

## COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&S 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 DGC&S database India and France have noticeable bilateral trade relations. It has been observed that India's total export value with France has been 1.82% of India's 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 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. Despite a recovery slowdown in 2023, the French economy 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 selected economic indicators is as under.

**TABLE - 1**

| <b>France: Selected Economic Indicators, 2021-26</b> |       |       |       |            |       |       |
|--|-------|-------|-------|------------|-------|-------|
| (Annual percentage change, unless noted otherwise)   |       |       |       |            |       |       |
|  | 2021  | 2022  | 2023  | 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 (USD billion)                               | 101.7 | 100.4 | ...   | ...   | ...   | ...   |
| <b>Exchange rates</b>   |       |       |       |       |       |       |
| Euro per USD, 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. |       |       |       |       |       |       |

## 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 of an unladen weight, (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 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 touched USD 762,045 million mark 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 declined from USD -92,819 million in 2020 to USD -116,086 million in 2024 and maximum was USD -201,099 million 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**

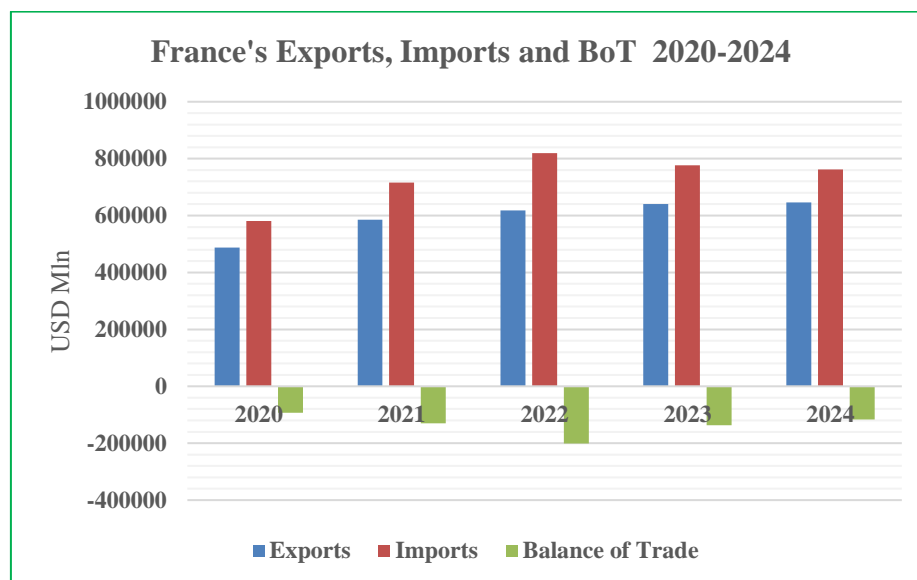
**7.03**

**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 and share deep and enduring Strategic Partnership (SP) covering all aspects of bilateral cooperation which involves a strategic component. 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 crossing USD 8 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 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 1.00% 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 had 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 2020-21 to 2024-25 had 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. 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. 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 2020-21 to 2024-25

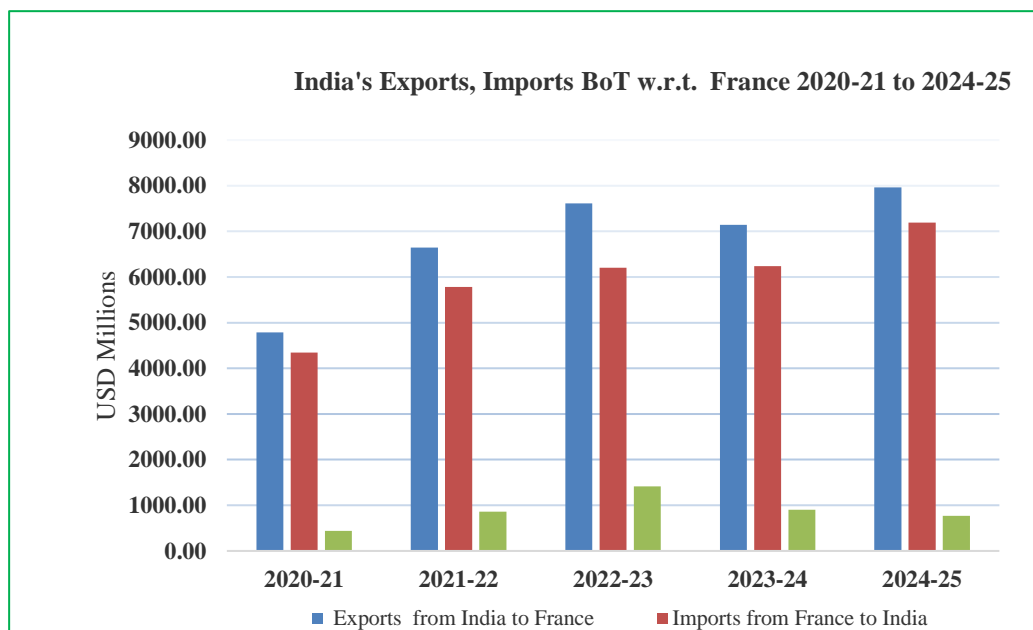
| (Value in USD Million) |                              |                              |                              |                              |                 |                                    |                  |
|------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------|------------------------------------|------------------|
| 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                        | 15148.55        | 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 2024-25.

