

**COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S  
INDIA-FRANCE BILATERAL TRADE RELATIONS**

**INTRODUCTION & BRIEF ECONOMIC OVERVIEW**

The French Republic is situated in 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 DGCI&S database India and France have noticeable bilateral trade relations. It has been observed that India’s total export value with France has been 1.63% of India’s exports in FY2023-24 and France ranked 16<sup>th</sup> as an export country partner.

2. France has a social market economy, characterised by sizeable government involvement, and economic diversity. For roughly two centuries, the French economy has consistently ranked among the ten largest globally; it is currently the world's ninth-largest by purchasing power parity, the seventh-largest by nominal GDP, and the second-largest in the European Union by both metrics. France is considered an economic power, with membership in the Group of Seven leading industrialised countries, the Organisation for Economic Co-operation and Development (OECD), and the Group of Twenty largest economies. IMF Executive Board Concludes 2024 Article IV Consultation with France July 12, 2024A strong and timely policy response helped cushion the impact of the COVID19 pandemic and the energy crisis resulting from Russia’s war in Ukraine. Despite a recovery slowdown in 2023, the French economy has remained relatively resilient in the face of financial tightening and weaker euro area external demand. Real GDP grew by 1.1 percent in 2023, supported by net exports, while investment surprised on the downside and consumption remained weak. Inflation continued to decline since its peak in early 2023, despite some volatility from the unwinding of the energy support measures and delayed wage adjustments.

**A snapshot of France’s select economic indicators is as under.**

**Table 1**

<b>Table 1. France: Selected Economic Indicators, 2021-26</b>						
(Annual percentage change, unless noted otherwise)						
					Projection	
	2021	2022	2023	2024	2025	2026
<b>Real economy (change in percent)</b>						
Real GDP	6.8	2.6	1.1	0.9	1.3	1.5
Domestic demand	6.0	2.9	0.6	0.3	1.2	1.2
Foreign balance (contr. to GDP growth)	0.7	-0.3	0.5	0.6	0.1	0.3
CPI (year average)	2.1	5.9	5.7	2.3	1.8	1.8
GDP deflator	1.3	3.2	5.1	2.6	2.0	1.9
<b>Public finance (percent of GDP)</b>						
General government balance	-6.6	-4.7	-5.5	-5.2	-5.0	-4.6
Revenue	52.9	53.7	51.5	51.4	51.4	51.4
Expenditure	59.5	58.4	57.0	56.7	56.4	56.0
Primary balance	-5.2	-2.9	-3.7	-3.4	-3.0	-2.4

Structural balance (percent of pot. GDP)	-5.1	-4.1	-4.9	-4.8	-4.6	-4.3
General government gross debt	112.6	111.1	109.9	111.3	112.8	113.5
<b>Labor market (percent change)</b>						
Employment	1.8	2.0	-0.1	0.1	0.4	0.2
Labor force	1.6	1.4	0.0	0.1	0.0	0.0
Unemployment rate (percent)	7.9	7.3	7.4	7.4	7.0	6.9
<b>Credit and interest rates (percent)</b>						
Growth of credit to the private non-financial sector	4.5	5.7	3.6	0.9	1.8	3.0
Money market rate (Euro area)	-0.5	0.1	3.3	...	...	...
Government bond yield, 10-year	0.0	1.7	3.0	...	...	...
<b>Balance of payments (percent of GDP)</b>						
Current account	0.4	-2.0	-0.7	-0.3	-0.5	-0.4
Trade balance of goods and services	-1.3	-3.2	-1.6	-0.6	-0.7	-0.5
Exports of goods and services	31.2	36.3	34.5	34.1	33.8	33.3
Imports of goods and services	-32.5	-39.5	-36.0	-34.7	-34.5	-33.9
FDI (net)	0.5	0.4	1.5	1.3	1.2	1.2
Official reserves (US\$ billion)	101.7	100.4	...	...	...	...
<b>Exchange rates</b>						
Euro per U.S. dollar, period average	0.82	0.95	0.92	...	...	...
NEER, ULC-styled (2005=100, +=appreciation)	97.8	95.9	97.0	...	...	...
REER, ULC-based (2005=100, +=appreciation)	92.8	93.3	97.1	...	...	...
<b>Potential output and output gap</b>						
Potential output (change in percent)	4.2	1.4	1.2	0.7	1.2	1.4
Output gap	-2.1	-0.9	-0.9	-0.7	-0.6	-0.5
Sources: INSEE, Banque de France, and IMF Staff calculations.						

