

Key indicators of French economic attractiveness

Cost of labor and taxation



Labor costs, high productivity and lower taxes

€42



Hourly cost of labor in France in 2023.

(Eurostat, 2024)



12th



Country in the world in terms of hourly labor productivity.

(IMD, 2024)



– 8

percentage points



For the share of employer social security contributions in the financing of social protection between 2000 and 2019.

(Eurostat, 2024)



– €10 bn



Production tax reduction per year in 2021 and 2022, which mainly benefits industry.

(Ministry for the Economy)



24%



Average corporate tax rate in France in 2023.

(OECD, 2024)



– 8

percentage points

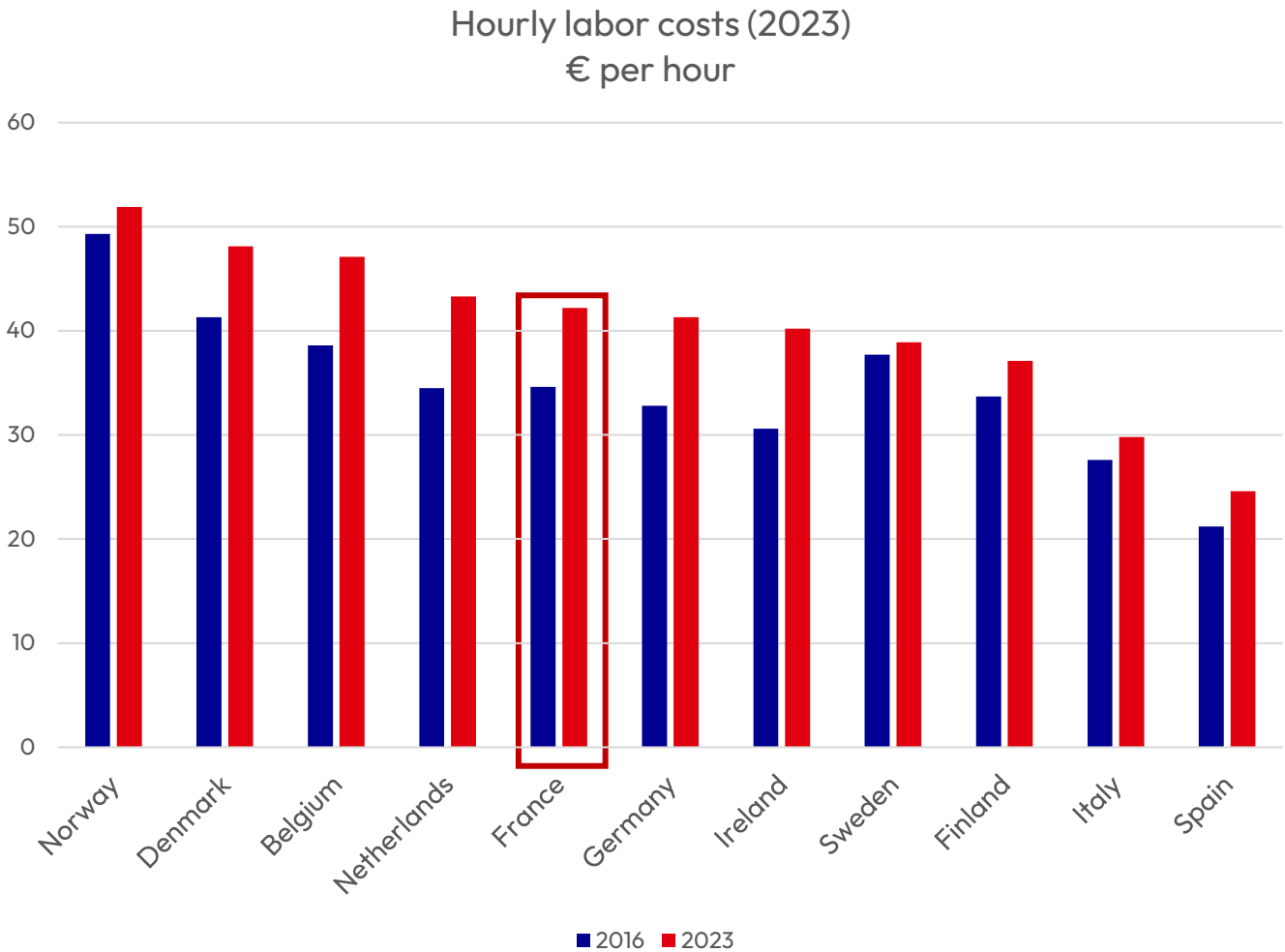


On corporate tax between 2018 and 2023.

