

# Île-de-France (Paris Region)

## September 2022

### 1. Economic Overview



Île-de-France (or the Paris Region) is a region in north-central France. It surrounds the nation's capital, Paris. Île-de-France is France's leading economic region and one of the leading at a European level.

It is made up of 8 departments, 1,297 municipalities and districts, and has a population of 12.3 million people (one-fifth of the French metropolitan population), younger than the national average (Region Île-de-France, 2022).

The region is the wealthiest in France, generating 30.7% of French national wealth and 5.3% of EU GDP, equivalent to that of the Netherlands, and higher than that of Poland, Belgium, Sweden, or Austria (Region Île-de-France, 2022). Île-de-France also leads in employment in Europe. It accounts for 6 million jobs, including 94% wage employment. It has a highly qualified workforce (34% of French executives), bringing together 23% of French universities, 25% of engineering schools (excluding universities) and 22% of business schools (The Paris

Region Institute, 2022).

The Paris Region is strategically located, and companies based in this region have access to a market of more than 500 million customers and all major European cities. The region is easily accessible to 3 international airports and 7 TGV high-speed train stations, connecting to all of the world's major economic centres (The Paris Region Institute, 2022).

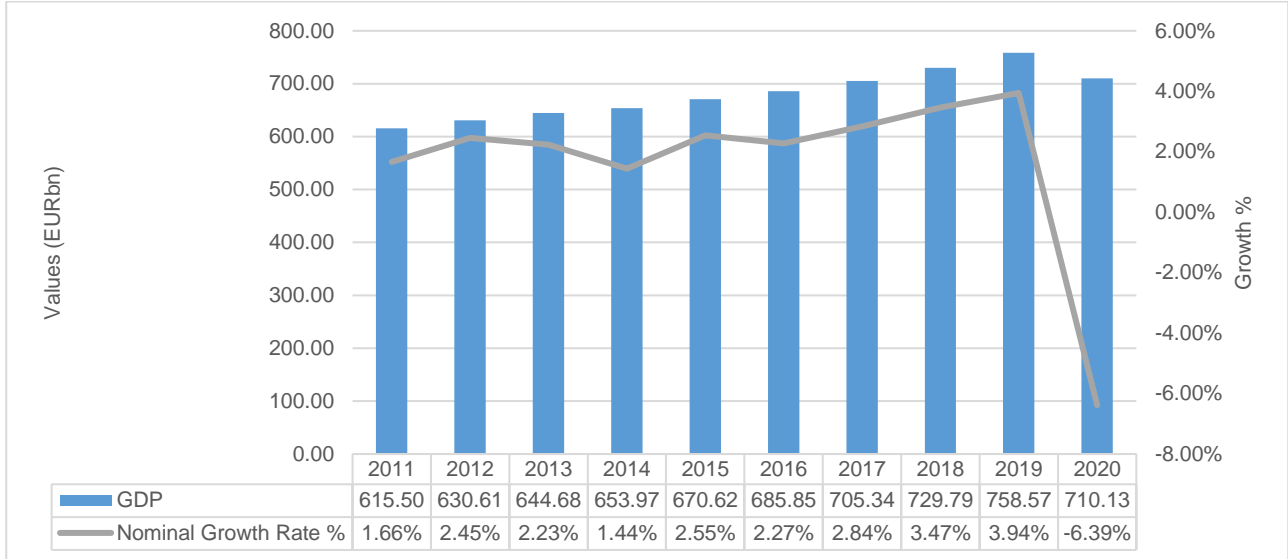
| TABLE 1: ECONOMIC INFORMATION |   |
|-------------------------------|---|
| Capital/Commune               | Paris                                     |
| Regional Council President    | Valérie Pécresse (Les Républicains)       |
| Population (2020)             | 12.3 million (1.8 million foreign people) |
| GDP (current prices) (2019)   | EUR742bn                                  |
| GDP per capita, (2020)        | EUR57, 600                                |
| Area                          | 12,012 km <sup>2</sup>                    |
| Exports (2021)                | EUR101.4bn (21.1% of France's exports)    |
| Imports (2021)                | EUR159.6bn (26.9% of France's imports)    |
| Inward FDI (2020)             | 336 projects (10, 800 Jobs)               |

Sources: Region Ile-de-France, 2022; The Paris Region Institute, 2022

## GROWTH DOMESTIC PRODUCT

The figure below highlights Île-de-France’s Gross Domestic Product (GDP) (in nominal terms) between 2011 and 2020. It was for the first time in 10 years that Île-de-France registered a negative growth of 6.39% in 2021, attributed to the impact of the COVID-19 pandemic.

