

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&S DATED 20-03-2024 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. 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. This report emphasises on India-France trade relations, inter-alia. As per available data from DGC&S database India and France have observable bilateral (goods) trade relations primarily in the form of India's exports to and imports from France. There has been observable positive incremental change in India's export to France in recent years of 2021-22 and 2022-23.

2. France has a mixed market economy, characterised by sizeable government involvement, and economic diversity. For roughly two centuries, the French economy has consistently ranked among the ten largest economic globally. France has historically been one of the world's major agricultural centres and remains a "global agricultural powerhouse". As per available report of IMF Executive Board Concludes 2022 Article IV Consultation with France January 30, 2023, France saw a robust recovery from the Covid-19 shock but later faced the repercussions of Russia's war in Ukraine. In 2021, output rebounded by 6.8 percent and recovered to pre-crisis levels. The recovery was broad-based and faster than in most other European countries. As per European forecast for France, in 2024 GDP of France is expected to grow moderately by 0.9% annually. Net exports are set to have limited contribution to growth with strong exports growth offset by rising imports as domestic demand expands.

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 stat.

4. France's total exports to the world in 2018 were of the order of US\$ 568,536 million. It has scaled upto US\$ 618,299 million in 2022. Exports from France had steeply increased by 19.96% over 2020 followed by 5.62% rise in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of exports was 2.12%.

5. France's total imports in 2018 were of the order of US\$ 659,375 million and which had touched US\$ 819,398 million mark in 2022 with a 23.25% jump in the year 2021 over 2020 followed by 14.46 rise in 2022 over 2021. During the period from 2018 to 2022, the annual average compound rate of growth of Imports was 5.58%.

6. France runs an overall Balance of Trade deficit from 2018 to 2022 and that has scaled up to USD - 201,099 million in 2022. During the period from 2018 to 2022, the annual average compound rate of growth of total volume of trade was 4.02%.

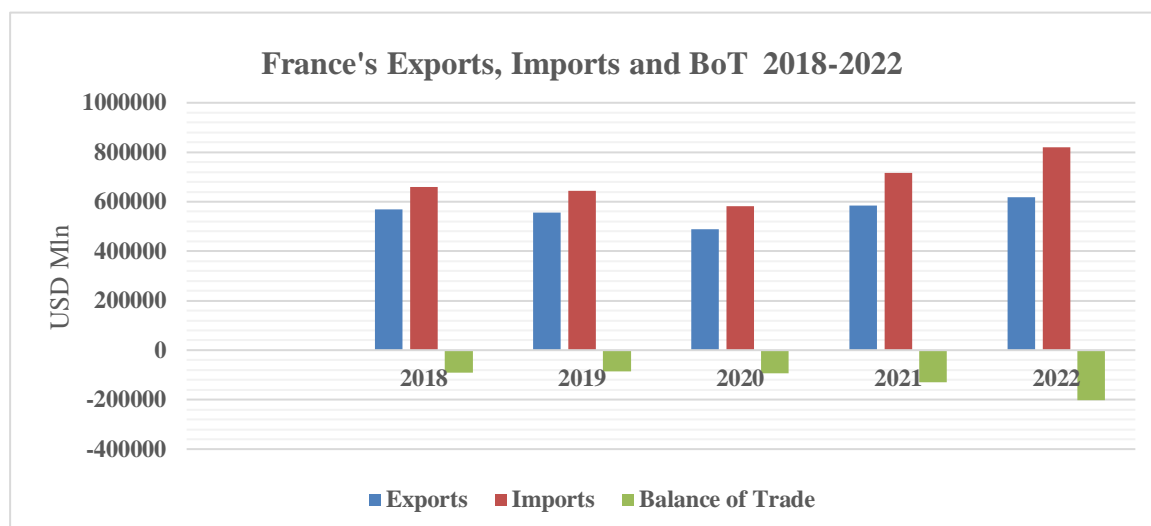
A snapshot of France’s overall Trade Statistics is presented in **Table 1** and **Figure 1** below.

TABLE - 1
FRANCE'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE
AND BALANCE OF TRADE BETWEEN 2018 TO 2022
(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
2018	568536		659375		12,27,911		-90839
2019	556364	-2.14	643208	-2.45	11,99,572	-2.31	-86844
2020	487987	-12.29	580806	-9.70	10,68,793	-10.90	-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
Annual Compound Growth Rate		2.12		5.58		4.02	

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 important bilateral investment ties and trade and commercial cooperation. Both countries have maintained significant relations in various sectors and are working towards achieving new heights in trade and economic relations. France ranked 19th as an export destination with France in FY 2022-23. Well as 1.68 % of India's total export value in FY2022-23. In the same financial year imports from France was 0.86% of India's total import value. France ranked 27th as import partner of India in FY 2022-23.