(OECD, 2024)



Labor costs in line with the major economies

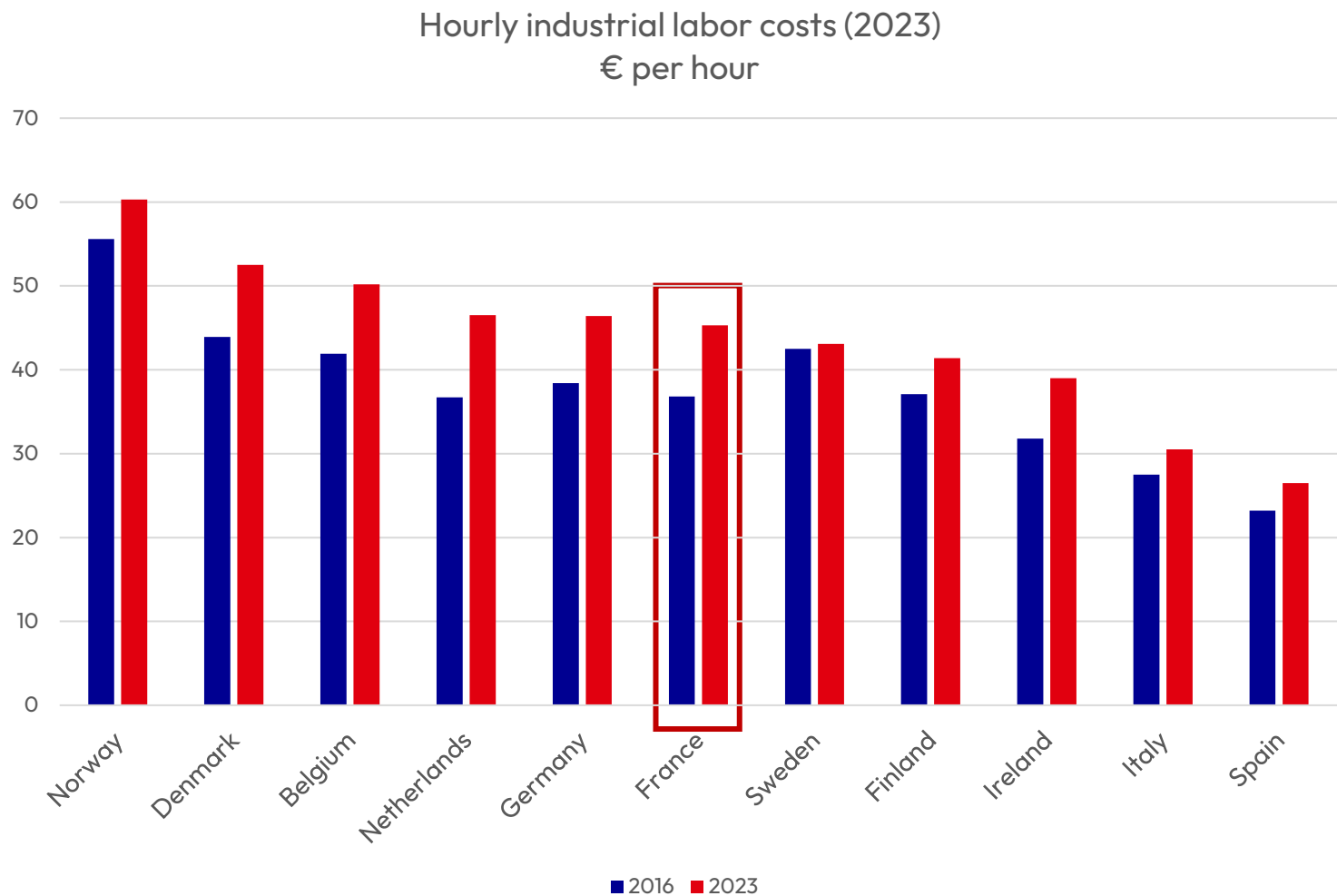


€42

The hourly cost of labor in France in 2023.

The cost of French labor has increased less in recent years than the European average (+22%, compared with +25% between 2016 and 2023).