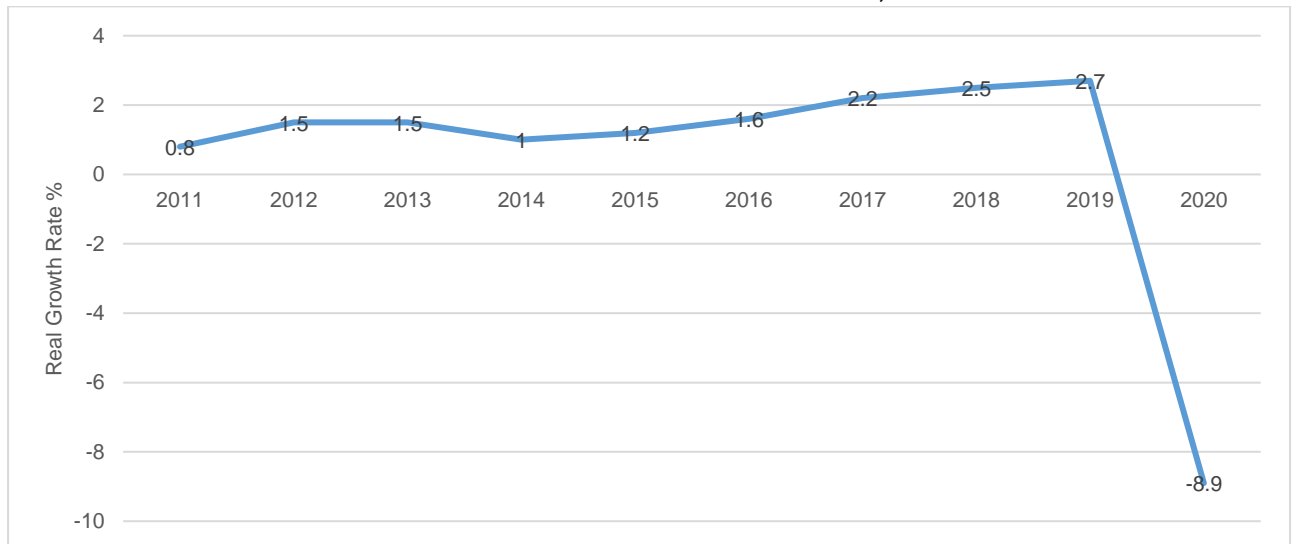
**FIGURE 1: ÎLE-DE-FRANCE GDP (CURRENT MARKET PRICES, EURbn), 2011 – 2020**



Source: National Institute of Statistics and Economic Studies - INSEE, 2022

Considering GDP growth in real terms (as shown in figure 2 below), Île-de-France’s GDP declined by 8.95% in 2021 from 2.7% growth in 2019.

**FIGURE 2: ÎLE-DE-FRANCE REAL ECONOMIC GROWTH RATE, 2011 – 2020**



Source: Eurostat, 2022

## KEY SECTORS

The Paris Region has a strong presence in both services and industry. It is a world leader in **financial services, aerospace and defence, and a pioneer in new mobility, new space, smart city, cleantech and green energy**. The region is also recognized for the quality of its research in **health and life sciences**, and is also leads **IT, digital transformation, creative industries, logistics, agri-food, cosmetics**.

### Tourism

Île-de-France receives more than 50 million visitors a year. It has been the number one tourist region in the world for several years. In addition, with 700,000 m<sup>2</sup> of exhibition space, Paris ranks first in Europe on all criteria including number of shows hosted, number of exhibitors and number of visitors for shows with more than 200 exhibitors.