**Sources:** IMF Executive Board Concludes 2024 Article IV Consultation with France July 12, 2024.

## 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, Belgium, Spain and United States. On the other hand, five major import partners of France are Germany, Belgium, Netherlands, Italy and Spain. Major five exported goods of France are (i) Aircraft nes of an unladen weight exceeding 15, (ii) Other medicaments of mixed or unmixed products, (iii) Beauty, make-up, skin-care (incl. suntan), nes. (iv) Wine (not sparkling); grape must with by alcohol and (v) Turbo-jets of a thrust exceeding 25 KN. 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) Other medicaments of mixed or unmixed products, (iv) Transmission apparatus, for radioteleph incorpo and (v) Natural gas in gaseous state..

4. France's total exports globally in 2019 were of the order of US\$ 556,364 million. It had scaled up to US\$ 640,201 million in 2023. 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 2019 to 2023, the annual average compound rate of growth of exports was 3.57%.

5. France's total imports from the world in 2019 were of the order of US\$ 643,208 million and had touched US\$ 777,132 million mark in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 4.84%.

6. France faced an overall Balance of Trade deficit from 2019 to 2023 and it had declined from USD - 86,844 million in 2019 to USD -136,931 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 4.26%.

A snapshot of France's overall Trade Statistics is presented in Table 2 and Figure 1 below.

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

## **BILATERAL TRADE WITH INDIA**

### **Merchandise Trade**

7. India and France have had long-standing commercial links. In modern times, Bilateral trade between the two countries reached a new peak at USD 13.4 billion in 2022-23, with exports from India crossing USD 7 billion. France is the 11th largest foreign investor in India, with a cumulative investment of USD 10.49 billion from April 2000 to December 2022. France ranked 16th as an export destination of India in FY 2023-24. India had exported to France almost 1.63% of its total export value in FY2023-24. In the same financial year imports from France was 0.92% of India's total import value. Almost 1.20% of India's total international trade value of goods was between India and France as has been recorded in DGCI&S data base for FY 2023-24.

8. Indo-France total volume of bilateral trade in FY 2019-20 was of the order of US\$ 11,269.47 million. It had scaled to US\$ 13,383.55 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports during the period from 2019-20 to 2023-24 had been of the order of 4.39%.

9. It is seen from the available figures that between 2019-20 and 2023-24, India has had a surplus Balance of Trade with France but FY2018-19 it was deficit balance. It has been observed that exports from India to France increased by 38.81% in FY2021-22. The annual average compound rate of growth of Exports was 8.79% during the period under review. On the other hand, imports from France to India increased steeply by 33.13% in FY 2021-22. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 0.28%.

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

a. **(i) Petroleum Products (ii) Electric Machinery And Equipments** and **(iii) Drug Formulations Biologicals** had occupied the top three slots in India's exports to France in FY 2023-24. **Petroleum Products** had occupied 17.19% share of India's total exports to France in FY2023-24.

b. **(i) Aircraft Spacecraft And Parts (ii) Electric Machinery And Equipments** and **(iii) Medical And Scientific Instruments** had occupied the top three slots in India's imports list from France in the year 2023-24, India had imported a significant amount of **Aircraft Spacecraft And Parts** from France with a share of 20.54% of total imports from France recorded in 2023-24.

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**TABLE - 2**  
**FRANCE'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE**  
**BETWEEN 2019- 2023**

(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
2019	556364		643208		1,199,572		-86844
2020	487987	-12.29	580806	-9.70	1,068,793	-10.90	-92819
2021	585396	19.96	715859	23.25	1,301,255	21.75	-130463
2022	618299	5.62	819398	14.46	1,437,697	10.49	-201099
2023	640201	3.54	777132	-5.16	1,417,333	-1.42	-136931