An industrial workforce in line with the major economies

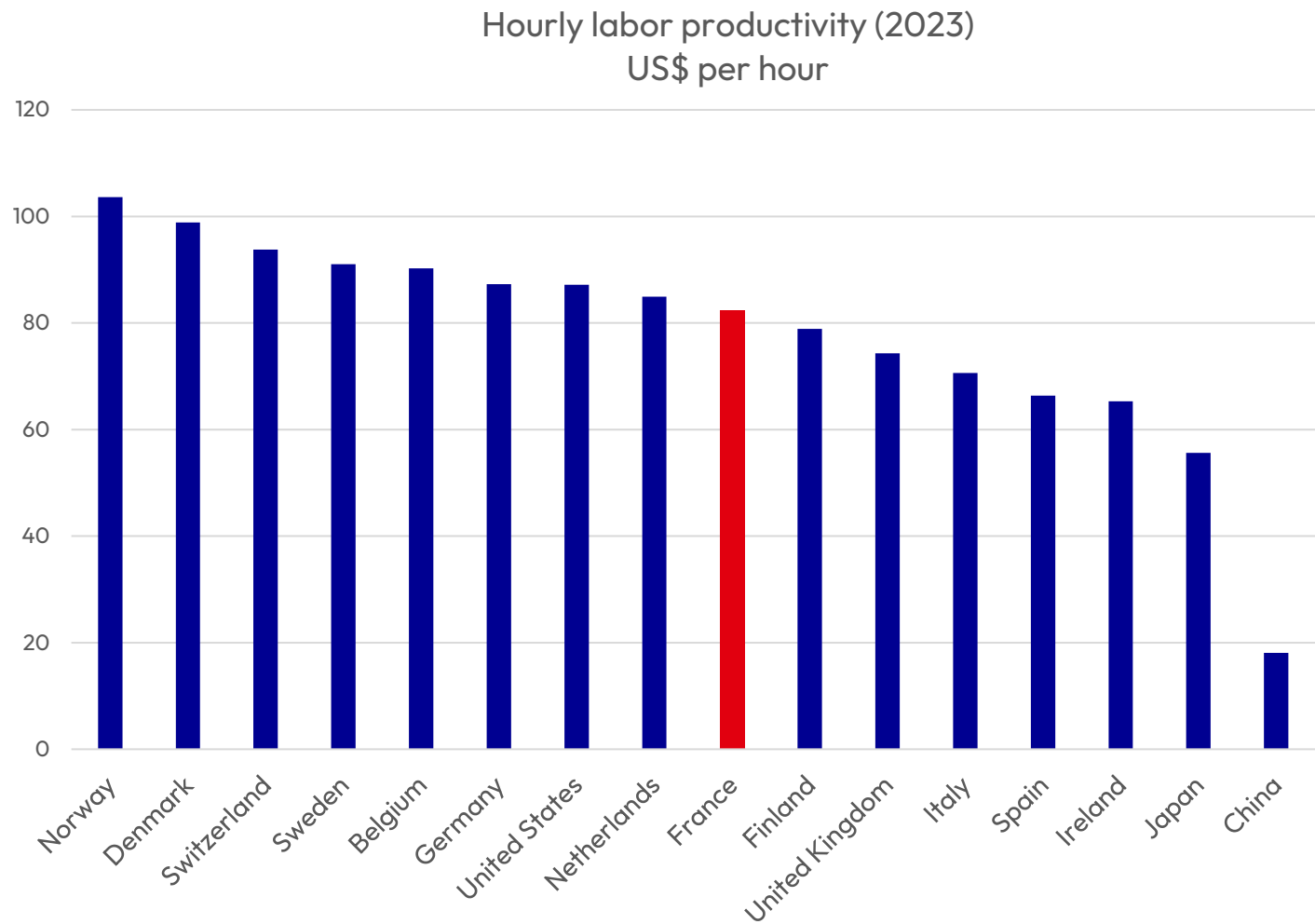


€45

The hourly cost of industrial labor in France in 2023.

The cost of French industrial labor has increased in a similar way to the European average in recent years (+23%, compared with +24% between 2016 and 2023).

