

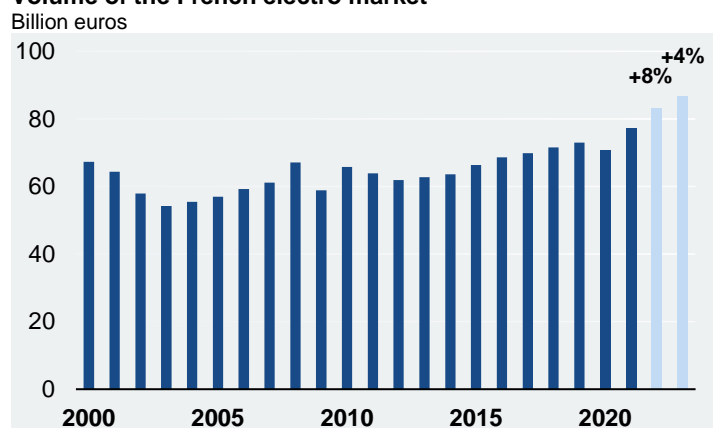
May 2023

# ZVEI Foreign Trade Report Special

## France

With a population of **68 billion people** France generated a gross domestic product of 2.6 trillion euros in 2022. This corresponds to nearly 70 percent of the German GDP (with 83m inhabitants). As regards GDP (but also population), France is the second biggest economy within the European Union. As France is also Germany's direct neighbour, it is not surprising that it is Germany's most important trading partner within the common EU internal market – alongside the Netherlands with its large seaport in Rotterdam. In 2022, Germany delivered goods worth 116.0 billion euros to France, which made the country the second biggest receiving country of German exports (just behind the USA with €156.2bn).

### Volume of the French electro market



Source: Eurostat and ZVEI's own calculations; 2022 and 2023 from ZVEI's forecast

produced goods worth 44.4 billion euros in 2020 with its own electro industry.

The German electro and digital industry **exported** products with a value of 15.5 billion euros to France last year – 8.8 percent more than in 2021. The corresponding share in the total German electro exports (€245.8bn) was 6.3 percent. In the first quarter of 2023, German electro exports to France increased by 9.9 percent (year-on-year) to accumulated 3.9 billion euros. For the same period, higher exports were recorded only for the USA (€6.3bn) and China (€6.2bn).

Especially the deliveries of the sub-branches ICT (€3.4bn), automation (€2.7bn), electronic components (€1.8bn), domestic electrical appliances (€1.0bn) and power engineering (€0.9 bn) contributed the most to the German electro sector's exports to France last year.

Considering the **imports** of electrical and electronic products to Germany, they came to 7.1 billion euros last year (7<sup>th</sup> position in the ranking of the biggest supplying countries). Thus, France plays a smaller role here than in exports. Taking exports and imports together, Germany reached a surplus in its bilateral electro trade with France of 8.4 billion euros in 2022.

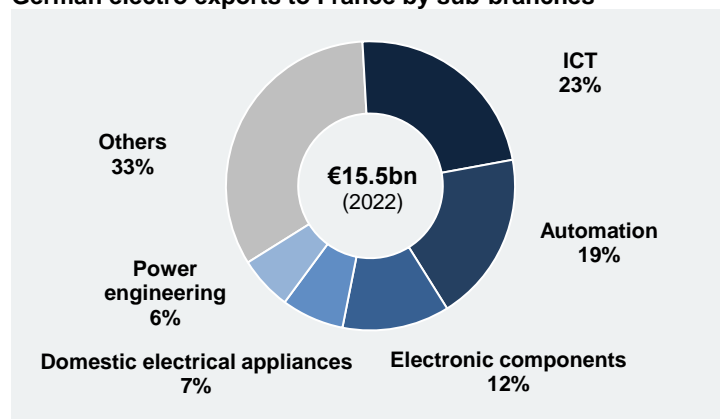
The German electro and digital industry held an **FDI stock** worth 1.1 billion euros in France in 2021. This corresponds to more than two percent of the sector's overall investments abroad (of €48.6bn).

According to preliminary calculations of ZVEI, the **French market for products of the electro and digital industry** amounted to 77.2 billion euros in 2021. With it, France is the eighth biggest country market. Based on ZVEI's forecast model, the (nominal) market growth is projected at eight percent for 2022 and four percent for 2023.

The French market is attractive for the German electro and digital industry not only because of its size and proximity, but also because of the enormous advantages within the EU common market (e.g., customs union; free movement of goods, services, capital and people; legal certainty etc.).

France itself, whose manufacturing sector – with a share of ten percent in domestic GDP – is significantly smaller than Germany's (20%),

### German electro exports to France by sub-branches



Source: Destatis and ZVEI's own calculations

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