<b>Annual Growth Rate</b>	<b>Compound</b>		
	<b>3.57</b>	<b>4.84</b>	<b>4.26</b>

**NOTE :** Figures relate to calendar year (January to December)

**SOURCE :** UN COMTRADE PUBLICATION

**Figure - 1**

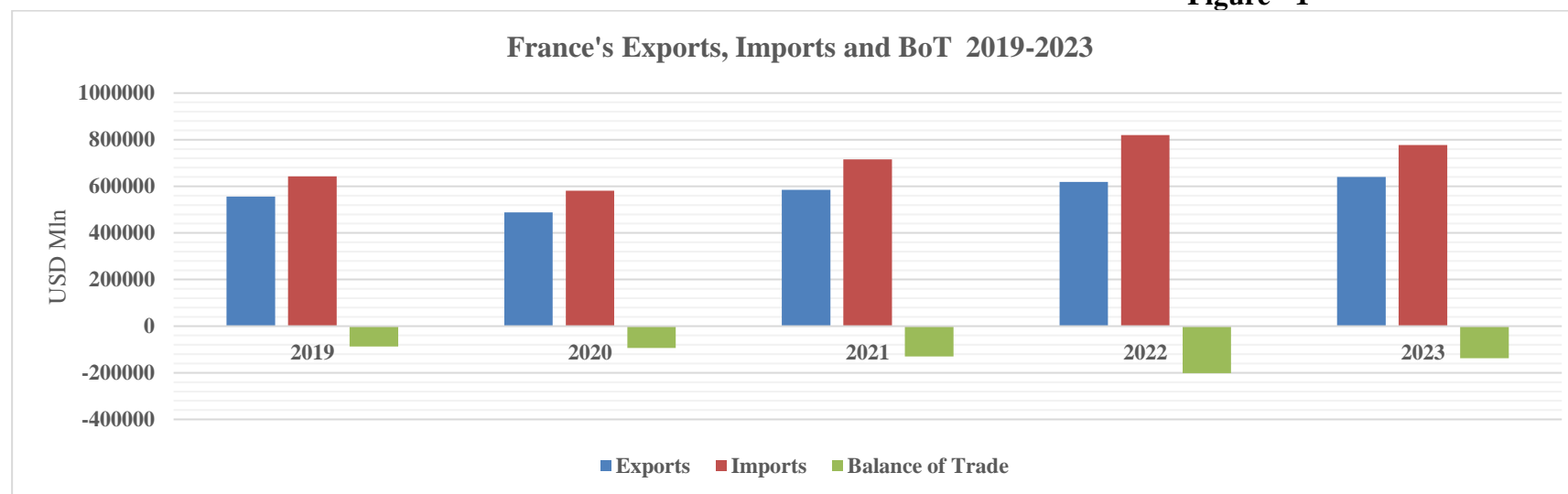




TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO FRANCE  
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
<b>1</b>	<b>Petroleum Products</b>	<b>575.16</b>	<b>294.76</b>	<b>774.99</b>	<b>1291.41</b>	<b>1228.03</b>	<b>-48.75</b>	<b>162.92</b>	<b>66.64</b>	<b>-4.91</b>
	Share in total export	11.28	6.16	11.67	16.97	17.19				
<b>2</b>	<b>Electric Machinery And Equipments</b>	<b>297.05</b>	<b>273.66</b>	<b>550.30</b>	<b>795.34</b>	<b>583.55</b>	<b>-7.87</b>	<b>101.09</b>	<b>44.53</b>	<b>-26.63</b>
	Share in total export	5.82	5.72	8.28	10.45	8.17				
<b>3</b>	<b>Drug Formulations Biologicals</b>	<b>223.38</b>	<b>196.85</b>	<b>400.25</b>	<b>435.89</b>	<b>526.35</b>	<b>-11.88</b>	<b>103.33</b>	<b>8.90</b>	<b>20.75</b>
	Share in total export	4.38	4.11	6.02	5.73	7.37				
<b>4</b>	<b>RMG Cotton Including Accessories</b>	<b>371.01</b>	<b>304.10</b>	<b>387.09</b>	<b>415.29</b>	<b>364.21</b>	<b>-18.03</b>	<b>27.29</b>	<b>7.29</b>	<b>-12.30</b>
	Share in total export	7.27	6.35	5.83	5.46	5.10				
<b>5</b>	<b>Telecom Instruments</b>	<b>51.16</b>	<b>148.49</b>	<b>146.48</b>	<b>263.76</b>	<b>269.03</b>	<b>190.25</b>	<b>-1.35</b>	<b>80.07</b>	<b>2.00</b>
	Share in total export	1.00	3.10	2.20	3.47	3.77				
<b>6</b>	<b>Aircraft Spacecraft And Parts</b>	<b>165.80</b>	<b>189.89</b>	<b>198.35</b>	<b>191.71</b>	<b>201.39</b>	<b>14.53</b>	<b>4.46</b>	<b>-3.35</b>	<b>5.05</b>
	Share in total export	3.25	3.97	2.99	2.52	2.82				
<b>7</b>	<b>Gold And Other Precs. Metl. Jewellery</b>	<b>95.30</b>	<b>94.87</b>	<b>144.44</b>	<b>183.54</b>	<b>167.54</b>	<b>-0.45</b>	<b>52.25</b>	<b>27.07</b>	<b>-8.72</b>
	Share in total export	1.87	1.98	2.17	2.41	2.35				
<b>8</b>	<b>Electronic Components</b>	<b>122.73</b>	<b>105.13</b>	<b>129.31</b>	<b>130.06</b>	<b>143.58</b>	<b>-14.34</b>	<b>23.00</b>	<b>0.58</b>	<b>10.40</b>
	Share in total export	2.41	2.20	1.95	1.71	2.01				
<b>9</b>	<b>Products Of Iron And Steel</b>	<b>146.96</b>	<b>119.75</b>	<b>156.67</b>	<b>160.27</b>	<b>141.10</b>	<b>-18.52</b>	<b>30.83</b>	<b>2.30</b>	<b>-11.96</b>
	Share in total export	2.88	2.50	2.36	2.11	1.97				
<b>10</b>	<b>RMG Of Other Textile Meterials</b>	<b>117.95</b>	<b>93.86</b>	<b>117.26</b>	<b>141.48</b>	<b>137.14</b>	<b>-20.42</b>	<b>24.93</b>	<b>20.65</b>	<b>-3.07</b>
	Share in total export	2.31	1.96	1.76	1.86	1.92				
	<b>Total export to FRANCE</b>	<b>5100.65</b>	<b>4786.03</b>	<b>6643.72</b>	<b>7611.94</b>	<b>7144.56</b>	<b>-6.17</b>	<b>38.81</b>	<b>14.57</b>	<b>-6.14</b>

