

The French Economy: The World's Seventh Economic Power, Between Tradition and Ambition *by Pierre Vercueil — Updated Edition 2025–2026*

Hello everyone and welcome to a new episode of EconoMag. Today, we take an updated look at the French economy — an economy that has managed to maintain its position on the global stage, but which must face significant structural challenges in order to remain competitive in a rapidly changing world.

The World's Seventh Largest Economy, Firmly Anchored in Europe

France's GDP reached \$3.162 trillion in 2024, representing nearly 3% of the global economy. France is now the seventh-largest economy in the world and the second largest in the euro area, behind Germany.

This represents a slight decline compared with what we described in our previous episode, when France ranked sixth in the world. It has since been overtaken by India, whose spectacular growth has propelled it among the five largest economies globally.

According to the International Monetary Fund, France ranked 24th worldwide in GDP per capita in 2024 — a significant drop compared with the 11th place it held in the 1990s. This decline in wealth per capita remains one of the main concerns for French economists.

Modest but Resilient Growth

In 2024, the French economy grew by 1.2% in real terms, following 1.4% growth in 2023. This growth was mainly driven by foreign trade, with strong exports and declining imports, while household consumption accelerated in a context of falling inflation.

For the entire year 2025, the French economy grew by 0.9%, slowing compared with 1.1% in 2024, with quarterly growth of only 0.2% in the fourth quarter — the weakest performance in three quarters.

Although growth remains positive, this pace highlights the fragility of France's economic recovery in the face of global uncertainties.

A Still Highly Diversified Economy

The main engine of the French economy remains household consumption, which represents 55% of GDP, followed by public spending (24%) and gross fixed capital formation (22%). Exports of goods and services account for 29% of GDP.

The services sector now represents 73% of the economy, although industry remains resilient, even as agriculture has slightly declined.

France remains the largest agricultural producer in Europe, a key pillar of its economic and cultural identity. Chemicals, aerospace, luxury goods, and the pharmaceutical industry remain sectors of excellence that contribute strongly to French exports.

Tourism: A Historic Year in 2024

Tourism remains one of the strongest assets of the French economy.

In 2024, boosted by the Olympic and Paralympic Games, the 80th anniversary of the D-Day landings in Normandy, and the reopening of Notre-Dame Cathedral in Paris, France surpassed the symbolic milestone of 100 million international visitors for the first time (+2%).

International tourism revenues reached €71 billion, representing a 12% increase year-on-year.

Despite this record, France faces growing competition, particularly from Spain, which welcomed 94 million visitors but generated €126 billion in tourism revenue in 2024, far exceeding the economic performance of French tourism.

Paris: A Global Start-up Capital

France's technological ambition has strengthened considerably since the creation of Halle Freyssinet — renamed Station F — inaugurated in 2017.

With more than 1,000 start-ups permanently hosted and partnerships with global companies such as Facebook, Microsoft, and Ubisoft, Station F has become the largest start-up campus in the world.

Paris has therefore established itself as one of the global capitals of digital innovation, attracting French and international entrepreneurs in fields such as artificial intelligence, fintech, and deep tech.

The Research Tax Credit, which cost €7.7 billion in 2024, illustrates the French government's commitment to supporting innovation, even though its effectiveness remains a subject of debate.

Public Finances Under Heavy Pressure

The main weakness of the French economy remains its public finances.

French public debt reached 114% of GDP in the first quarter of 2025, a level that concerns financial markets and rating agencies.

The public deficit has significantly exceeded the Maastricht criteria set by the European Union (3% of GDP), placing France under European budgetary surveillance and forcing successive governments to search for fiscal consolidation strategies that are politically difficult to implement.

Conclusion

France in 2025 remains a major economic power: the world's seventh-largest economy, the most visited country on the planet, and a recognized center of industrial and technological excellence.

However, as global economic balances continue to evolve, its influence on the international economic stage appears increasingly nuanced.

The central question for the coming years concerns productivity growth and the control of public finances — two structural challenges that will determine France's ability to maintain, or even improve, its position in the global economy of tomorrow.

Join us for the next episode of EconoMag!

Vocabulary :

Economic power – Puissance économique

GDP – PIB (Produit Intérieur Brut)

GDP per capita – PIB par habitant

Global ranking – Classement mondial

Growth – Croissance

Household consumption – Consommation des ménages

Public spending – Dépenses publiques

Gross fixed capital formation – Formation brute de capital fixe

Exports – Exportations

Services sector – Secteur des services

Industry – Industrie

Agriculture – Agriculture

Chemicals – Chimie

Aerospace – Aérospatial

Luxury goods – Produits de luxe

Pharmaceutical industry – Industrie pharmaceutique

Tourism – Tourisme

International visitors – Visiteurs internationaux

Revenue – Revenus

Olympic Games / Paralympic Games – Jeux olympiques / paralympiques

Notre-Dame Cathedral – Cathédrale Notre-Dame (Paris)

Start-up – Start-up / jeune entreprise innovante

Station F – Station F (campus start-up, Paris)

Digital innovation – Innovation numérique

Artificial intelligence – Intelligence artificielle

Fintech – Fintech / technologies financières

Public debt – Dette publique

Public deficit – Déficit public

Fiscal consolidation – Consolidation budgétaire