8. Indo-France total volume of bilateral trade in FY 2018-19 was of the order of US\$ 11,901.06 million. It has scaled upto US\$ 13,812.99 million in FY 2022-23. The annual compound growth rate of total volume of trade during the period from 2018-19 to 2022-23 has been of the order of 3.79% and the trade balance (surplus) position has favoured India highlighting export dynamics between the two nations.

9. Exports from India to France increased steeply by 38.81% in FY2021-22 followed by another 14.57% increase in FY 2022-23. The annual average compound rate of growth of Exports was 9.81%. On the other hand, imports from France to India increased by 33.13% in FY 2021-22 followed by 7.25% rise in 2022-23. During the period from 2018-19 to 2022-23, the annual average compound rate of growth of imports was -1.79% due to substantial decline in 2020-21.

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

TABLE - 2
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. FRANCE
FY 2018-2019 to 2022-2023

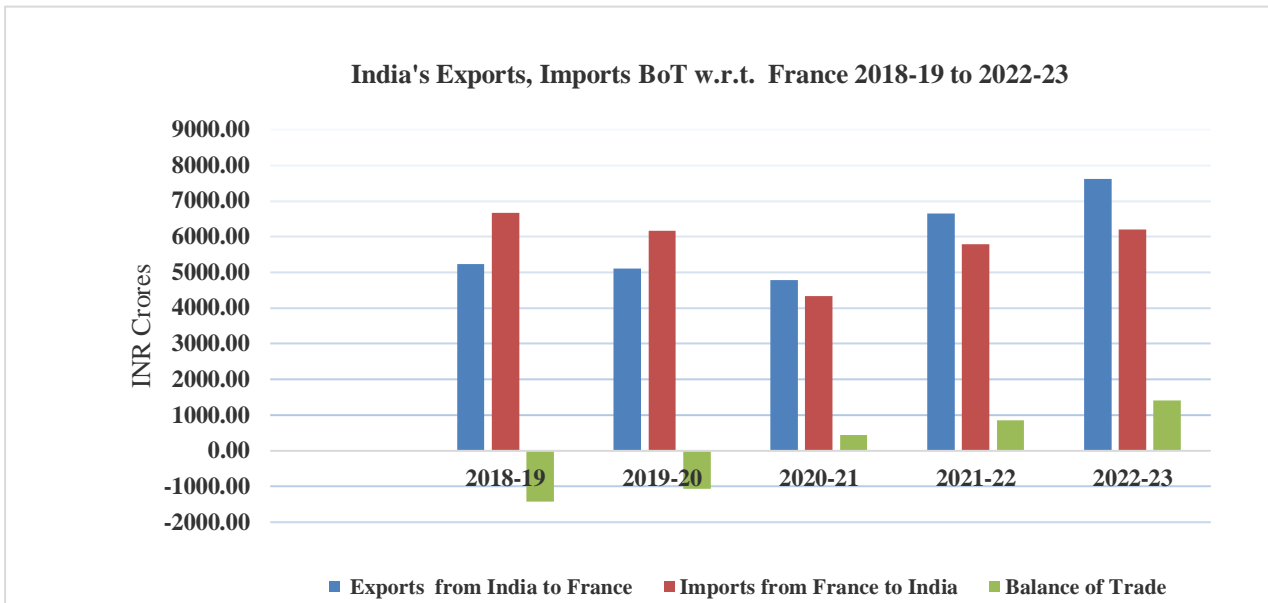
(Value in USD Million)

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
2018-19	5235.39		6665.67		11901.06		-1430.28
2019-20	5100.65	-2.57	6168.82	-7.45	11269.47	-5.31	-1068.17
2020-21	4786.03	-6.17	4343.22	-29.59	9129.25	-18.99	442.81
2021-22	6643.71	38.81	5782.10	33.13	12425.81	36.11	861.61
2022-23	7611.94	14.57	6201.05	7.25	13812.99	11.16	1410.89
Annual Compound Growth Rate		9.81		-1.79		3.79	

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

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

Figure 2



10. Additionally, from Tables 3 & 4 presented below the following are stated:

a. **Petroleum Products, Electric Machinery and Equipments and Drugs Formulations, Biologicals** have occupied the top three slots in India’s exports to France in the year 2022-23. Petroleum Products has occupied the 16.97% share of export value India to France.

b. **Aircraft, Spacecraft and Parts, Electric Machinery and Equipments and Petroleum Products** are the three major commodities in India’s imported list from France in the year 2022-23, India imported **Aircraft, Spacecraft and Parts**, from France with a share of 35.25% of total imports from France recorded in 2022-23.

