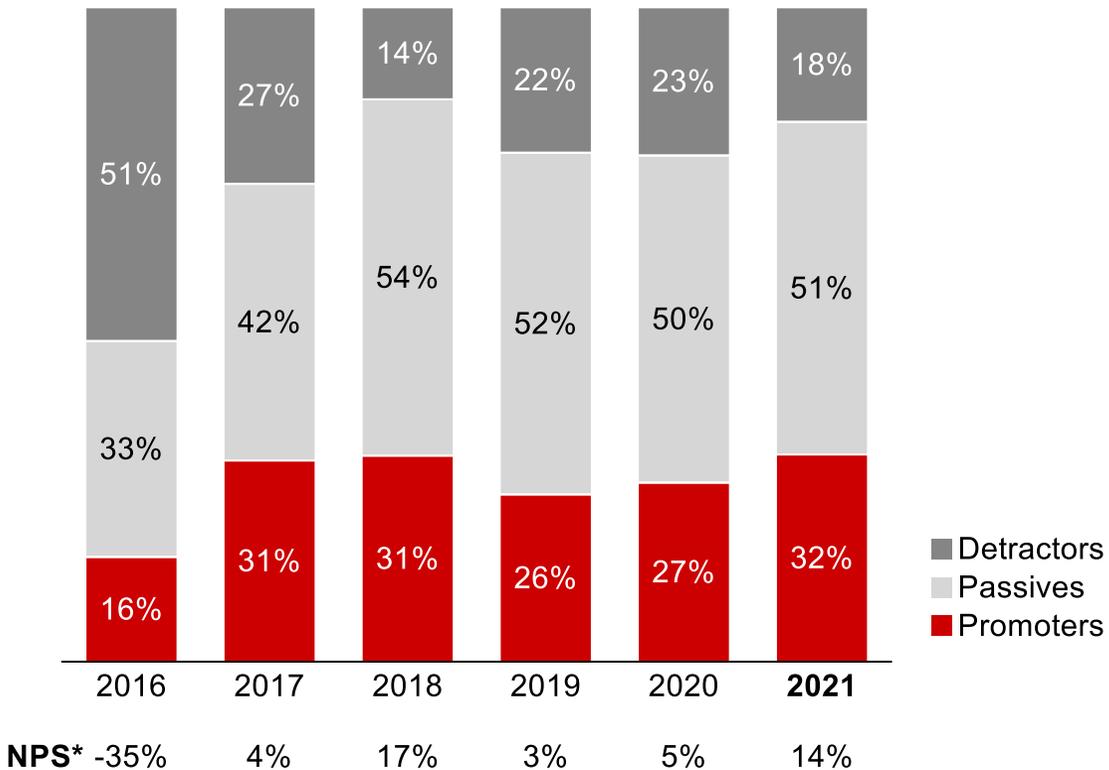
Note: in percentage of respondents
Source: AmCham-Bain Barometer, Bain analysis

#AmChamBainBarometer

France's perception as an attractive country where to settle for foreign workers is at its highest since 2018 with an NPS of 14% (+9pts vs 2020)

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)



*“Many very high-level people, well trained and with an **entrepreneurial spirit**. A positive evolution of the corporate tax rate. A desire to create and innovate in the younger generations that is much stronger than in the past.”*

President, Research and Consultancy

*“**High quality of life**, work flexibility with a new post-Covid organization, good transport network, rich cultural life, widely connected airports.”*

MD France, Industry/ energy

*“The **infrastructure**, the **image of France** and its **position in Europe** are the positive points. On the other hand, I observe a **lack of competitiveness** in certain sectors, **too much bureaucracy** and a **complex and rigid labor market**.”*

HR manager EMEA, Aerospace industry

*“**Tax complexity** and **complexity of navigating** within the local organizations (‘sécu’, ‘mutuelles’, ‘Pôle emploi’) when the level of French is insufficient.”*

Head of HR, Aerospace industry

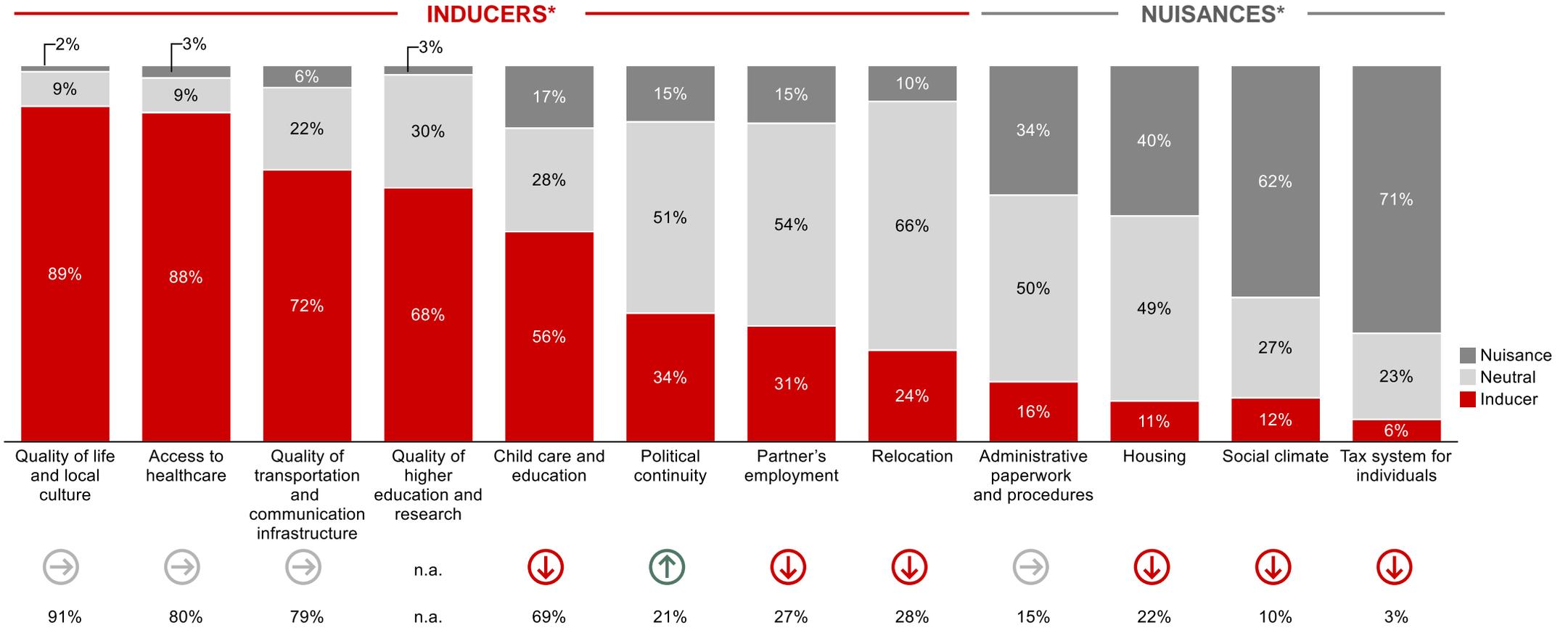
Note: in % of respondents, (*) Net Promoter Score (NPS) = % promoters (grade 9 to 10) - % detractors (grade 0 to 6)
Source : AmCham-Bain Barometer, Bain analysis

#AmChamBainBarometer

Quality of life, access to healthcare and infrastructure remain France's main assets; the tax system and the social climate are the main weaknesses (1/2)

ATTRACTIVENESS FOR FOREIGN EMPLOYEES

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



(*) Inducer if proportion of inducer > nuisance; Nuisance if proportion of nuisance > inducer
 Note: Ranking of Inducers = % inducer, ranking of Nuisances = % nuisance
 Source : AmCham-Bain Barometer, Bain analysis

Quality of life, access to healthcare and infrastructure remain France's main assets; the tax system and the social climate are the main weaknesses (2/2)

ATTRACTIVENESS 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

“American expats love France for the **quality of life**, the **cultural context** and the **opportunity to travel** throughout Europe.”

VP Institutional relations, Mobility services

“The **quality of life**, the **education system**, **access to healthcare** and the **transport infrastructure** are the strengths of France .”

Factory manager, Pharmaceutical industry

“For the **culture**, the **spirit of globalization**, easy access to the European Union, **art** and **gastronomy**”

President, Trade/ distribution

“**Public services** for citizens are incomparable to those in the United States. The country is beautiful, life is pleasant, and it is easy to travel from France.”

President, Entertainment

Nuisances

“The **administrative procedures** are incredibly complex, and the administrations do not communicate.”

Practice Leader, Research and Consultancy

“French companies tend to **only recognize French diplomas** and do not value the professional experience acquired in the field.”

Europe Medical Director, Chemistry

“**Finding work** for a spouse or husband can be very challenging, even when the person is highly qualified.”

VP Institutional relations, Mobility services

“**Social movements**, **political instability** linked to the elections, **bureaucracy** and **taxation** are the nuisances of France.”