One of the highest hourly labor productivity rates in the world



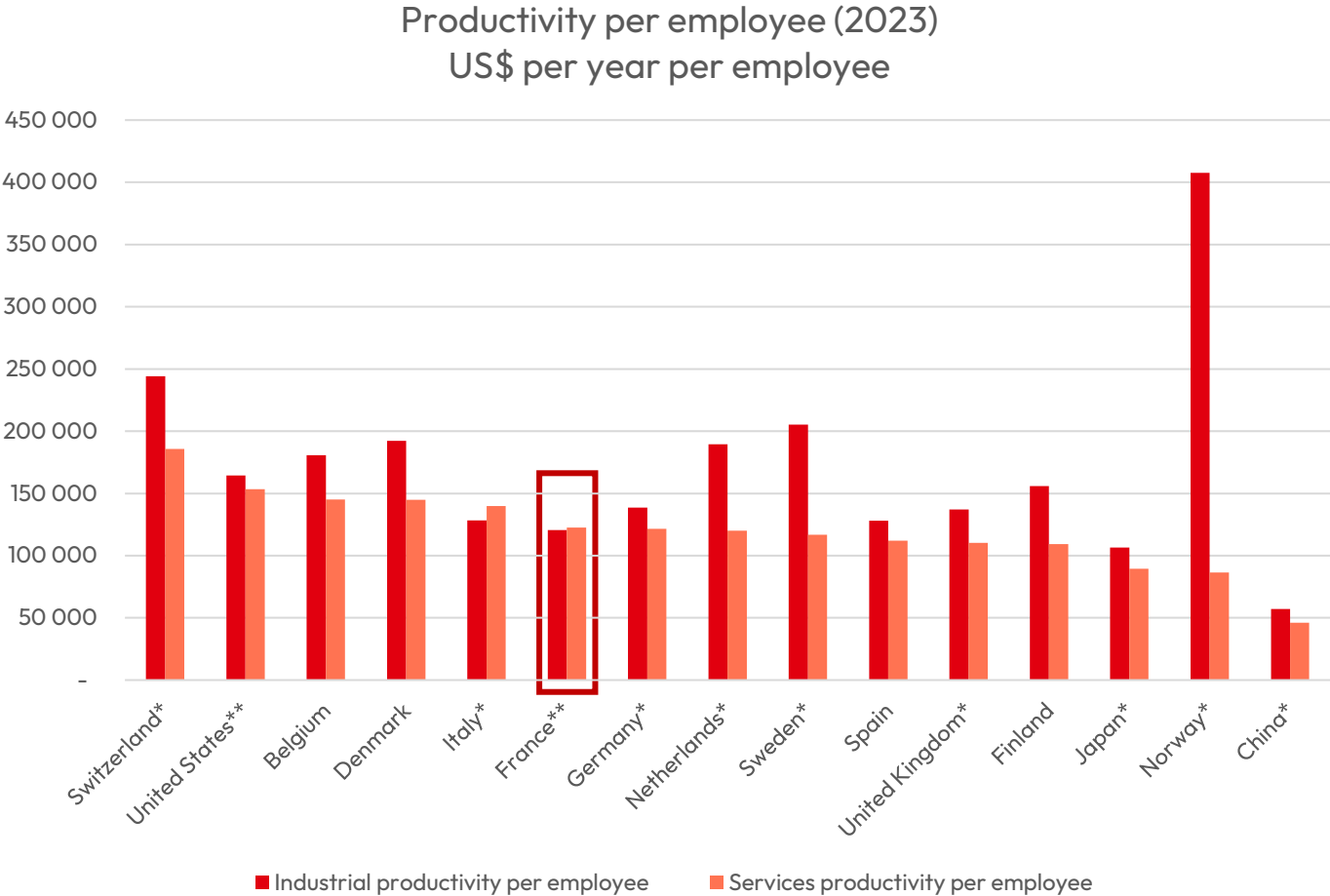
US\$ 82.5

Generated per hour by French labor on average.

12th

Most productive country in the world.

One of the highest productivity per employee rates in the world



\$120,577

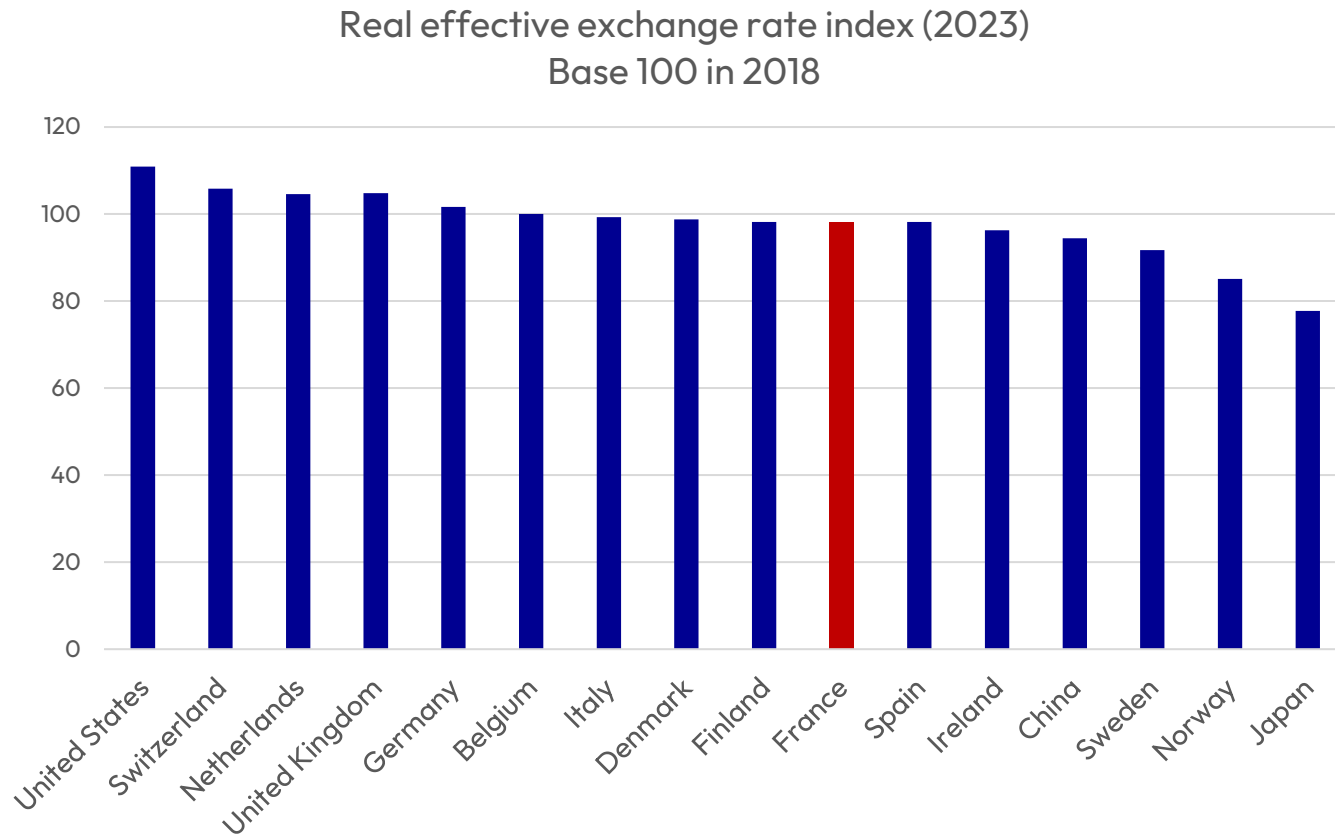
Generated per employee in the industrial sector in France in 2023.