TABLE -3
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO FRANCE
2018-2019 TO 2022-2023 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22
1	Petroleum Products	556.74	575.16	294.76	774.99	1291.41	3.31	-48.75	162.92	66.64
	Share in total export	10.63	11.28	6.16	11.67	16.97				
2	Electric Machinery And Equipments	261.64	297.05	273.66	500.30	795.40	13.53	-7.87	82.82	58.98
	Share in total export	5.00	5.82	5.72	7.53	10.45				
3	Drugs Formulations Biologicals	179.32	223.38	296.85	400.25	435.89	24.57	32.89	34.83	8.90
	Share in total export	3.43	4.38	6.20	6.02	5.73				
4	RMG Cotton Including Accessories	447.27	371.01	304.10	387.09	415.29	-17.05	-18.03	27.29	7.29
	Share in total export	8.54	7.27	6.35	5.83	5.46				
5	Telecom Instruments	16.58	51.16	148.49	146.48	263.76	208.56	190.25	-1.35	80.07
	Share in total export	0.32	1.00	3.10	2.20	3.47				
6	Aircraft, Spacecraft And Parts	23.52	165.80	189.89	198.35	191.71	604.93	14.53	4.46	-3.35
	Share in total export	0.45	3.25	3.97	2.99	2.52				
7	Gold And Other Precs Metl Jewelry.	70.49	95.30	94.87	144.44	183.54	35.20	-0.45	52.25	27.07
	Share in total export	1.35	1.87	1.98	2.17	2.41				
8	Products Of Iron And Steel	146.63	146.96	119.75	156.67	160.27	0.23	-18.52	30.83	2.30
	Share in total export	2.80	2.88	2.50	2.36	2.11				
9	RMG Of Other Textile Materials	120.36	117.95	93.86	117.26	141.48	-2.00	-20.42	24.93	20.65
	Share in total export	2.30	2.31	1.96	1.76	1.86				
10	Footwear Of Leather	168.34	152.42	126.14	136.45	141.16	-9.46	-17.24	8.17	3.45
	Share in total export	3.22	2.99	2.64	2.05	1.85				
	Total export to FRANCE	5235.39	5100.65	4786.03	6643.71	7611.94	-2.57	-6.17	38.81	14.57

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

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

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM FRANCE
2018-2019 TO 2022-2023 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22
1	Aircraft, Spacecraft And Parts	3832.94	2618.63	117.39	2146.36	2186.02	-31.68	-95.52	1728.40	1.85
	Share in total imports	57.50	42.45	2.70	37.12	35.25				
2	Electric Machinery And Equipments	289.44	516.94	251.22	523.69	611.00	78.60	-51.40	108.46	16.67
	Share in total imports	4.34	8.38	5.78	9.06	9.85				
3	Petroleum Products	91.15	121.51	195.96	164.31	410.36	33.31	61.27	-16.15	149.75
	Share in total imports.	1.37	1.97	4.51	2.84	6.62				
4	Electronic Components	141.29	146.23	163.64	169.79	201.53	3.50	11.91	3.76	18.69
	Share in total import	2.12	2.37	3.77	2.94	3.25				
5	Indl. Machinery For Dairy Etc.	185.96	170.94	134.97	175.83	194.49	-8.08	-21.04	30.27	10.61
	Share in total import	2.79	2.77	3.11	3.04	3.14				
6	Medical And Scientific Instruments	124.26	164.76	204.35	119.82	182.72	32.59	24.03	-41.37	52.50
	Share in total import	1.86	2.67	4.71	2.07	2.95				
7	Iron And Steel	123.18	94.67	140.54	122.44	167.31	-23.14	48.45	-12.88	36.65
	Share in total import	1.85	1.53	3.24	2.12	2.70				
8	Residual Chemicals And Allied Prod.	138.07	139.43	120.37	124.16	152.99	0.99	-13.67	3.15	23.22
	Share in total import	2.07	2.26	2.77	2.15	2.47				
9	Plastic Raw Materials	89.55	92.16	107.37	129.63	130.81	2.91	16.50	20.73	0.91
	Share in total import	1.34	1.49	2.47	2.24	2.11				
10	Electronic Instruments	142.79	172.33	120.27	126.84	129.81	20.69	-30.21	5.46	2.34
	Share in total import	2.14	2.79	2.77	2.19	2.09				
	Total import from FRANCE	6665.67	6168.82	4343.22	5782.10	6201.05	-7.45	-29.59	33.13	7.25

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

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

Rights of permission for reproduction in part or entirely of these official papers published in the Indian Trade Journal is reserved by the Directorate General of Commercial Intelligence & Statistics, Kolkata – 700 107.