

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCIS INDIA-FRANCE BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The French Republic is situated in north-western Europe. It is bounded to the north by the English Channel (la Manche), to the east by Belgium, Luxembourg, Germany, Switzerland and Italy, to the south by Mediterranean Sea and Spain, and to the west by the Atlantic Ocean. The island of Corsica is part of Metropolitan France, while four overseas departments, two overseas 'collectivites territoriales' and four overseas territories also form an integral part of the Republic. France is a member of the UN, the Council of Europe, NATO, WEU, EU, OSCE, OECD and the Pacific Community and is signatory to the Schengen Accord. As per available data from DGCIS database, India and France have noticeable bilateral trade relations. It has been observed that India's total export value with France has been 1.82% of India's gross exports in FY 2024-25 and France ranked 11th as an export country partner.

2. France has a social market economy characterised by sizeable government involvement and diversified sectors. For two centuries, the French economy has consistently ranked among the ten largest globally; as of 2025 it is the world's ninth largest economy by purchasing power parity and second largest in the EU, after Germany. France is considered a great power with considerable economic strength, being a member of the Group of Seven leading industrialised countries, the Organisation for Economic Co-operation and Development (OECD), and the Group of Twenty largest economies. As per IMF Executive Board Article IV Consultation with France, July 14, 2025, "The French economy has demonstrated resilience in 2024 despite high uncertainty. Real GDP grew by 1.1 percent in 2024, supported by the impact of the Paris Olympics, which temporarily boosted services and consumption, despite rising household savings rates. Policy uncertainty and tight financial conditions continued to weigh on private investment. The disinflationary process is progressing well, and the labor market remains robust. Despite the authorities' efforts to control spending, the fiscal stance was again expansionary in 2024, due to lower-than-expected revenues, overruns in local governments and social security, as well as rising debt service payments".

A snapshot of France's selected economic indicators is as under.

Table 1

France: Selected Economic Indicators, 2022–27 (Annual percentage change, unless noted otherwise)						
				Projection		
	2022	2023	2024	2025	2026	2027
Real economy (change in percent)						
Real GDP	2.8	1.6	1.1	0.6	1.0	1.2
Domestic demand	2.8	0.7	-0.1	1.2	0.9	1.1
Foreign balance (contr. to GDP growth)	-0.1	0.9	1.2	-0.6	0.1	0.1
CPI (year average)	5.9	5.7	2.3	1.1	1.5	1.9
GDP deflator	2.9	4.9	2.1	1.3	1.6	1.9
Public finance (percent of GDP)						
General government balance	-4.7	-5.4	-5.8	-5.4	-5.7	-6.0

Revenue	53.7	51.4	51.4	51.9	51.7	51.5
Expenditure	58.4	56.8	57.2	57.3	57.4	57.5
Primary balance	-2.9	-3.7	-3.8	-3.4	-3.4	-3.5
Structural balance (percent of pot. GDP)	-4.2	-5.3	-5.8	-5.2	-5.5	-6.0
General government gross debt	111.4	109.6	113.1	116.5	119.1	121.5
Labor market (percent change)						
Employment	1.9	1.0	1.2	-0.3	0.1	0.2
Labor force	1.3	1.0	1.2	0.0	-0.1	0.0
Unemployment rate (percent)	7.3	7.3	7.4	7.7	7.5	7.3
Credit and interest rates (percent)						
Growth of credit to the private non-financial sector	5.7	3.6	0.6	1.0	1.2	1.9
Money market rate (Euro area)	0.3	3.4	3.6	...	...	...
Government bond yield, 10-year	1.7	3.0	3.0	...	...	...
Balance of payments (percent of GDP)						
Current account	-1.2	-1.0	0.4	-0.1	-0.3	-0.5
Trade balance of goods and services	-2.6	-1.4	-0.1	-0.7	-0.8	-0.8
Exports of goods and services	36.6	34.3	33.9	33.7	33.2	33.0
Imports of goods and services	-39.2	-35.7	-34.0	-34.4	-34.0	-33.7
FDI (net)	-0.8	1.0	-0.3	0.4	0.8	1.0
Official reserves (USD billion)	100.4	79.2	78.4	...	...	...
Exchange rates						
Euro per U.S. dollar, period average	0.95	0.92	0.92	...	...	...
NEER, ULC-styled (2005=100, +=appreciation)	95.9	97.0	97.3	...	...	...
REER, ULC-based (2005=100, +=appreciation)	90.7	90.5	91.7	...	...	...
Potential output and output gap						
Potential output (change in percent)	1.4	1.2	0.8	0.8	1.0	1.0
<i>Memo: per working age person</i>	0.8	1.0	0.4	0.8	1.0	1.0
Output gap	-0.7	-0.4	-0.1	-0.4	-0.4	-0.2
Sources: INSEE, Banque de France, and IMF staff calculations.						