\$122,553

Generated per employee in the services sector in France in 2023.

* 2022 **2021

Price competitiveness which is maintained over time

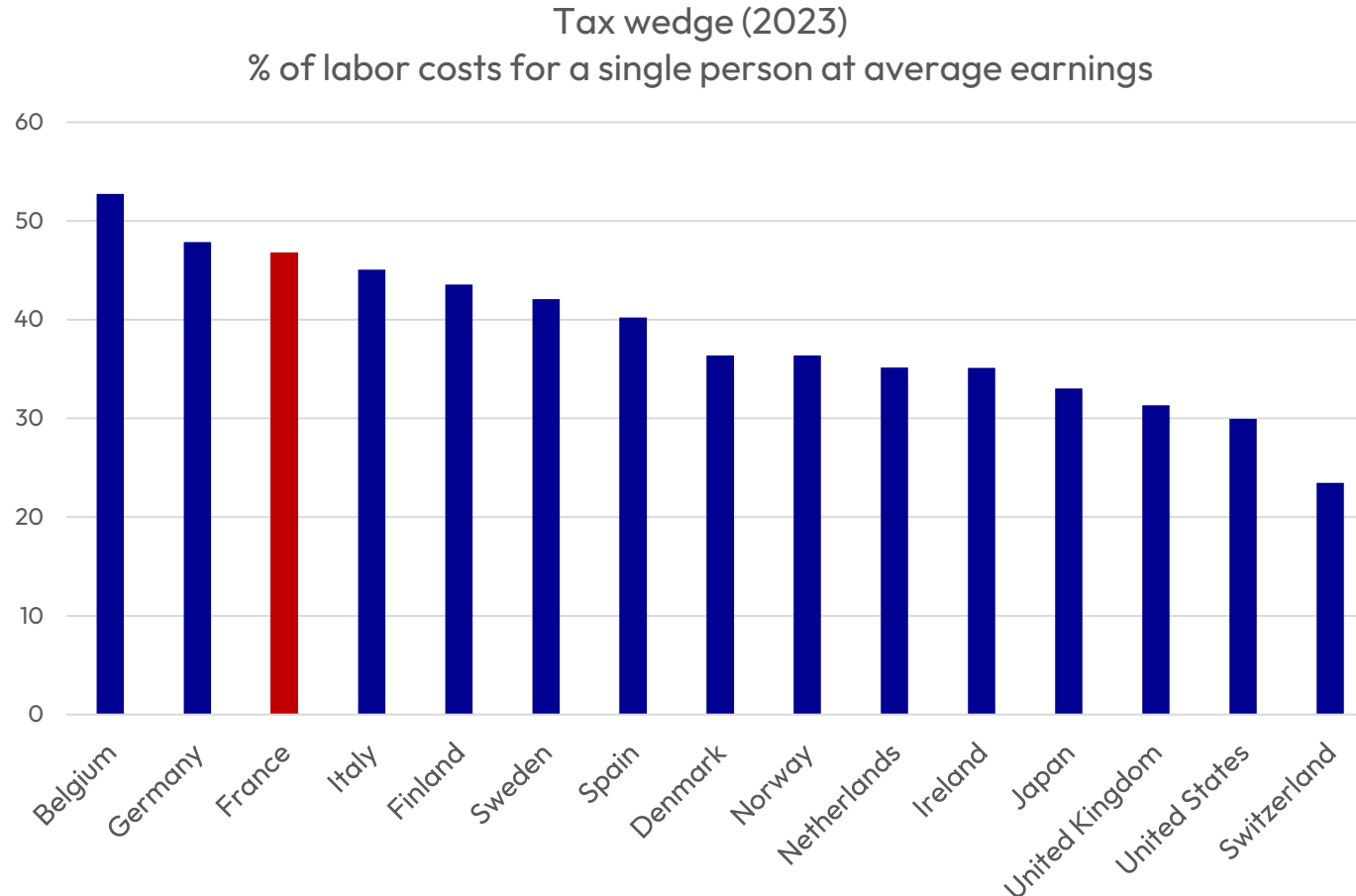


98.2

This corresponds to France's price competitiveness index on the base 2018 = 100. This figure represents a decrease of 1.8 points compared with 2018, proof of a real gain in France's competitiveness compared with Europe, whose competitiveness has declined (+3).