Excluding the pandemic period, Paris ranks first in terms of the number of trade shows and number of visitors and ranks fifth in terms of the number of exhibitors. Paris is the host city of the 2024 Summer Olympics (The Paris Region Institute, 2022).

### COMPANIES IN ÎLE-DE FRANCE

Table 2 below is Fortune Magazine's top 10 corporate headquarters in the Paris Region. The largest French corporations are based in the region or have headquarters there. The region is also one of the world's largest hosts of international organisations. These include the OECD, UNESCO and the European Space Agency. Its industrial tradition is characterized by a dense network of SMEs/SMIs and a wide range of activities. It hosts a high density of technology companies (large groups, SMEs, start-ups), competitiveness clusters and one of the highest concentrations of science and technology in Europe.

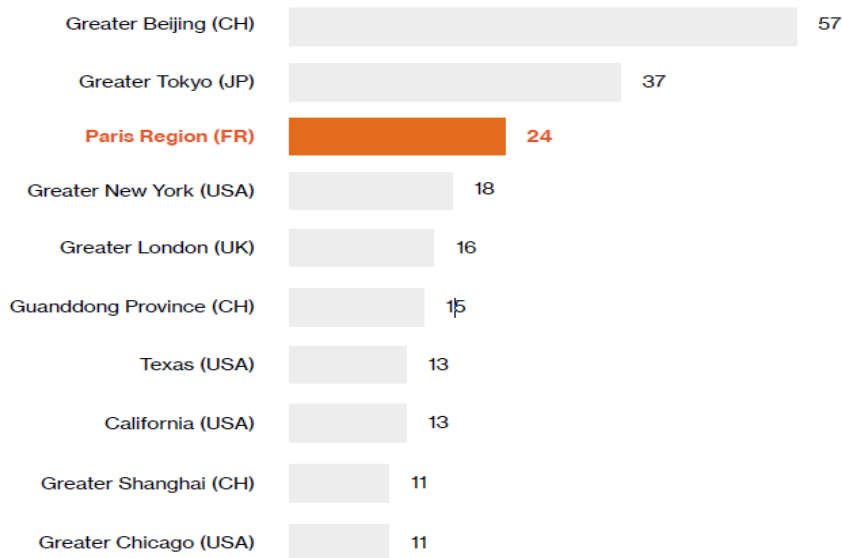
**TABLE 2: TOP 10 CORPORATE HEADQUARTERS IN PARIS REGION**

|                       | Revenue in million dollars | Total workforce |
|-----------------------|----------------------------|-----------------|
| AXA                   | 128,011                    | 96,595          |
| TotalEnergies         | 119,704                    | 105,476         |
| Crédit Agricole       | 82,958                     | 73,817          |
| Carrefour             | 82,211                     | 322,164         |
| BNP Paribas           | 81,632                     | 193,319         |
| Electricité de France | 78,903                     | 161,203         |
| ENGIE                 | 63,525                     | 172,703         |
| Société Générale      | 52,068                     | 126,391         |
| Christian Dior        | 50,878                     | 139,409         |
| Vinci                 | 50,270                     | 217,731         |

Sources: Fortune Magazine, Global 500, July 2021

According to Fortune Magazine, the Paris Region has the third highest concentration of Fortune 500 corporations in the world behind Beijing and Tokyo (as shown in Figure 1 below).

**FIGURE 3: HIGHEST CONCENTRATION OF 500 GLOBAL CORPORATE HEADQUARTERS BY WORLD REGIONS, 2021**

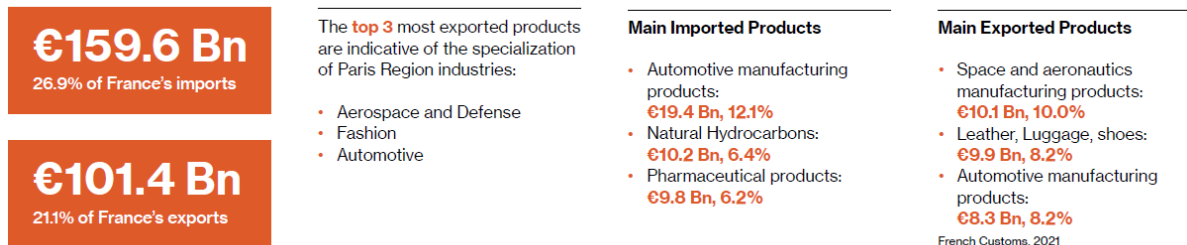


Sources: Fortune Magazine, Global 500, July 2021

## 2. Trade

In 2021, Île-de-France exported goods to the value of EUR159.6bn, while importing EUR101.4bn worth of goods. The main exported products were space and aeronautics manufacturing products valued at EUR1.01bn, this was equivalent to 10.00% of all exported good by the region.