HR Manager EMEA, Aerospace industry

AGENDA



France's attractiveness



French innovation ecosystem attractiveness



Major events impacting France's attractiveness



France's regions attractiveness

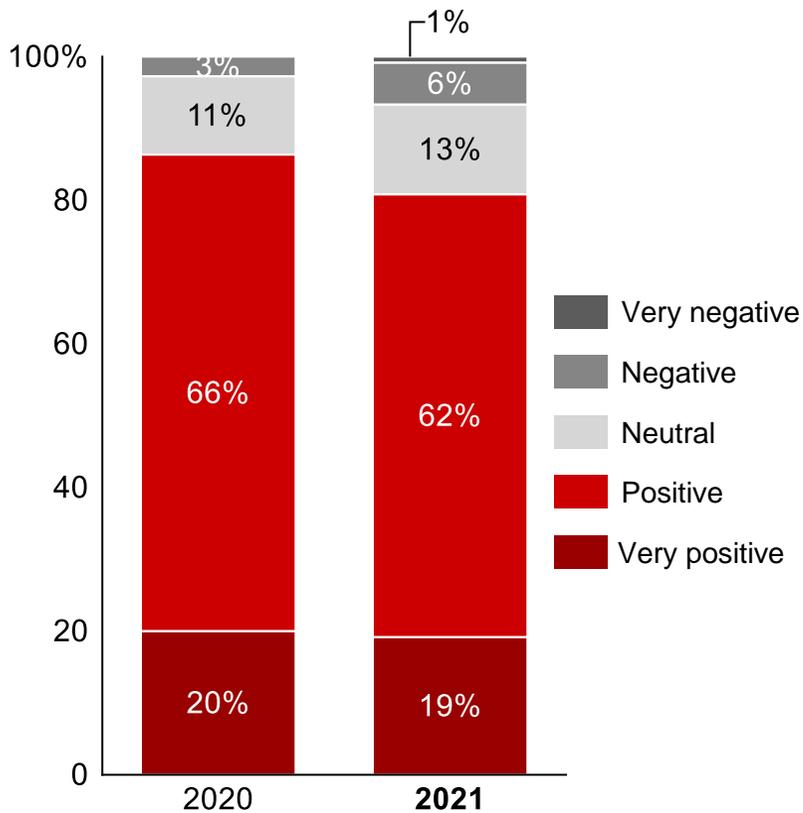


AmCham recommendations

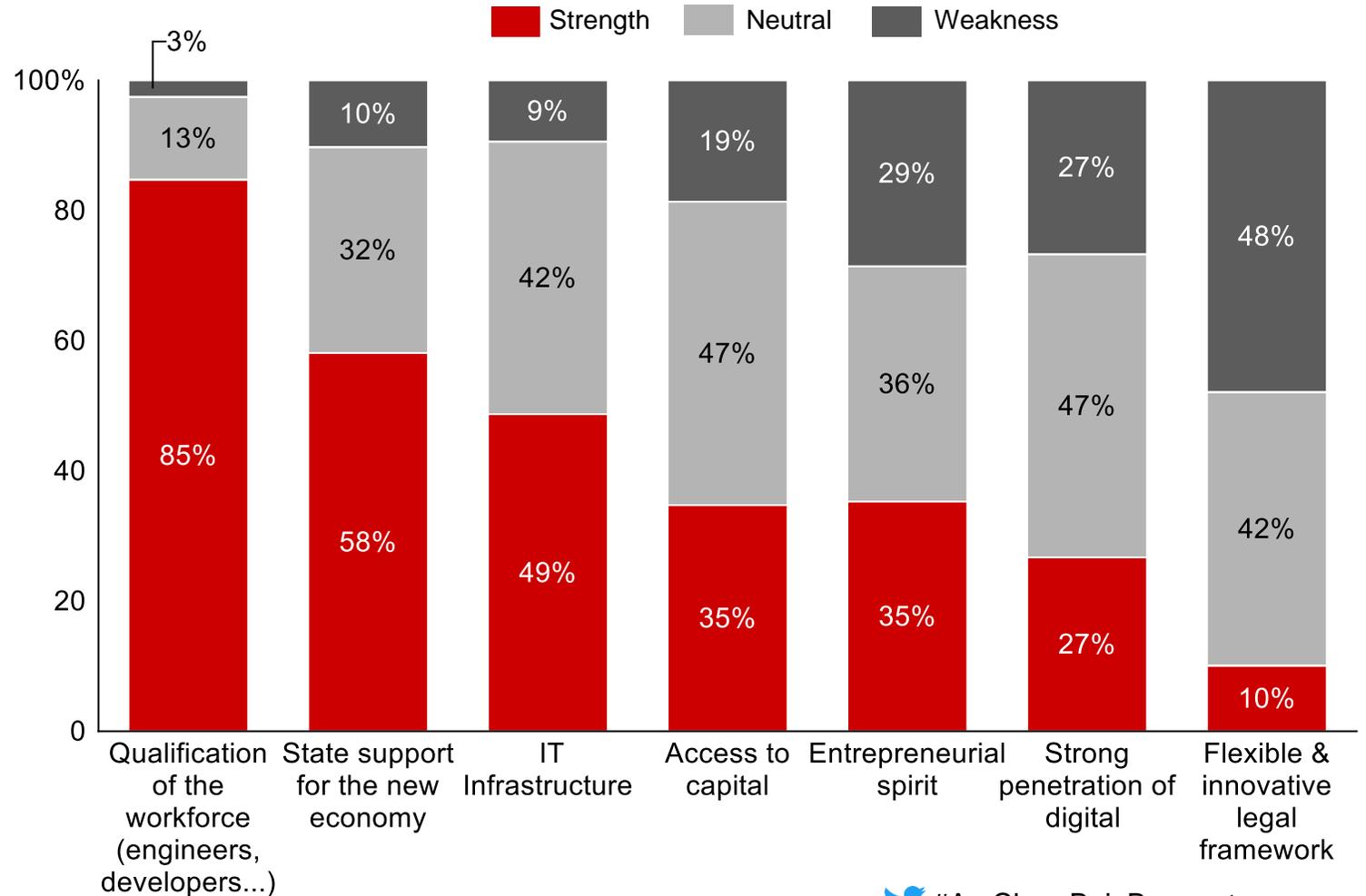


The country's capacity for innovation remains a powerful lever of attractiveness, driven by a skilled workforce and the support of the State

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



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

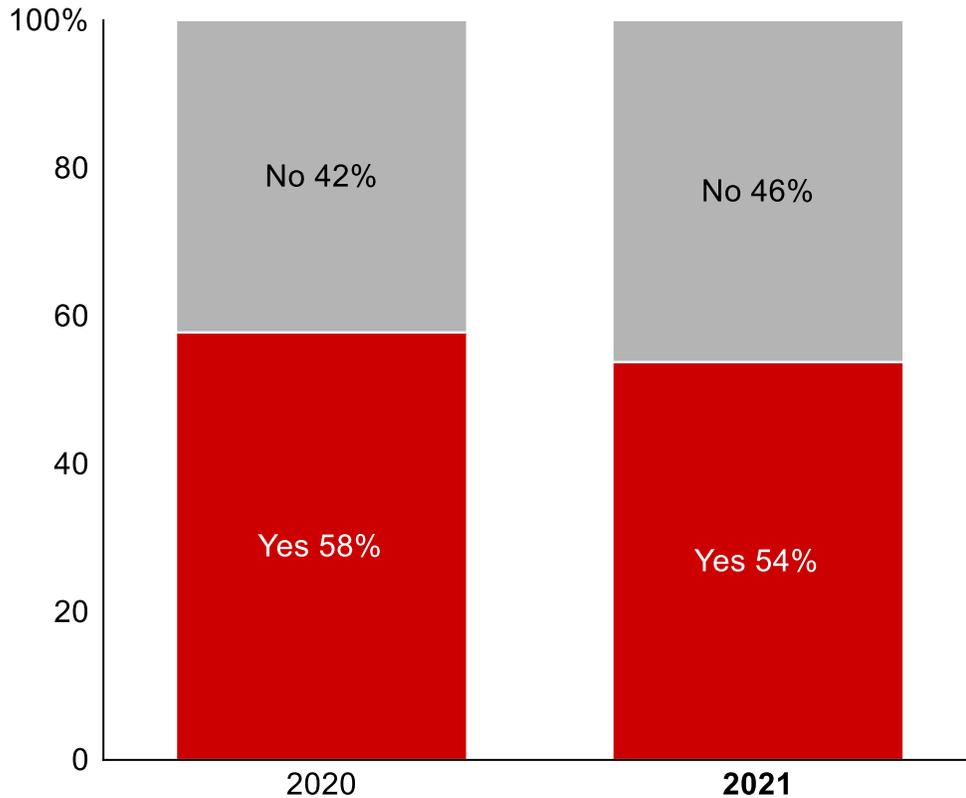


Note: in % of respondents; Ranking of strengths & weaknesses = % Strength - % Weakness, Source : AmCham-Bain Barometer, Bain analysis