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of France are Germany, Italy, United States, Belgium, and Spain. On the other hand five major import partners of France are Germany, Belgium, Netherlands, Spain and Italy. Major five exported goods of France are i) Aircraft nes,(ii) Other medicaments of mixed or unmixed products, (iii) Petroleum oils, etc, (excl. crude); preparation (iv) Natural gas in gaseous state and (v) Monolithic integrated circuits, digital. On the other hand major five imported goods of France are ((i) Petroleum oils, etc, (excl. crude); preparation, (ii) Petroleum oils and oils obtained from bituminous, (iii) Natural gas, liquefied, (iv) Natural gas in gaseous state and (v) Electrical energy.

4. France's total exports globally in 2020 were of the order of USD 487,987 million. It scaled up to USD 645,959 million in 2024. Exports from France had steeply increased by 19.96% in the year 2021 just after the initial serious impact of Covid-19 pandemic followed by another 5.62% increase in 2022. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 7.26%.

5. France's total imports from the world in 2020 were of the order of USD 580,806 million and USD 762,045 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 7.03%.

6. France faced an overall Balance of Trade deficit from 2020 to 2024 and it was USD 92,819 million in 2020 and USD 116,086 million in 2024 and maximum was 201,099 in 2022. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 7.13%.

TABLE - 2

FRANCE'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	487987		580806		10,68,793		-92819
2021	585396	19.96	715859	23.25	13,01,255	21.75	-130463
2022	618299	5.62	819398	14.46	14,37,697	10.49	-201099
2023	640201	3.54	777132	-5.16	14,17,333	-1.42	-136931
2024	645959	0.90	762045	-1.94	14,08,004	-0.66	-116086

**Annual
Compound
Growth
Rate**

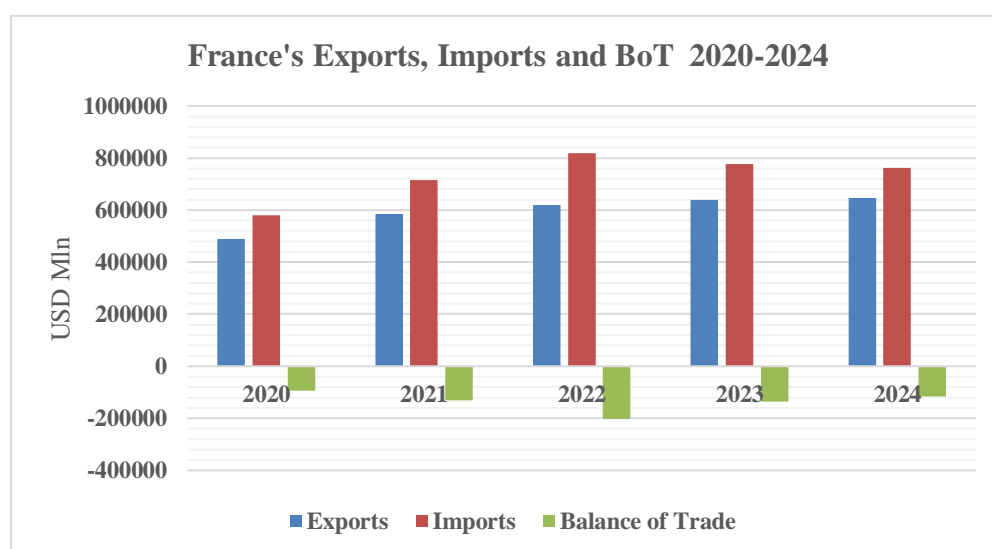
7.26

7.03

7.13

NOTE : Figures relate to calendar year (January to December)
SOURCE : UN COMTRADE PUBLICATION

Figure – 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and France have traditionally enjoyed close and friendly relations .In modern times, bilateral trade between the two countries reached a new peak at USD 15.15 billion in 2024-25, with exports from India almost touching USD 8 billion. France ranked 11th as an export destination of India in FY 2024-25. India exported to France almost 1.82% of it's total export value in FY 2024-25. In the same financial year imports from France was 1.23% of India's total import value. Almost 1.12% of India's total international trade value of goods was between India and France as recorded in DGCI&S data base for FY 2024-25.