**FIGURE 4: ÎLE-DE FRANCE TRADE, 2021**



Source: French Customs, 2021

Note: \*including other countries

In terms of top trade partners in 2021, China led as the top source markets of imports into the region, at a value of EUR25.9bn, with share of 16.2%. Germany took the number one spot as the top destination market for exports from Île-de France at a value of EUR13.0bn (or 12.8%).

**TABLE 3: ÎLE-DE-FRANCE TOP SOURCE & DESTINATION MARKETS FOR IMPORTS AND EXPORTS), 2021**

| Top 10 suppliers           |                   |      | Top 10 customers           |                   |      |
|----------------------------|-------------------|------|----------------------------|-------------------|------|
| Imports                    |                   |      | Exports                    |                   |      |
| Country                    | Value (€ billion) | %    | Country                    | Value (€ billion) | %    |
| China                      | 25.9              | 16.2 | Germany                    | 13.0              | 12.8 |
| Germany                    | 17.0              | 10.6 | United States              | 11.9              | 11.7 |
| Belgium                    | 15.7              | 9.8  | United Kingdom             | 7.0               | 6.9  |
| United States              | 11.6              | 7.2  | Italy                      | 6.9               | 6.9  |
| Spain                      | 10.6              | 6.6  | China                      | 6.9               | 6.8  |
| Italy                      | 10.4              | 6.5  | Spain                      | 6.3               | 6.2  |
| Netherlands                | 6.7               | 4.2  | Belgium                    | 6.2               | 6.1  |
| United Kingdom             | 5.6               | 3.5  | Switzerland                | 5.0               | 5.0  |
| Unknown countries          | 4.0               | 2.5  | Hong Kong                  | 2.7               | 2.6  |
| Switzerland                | 3.8               | 2.4  | Netherlands                | 2.4               | 2.4  |
| Global Total Paris Region* | 159.6             |      | Global Total Paris Region* | 101.4             |      |

Source: French Customs, 2021

Note: \*including other countries

### France (and Île-de-France) trade relations with South Africa

Relations between France and South Africa are coordinated through a Forum for Political Dialogue (FPD), a structured mechanism that was instituted in 1997, as well as the Southern African Economic Partnership Agreement (SADC EPA) finalized in June 2016. The latter encompasses the EU and South Africa – together with Botswana, Lesotho, Mozambique, Namibia and Swaziland

Under the 'SADC EPA', the EU has fully or partially removed customs duties on 98.7% of imports from South Africa while guaranteeing full free access for the rest of the signatory countries. Today the EU remains South Africa's biggest trade and investment partner.

France mainly imports agricultural products such as citrus fruits, avocado and grapes from South Africa.

### 3. Foreign Direct Investments

This section analyses Foreign Direct Investment (FDI) trends for the Paris Region.