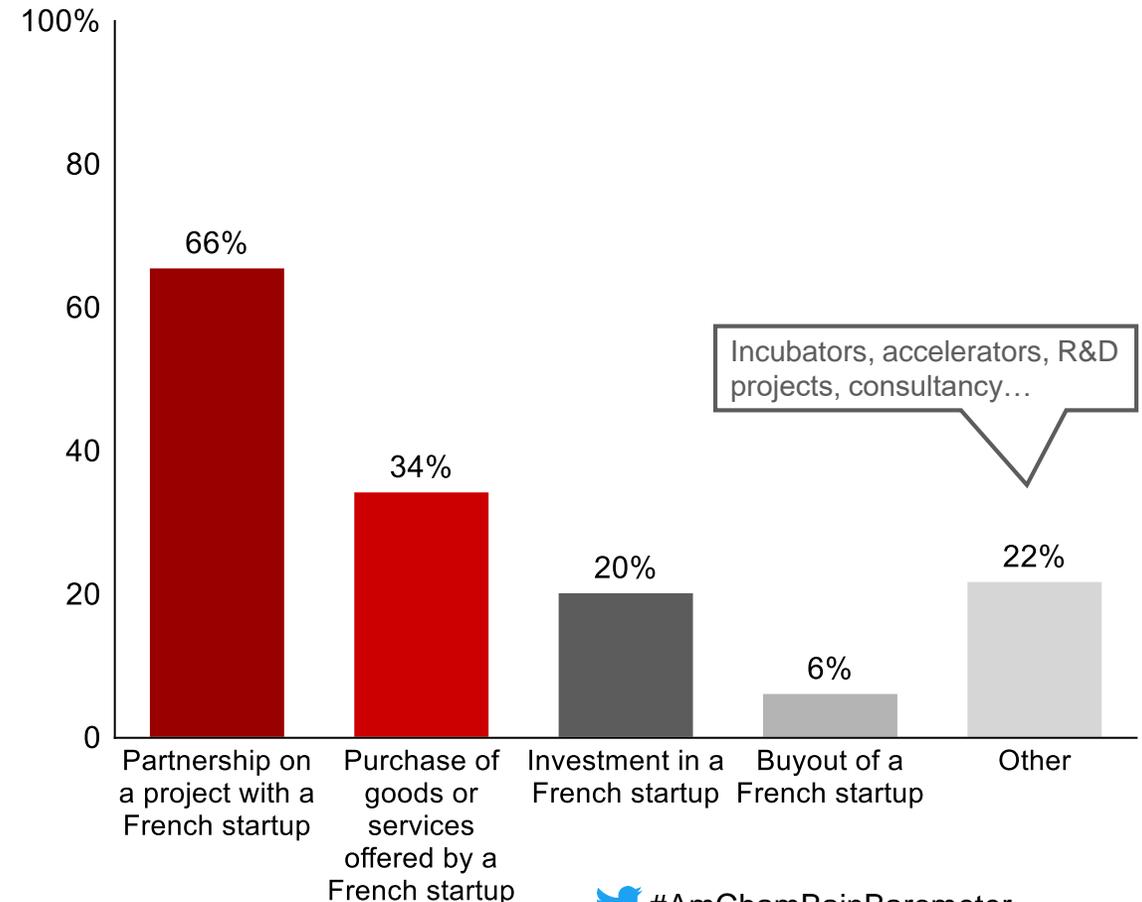
#AmChamBainBarometer

The majority of investors work with French startups, mainly through partnerships or the purchase of goods and services

Does your company work with startups?



If so, how?



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

AGENDA



France's attractiveness



French innovation ecosystem attractiveness



Major events impacting France's attractiveness



France's regions attractiveness



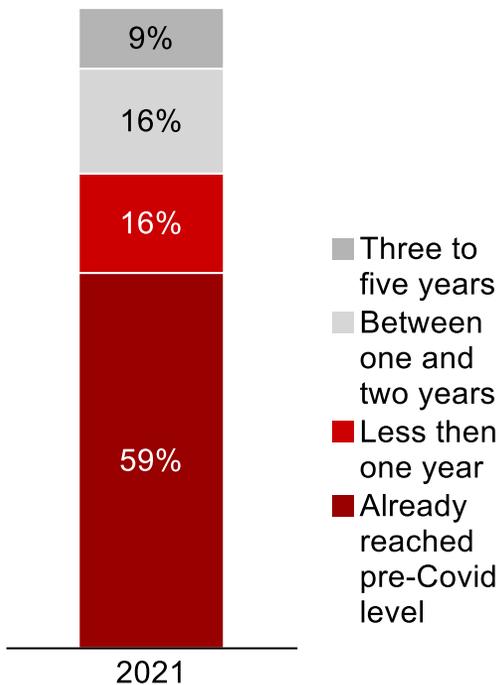
AmCham recommendations



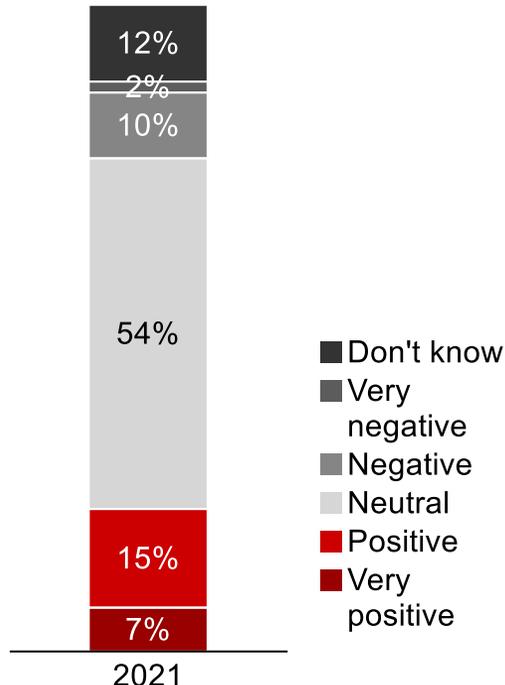
59% of respondents estimate that they already reached their pre-Covid activity level; 54% of them think that the crisis will not affect their investments in the medium-term

COVID CRISIS

In your opinion, how long will it take your company to return to its pre-Covid-19 economic activity level?



What will be the impact of the Covid-19 crisis on your investments in France in the medium-term?



“Despite the fact that we were exposed to the airline sector, Covid has never affected our medium-term investment strategy in France. The fact that we are a family-owned business also plays a role in that decision.”

VP Institutional relations, Mobility services

“In the second half of 2022, we hope to return to 2019 performance levels, thanks to the new investments we have made. 2023 should allow us to significantly exceed 2019 in terms of performance.”

President, Entertainment

“Repositioning of the company in a changing energy market and major internal reorganization in the years to come mean less investments.”

MD France, Industry/ energy

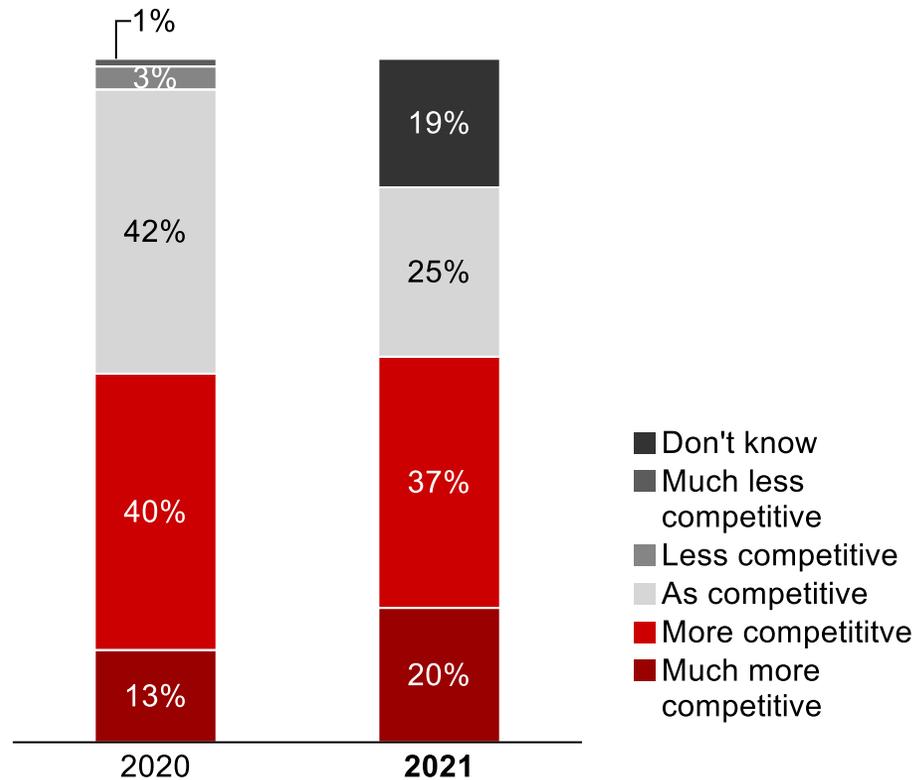
Note: in % of respondents
Source : AmCham-Bain Barometer, Bain analysis