8. Indo-France total volume of bilateral trade in FY 2020-21 was of the order of USD 9,129.25 million. It scaled to USD 15,148.55 million in FY 2024-25. The annual compound growth rate of total volume comprising both exports and imports during the period from 2019-21 to 2024-25 has been of the order of 13.50%.

9. It is seen from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade. It has been observed that exports from India to France increased by 38.81% in FY 2021-22 over FY 2020-21. The annual average compound rate of growth of Exports was 13.56% during the period under review. On the other hand, imports from France to India increased steeply by 33.13% in FY 2021-22 over FY 2020-21. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 13.42%.

A snapshot of India's merchandise trade statistics w.r.t. France is presented in Table 3 & Figure 2.

TABLE - 3

**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. FRANCE
FY 2020-2021 to 2024-2025**

(Value in USD Million)

Year	Exports from India to France	Percentage Growth in Exports	Imports from France to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	4786.03		4343.22		9129.25		442.81
2021-22	6643.72	38.81	5782.10	33.13	12425.82	36.11	861.62
2022-23	7611.94	14.57	6201.05	7.25	13812.99	11.16	1410.89
2023-24	7144.56	-6.14	6238.99	0.61	13383.55	-3.11	905.57
2024-25	7959.90	11.41	7188.60	15.22	15148.50	13.19	771.30

**Annual
Compound
Growth Rate**

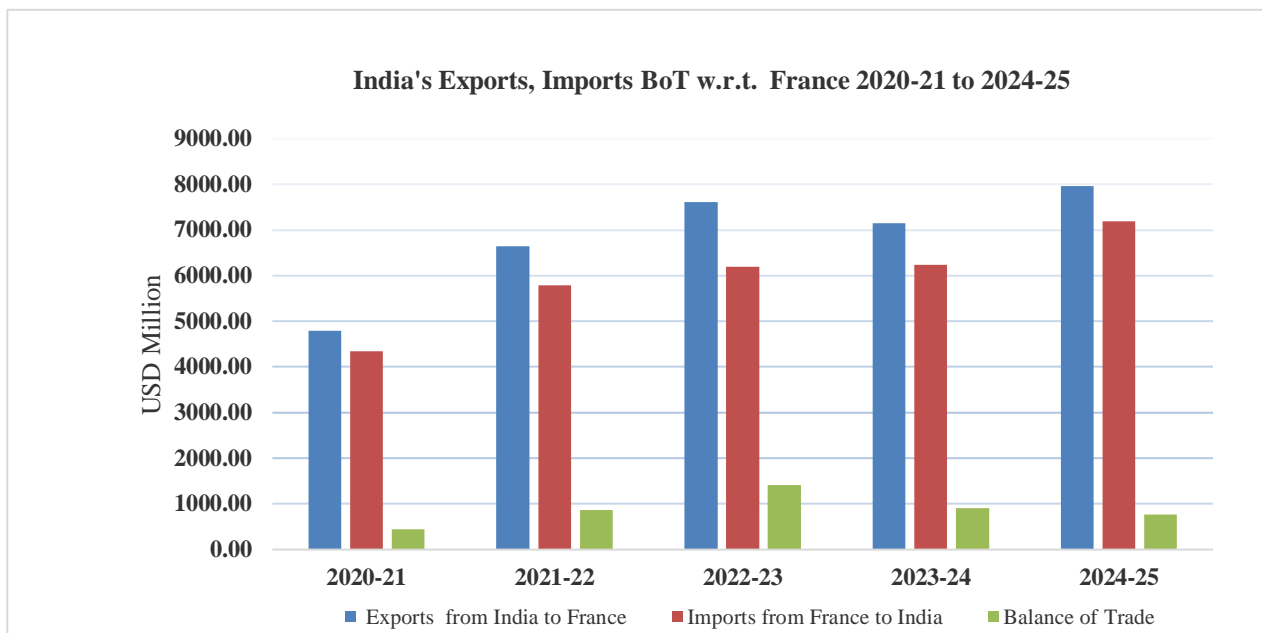
13.56

13.42

13.50

NOTE : Figures relate to Financial Year (April to March)
SOURCE : DGCI&S, M/o C&I

Figure 2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

- a. (i) **Petroleum Products** (ii) **Aircraft Spacecraft And Parts** and (iii) **Drug Formulations Biologicals** occupied the top three slots in India's exports to France in FY 2024-25. **Petroleum Products** occupied 14.38% share of India's total exports to France in FY 2024-25.
- b. (i) **Aircraft Spacecraft And Parts** (ii) **Electric Machinery And Equipments** and (iii) **Medical And Scientific Instruments** occupied the top three slots in India's imports list from France in the year 2024-25, India imported a significant amount of **Aircraft, Spacecraft And Parts** from France with a share of 33.89% of total imports from France recorded in FY 2024-25.