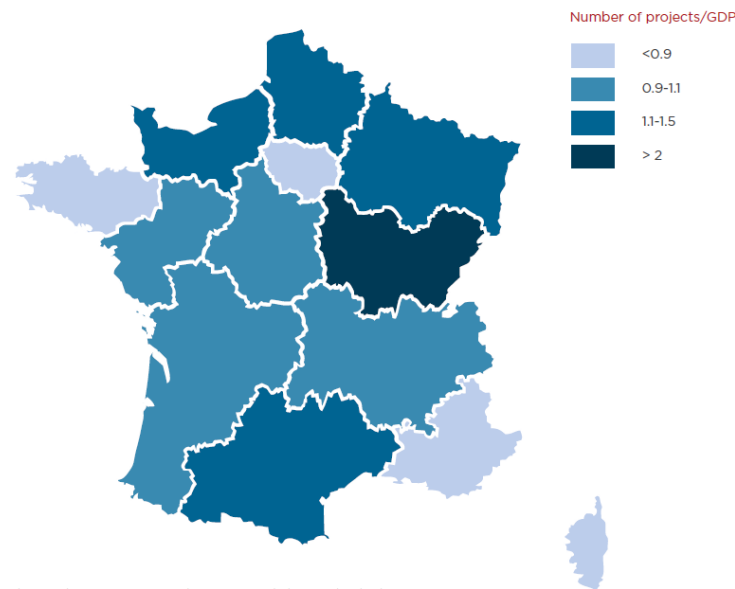
The Paris Region is the leading region for foreign investment projects in Europe after London. In 2021, 415 direct foreign investment projects representing 9,660 jobs were made into the region. In 2020, Pfizer chose the Paris Region to set up its pharmaceutical lab thereby generating 850 jobs. IBM also elected to set up its AI research-lab in Paris Saclay that employs more than 100 engineers on site and is aimed to create a total of 5,000 jobs (Choose France, 2022).

#### 3.1 FDI into Île-de-France and other France Regions

##### Projects

The figure below demonstrates the *attractiveness index score* of French regions. The index relates the share of projects received by these regions as a proportion of their weight in nationwide economic activity. The estimates of this attractiveness index show that some regions have attracted a much higher share of foreign investment projects than their relative economic size would suggest. This is notably the case of Bourgogne-Franche-Comté, Grand Est, Hauts de France, Occitanie and Normandie.

**FIGURE 5: FRENCH REGIONAL ATTRACTIVENESS INDEX BY GDP, 2021**



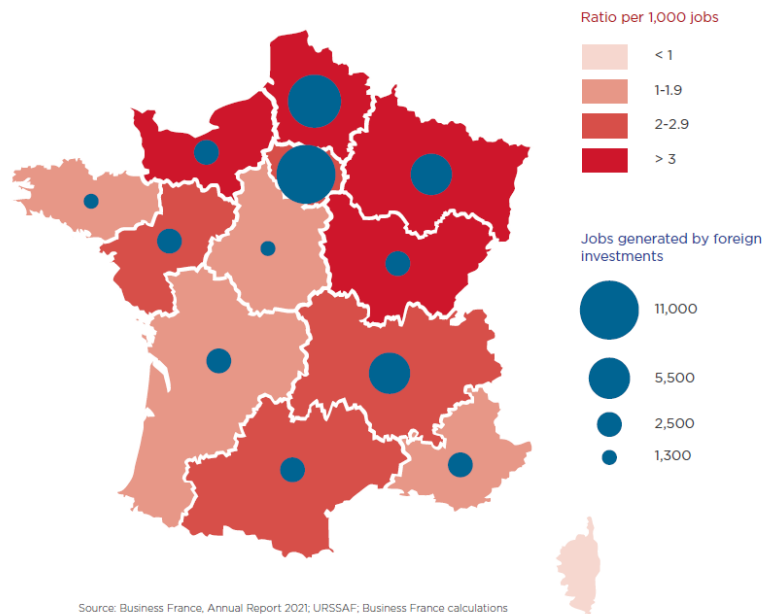
Key: Hauts de France has an attractiveness index equal to 1.2, which means that the share of foreign investment received by this region is greater than its economic weight in the national GDP.  
Source: Business France, Annual Report 2021; INSEE; Business France calculations

Source: *Business France, 2022*

##### Jobs created

Between 2017 and 2021 Île-de-France (Paris region) was one of the leading host regions by jobs created or maintained. Jobs created in the region were equivalent to 24% of all jobs nationwide. It was followed by Hauts de France (16%), Auvergne-Rhône-Alpes (11%) and Grand Est (10%).