Key: Price competitiveness is when an economy can offer goods and services at more attractive prices than other competing economies. It is often measured using the **real effective exchange rate** (REER). When the indicator falls, this reflects a gain in competitiveness compared with the reference period, which is 2018 in this example.

A tax wedge financing complete coverage



46.8%

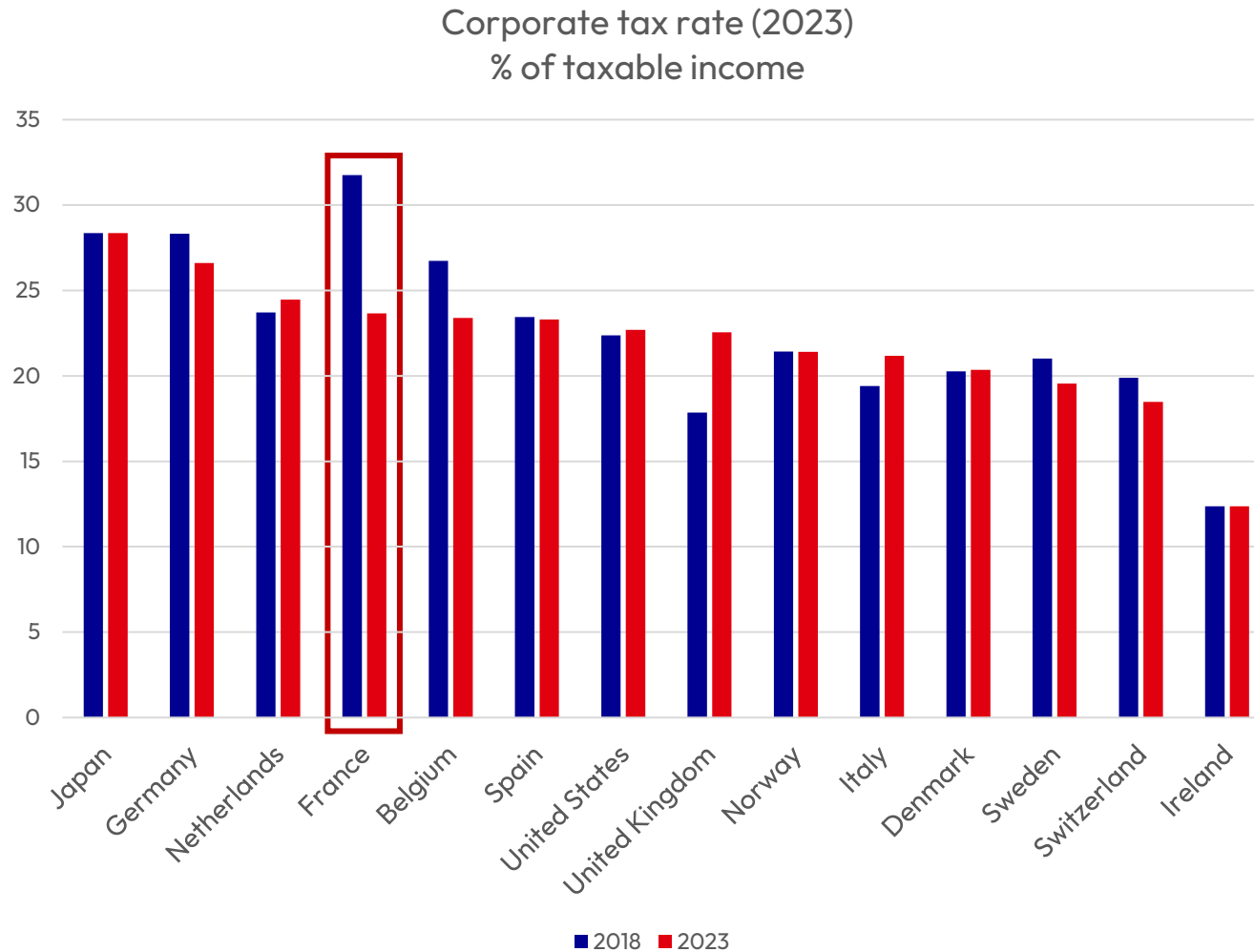
The cost of labor in France taken by taxes or compulsory levies in 2023, compared with 48% in Germany and 45% in Italy.