The vast majority of respondents believe that the measures taken during the crisis have enabled a recovery at least as fast as in other European countries

COVID CRISIS

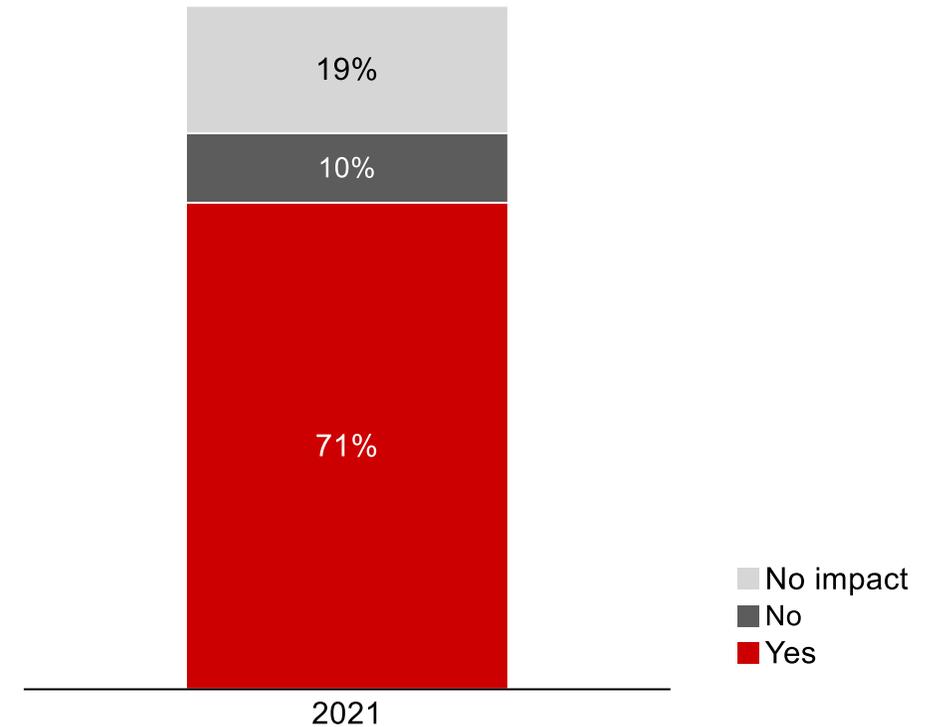
How did your corporate headquarters perceive the measures taken by the French public authorities to support companies since the beginning of the Covid crisis?

In comparison with other European countries



In your opinion, has the introduction of the health pass ('Pass sanitaire') enabled a faster economic recovery than in other European countries?

In comparison with other European countries



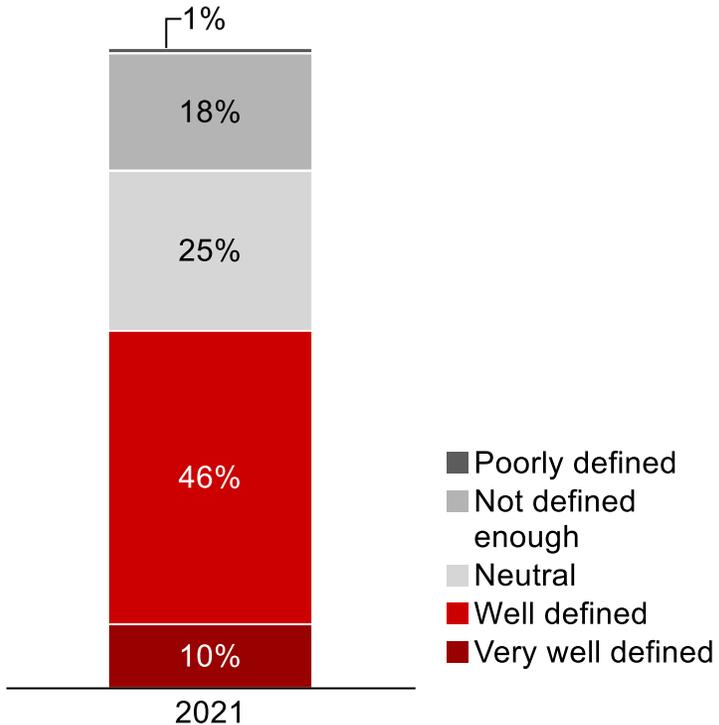
Note: in % of respondents
Source : AmCham-Bain Barometer, Bain analysis

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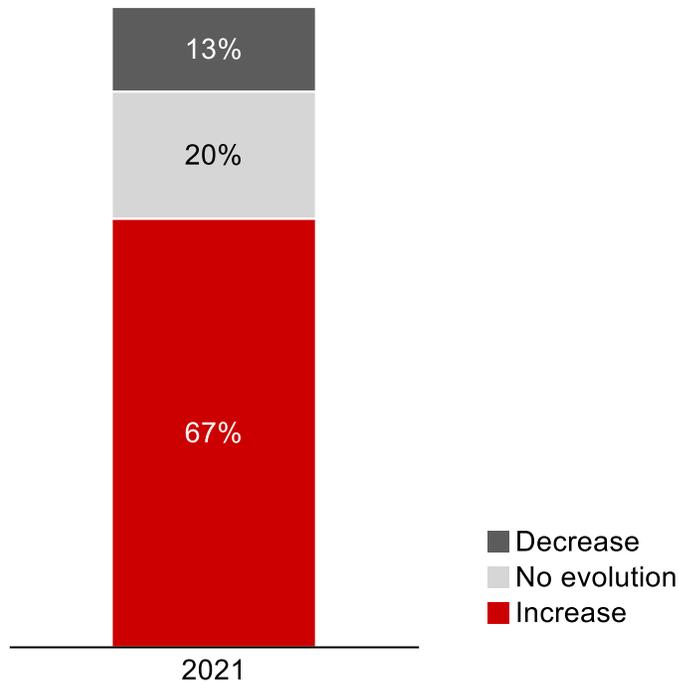
For most respondents Work From Home has increased and enabled better performance, notably thanks to a well-defined legislative framework

WORK FROM HOME

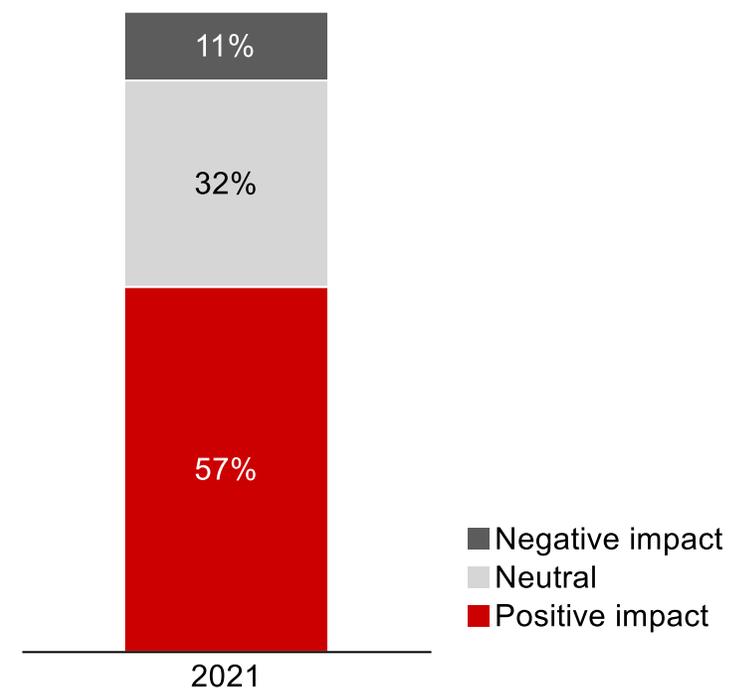
Is the French legislative framework around Work From Home well defined?



Do you see an (increase/ decrease/ stability) in Work From Home compared to one year ago?



What is the impact of the hybrid work model on the performance of your company?



