

## ECONOMIC REPORT FRANCE

### General economy in 2010:

- Rate of inflation : + 1,5 %
- Rate of GNP : + 1,5 %
- Unemployment rate: 9,2 %.

### Building activity

#### Housing

Building authorizations: + 12 %

Housing starts: - 8 %

A net improvement compared to 2009.

#### Shops

Authorizations to build: + 0,4 %

Shops starts: - 1 %

Stagnation compared to 2009

#### Offices building

Authorizations to build: - 6 %

Offices starts: - 17 %

Situation worse than last year

In term of employment in the building sector, 2010 is better than 2009 with an improvement of 17 000 jobs (-50 000 in 2009).

Creations of new companies in the building sector are in progress and failures are declining.

For beginning of 2011, the order books of businesses recorded a gradual resumption of activity, but the price level remains low, weakening the companies.

### Shopfitting activity

After bad results for 2009, we noticed an improvement of the shopfitting activity in 2010

However, the activity was very variable according to companies and markets.

An half of shopfitting's companies have an order book which does not exceed 2 months, which is low, and some start sites is shifted a few months.

Companies cash flow are maintained, but a few companies have experienced difficulties in 2010 and had to lay off staff, which had not happened long ago.

The prices of raw materials are booming, even with an exchange rate in favour of the euro.

The level of the sale prices is low, competition between companies is very hard.

But in recent weeks, the order books tend to increase.

2011 should have a good growth, particularly for shops development and refurbishment.

In all cases, we expect a growing market for the next 3 years.

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