**FIGURE 6: INWARD FDI INTO FRANCE – REGIONAL BREAKDOWN OF JOBS CREATED, 2021**

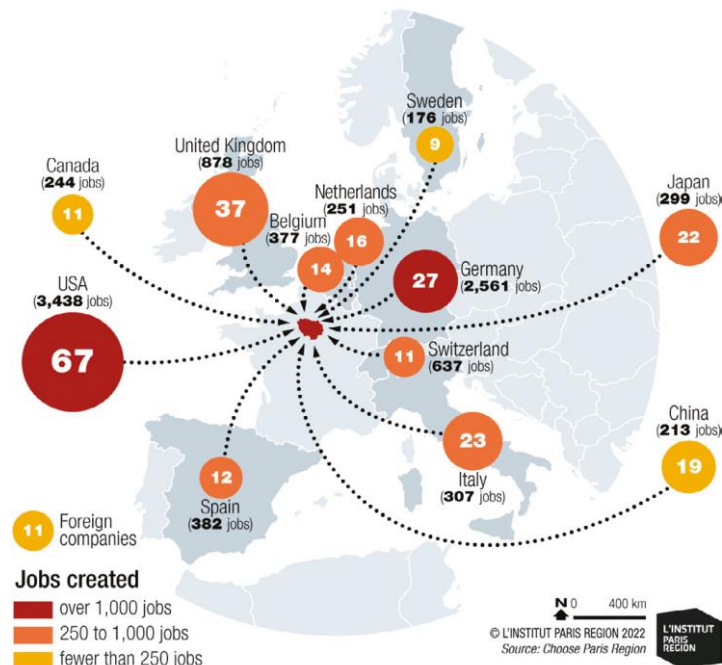


Source: Business France, 2022

**Source Countries**

The figure below shows the top source countries (by jobs created) for FDI into French regions in 2021. The top source countries were the US with 3,438 jobs (32%), Germany (2,561 jobs or 24% of all jobs), UK (878 jobs or 8.1%), Switzerland (637 jobs or 5.9%), and Spain (382 jobs or 3.5%).

**FIGURE 7: INWARD FDI INTO ÎLE-DE-FRANCE BY SOURCE COUNTRIES (JOBS CREATED), 2021**

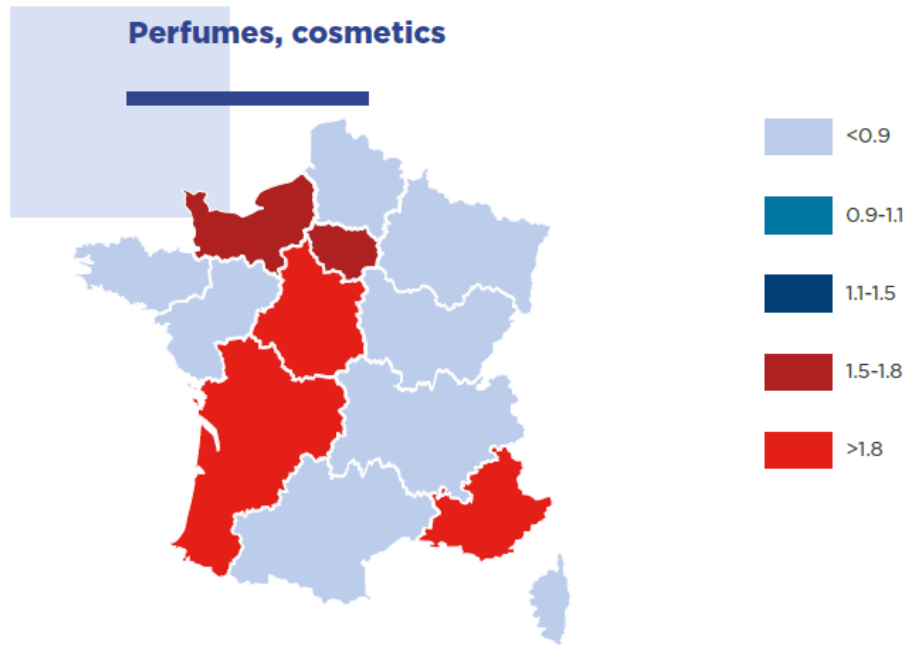


Source: French Customs, 2021, \*including other countries

### Inward FDI by sectors into French regions

The figure below demonstrates inward FDI into French regions by sectors. The region Île-de-France (Paris region) attracts FFI mainly in its services sectors. This is attributed to its status as one of the major financial centres in Europe. Furthermore, the availability of a highly qualified workforce and an innovative ecosystem mean that numerous IT services projects are being established in the region.