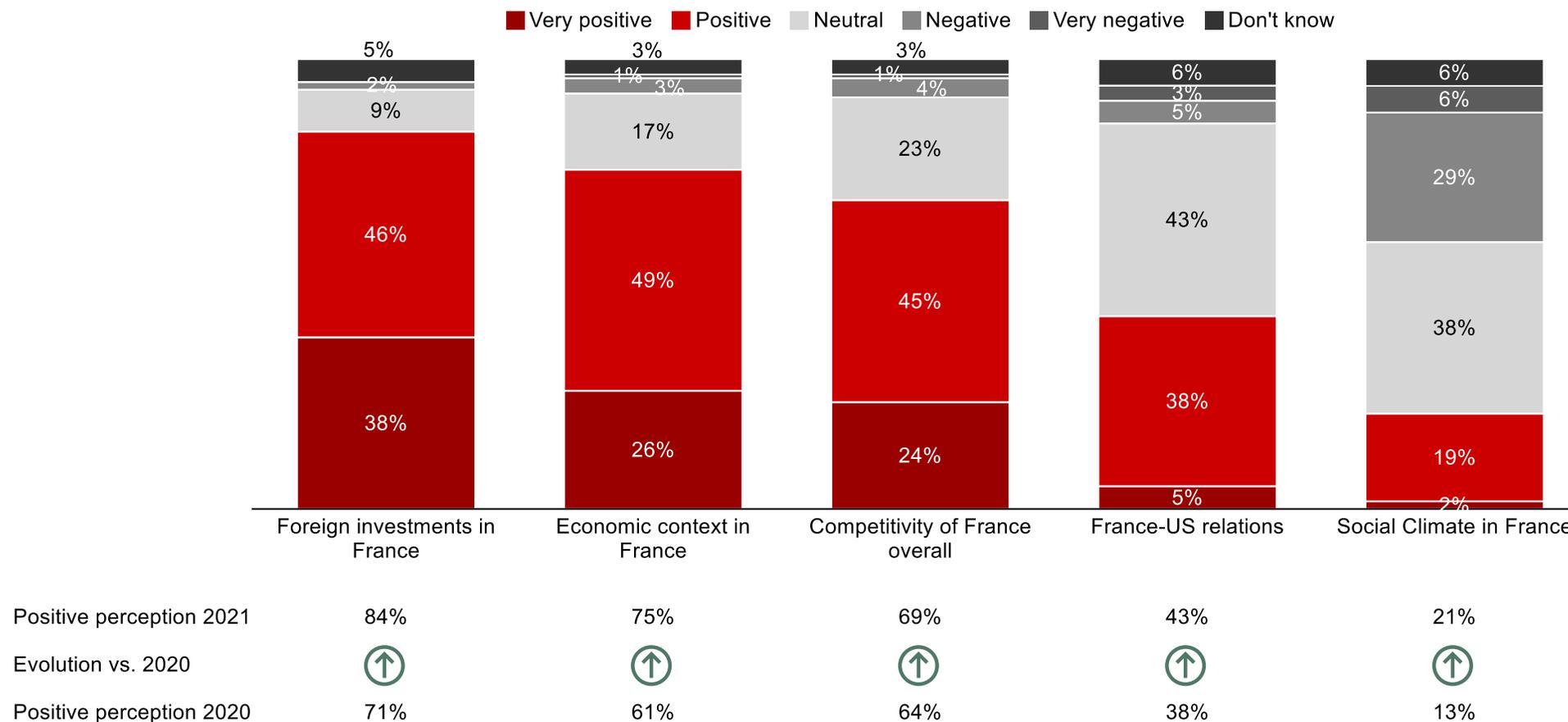
Note: in % of respondents
Source : AmCham-Bain Barometer, Bain analysis

 #AmChamBainBarometer

Investors are more optimistic than in 2020 regarding the reforms undertaken by the government

POLITICAL & ECONOMICAL EVENTS

What is your assessment of the reforms implemented since President Emmanuel Macron's election?



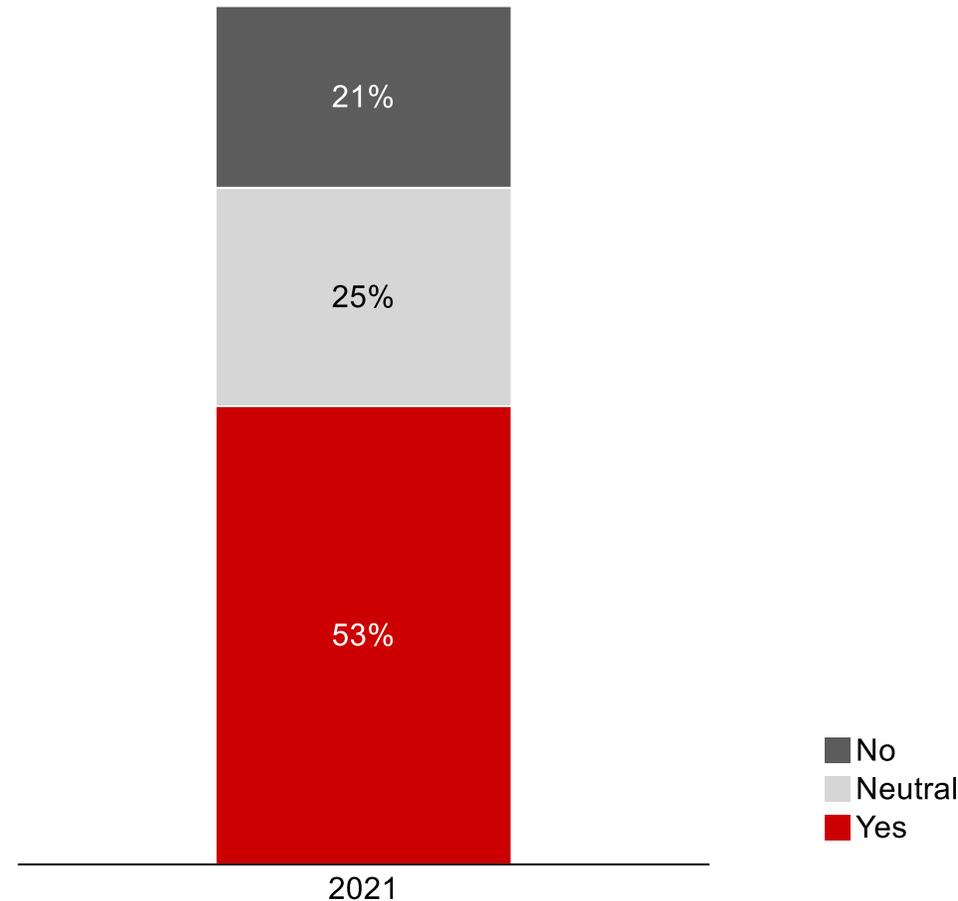
Note: in % of respondents
Source : AmCham-Bain Barometer, Bain analysis

#AmChamBainBarometer

More than half of American investors perceive the announcement of the 'France 2030' plan in a positive way

POLITICAL & ECONOMICAL EVENTS

Do you think that the announcement of the 'France 2030' investment plan will have a positive impact on your company's investments in France?



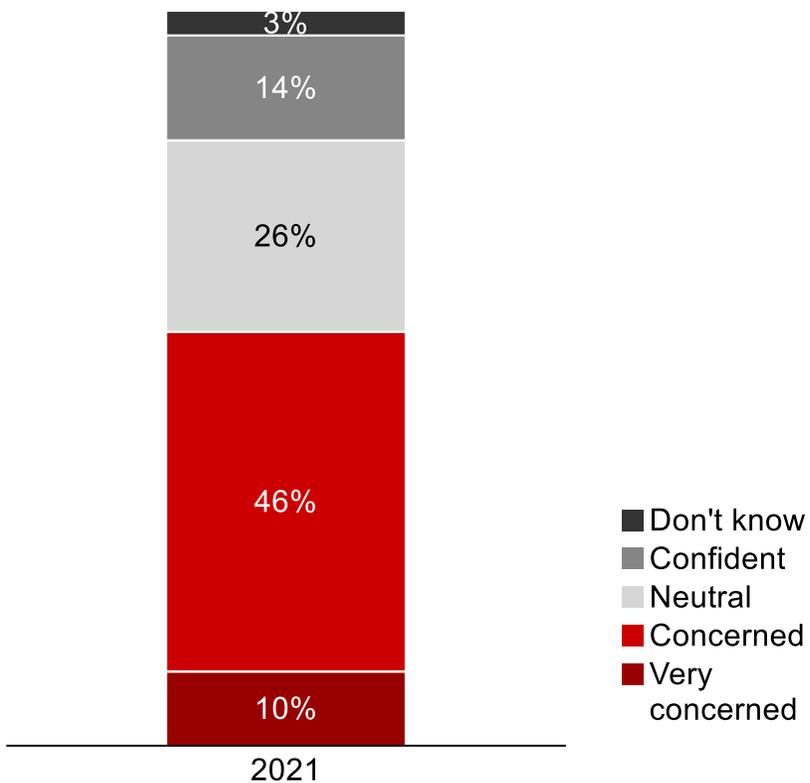
Note: in % of respondents
Source : AmCham-Bain Barometer, Bain analysis