**TABLE – 4**

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO FRANCE  
2020-21 TO 2024-25 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 |
| <b>1</b>  | <b>Petroleum Products</b>                    | <b>294.76</b>    | <b>774.99</b>  | <b>1291.41</b> | <b>1228.03</b> | <b>1145.00</b> | <b>162.92</b>       | <b>66.64</b>       | <b>-4.91</b>       | <b>-6.76</b>       |
|           | Share in total export                        | 6.16             | 11.67          | 16.97          | 17.19          | 14.38          |                     |                    |                    |                    |
| <b>2</b>  | <b>Aircraft Spacecraft and Parts</b>         | <b>189.89</b>    | <b>198.35</b>  | <b>191.71</b>  | <b>201.39</b>  | <b>747.18</b>  | <b>4.46</b>         | <b>-3.35</b>       | <b>5.05</b>        | <b>271.01</b>      |
|           | Share in total export                        | 3.97             | 2.99           | 2.52           | 2.82           | 9.39           |                     |                    |                    |                    |
| <b>3</b>  | <b>Drug Formulations Biologicals</b>         | <b>196.85</b>    | <b>400.25</b>  | <b>435.89</b>  | <b>526.35</b>  | <b>577.52</b>  | <b>103.33</b>       | <b>8.90</b>        | <b>20.75</b>       | <b>9.72</b>        |
|           | Share in total export                        | 4.11             | 6.02           | 5.73           | 7.37           | 7.26           |                     |                    |                    |                    |
| <b>4</b>  | <b>Electric Machinery and Equipments</b>     | <b>273.66</b>    | <b>550.30</b>  | <b>795.40</b>  | <b>583.55</b>  | <b>487.71</b>  | <b>101.09</b>       | <b>44.54</b>       | <b>-26.63</b>      | <b>-16.42</b>      |
|           | Share in total export                        | 5.72             | 8.28           | 10.45          | 8.17           | 6.13           |                     |                    |                    |                    |
| <b>5</b>  | <b>RMG Cotton Including Accessories</b>      | <b>304.10</b>    | <b>387.09</b>  | <b>415.29</b>  | <b>364.21</b>  | <b>366.89</b>  | <b>27.29</b>        | <b>7.29</b>        | <b>-12.30</b>      | <b>0.74</b>        |
|           | Share in total export                        | 6.35             | 5.83           | 5.46           | 5.10           | 4.61           |                     |                    |                    |                    |
| <b>6</b>  | <b>Telecom Instruments</b>                   | <b>148.49</b>    | <b>146.48</b>  | <b>263.76</b>  | <b>269.03</b>  | <b>355.64</b>  | <b>-1.35</b>        | <b>80.07</b>       | <b>2.00</b>        | <b>32.19</b>       |
|           | Share in total export                        | 3.10             | 2.20           | 3.47           | 3.77           | 4.47           |                     |                    |                    |                    |
| <b>7</b>  | <b>Gold and Other Precs. Metl. Jewellery</b> | <b>94.87</b>     | <b>144.44</b>  | <b>183.54</b>  | <b>167.54</b>  | <b>196.52</b>  | <b>52.25</b>        | <b>27.07</b>       | <b>-8.72</b>       | <b>17.30</b>       |
|           | Share in total export                        | 1.98             | 2.17           | 2.41           | 2.35           | 2.47           |                     |                    |                    |                    |
| <b>8</b>  | <b>Electronic Components</b>                 | <b>105.13</b>    | <b>129.31</b>  | <b>130.06</b>  | <b>143.58</b>  | <b>168.49</b>  | <b>23.00</b>        | <b>0.58</b>        | <b>10.40</b>       | <b>17.35</b>       |
|           | Share in total export                        | 2.20             | 1.95           | 1.71           | 2.01           | 2.12           |                     |                    |                    |                    |
| <b>9</b>  | <b>Organic Chemical and Allied Products</b>  | <b>78.97</b>     | <b>156.67</b>  | <b>113.19</b>  | <b>136.35</b>  | <b>157.51</b>  | <b>98.39</b>        | <b>-27.75</b>      | <b>20.46</b>       | <b>15.52</b>       |
|           | Share in total export                        | 1.65             | 2.36           | 1.49           | 1.91           | 1.98           |                     |                    |                    |                    |
| <b>10</b> | <b>Cotton Fabrics, Madeups Etc.</b>          | <b>103.52</b>    | <b>146.03</b>  | <b>134.17</b>  | <b>128.43</b>  | <b>152.91</b>  | <b>41.06</b>        | <b>-8.12</b>       | <b>-4.28</b>       | <b>19.06</b>       |
|           | Share in total export                        | 2.16             | 2.20           | 1.76           | 1.80           | 1.92           |                     |                    |                    |                    |
|           | <b>Total export to FRANCE</b>                | <b>4786.03</b>   | <b>6643.72</b> | <b>7611.94</b> | <b>7144.56</b> | <b>7959.90</b> | <b>38.81</b>        | <b>14.57</b>       | <b>-6.14</b>       | <b>11.41</b>       |

