

ISO CONGRESS 2010
ECONOMIC REPORT FRANCE

In 2009:

- Annual rate of inflation : 0.9 %
- Annual rate of GNP : - 2,5 %, in decreasing compare to 2008.
Forecast 2010: +1.1 %
- Unemployment rate: 9.6 %. Forecast for end of 2010 : 10,1 %

Building activity

Recession of building activity is -7.8 % (turnover) in 2009. We forecast 2010: - 3.2 %.

The volume of the authorizations to build is – 18.5% compare with 2008 and – 16.4% for number of housing starts.

More particularly, the decrease is 18.4 % for shops' construction in 2009 and 33.7 % for offices building.

2009 building activity's employment is characterized by a reversal of tendency with a loss of 50 000 jobs, of which half of temporary workers.

Balance sheet 2009 between companies' creations and failures is positive, but it is due to the creation of very small companies with status of "auto-entrepreneur" ("self-boss") (54 % of new business start-ups with only one employee).

Fitting activity

Year 2009 was bad. Turnovers and profits were in decrease for more than 70 % of companies. It is frequently 20 % turnover reduction by comparison with 2008 good year.

The activity of the 1st quarter 2010 shows itself slightly better than in 4th quarter 2009, by the way perspectives for next month are not very optimistic.

Several companies of fitting, which had an important activity in cruise vessels, do not have orders anymore. Activity of shipyards is very reduced, with no order for cruise's boat.

Shops: Many network stores reduced new investments looking forward for a better economic situation, quite particularly clothing stores.

However situations of companies are contrasted: actually some have a good level of activities and others a lack of work.

Nevertheless, we did not notice, for the moment, many failures of fitting companies.

The level of the sale prices is decreasing a lot, and the competition is much more aggressive. But purchase prices for materials or services of subcontracting are going down also.

The overall level of hiring is virtually nil. Some shop-fitters dismissed some employees, or plan to make it soon, to face up to crisis.