 #AmChamBainBarometer

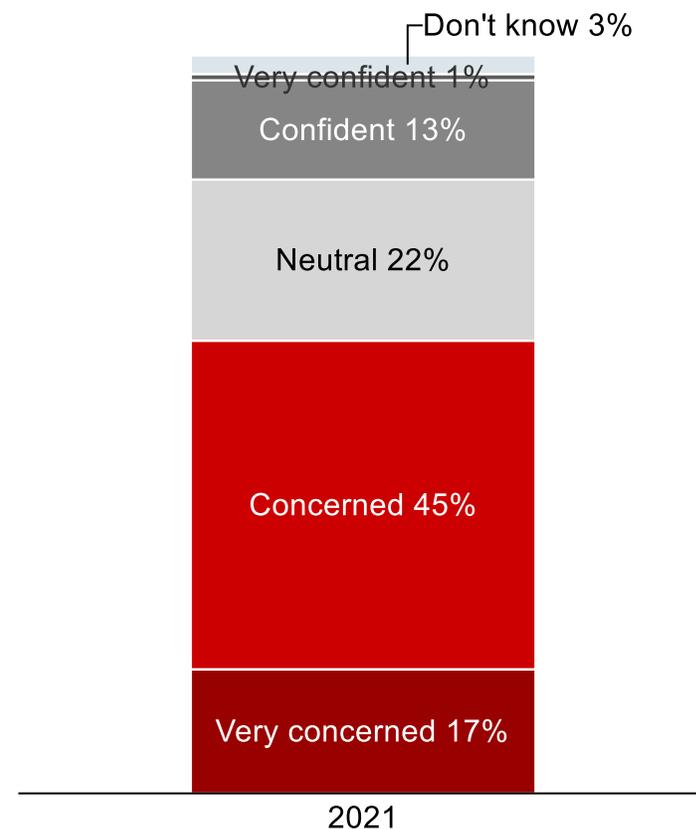
Rising inflation and record high public debt are two major concerns

ECONOMICAL EVENTS

What is your opinion regarding the rise of inflation?



What is your opinion regarding the public debt?



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

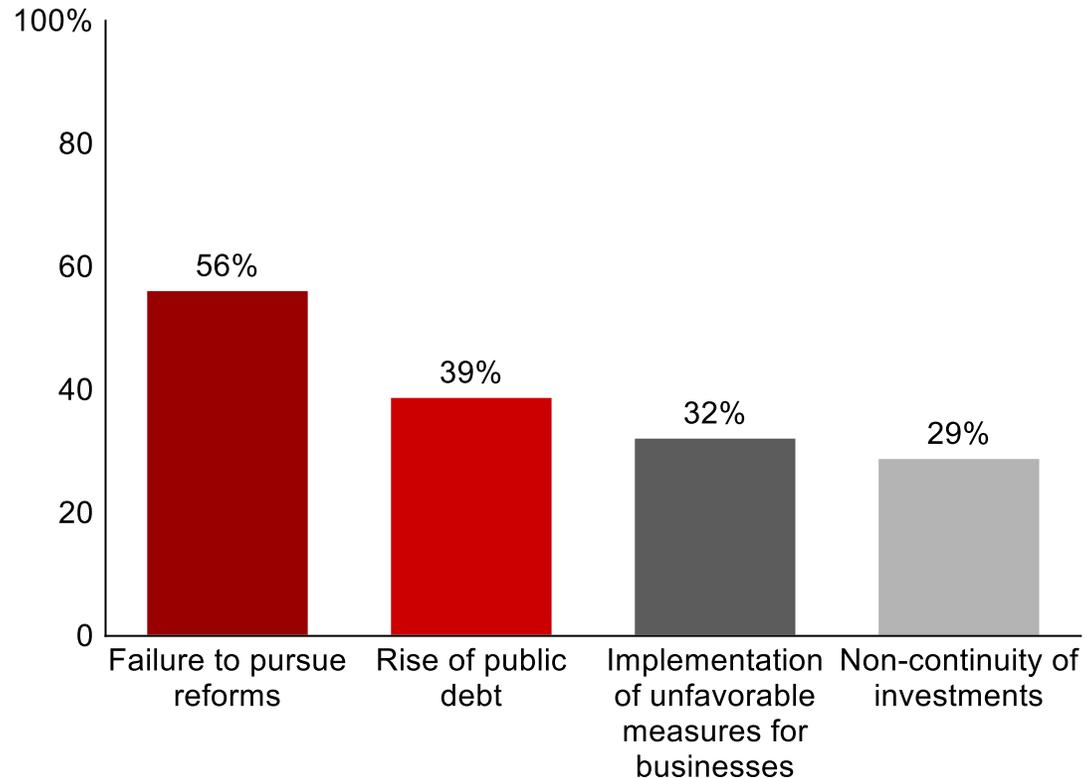
 #AmChamBainBarometer

Respondents fear a failure to pursue reforms and more than a third emphasize the importance of the 2022 presidential elections for their future investment strategies

FRENCH PRESIDENTIAL ELECTIONS

In the context of the 2022 presidential election, what are your major concerns?

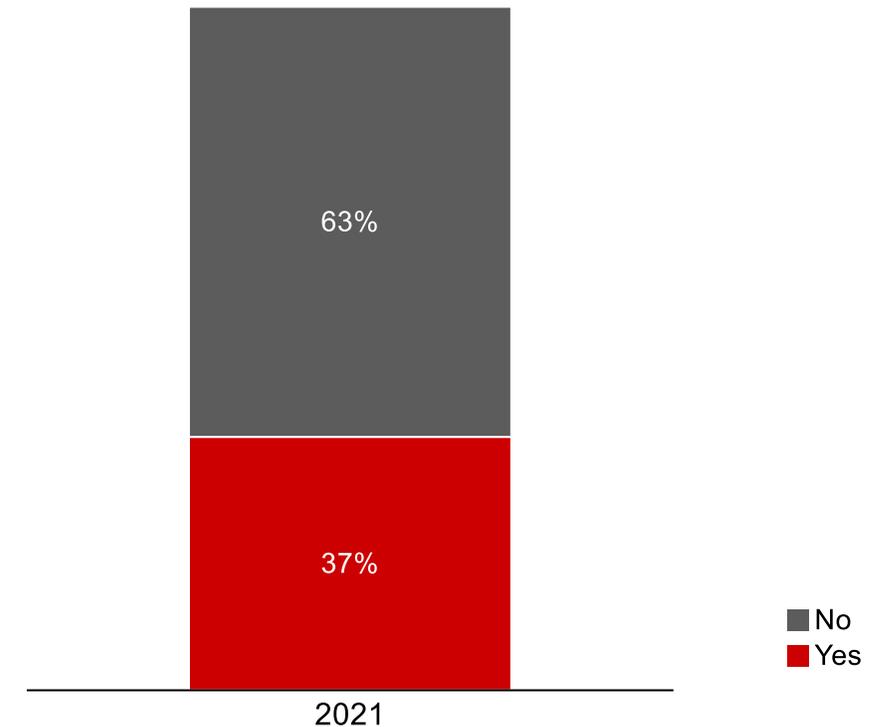
In comparison with other European countries



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

Could the results of the election influence your corporate headquarters' investment strategy?

In comparison with other European countries

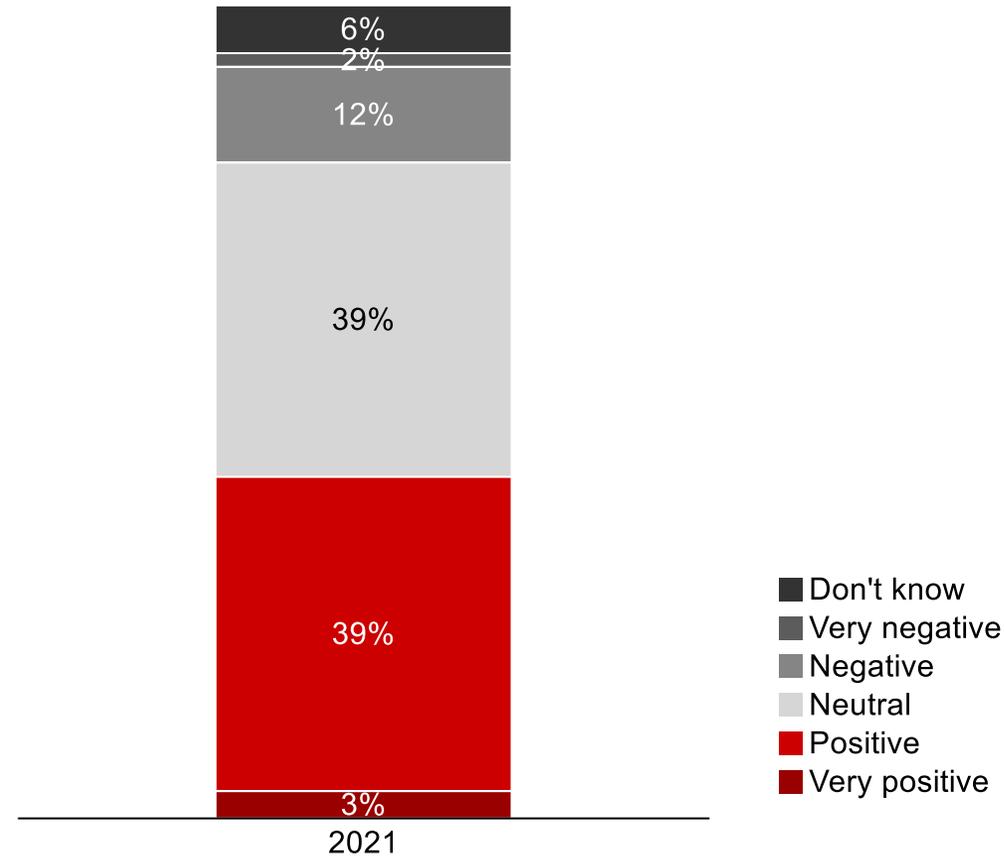


 #AmChamBainBarometer

M. Biden's presidency is perceived more positively than negatively by our panel

POLITICAL EVENTS

In your opinion, what impact has the election of President Joe Biden had to date on transatlantic relations?