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

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

**TABLE -5**  
**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM FRANCE**  
**2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
<b>1</b>	<b>Aircraft Spacecraft And Parts</b>	<b>2618.63</b>	<b>1117.39</b>	<b>411.24</b>	<b>370.11</b>	<b>930.32</b>	<b>-57.33</b>	<b>-63.20</b>	<b>-10.00</b>	<b>151.36</b>
	Share in total import	67.49	41.59	13.13	8.88	20.54				
<b>2</b>	<b>Electric Machinery And Equipments</b>	<b>251.22</b>	<b>251.22</b>	<b>523.69</b>	<b>611.00</b>	<b>1127.28</b>	<b>0.00</b>	<b>108.46</b>	<b>16.67</b>	<b>84.50</b>
	Share in total import	6.47	9.35	16.72	14.66	24.89				
<b>3</b>	<b>Medical And Scientific Instruments</b>	<b>164.76</b>	<b>204.35</b>	<b>119.82</b>	<b>182.72</b>	<b>229.72</b>	<b>24.03</b>	<b>-41.37</b>	<b>52.50</b>	<b>25.72</b>
	Share in total import	4.25	7.61	3.82	4.38	5.07				
<b>4</b>	<b>Electronics Components</b>	<b>146.23</b>	<b>163.64</b>	<b>169.79</b>	<b>201.53</b>	<b>210.15</b>	<b>11.91</b>	<b>3.76</b>	<b>18.69</b>	<b>4.28</b>
	Share in total import	3.77	6.09	5.42	4.84	4.64				
<b>5</b>	<b>Petroleum Products</b>	<b>121.51</b>	<b>195.96</b>	<b>164.31</b>	<b>410.36</b>	<b>187.43</b>	<b>61.27</b>	<b>-16.15</b>	<b>149.75</b>	<b>-54.33</b>
	Share in total import	3.13	7.29	5.24	9.85	4.14				
<b>6</b>	<b>Indl. Machinery For Dairy Etc.</b>	<b>170.94</b>	<b>134.94</b>	<b>175.83</b>	<b>194.49</b>	<b>186.36</b>	<b>-21.06</b>	<b>30.30</b>	<b>10.61</b>	<b>-4.18</b>
	Share in total import	4.41	5.02	5.61	4.67	4.11				
<b>7</b>	<b>Residual Chemical And Allied Products</b>	<b>139.43</b>	<b>120.72</b>	<b>124.16</b>	<b>152.99</b>	<b>171.12</b>	<b>-13.42</b>	<b>2.85</b>	<b>23.22</b>	<b>11.85</b>
	Share in total import	3.59	4.49	3.96	3.67	3.78				
<b>8</b>	<b>Electronics Instruments</b>	<b>172.33</b>	<b>120.27</b>	<b>126.84</b>	<b>129.47</b>	<b>138.63</b>	<b>-30.21</b>	<b>5.46</b>	<b>2.07</b>	<b>7.07</b>
	Share in total import	4.44	4.48	4.05	3.11	3.06				
<b>9</b>	<b>Plastic Raw Materials</b>	<b>92.16</b>	<b>107.37</b>	<b>129.63</b>	<b>130.81</b>	<b>127.36</b>	<b>16.50</b>	<b>20.73</b>	<b>0.91</b>	<b>-2.64</b>
	Share in total import	2.38	4.00	4.14	3.14	2.81				
<b>10</b>	<b>Cosmetic And Toiletries</b>	<b>69.80</b>	<b>51.77</b>	<b>63.53</b>	<b>77.68</b>	<b>121.67</b>	<b>-25.83</b>	<b>22.72</b>	<b>22.27</b>	<b>56.63</b>
	Share in total import	1.80	1.93	2.03	1.86	2.69				
	<b>Total export to FRANCE</b>	<b>3880.30</b>	<b>2686.43</b>	<b>3132.78</b>	<b>4167.56</b>	<b>4529.66</b>	<b>-30.77</b>	<b>16.61</b>	<b>33.03</b>	<b>8.69</b>

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

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