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO FRANCE
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Petroleum Products	294.76	774.99	1291.41	1228.03	1145.00	162.92	66.64	-4.91	-6.76
	Share in total export	6.16	11.67	16.97	17.19	14.38				
2	Aircraft Spacecraft And Parts	189.89	198.35	191.71	201.39	747.18	4.46	-3.35	5.05	271.01
	Share in total export	3.97	2.99	2.52	2.82	9.39				
3	Drug Formulations Biologicals	196.85	400.25	435.89	526.35	577.52	103.33	8.90	20.75	9.72
	Share in total export	4.11	6.02	5.73	7.37	7.26				
4	Electric Machinery And Equipments	273.66	550.30	795.40	583.55	487.71	101.09	44.54	-	-16.42
	Share in total export	5.72	8.28	10.45	8.17	6.13				
5	RMG Cotton Including Accessories	304.10	387.09	415.29	364.21	366.89	27.29	7.29	-	0.74
	Share in total export	6.35	5.83	5.46	5.10	4.61				
6	Telecom Instruments	148.49	146.48	263.76	269.03	355.64	-1.35	80.07	2.00	32.19
	Share in total export	3.10	2.20	3.47	3.77	4.47				
7	Gold And Other Precs. Metl. Jewellery	94.87	144.44	183.54	167.54	196.52	52.25	27.07	-8.72	17.30
	Share in total export	1.98	2.17	2.41	2.35	2.47				
8	Electronic Components	105.13	129.31	130.06	143.58	168.49	23.00	0.58	10.40	17.35
	Share in total export	2.20	1.95	1.71	2.01	2.12				
9	Organic Chemical And Allied Products	78.97	156.67	113.19	136.35	157.51	98.39	-	20.46	15.52
	Share in total export	1.65	2.36	1.49	1.91	1.98				
10	Cotton Fabrics, Madeups Etc.	103.52	146.03	134.17	128.43	152.91	41.06	-8.12	-4.28	19.06
	Share in total export	2.16	2.20	1.76	1.80	1.92				
	Total export to FRANCE	4786.03	6643.72	7611.94	7144.56	7959.90	38.81	14.57	-6.14	11.41

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM FRANCE
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Aircraft Spacecraft And Parts	1117.39	2146.36	2186.02	1634.17	2436.00	92.09	1.85	-25.24	49.07
	Share in total import	25.73	37.12	35.25	26.19	33.89				
2	Electric Machinery And Equipments	251.22	523.69	611.00	1127.28	858.87	108.46	16.67	84.50	-23.81
	Share in total import	5.78	9.06	9.85	18.07	11.95				
3	Medical And Scientific Instruments	204.35	119.82	182.72	229.72	278.76	-41.37	52.50	25.72	21.35
	Share in total import	4.71	2.07	2.95	3.68	3.88				
4	Indl. Machinery For Dairy Etc.	134.97	175.83	194.49	186.36	271.09	30.27	10.61	-4.18	45.47
	Share in total import	3.11	3.04	3.14	2.99	3.77				
5	Electronics Components	163.64	169.79	201.53	210.15	250.32	3.76	18.69	4.28	19.11
	Share in total import	3.77	2.94	3.25	3.37	3.48				
6	Iron And Steel	140.54	122.44	167.31	81.08	205.30	-12.88	36.65	-51.54	153.21
	Share in total import	3.24	2.12	2.70	1.30	2.86				
7	Electronics Instruments	120.27	126.84	129.47	138.63	199.15	5.46	2.07	7.07	43.66
	Share in total import	2.77	2.19	2.09	2.22	2.77				
8	Residual Chemical And Allied Products	120.72	124.16	152.99	171.12	131.65	2.85	23.22	11.85	-23.07
	Share in total import	2.78	2.15	2.47	2.74	1.83				
9	Plastic Raw Materials	107.37	129.63	130.81	127.36	126.28	20.73	0.91	-2.64	-0.85
	Share in total import	2.47	2.24	2.11	2.04	1.76				
10	Bulk Minerals And Ores	12.74	41.26	39.76	102.28	117.94	223.86	-3.64	157.24	15.31
	Share in total import	0.29	0.71	0.64	1.64	1.64				
	Total import from FRANCE	4343.22	5782.10	6201.05	6238.99	7188.60	33.13	7.25	0.61	15.22

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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