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

 #AmChamBainBarometer

AGENDA



France's attractiveness



French innovation ecosystem attractiveness



Major events impacting France's attractiveness



France's regions attractiveness

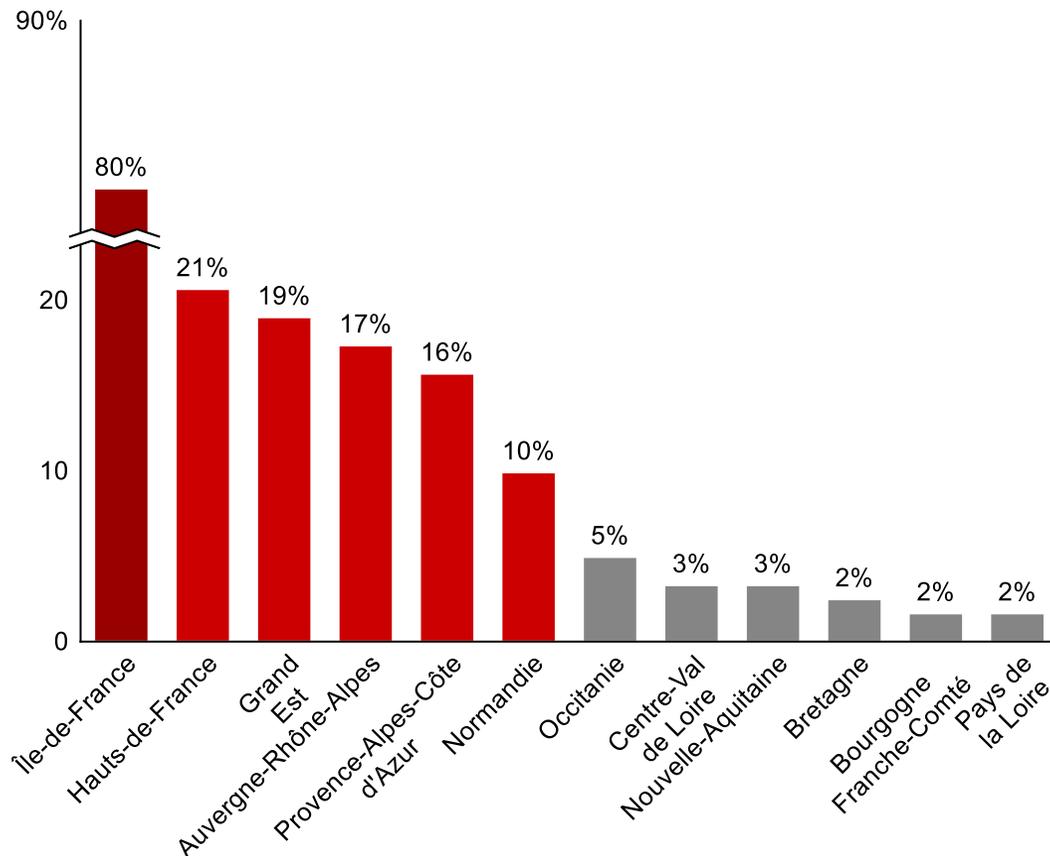


AmCham recommendations



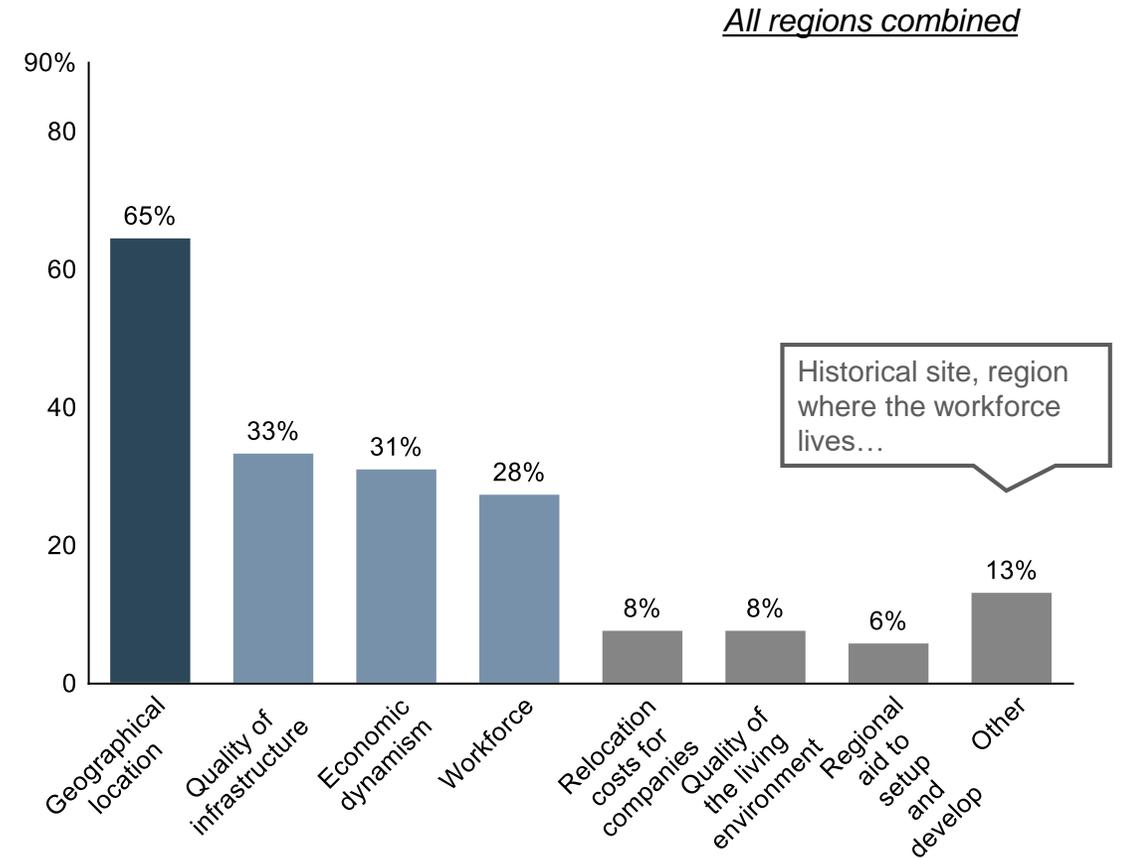
Geographical location, infrastructure, economic dynamism and workforce are the most determining factors for setting up in a region

In which French region(s) is your company located?



Note: in % of respondents; (*) no company present in other regions
Source : AmCham-Bain Barometer, Bain analysis

For each of your regional installations, what were the main determining factors (maximum 3)?



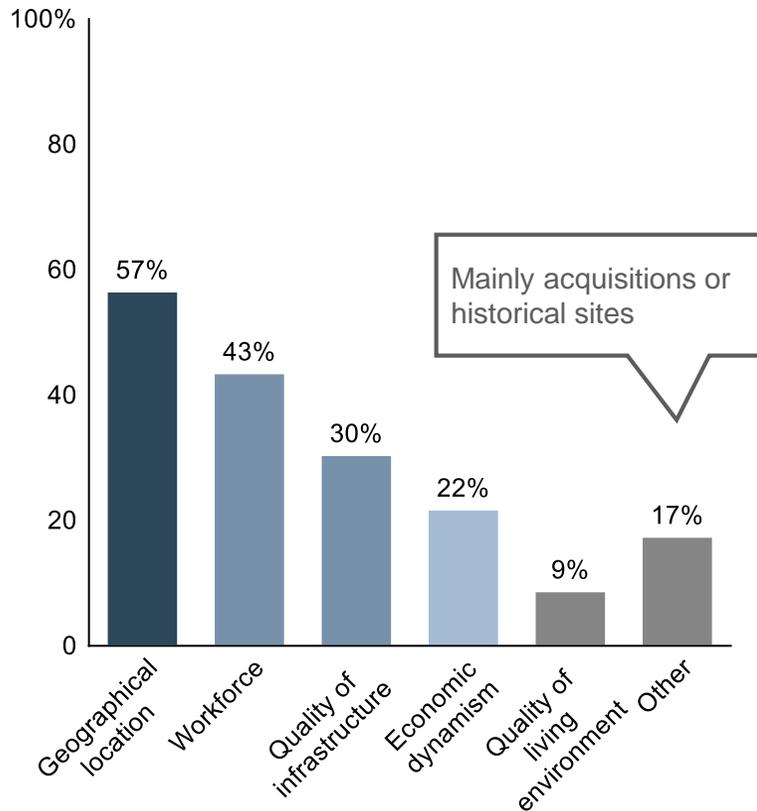
#AmChamBainBarometer

Focus on 3 regions: location, quality of infrastructure, economic dynamism and workforce contribute to the attractiveness of the regions