- 2 percentage points

Over the last 10 years, while the European average has remained similar (-0.3 p.p.).

Key: The **tax wedge** corresponds to the share of the cost of labor which is taken by compulsory deductions and taxes.

Sharp fall in corporate taxes



23.7%

Amount of taxable corporate income that was levied by tax in France in 2023 on average.

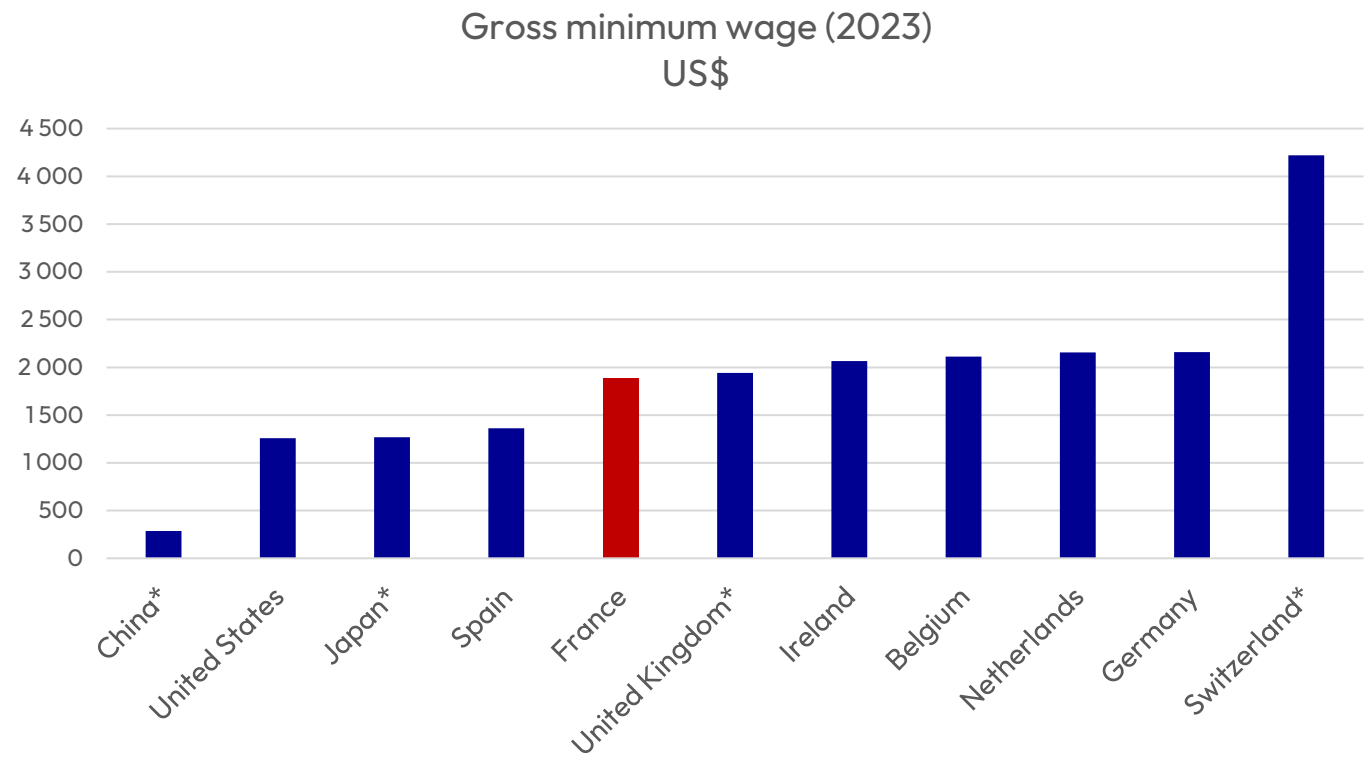
– 8 percentage points

Between 2018 and 2023, thanks to policies adapted to promote the competitiveness of businesses established in France.

10%

This is the reduced tax rate that businesses can benefit from on income from certain intellectual property assets.

A minimum wage comparable to that of the most productive countries



US\$1,889

The gross minimum wage per month in France.

