



EconoMag

The show that demystifies economics

The French Economy:

What Characterizes the World's Sixth Largest Market? ©

by Pierre Vercueil

Hi there and welcome back to a brand new episode of EconoMag here on EnglishWaves. Over the next five episodes we'll be touring some of the world's largest regional economies. Today we start at home here in France and take a look at what makes one of Europe's largest economies tick.

In nominal terms France boasts the world's sixth-largest economy, just behind the United Kingdom and Germany. Economists measure the size of a country's economy through its Gross Domestic Product or GDP. Essentially, GDP is a measure of the value of all the goods and services produced within a country in a single year: a 'good' would be something like a car, whilst a 'service' would be a visit to the doctor – both have a nominal, monetary value attached. For example, in 2014 the French GDP stood at 2829 billion US dollars, so in other words the French workforce collectively produced that amount of both goods and services during the course of that year.

What types of goods and services are produced in France? Responsible for more than half of GDP, the government still dominates major sectors of the economy as a large shareholder in many semi-public enterprises. This puts it at odds with more liberalized economies, such as those of the UK and the US. Even so, the French economy is highly diversified and developed with important primary, secondary and tertiary sectors.

An economy's primary sector relates predominantly to agriculture and resource extraction: France is the premier agricultural producer in Europe, meaning the agricultural industry employs thousands of people and contributes significantly to national GDP. The secondary sector includes national manufacturing industries: the chemical industry is a key sector for France, helping to develop other manufacturing activities and contributing to economic growth. The car manufacturing industry has also traditionally been very strong in France. The service sector includes economic activity such as banking and of course tourism, with France being the most visited country in the world.

The French economy has particularly made a name for itself as a technology hotspot. Situated just north of Antibes, the technology park Sophia Antipolis is the major technology hub for the economy of France. Created in 1970-1984, it houses primarily companies in the fields of computing, electronics, pharmacology and biotechnology. What's more, the City Hall of Paris has recently embarked on an ambitious mission to turn the city into the world's premier start-up location. Through an ambitious €200m project named the Halle Freyssinet, Paris is unveiling the world's largest start-up incubator, hoped to attract 1,000 French and foreign tech entrepreneurs.

How does the French economy rank with its immediate neighbors? Next time, we hop across the Channel and take a look at the defining features of Britain's economy. Join us again next time for a brand new episode of EconoMag here on EnglishWaves.