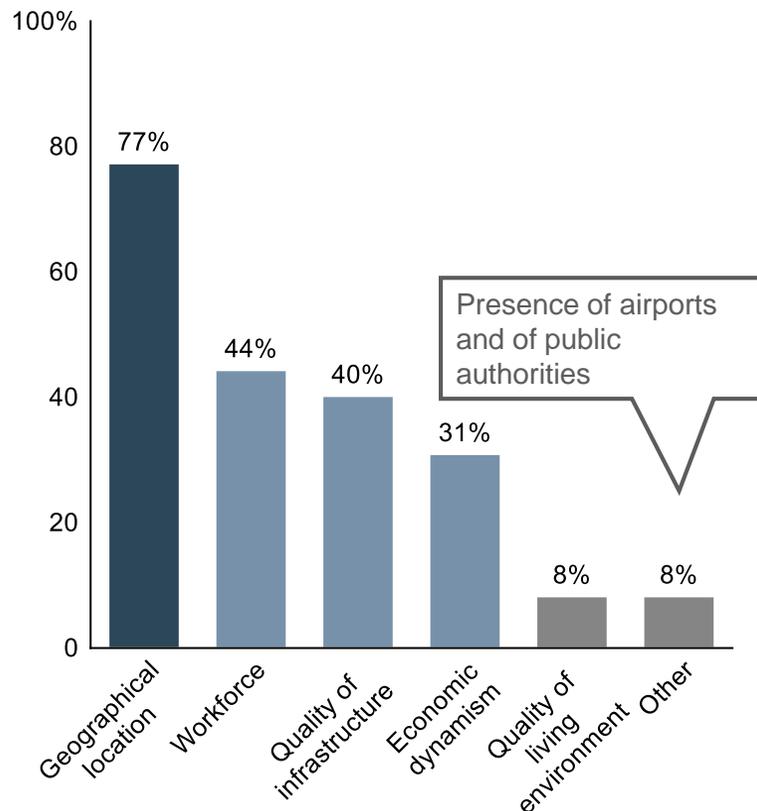
/ FOCUS

For each of your regional installations, what were the main determining factors (maximum 3)?

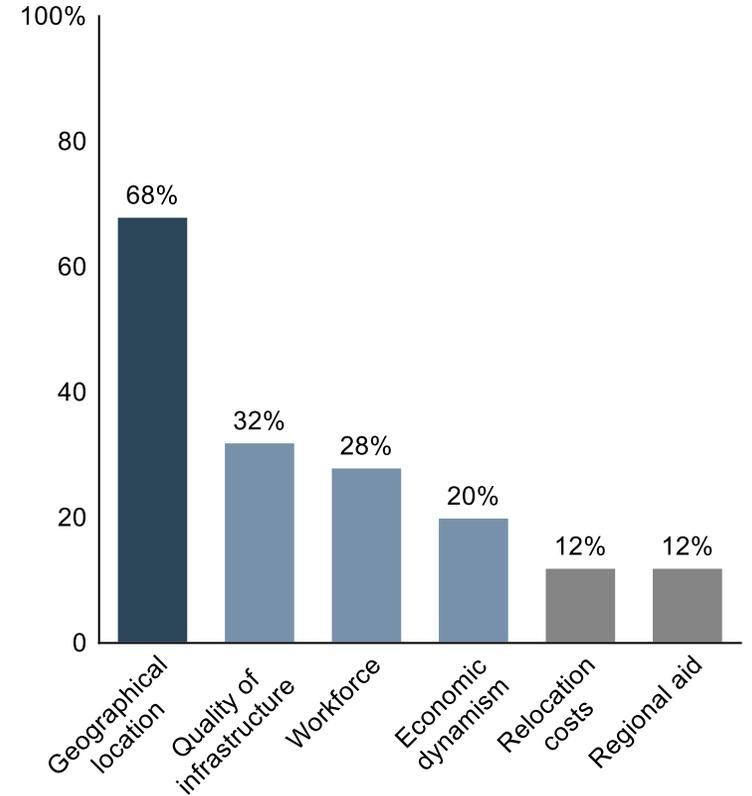
Grand Est



Île-de-France



Hauts-de-France



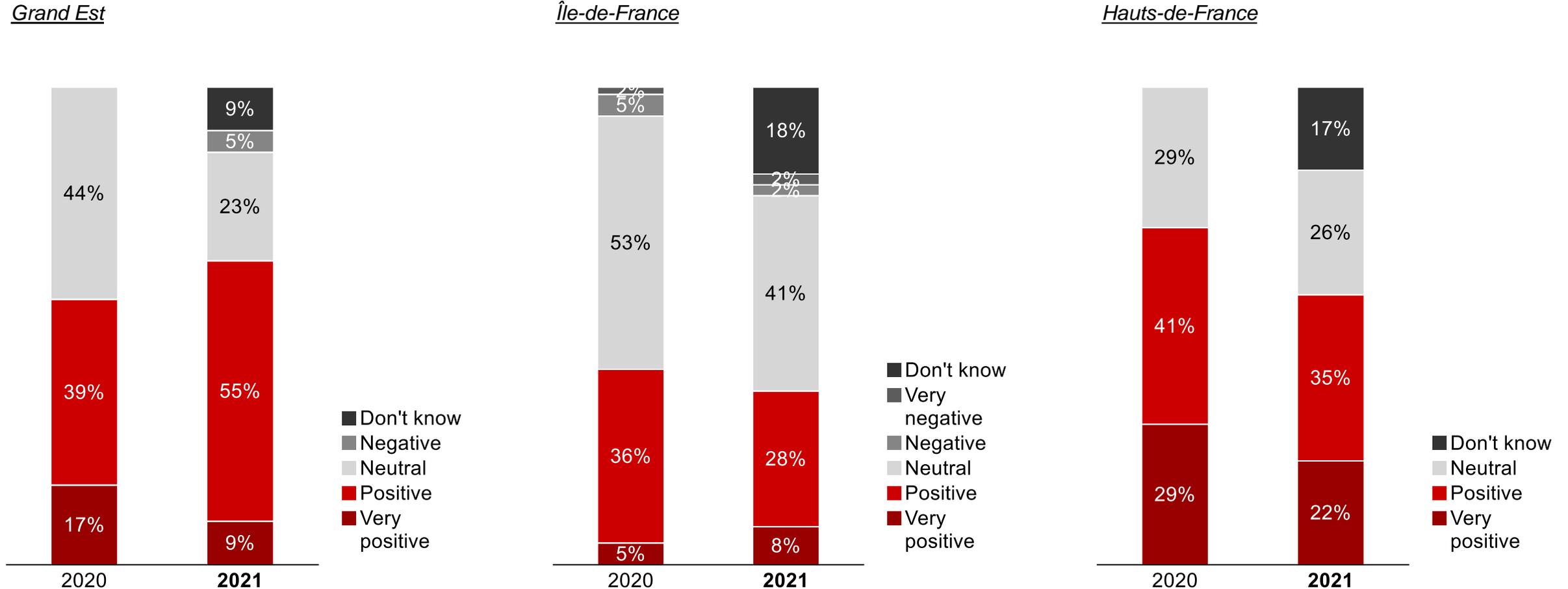
Note: in % of respondents
Source : AmCham-Bain Barometer, Bain analysis

#AmChamBainBarometer

Focus on 3 regions: the actions carried out are perceived differently from one region to another and from one year to another

/ FOCUS

Are you satisfied with the policies and actions carried out by the region(s) in which you are located to attract foreign investment?



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

#AmChamBainBarometer

AGENDA



France's attractiveness



French innovation ecosystem attractiveness



Major events impacting France's attractiveness



France's regions attractiveness



AmCham recommendations



AmCham recommendations

1



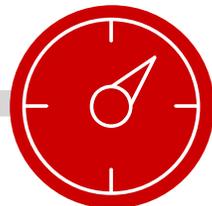
Intensify efforts to reduce recruitment tensions

2



Reduce the social and solidarity contribution of companies representing an unjustified barrier to attractiveness

3



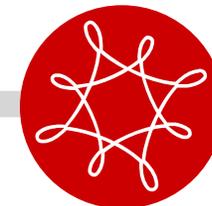
Continue the administrative simplification in order to consolidate France's place as a gateway to the European market

4



Use the ecological transition as a vector of attractiveness

5



Densify the innovation ecosystem, particularly in the regions



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