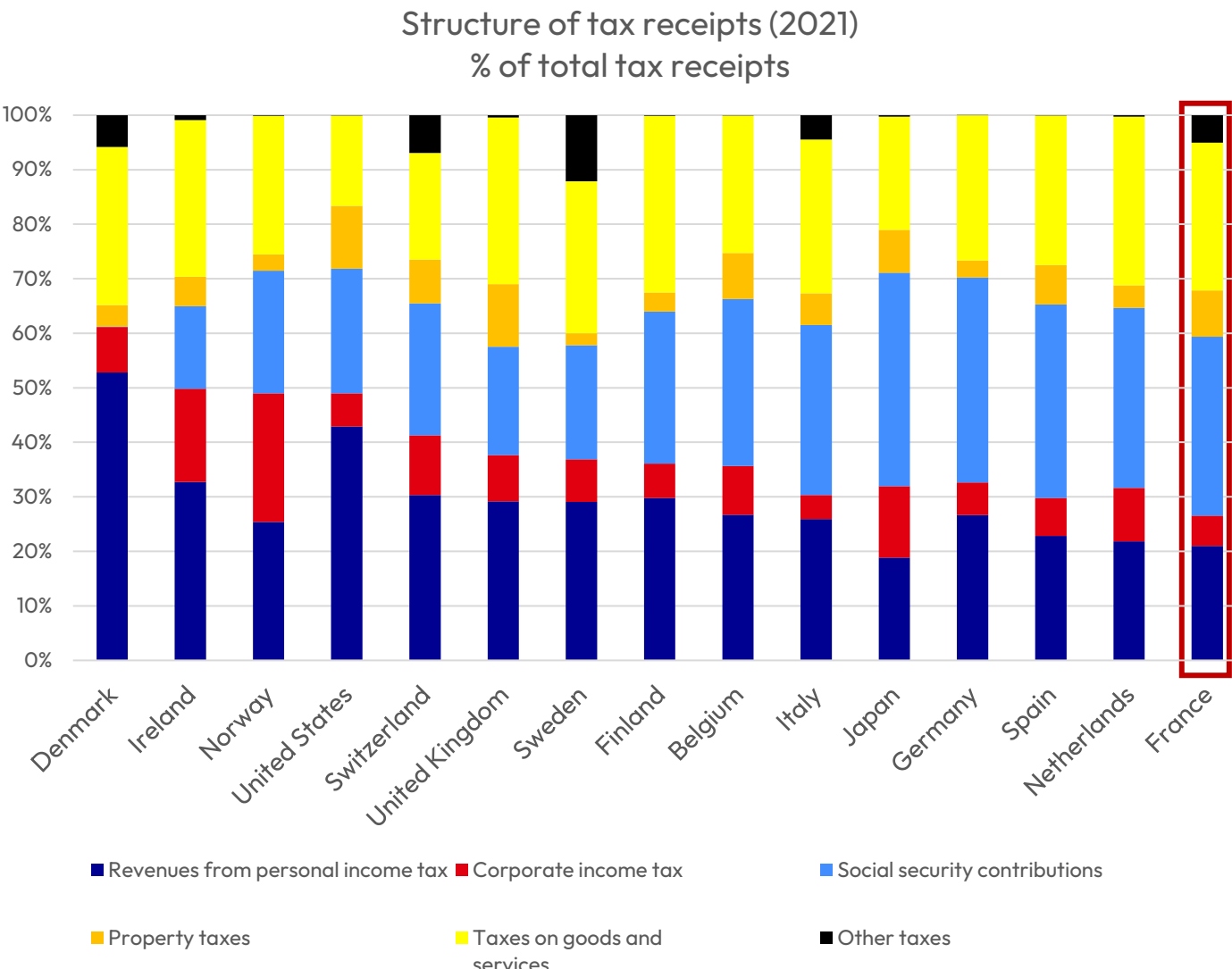
+ 2%

Was added to the French minimum wage on November 1, 2023, in accordance with its inflation-linked indexation.

* 2022

Key: The **monthly minimum wage** is the legal minimum amount that an employee must receive for full-time employment (35 hours/week). Not all countries are represented in the graphic, as some countries do not have a legal minimum wage (Denmark, Italy, Sweden, etc.).

Multiple sources of tax revenue



33%

Tax revenue that comes from social security contributions, the largest source of revenue ahead of taxes on goods and services (27%), personal income tax (21%), property taxes (8.5%), corporate income tax (5.6%) and other miscellaneous taxes (5%).

METHODOLOGY AND USE

Methodology: The “**Key indicators of French economic attractiveness**” series aims to compare and evaluate how France is ranked in the world and in Europe, through a series of indicators on a targeted theme. This presentation focuses on the theme: **Cost of labor and taxation**.

Guide to use: Each slide offers the possibility of customizing the countries highlighted in the charts. By selecting the “**Chart creation**” tab, then “**Select data**”, you will be able to include or exclude the countries of your choice, depending on the available data.