**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  
2020-21 TO 2024-25 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 |
| <b>1</b>  | <b>Aircraft Spacecraft and Parts</b>         | <b>1117.39</b>   | <b>2146.36</b> | <b>2186.02</b> | <b>1634.17</b> | <b>2436.00</b> | <b>92.09</b>        | <b>1.85</b>        | <b>-25.24</b>      | <b>49.07</b>       |
|           | Share in total import                        | 25.73            | 37.12          | 35.25          | 26.19          | 33.89          |                     |                    |                    |                    |
| <b>2</b>  | <b>Electric Machinery and Equipments</b>     | <b>251.22</b>    | <b>523.69</b>  | <b>611.00</b>  | <b>1127.28</b> | <b>858.87</b>  | <b>108.46</b>       | <b>16.67</b>       | <b>84.50</b>       | <b>-23.81</b>      |
|           | Share in total import                        | 5.78             | 9.06           | 9.85           | 18.07          | 11.95          |                     |                    |                    |                    |
| <b>3</b>  | <b>Medical and Scientific Instruments</b>    | <b>204.35</b>    | <b>119.82</b>  | <b>182.72</b>  | <b>229.72</b>  | <b>278.76</b>  | <b>-41.37</b>       | <b>52.50</b>       | <b>25.72</b>       | <b>21.35</b>       |
|           | Share in total import                        | 4.71             | 2.07           | 2.95           | 3.68           | 3.88           |                     |                    |                    |                    |
| <b>4</b>  | <b>Indl. Machinery For Dairy Etc.</b>        | <b>134.97</b>    | <b>175.83</b>  | <b>194.49</b>  | <b>186.36</b>  | <b>271.09</b>  | <b>30.27</b>        | <b>10.61</b>       | <b>-4.18</b>       | <b>45.47</b>       |
|           | Share in total import                        | 3.11             | 3.04           | 3.14           | 2.99           | 3.77           |                     |                    |                    |                    |
| <b>5</b>  | <b>Electronics Components</b>                | <b>163.64</b>    | <b>169.79</b>  | <b>201.53</b>  | <b>210.15</b>  | <b>250.32</b>  | <b>3.76</b>         | <b>18.69</b>       | <b>4.28</b>        | <b>19.11</b>       |
|           | Share in total import                        | 3.77             | 2.94           | 3.25           | 3.37           | 3.48           |                     |                    |                    |                    |
| <b>6</b>  | <b>Iron and Steel</b>                        | <b>140.54</b>    | <b>122.44</b>  | <b>167.31</b>  | <b>81.08</b>   | <b>205.30</b>  | <b>-12.88</b>       | <b>36.65</b>       | <b>-51.54</b>      | <b>153.21</b>      |
|           | Share in total import                        | 3.24             | 2.12           | 2.70           | 1.30           | 2.86           |                     |                    |                    |                    |
| <b>7</b>  | <b>Electronics Instruments</b>               | <b>120.27</b>    | <b>126.84</b>  | <b>129.47</b>  | <b>138.63</b>  | <b>199.15</b>  | <b>5.46</b>         | <b>2.07</b>        | <b>7.07</b>        | <b>43.66</b>       |
|           | Share in total import                        | 2.77             | 2.19           | 2.09           | 2.22           | 2.77           |                     |                    |                    |                    |
| <b>8</b>  | <b>Residual Chemical and Allied Products</b> | <b>120.72</b>    | <b>124.16</b>  | <b>152.99</b>  | <b>171.12</b>  | <b>131.65</b>  | <b>2.85</b>         | <b>23.22</b>       | <b>11.85</b>       | <b>-23.07</b>      |
|           | Share in total import                        | 2.78             | 2.15           | 2.47           | 2.74           | 1.83           |                     |                    |                    |                    |
| <b>9</b>  | <b>Plastic Raw Materials</b>                 | <b>107.37</b>    | <b>129.63</b>  | <b>130.81</b>  | <b>127.36</b>  | <b>126.28</b>  | <b>20.73</b>        | <b>0.91</b>        | <b>-2.64</b>       | <b>-0.85</b>       |
|           | Share in total import                        | 2.47             | 2.24           | 2.11           | 2.04           | 1.76           |                     |                    |                    |                    |
| <b>10</b> | <b>Bulk Minerals and Ores</b>                | <b>12.74</b>     | <b>41.26</b>   | <b>39.76</b>   | <b>102.28</b>  | <b>117.94</b>  | <b>223.86</b>       | <b>-3.64</b>       | <b>157.24</b>      | <b>15.31</b>       |
|           | Share in total import                        | 0.29             | 0.71           | 0.64           | 1.64           | 1.64           |                     |                    |                    |                    |
|           | <b>Total import from FRANCE</b>              | <b>4343.22</b>   | <b>5782.10</b> | <b>6201.05</b> | <b>6238.99</b> | <b>7188.60</b> | <b>33.13</b>        | <b>7.25</b>        | <b>0.61</b>        | <b>15.22</b>       |

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

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

**“NOTICE”**

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