**FIGURE 8: INWARD FDI INTO FRENCH REGIONS BY SECTOR, 2014-2021**



Source: Business France, 2022

### Investments made by South Africa into Île-de-France

In 2021, HL Hall and Sons from South Africa invested in the Île-de-France region.



*Agri-food*

**HL HALL & SONS, South Africa**

The South African group HL Hall & Sons, whose division Halls Fresh Produce operates throughout the fresh produce supply chain, has a French subsidiary well known as a specialist in the ripening, packaging and distribution of avocado and mango.

Thanks to constant and sustainable growth of French operations over the last ten years, Halls is investing in a larger, more efficient warehouse in Rungis (Île de France/Paris region), with new equipment (machines to produce 100% environmentally responsible packaging, enterprise resource planning and ripening facilities). In parallel, the French subsidiary is planning to create a dozen extra jobs over 2022-2023, in addition to the 17 that have already been created in 2021, including 13 in Île de France (Paris region).

Source: Business France, 2022



## France Investments in South Africa

There are more than three hundred French companies operating in South Africa.

Between 2003 and 2018, a total of eighty-one foreign direct investments with a capital investment worth ZAR8.6bn were recorded from France.

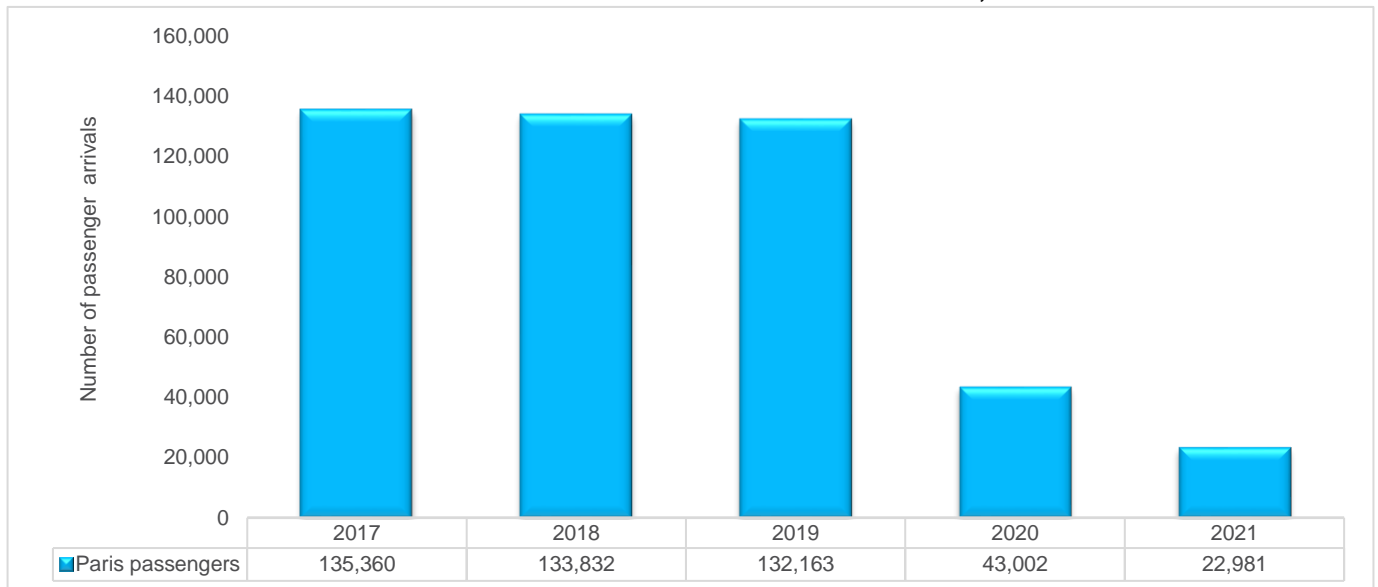
## 4. Tourism

### 4.1 Île-de-France Passenger Arrivals to South Africa

Île-de-France meaning “Island of France” is a region in the north-central part of France, surrounding the capital city of Paris. The graph below depicts total passenger arrivals from Paris into South Africa from 2017 - 2021. Pre-Covid 19, South Africa welcomed over 130,000 passengers from Paris. Passenger numbers have since declined due to the global pandemic.

