



## **EconoMag**

### **The Show that demystifies Economics**

#### **Transport Economy - part 1**

#### **France overview**

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With the current trend in globalization, transportation is one of the most important sectors today, and a cornerstone of any economy. Firms like Apple rely heavily on transport for their products, such as the increasingly popular iPhone and iPad. The ideas are hatched and the blueprints drawn up in Cupertino, California, then they are transported to South Korea where some components are made and assembled, which then go on to China where they are fully assembled into completed products, and then they are sent back to America from where they are shipped to Apple shops and customers all over the world. And it's basically the same process for other products such as coffee! We will look at the influence and the significance of transportation and shipping in our modern economy, with a focus today on France.

In France, transportation represents 3.6% of the GDP and it employs more than 1 million people, which is 4.5% of the work force. The French people spend 15 and a half percent of their yearly budget on transport-related activities such as flying on a plane, riding on buses and trains, or driving a car. France has one of the densest transportation networks in the world with 146km of road and 6.2km of rail lines per 100km<sup>2</sup>. Unlike in decentralized countries such as Germany, France's network is built like a web, with Paris at its core and all roads and rail lines radiating out in all directions from this central city. France also has several major rivers such as the Loire, the Seine, and the Rhone, as well as a small stretch of the Rhine.

Since the industrial revolution, France has always been a pioneer in railway lines, and in fact, the official language of international rail networks is French. The famous TGV, one of the fastest trains in the world is French and works on a special high-speed railway developed in France. Today, only Japan can compete with France's technological know-how in this sector. Nearly the entire rail network in France is operated by the SNCF, the national state-owned railway company, which employs more than 180,000 people. In 2010 the SNCF was ranked 22<sup>nd</sup> in France and 214<sup>th</sup> on the Fortune Global 500 list. In 2013, the revenue of the company was 32 billion euro, but its profit was just over a mere 150 million euro.

France has one of the largest exclusive economic zones, the second only behind the United States. For this reason it has many important ports that are linked to the metropolitan areas and the rest of the country with its vast road and rail network. France's main ports are Marseille on the Mediterranean coast, Le Havre on the English Channel, and Nantes on the Atlantic Ocean. Sea traffic coming in and out of French harbors represents 365 million tons per year.

Air traffic is also important in France, and there are nearly 500 airports in the country. The busiest is Charles de Gaulle outside of Paris, with 4 runways and nearly 65 million passengers

having passed through its halls in 2014, which is as many as the total population of France!  
In 2006, the airport employed more than 80,000 people, roughly 1,500 employees per million passengers. The other main airport in Paris is Orly to the south.