In 2021, South Africa received 22 981 passenger arrivals from Paris and into the first six months of 2022, the country received 23 027 arrivals. The period Jan-Jun 2022 recovered to 35% when compared to the number of passengers recorded over the same period in 2019.

**FIGURE 9: PASSENGER ARRIVALS FROM ÎLE-DE-FRANCE TO SA, 2017-2021**



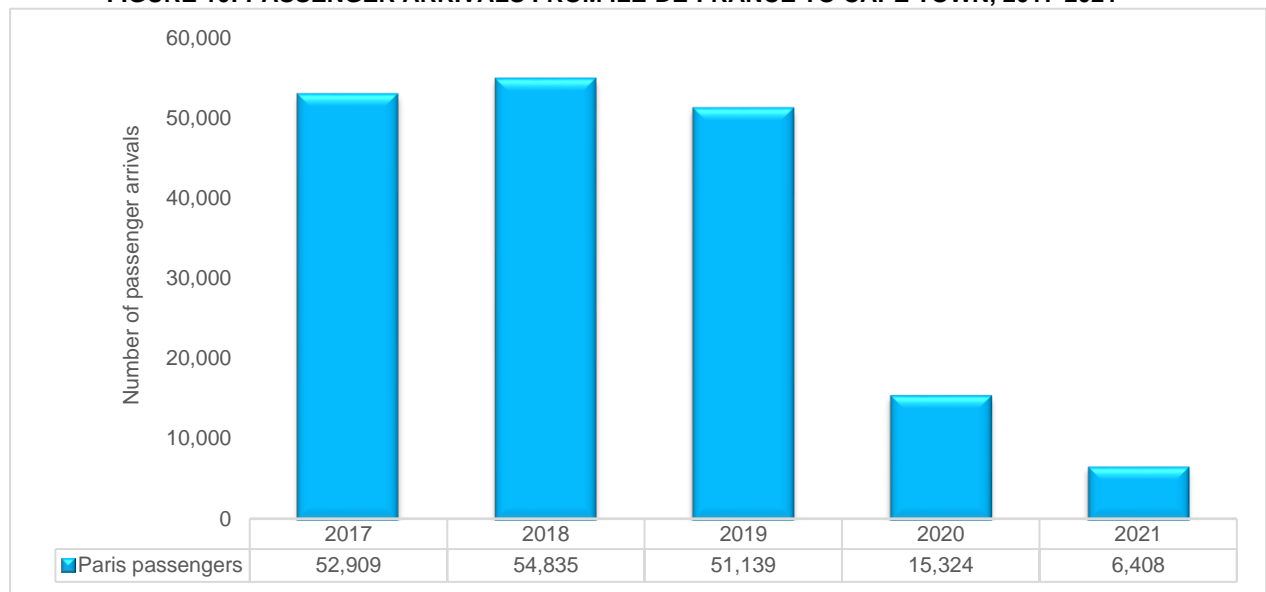
Source: OAG Traffic Analyser, 2022

## 4.2 Île-de-France Passenger Arrivals to Cape Town

Pre-Covid 19 (2017 – 2019), Cape Town welcomed over 50,000 passenger arrivals from Paris with the highest (54,835) recorded in 2018. In 2021, passenger levels significantly dropped to 6,408, largely attributed to the effects of the pandemic.

Passenger arrivals have since picked up coming into 2022, with the first six months reflecting a recovery of 30% when compared to the same period in 2019. A total of 7,701 passenger arrivals were received from Paris between January and June 2022, exceeding the 6,408 annual number of passengers recorded in 2021.

**FIGURE 10: PASSENGER ARRIVALS FROM ÎLE-DE-FRANCE TO CAPE TOWN, 2017-2021**



Source: OAG Traffic Analyser, 2022

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